



GMR INFRASTRUCTURE LIMITED
17TH ANNUAL REPORT 2012-13



WHEN TODAY'S POTENTIAL LAYS TOMORROW'S FOUNDATIONS



Caution regarding forward-looking statements

This document contains statements about expected future events, financial and operating results of GMR Infrastructure Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer which is qualified in its entirety by the assumptions, and risk factors that are referred in the management's discussion and analysis of the GMR Infrastructure Limited Annual Report 2012-13.

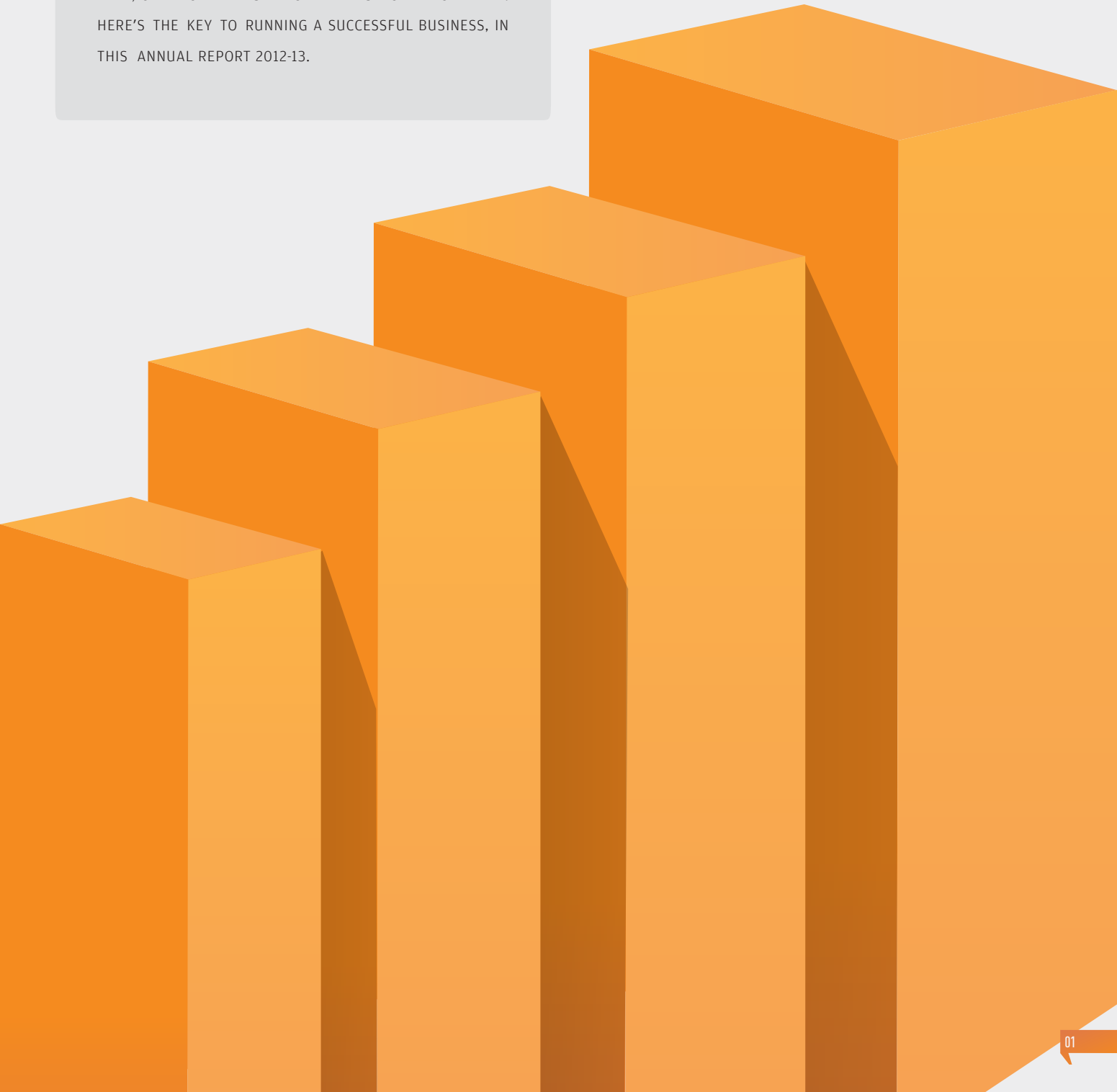
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PREFACE

HARD WORK, WE BELIEVE, IS THE ONLY SHORT CUT TO SUCCESS. AND BY FORMULATING A WINNING STRATEGY, WE UNLOCK THE HIDDEN POTENTIAL OF OUR ASSETS AND SET IT FREE, ONLY TO REINVEST IN ONE THAT'S MORE PROFITABLE. HERE'S THE KEY TO RUNNING A SUCCESSFUL BUSINESS, IN THIS ANNUAL REPORT 2012-13.



GENERAL INFORMATION

BOARD OF DIRECTORS

G. M. Rao Executive Chairman	K. R. Ramamoorthy Independent Director
B. V. N. Rao Managing Director (till July 27, 2013) Group Director (from July 28, 2013)	Dr. Prakash G Apte Independent Director
Srinivas Bommidala Group Director	R. S. S. L. N. Bhaskarudu Independent Director
G. B. S. Raju Group Director	N. C. Sarabeswaran Independent Director
Kiran Kumar Grandhi Group Director (till July 27, 2013) Managing Director (from July 28, 2013)	S. Sandilya Independent Director
K.V. V. Rao Director	Vijaya Mohan Ram Independent Director
O. Bangaru Raju Director	S. Rajagopal Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

C. P. Sounderarajan

AUDIT COMMITTEE

K. R. Ramamoorthy	- Chairman
N. C. Sarabeswaran	- Member
R. S. S. L. N. Bhaskarudu	- Member

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.: +91 80 40534000
Fax: +91 80 22279353
www.gmrgroup.in

SHAREHOLDERS' TRANSFER & GRIEVANCE COMMITTEE

K. R. Ramamoorthy	- Chairman
B. V. N. Rao	- Member
G. B. S. Raju	- Member

STATUTORY AUDITORS

S.R. Batliboi & Associates LLP
Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Pvt. Ltd.
No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081

VISION

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

Our commitment to building an institution for perpetuity is grounded on the following values and beliefs



Humility : We value intellectual modesty and dislike false pride and arrogance



Entrepreneurship : We seek opportunities they are everywhere



Teamwork and Relationships : Going beyond the individual and encouraging boundary less behaviour



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



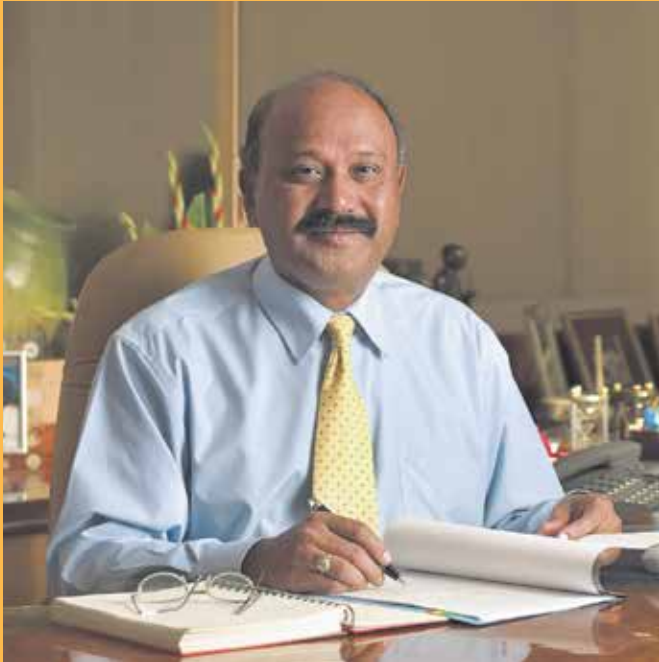
Learning : Nurturing active curiosity to question, share and improve



Social responsibility : Anticipating and meeting relevant and emerging needs of society



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



CHAIRMAN'S MESSAGE

“At GMR, our core purpose is to ensure that both business and institution are built simultaneously. We have created human capital, processes and technology to ensure a long-term outlook, robust governance mechanisms, value-centricity and spiritual strength among our leadership teams.”

Mr. G. M. Rao
Chairman

Dear Shareholders,

The year 2012-13 has been remarkable for the Company in more ways than one. Set against a background of a worsening Current Account Deficit coupled with rupee depreciation against the US dollar and euro, persistently high inflation and constrained liquidity in the domestic and global financial markets, most Indian enterprises have faced multiple and serious challenges.

Considering the above, I am happy to state that your Company has seen significant improvement in its airport sector, disinvested multiple stakes in the power and highways sectors, and evolved a new approach to raising capital.

Maiden Dividend

Our shareholders put lot of faith in the Company and stood by us through troubled times. In recognition of their loyalty, I am happy to inform that the Board is pleased to announce a maiden dividend of 10% for this year.

The substantial growth in gross revenue recorded by DIAL is the more significant in the backdrop of 4% net decline in the pan-India air traffic. Delhi and Hyderabad continue to getting recognised at a global level in the Airport Service Quality by being ranked fourth and second respectively by ACI in their respective categories. DIAL has become the world's first airport to achieve 'ISO 22301:2012' certification for its Business Continuity Management System and also received the International Safety Award from British Safety Council. Hyderabad airport received the Best Cargo Airport award by Air Cargo Agents Association of India. Our Sabiha Gokcen International Airport in

Istanbul was the only airport named under the 'super brands' of Turkey in that region.

Despite considerable external challenges, the 181.6 km Hyderabad – Vijayawada and 99 km Hungund – Hospet Highway projects were well commissioned in time, as also the 1st Unit of 300 MW of Warora and 1st Unit of 350 MW of Kamalanga power projects. These will result in a quantum increase in our revenue stream and cash flow.

Against these positive developments, one unfortunate event that occurred was the nationalization of Male' Airport where we were denied a fair treatment. We were compelled to take the matter to the courts of law and go in for compensation under the terms of contract. The matter is under arbitration and I remain optimistic about the eventual outcome.

Reviewing our portfolio and processes from time to time is an on-going exercise to ensure compliance with our strategy. After a careful review of the changed circumstances around the KUA highway project, we decided to give notice of termination. Our stand was appreciated by one and all including the Government. We presented an alternative business model to NHAI that would not only enable us to take up this project again, but also stimulate investment in the highways sector. We also exited the 58 km Thondapalli - Jadcherla Highway asset, Coal mines in South Africa as well as 800 MW Island Power, Singapore, at a healthy premium. Power, Singapore, at a healthy premium.

Macro-economic outlook & inherent volatility

The GMR Group has recognized that the environment has changed over the last few years, and will continue to be volatile in the foreseeable future. In this context, profitability and liquidity will prove to be the critical differentiators for sustained financial performance. These in turn will be driven by the ability to adapt and to proactively maintain a high quality portfolio.

As a result, the Group last year carried out an exhaustive analysis of the trends in the infrastructure sector. This analysis resulted in deep insights into the changes that can be expected over the next few years in the infrastructure sector, the financial ecosystem, and the economic environment. The results indicated that there is a need for proactive focus on operating cash flows and to develop a capital recycling mechanism. After analysing these in detail, the Group changed its strategic direction to an Asset Light – Asset Right (ALAR) approach.

The Asset Right strategy builds upon the Group's strengths as a developer, where it follows the principle of "Develop, Build, Create Value, Divest, and Reinvest". Through regular portfolio reviews, the Group identifies those assets which have already created maximum value, as well as those which are value eroding. Divesting these assets releases capital for better opportunities, and also improves the quality of its portfolio. This recycling approach insulates the Group from the volatility seen in the global equity markets and enables sustainable growth and profits.

The Asset Light approach will improve profitability and frees cash flows by 'sweating' of existing assets, i.e. achieving better operating efficiencies by increasing revenue and reducing cost. The Group will also use the knowledge base built over the past few years to invest in new opportunities with a low capex requirement.

We strongly believe that the appropriate combination of the above two will form a sustainable long term business model for Indian infrastructure developers.

We rigorously operationalized this strategy with multiple organizational initiatives, and ensuring a strong focus on profitability, cash flow and liquidity in our 3 year rolling Strategic Plans and Annual Operating Plans. Our Asset Right execution has resulted in the successful divestment of GMR stakes in Jadcherla (Highways), Island Power (Energy, Singapore) & Homeland Energy Group (Energy, South Africa). These have cumulatively released over Rs 1,800 crore of equity.

On the corporate front, our focus, among others, is on innovative measures to raise cost-effective funds and a drastic increase in operational efficiencies such as cost reduction, improvement of project management processes and shared services and process excellence. Our Business Excellence initiative has already resulted in operational savings of close-to Rs. 90 crore last year alone.

Value-based Governance

While building entrepreneurial institutions of lasting value that make difference to the lives of the people is the core philosophy at GMR, we did not lose sight

of the fact that organisations have several parallels with human beings... they breathe, they grow, they expand, they migrate, get sick and ultimately perish. And like human beings, only those organisations shall stand the test of time which are founded on sound values that have percolated into its operational practices.

In order to create a unique values based culture at GMR, the management has taken up several initiatives for value assimilation and demonstration transcending the work place and interactions with stakeholders. One of such initiatives was "Leader Led Sessions" on the 7 identified values of the Group... starting with Humility. So far, 106 leaders have presided over such sessions for their teams covering about two thousand employees across the organization. They initiated discussions about the importance and impact of observance of values at personal level as well as in building institutional culture with the support of innovative learning modules developed by our Talent Management Group.

Public Advocacy Measures

Your Company has grown in stature and is invited by various government and business forums. It is our responsibility to present ideas and suggestions at policy level to ensure the healthy growth of infrastructure in our country.

Your Company is a member of high level committee for infrastructure finance, constituted by the Prime Minister's Office, chaired by Mr. Deepak Parekh.

In order to tackle the issues of power sector, the Association of Power

Producers, of which your Company is an active member, has made several representations at the Prime Minister's Office and all other concerned ministries. Business Chairman Mr. GBS Raju and I are members of the sub groups formed under the chairmanship of Power Minister. Some of the concepts being pursued are pooled price mechanism for gas and coal, and mechanism for coal linkages for upcoming power plants.

In the airports sector, especially in context of DIAL, your Company had been actively engaged with AERA to obtain the revision in aeronautical charges for the control period 2009-14 which were not revised for several years in the past. Going forward, we expect the tariff revision process to be streamlined well ahead of next control period in 2014 and without any adjustment or calibration for partial time during a control period.

Sector Outlooks

Airports

I am happy to note that the Indian airports sector now has a stable regulatory and appellate framework in place and working as intended.

The past year has been possibly a low point for the overall Aviation sector and things can only improve from now on. While air traffic remains a cause for concern with pan-India 2012 passenger traffic recording a net decline of 4% compared to 2011, I consider this decline to be of a temporary nature and not a systemic issue. In the long term, I am confident that India's economic might will prevail and favourable demographics will continue to drive demand for air travel both on domestic and international routes.

Energy

Ensuring a sustained supply of gas continues to be a challenge faced by the entire gas-based power plant sector. Needless to say, we are taking every step possible to safeguard our supplies and increase them proactively.

We are happy to state that this complete dependence on gas will come to an end with our coal-based power plants expected to come online during the ensuing financial year. Coupled with a robust backup plan for coal supply from our domestic linkages, imported coal and our own captive sources in Indonesia, we expect to significantly improve our Energy sector performance.

Urban Infrastructure & Highways

The entire Highways sector continues to face challenging times with issues such as land acquisition and regulatory and environmental clearances. However, we consider these to be transient issues and expect that they will be ironed out in due course. The last year's performance in highways reflects the cost of such challenges.

We believe that public private partnership is a must to build the roads the nation needs, and look forward to a refinement of the partnership model to ensure that it is a success for all stakeholders.

Looking Forward

In our journey ahead for the year 2013-14, 2nd Unit of 300 MW of Warora, 2nd and 3rd Units of 350 MW each of Kamalanga and 1st Unit of 685 MW of Chhattisgarh will be commissioned. 29.7 km Chennai Outer Ring Road will also get completed this year.

Today we live in a highly connected world, yet, in highly uncertain times. Despite all the challenges, our Group has succeeded to put itself in a strong position only due to its foundation of enduring business models and Institutional strengths of values and beliefs. Our recently launched new initiatives towards outsourcing of transactional and routine processes to drive process standardization, process efficiency, process improvement and cost reduction have been very successful.

In this journey, I would like to thank all of you, the GMR family of shareholders, for your solidarity and support. With your continued support and good wishes, I am sure, the Group will emerge fitter and stronger.

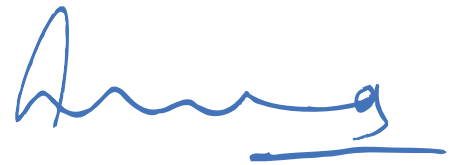
Coming to the macroeconomic and sector outlook, we remain committed to the Public-Private Partnership (PPP) model and will continue to seek out attractive projects that meet the ALAR strategy guidelines, both in India and globally. I look forward to the collective refinement of the PPP model to appropriately reflect the current economic volatility and intense pressure on financing typical infrastructure projects. While initiatives are already underway for allowing external financing, deepening corporate bond markets, and so on, the financing model itself will need to reinvent itself, potentially following global trends favouring pension funds, sovereign funds and private equity players. We look forward to significant policy initiatives by the governments in this field.

Acknowledgements

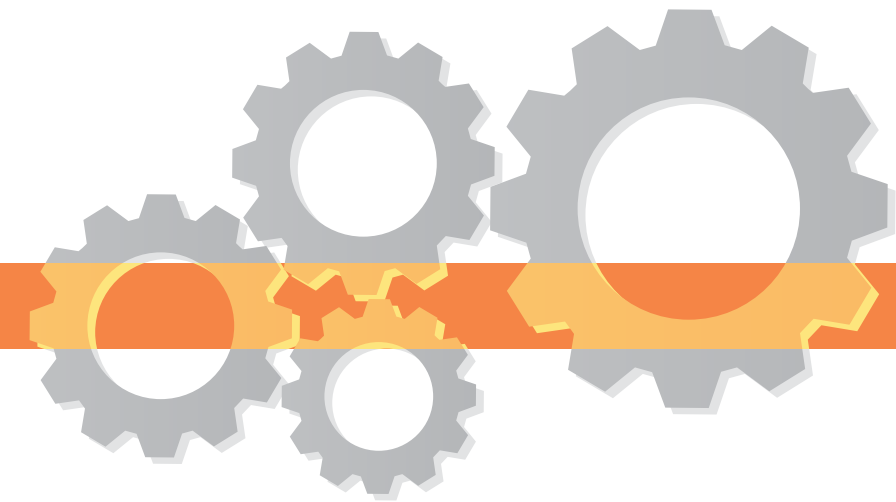
I express my sincere gratitude to our shareholders, investors, joint venture partners, banks and financial institutions

with whom we have enjoyed cordial 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 running of our 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.

With my very best regards,



G. M. Rao



A CASE FOR A DIFFERENT BUSINESS MODEL IN INFRASTRUCTURE

GMR transitions with Asset Light Asset Right

The emerging global volatility and uncertainty coupled with the lack of an institutionalized policy environment demand the Indian Infrastructure players to be more dynamic and adaptive than ever before.

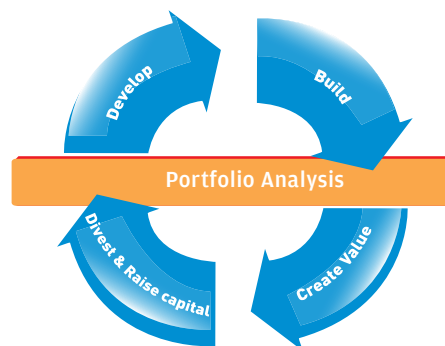
The above systemic volatility coupled with the massive investments projected (Rs. 55 trillion during the 12th Plan) for the infrastructure sector demands far-reaching changes in financing models.

As outlined in the 2011-12 Annual Report, your Company had recognized that the ability to rapidly and appropriately adapt to the intrinsically volatile world, proactively assess the quality of one's portfolio, profitability and liquidity will prove to be the critical differentiators for sustained financial performance.

Your company adopted the "Asset Light – Asset Right" (ALAR) strategy after a detailed analysis of the trends in the infrastructure sector. As part of ALAR strategy, your Company's focus moves now from asset growth to cash growth. Your company will shift investments from assets with low profit potential to those with higher returns. This will help improve profits & cash even if size of assets is lower. ALAR approach is two pronged strategy – Asset Right & Asset Light.

Asset Right

Asset Right strategy is about making portfolio more attractive and releasing capital. This capital recycling happens based on the right valuation and right timing. In addition, this also triggers divesting the value eroding assets. This would lead to generate growth capital and improve profits. The funds will be used for more attractive opportunities. This approach builds upon our strengths as a developer, and consequently we follow the principle of "Develop, Build, Create Value, and Divest".



Asset Light

The objective of the Asset Light strategy is to improve profitability and free cash flows by 'sweating' of existing assets, i.e. achieve better operating efficiencies by increasing revenue & reducing cost and invest in new opportunities with lower capex. Through this approach new revenue streams can be developed by utilizing your Company's intellectual instead of financial capital. We are actively engaged in developing several such options.

AWARDS & RECOGNITIONS



AIRPORTS

DIAL

- ▶ Ranked 4th best airport globally and 2nd best in the capacity band of 25-40 mppa in the ASQ survey by ACI
- ▶ World's first airport to achieve the 'ISO 22301:2012 Certification' for Business Continuity Management system
- ▶ 'International Safety Award' from British Safety Council

GHIAL

- ▶ Ranked 2nd best airport in Airport Council International (ACI) Airport Service Quality (ASQ) survey in 5-15 million Passenger Per Annum category
- ▶ Best Cargo Airport in India and Best Cargo Terminal in India award by Air Cargo Agents Association of India (ACAAI)
- ▶ Best Airport in India at Skytrax world's Airport Award

ISGIA

- ▶ Istanbul Sabiha Gokcen International Airport was named one of the Superbrands of Turkey



SKYTRAX AWARD, WORLDS MOST IMPROVED AIRPORT, IGIA



INFRASTRUCTURE EXCELLENCE AWARD, "AIRPORTS", IGIA



2nd BEST AIRPORT IN THE WORLD, RGIA (5-15 mppa)



AIRPORT OF THE YEAR AWARD - RGIA, ATN AWARDS



ENERGY

- ▶ GPCIL Achieved Energy management system Certification - ISO 50001.
- ▶ CTPP : Received IMS certification towards ISO 14001& 18001
- ▶ CDM registration achieved for Alakananda & Bajoli Holi HEP and Gujarat Solar Project and wind projects

Urban Infra & Highways

- ▶ Achieved COD of Hyderabad Vijayawada Project
- ▶ Achieved Partial COD of Hungund Hospet Project



NATIONAL TOURISM AWARD FOR BEST AIRPORT, RGIA 3 YEARS IN A ROW



MOST CARING COMPANY WORLD CSR CONGRESS



BEST PROJECT FINANCE LEGAL TEAM AWARD LEGAL ERA AWARDS 2013



BEST TALENT MANAGEMENT AWARD ET NOW, TALENT & HR LEADERSHIP AWARDS 2013



GMR: Strategy, Planning and Enterprise Risk Management

Over the years, GMR has continued to invest in sound institutional processes of business planning, enterprise risk management and performance management, leading to process-driven decision making while preserving the entrepreneurial DNA of the group.



The result was that even as an unprecedented global uncertainty affected capital availability, interest rates, exchange rates and the infrastructure regulatory framework, our strategy and planning processes were geared to address them.

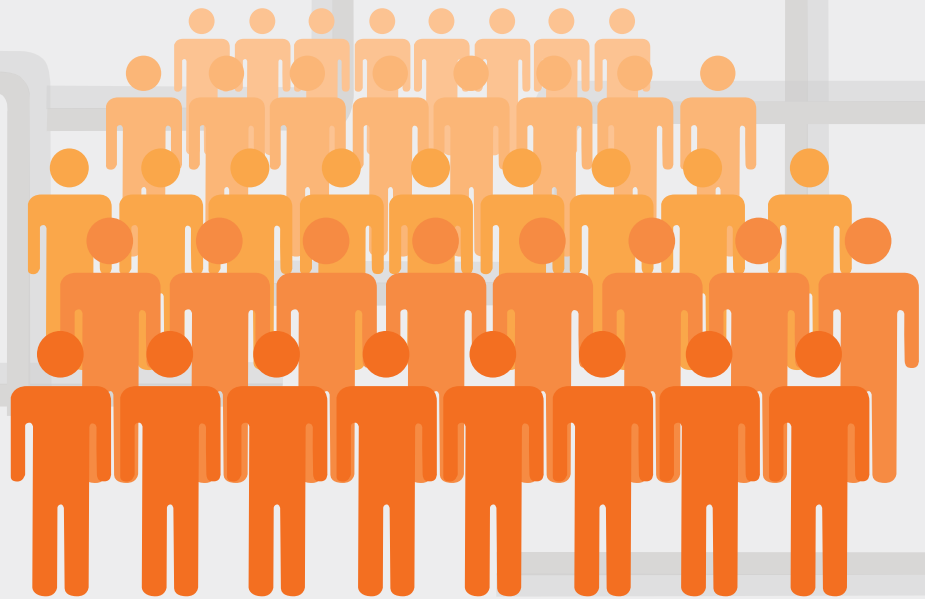
Your Company continues to follow a rigorous strategic planning process from strategy to goal-setting which includes using IT for planning, consolidation, decision support and business reviews. The process is enabled by a combination of central, sector and business teams.

Further, your Company continues to expand the reach of its robust enterprise risk management processes comprising new bids, project execution and asset management. These processes are designed to provide the Board with an independent expert view on all strategic decisions with detailed modelling and analysis.

During the year under review, your Company responded with multiple initiatives to address the near-systemic volatility and uncertainty. It built upon the detailed group-wide long-range (five

years) exercise carried out in the last financial year and refined the three-year strategy (FY14-16) and annual operating plans (FY14).

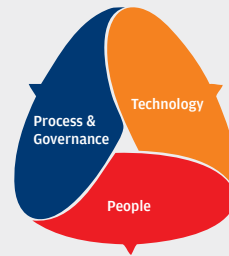
This resulted in the operationalization of the crucial ALAR strategy and continued to highlight the benefits of effective risk management, rigorous focus on business excellence, project execution, cash conservation, revenue maximization and cost management.



PEOPLE

DEVELOPMENTS IN HUMAN RESOURCES AND ORGANIZATION DEVELOPMENT AT GMR GROUP

- ▶ Family Governance guided by Family Constitution
- ▶ Management Assurance, Ethics, Governance Council
- ▶ Group Performance Advisory Council (GPAC)
- ▶ Business Excellence
- ▶ Strategy & Risk Management
- ▶ Corporate Centre of Excellence for processes, procurement, HR, legal etc.



- ▶ Vision, Values & Beliefs
- ▶ Leadership Development and Talent Management
- ▶ Empowered Organization

- ▶ Centralized infrastructure and ERP with real-time intelligence
- ▶ Business automation with real-time war rooms, toll monitoring, video audits, laser mapping etc.
- ▶ Process automation through ERP and an e-enabled shared services organization for back-office transactions

“Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes”

- Peter F. Drucker

The focus on building organization and people capability continues for the GMR Groups this year as well through the established robust process around Identifying, Developing and Deploying potential leaders in critical position across the enterprise. The emphasis has been towards grooming leaders within rather than hiring from outside which we call as ‘Make v/s Buy’ ratio. The preference is for ‘Make’.

Our Talent Review process has been reviewed to make it outcome based, realising the goal of creating a robust talent pipeline for current and future requirement of the organisation as per our vision ‘Sankalp 2020’. This process has enabled structured succession planning for key leadership positions. The Talent Review process has enabled enhanced focus on identification, development and deployment of future leaders.

In order to enable the development of future leaders, the multi-tier leadership development program has been enhanced right from entry level (Executive) to Senior levels (Vice President). The content of the programme has been redesigned based

on need, focusing on "Asset Light Asset Right", "Shrink and Grow" and "Sweat the Asset". A pipeline of 167 top potential leaders has been identified to occupy strategic roles across the organization based on succession planning. The succession planning health of the

organization is at 77%. The focus is on developing the top potential leaders for future roles through job rotation and accelerated development program as per career aspiration aligned to future role.

PROCESS & GOVERNANCE

In GMR, we continue to believe in a sound governance comprising of the following:

- ▶ Family governance guided by a family constitution
- ▶ Management assurance
- ▶ Ethics & Intelligence
- ▶ Group Performance Advisory Council (GPAC)
- ▶ Whistle-blower Policy and Ombudspersons
- ▶ Corporate Centers of Excellence
- ▶ In-house dedicated Shared Service Center
- ▶ Business Excellence

In the current financial year FY 12-13, the Group successfully completed Phase 1 of the build and operate phase for its Shared Services Centre for human resource management and finance and accounting processes for a select set of group companies. The outcomes of the Phase 1 completion indicate and align to the overall objectives to be delivered. Through the effort of the Shared Services, the group has been able to automate significant employee and vendor facing processes. It is expected that such automation implemented will deliver significant process cycle time

reduction going forward in the fiscal year FY 13-14.

The focus for the next fiscal year will be towards increasing the level of processing maturity by transitioning additional processes that are non-transactional in nature and are from other locations/ operating sites of GMR. The next fiscal year will also aim at enabling end to end process improvements for a critical few vendor facing processes by adopting best in class practices such as e-Payments, digitization, scanning and document management systems.

TECHNOLOGY

IT infrastructure

Our IT infrastructure provides seamless network and connectivity across all GMR Group locations – national and international. It includes video conferencing across all locations and VoIP at all desks, messaging and collaboration solutions, live meetings, and so on. All of these enhance collaboration while reducing costs.

During the year, we have further improved efficiencies through modernization of our datacentre and virtualization of servers.

Automation as an advantage

We are one of a limited number of groups to have a single instance of SAP across all our companies. This enables standardization of reporting and financial controls as well as cost efficiencies.

We have already e-enabled several core employee processes including travel, HR and performance management.

As our portfolio shifts from projects to assets, we have started automating various business processes with solutions designed to enhance operational efficiency, reduce project lifecycle costs and times, and improve governance. A few examples are:

- ▶ Business Intelligence and dashboards to facilitate the monitoring of key metrics and quick decision making.
- ▶ In Airports, the use of E-POS and analytics for retail and duty-free revenues, a mobile app on Windows 8 for passengers.
- ▶ In Energy, automation and control systems for power plant processes, including plant maintenance and materials management.
- ▶ In Highways, we have an automated toll management system and centralised video monitoring.
- ▶ For project management, we have developed collaborative tools,

centralised project war rooms, and an Engineering Document Management Solution to enable design and engineering collaboration with external partners.

IT security

Your Company has well-defined IT policies, standardized across group with systems for continuous monitoring and alerts. In airports, DIAL became first airport in India and second in World to achieve ISO 19770-1 certification. Some of the features are

- ▶ Assessment and certification for ISO 27001, and ISO 22301 (formerly BS 25999)
- ▶ Secured network, applications and data
- ▶ Implemented Data Protection Mechanisms

GMR Varalakshmi Foundation

GMR Varalakshmi Foundation, the CSR arm of GMR Group, has the mandate to enhance quality of lives of communities surrounding the Group's businesses. Towards this, it focuses on four dimensions: Education; Health, Hygiene and Sanitation; Empowerment and Livelihoods; and Community Development.

Under the area of Education, GMRVF runs several educational institutions including an Engineering, Degree and Polytechnic colleges apart from several schools. 20% of the seats in the schools are set aside for children from socio-economically disadvantaged backgrounds and are free. The Foundation also supports the education of poor students by facilitating scholarships and educational loans. Over 3,000 students have received this support. Apart from this, the Foundation focuses on improving the infrastructure facilities and quality of education in Government schools and pre-schools, apart from running its own Balawadis (pre-schools for children of 3-5 year age group). The Foundation works with about 300 government. schools, reaching out to

about 30,000 children. The Foundation is also managing and supporting over 180 Balwadis and Anganwadis across the country benefiting 3,500 pre-school age children.

GMRVF provides health and emergency services to under-served communities in its target areathrough 27 medical clinics, 4 ambulances and 4 Mobile Medicare Units. The clinics serve over 7000 patients per month. A 135-bed secondary care hospital has been established in Srikakulam, Andhra Pradesh, to serve the communities by offering quality treatment at affordable prices. The Foundation has also constructed 19 public toilets used by about 30000 people per month. Many health awareness programs are organized by the Foundation towards preventive care.

Enhancing livelihoods is a key area of GMRVF's focus, and towards this, GMRVF runs 8 vocational training centres which train about 4000 unemployed and drop-out youth every year in different market relevant skills. Over 80% of them are settled in wage or self-employment. GMRVF also works towards women

empowerment by promoting and strengthening Women Self Help Groups. About 300 groups with over 3500 members are receiving mentorship, capacity building and market support. Products made by these groups are marketed under an initiative called EMPOWER, through shops at Delhi and Hyderabad International Airports, bulk orders for conferences and seminars and through an online store. This helps assure a steady stream of income for the women.

An innovative initiative in the area of youth empowerment are Pratibha career counselling-cum-coaching centres which have helped about 400 youth to get jobs in public and private sector organizations.

The community development thrust of the Foundation focuses on working with the community on various initiatives, e.g., establishing village libraries, promoting youth and children's clubs and generating awareness on a number of social and environmental issues.

With its interventions, GMR Group is touching the lives of lakhs of people.

Education



Health, Hygiene & Sanitation



Empowerment & Livelihoods



Community Based Programmes



CASE STUDIES

Mamatha-A Gifted Child!

Mamatha's family supported GMR Hyderabad International Airport Ltd by giving 2 acres of land and a house during land acquisition. Her father Anjaneyulu is a differently-abled person and runs a

petty shop at home while her mother works as a wage labourer. Mamatha was selected for support from GMRVF under its Gifted Children program where meritorious children from under-

privileged backgrounds are supported for education at quality schools. Mamatha was admitted in GMR Chinmaya Vidyalaya, Shamshabad when she was in Std. III and is now in Std. IX. "Initially I felt nervous at the school as I was not able to follow English which teachers and other students speak, but the teachers and GMRVF staff supported me to overcome my inhibitions and made me confident and self-disciplined" she says. Mamatha excels in academics and is also good at painting and sports. She aspires to become an IAS Officer and serve the poor and needy!



Fighting Odds for a Better Life!

A girl who failed her Board exam is now a team leader at a Data Entry Company! Yes,



this is the true story of 30 years old Anthonyamma who after failing board exams was working as a helper in an NGO at a salary of Rs. 2,500 per month. Her husband who is alcoholic has never contributed much to supporting her or their two children. She came to know about the GMR Varalakshmi Centre for Empowerment and Livelihoods at Bangalore through a community awareness programme organised by GMRVF for Candidate Mobilisation. She joined the 4th batch of the Basic Computer Course and showed great interest in being part of the course. She was very hard

working and applied herself seriously to the training, including the spoken English and soft skill sessions which improved her self-confidence. On completion of the course Anthonyamma joined a data entry company and very soon has become a team leader earning

a salary of Rs. 8000 per month. Her employer says that she has good leadership qualities and is a very efficient team leader. Now Anthonyamma is able to provide better quality of life for her family and is sending her children to a good school.



HIGHLIGHTS OF 2012-13

Consolidated Financial Performance

(₹ in Crore)

Year End	Revenue from operations	Revenue from operations (net)*	EBITDA**	PAT#	Cash Profits##	Cash & Cash Equivalent^
FY 2013	9,975	8,305	2,608	135	1,249	7,109
FY 2012	8,473	7,642	1,758	-1,059	-72	5,172
FY 2011	6,465	5,814	1,555	-1,047	-348	5,264
FY 2010	5,123	4,567	1,364	225	678	4,893
FY 2009	4,476	4,019	1,067	277	607	2,782

* Revenue from operations (net) is after deducting revenue share paid/payable to concessionaires from revenue from operations

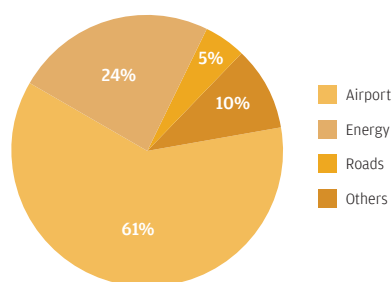
** EBITDA - Earnings before interest, other income, tax, depreciation, amortisation (including utilisation fees) and exceptional items

Profit After Tax before minority interest and share of profits/losses of associates

Profit after tax + Def tax + MAT credit + Depreciation (the group is continuously churning assets, loss/profit on sale of investment is considered part of cash profits only)

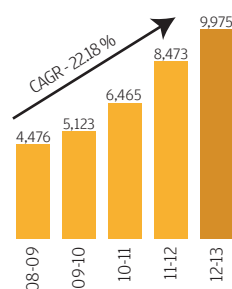
^ Cash and Bank Balances + mutual funds + bonds + government securities + certificate of deposit + investments in quoted equity shares

Sectorwise revenue from operations in 2013

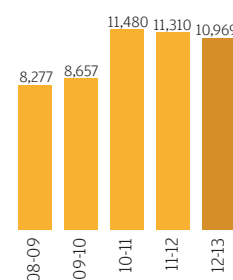


Consolidated revenue from operations

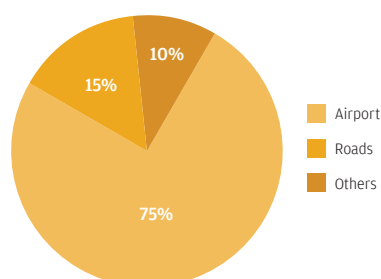
(₹ in Crore)



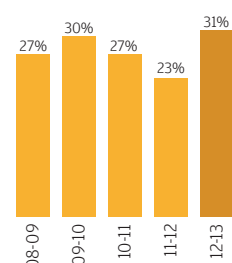
Networth (₹ in Crore)



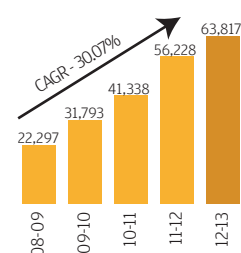
Sectorwise contribution in EBITDA



EBITDA Margin



Total Assets (₹ in Crore)



*EBITDA margin is calculated on net revenue

Directors' Report

Dear Shareholders,

The Board of Directors present the 17th Annual Report together with the audited accounts of the Company for the year ended March 31, 2013.

Financial Results

The Company is a diversified infrastructure company with operations and investments across the airport, energy, highways, urban infrastructure and EPC sectors and structured in a distinct way through subsidiaries with a unique business model. While the Company is a holding company for the investments made in airports, energy, highways and urban infrastructure

and SEZ (Special Economic Zone) sectors it has Engineering, Procurement and Construction (EPC) business as a separate operating division within the Company to cater to the requirements for implementing the projects undertaken by the subsidiaries and others.

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

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Revenue from operations	9,974.86	8,473.03
Revenue share paid / payable to concessionaire grantors	(1,669.48)	(830.97)
Operating and administrative expenditure	(5,697.34)	(5,883.83)
Other Income	277.19	243.42
Finance Costs	(2,099.00)	(1,653.13)
Utilisation fees	(130.87)	(98.71)
Depreciation and amortisation expenses	(1,039.78)	(935.81)
(Loss) / profit before exceptional items, tax expenses and minority interest	(384.42)	(686.00)
Exceptional Items:		
Profit on sale of a subsidiary	1,231.25	-
Loss on impairment of assets in a subsidiary	(251.37)	-
Assets write off in a subsidiary	(202.61)	-
Interest on loans against development fund receipts	-	(162.12)
Profit / (loss) before tax expenses and minority interest	392.85	(848.12)
(Loss) / profit from continuing operations before tax expenses and minority interest	(440.39)	(959.10)
Tax expenses (including tax adjustments for prior years, deferred tax, MAT credit entitlement) of continuing operations	241.94	190.47
(Loss) / profit after tax expenses and before minority interest from continuing operations	(682.33)	(1,149.57)
Minority interest - share of (profit) / loss from continuing operations	(86.40)	437.37
(Loss) / profit after minority interest from continuing operations	(768.73)	(712.20)
Profit / (loss) from discontinuing operations before tax expenses and minority interest	833.24	110.98
Tax expenses (including tax adjustments for prior years, deferred tax, MAT credit entitlement) of discontinuing operations	15.50	20.25
Profit / (loss) after tax expenses and before minority interest from discontinuing operations	817.74	90.73
Minority interest - share of (profit) / loss from discontinuing operations	39.11	18.13
Profit / (loss) after minority interest from discontinuing operations	856.85	108.86
Profit / (loss) after minority interest from continuing and discontinuing operations	88.12	(603.34)
Net deficit in the statement of profit or loss - Balance as per last financial statements	(714.17)	(79.15)
Loss before appropriation	(626.05)	(682.49)
Appropriations	(130.28)	(31.68)
Net deficit in the statement of profit or loss	(756.33)	(714.17)
Earnings per equity share (₹) - Basic and diluted (per equity share of ₹ 1 each)	0.23	(1.55)
Earnings per equity share (₹) from continuing operations - Basic and diluted (per equity share of ₹ 1 each)	(1.97)	(1.83)
Earnings per equity share (₹) from discontinuing operations - Basic and diluted (per equity share of ₹ 1 each)	2.20	0.28

Consolidated revenue from operations grew by 17.72% from ₹ 8,473.03 Crore to ₹ 9,974.86 Crore. Airport, Energy, Highways, EPC and other segments contributed ₹ 6,099.07 Crore (61.14%), ₹ 2,425.13 Crore (24.31%), ₹ 517.37 Crore (5.19%), ₹ 655.16 Crore (6.57%) and ₹ 278.12 Crore (2.79%) respectively to the revenue from operations.

During the year, the group divested its balance 70% equity holding in GMR Energy (Singapore) Pte Limited and this has resulted in a profit of ₹ 1,231.25 Crore, which is presented as an exceptional item in the financial statements.

The group also divested its 50% equity in Tshedza Mining Resource (Pty) Ltd., which held the license for the development of Eloff mines and 74% equity interest in Ferret Coal (Kendal) (Pty) Ltd., which held the license for the development of Kendal Mines, HEG in South Africa. This resulted in an exceptional loss of ₹ 251.37 Crore. Consequent to the termination of operation in Malé Airport, the group has written off assets of ₹ 202.61 Crore. The group has also entered into a Share Purchase Agreement for divestment of 74% stake in GMR Jadcherla Expressways Ltd. (GJEL).

Presented below are the standalone financial results of the Company:

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Revenue from operations	1,432.79	1,381.87
Operating and administrative expenditure	(1072.01)	(1,084.50)
Other Income	28.58	48.41
Finance costs	(374.43)	(197.35)
Depreciation and amortisation expenses	(8.31)	(7.58)
Profit before exceptional items and tax expenses	6.62	140.43
Exceptional items:		
Profit on sale of investment	75.83	-
Profit before tax	82.45	140.85
Tax expenses (including deferred tax and MAT credit entitlement)	(29.00)	(20.55)
Profit for the year	53.45	120.30
Surplus in the statement of profit and loss - Balance as per last financial statements	382.37	298.64
Profit available for appropriation	435.82	418.94
Appropriations:		
Transfer to debenture redemption reserve	81.53	36.57
Proposed final equity dividend	38.92	-
Tax on proposed equity dividend	6.31	-
Net surplus in the statement of profit and loss	309.06	382.37
Earnings per share (₹) - Basic and Diluted	0.14	0.31

The revenue from operations of the Company on standalone basis has gone up by 3.68% from ₹ 1,381.87 Crore to Rs 1,432.79 Crore. This has been contributed on account of increased revenue to the extent of ₹ 51.13 Crore from EPC segment. The increase in borrowings from ₹ 2,960.13 Crore to ₹ 4,237.20 Crore to meet the increased requirement of funds for investments in subsidiaries is the reason for the increase in interest expenditure from ₹ 197.35 Crore to ₹ 374.43 Crore. Profit on sale of the investment in GMR Energy (Singapore) Pte Limited amounting to ₹ 75.83 Crore, has been shown as an exceptional item in the financial statement.

Dividend

Considering the gain of ₹ 75.83 Crore earned by the Company on divestment of its stake in GMR Energy (Singapore) Pte. Limited and better operational performance base of the airport sector during the financial year under review, the Board of Directors has recommended a dividend of ₹ 0.10 per

equity share of ₹ 1 each (10%) for the financial year (FY) ended March 31, 2013 subject to the approval of shareholders at the Annual General Meeting.

Subsidiary Companies

As on March 31, 2013, the Company had 127 subsidiaries apart from other joint venture and associate companies. Operation of businesses through subsidiaries is mainly due to requirement of concession agreements. The complete list of subsidiary companies as on March 31, 2013 is provided in Annexure 'A' to this report.

Review of Operations / Projects of Subsidiary Companies and EPC

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, Management Discussion

and Analysis, forming part of this Report, also brings out a brief review of the business operations of various subsidiaries, joint ventures.

Airport Sector

Airports business consists of four operating airports, with two in India at Delhi and Hyderabad, and two airports abroad at Istanbul, Turkey and Male. Male Airport has since been taken over by Maldives Airports Company Limited (MACL), an entity owned by Government of Maldives.

An overview of these assets during the year is briefly given below:

Delhi International Airport Private Limited (DIAL)

DIAL is 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 (Mauritius) Private Limited (10%) and has entered into a long-term agreement to operate, manage and develop the Indira Gandhi International Airport (IGIA), Delhi. Passenger traffic at IGIA was 34.3 million in FY 2012-13, which has seen a marginal decline over the previous year in line with the 2% decline in the overall sector primarily due to decline in domestic air traffic by 9%. International traffic however went up by 8%. Cargo tonnage at IGIA recorded 0.546 MT which was 3.88% decline over the previous year, which followed the overall cargo decline of 4% in the sector. Revision of tariff rates during the year enabled DIAL post a profit after tax (PAT) of ₹ 72.52 Crore for the financial year under review.

The significant developments during the year were:

- DIAL was ranked the 4th best airport globally and 2nd best in the capacity band of 25-40 million passengers per annum (mppa) in the ASQ survey by Airport Council International (ACI);
- DIAL implemented Business Continuity Management System to avoid any operational disruptions due to unforeseen circumstances and became the world's first airport to achieve the 'ISO 22301:2012 Certification' for Business Continuity Management system;
- National Air Traffic Services implementation to maximize Runway/Apron Utilization; Achieved Air Traffic Movements (ATMs) of 73/hour during peak hour operations, up from 65 movements per hour;
- Air Freight Station at Kanpur and Ludhiana launched;
- DIAL's Carbon Emissions inventory has been verified as per ISO 14064 by M/s DNV and accredited by ACI for Level 2 (Reduction);
- DIAL has started Solar Power generation and has setup a pilot project for the same.

GMR Hyderabad International Airport Limited (GHIAL)

GHIAL is a JV Company promoted by the GMR Group (63%) in partnership with AAI (13%), Government of Andhra Pradesh (13%) and MAHB (Mauritius) Private Limited (11%). GHIAL has set up India's first Greenfield Airport, Rajiv Gandhi International Airport (RGIA) at Shamshabad, Hyderabad.

RGIA recorded passenger traffic of 8.38 million in FY 2012-13, which is down by 3% over FY 2011-12. In FY 2012-13, international traffic grew by 10% as compared to FY 2011-12 while the domestic traffic declined by 6%. ATMs were 90,647 Nos. in FY 2012-13, which are down by 9% over FY 2011-12. In FY 2012-13, the domestic ATMs declined by 12% and international ATMs grew by 2% as compared to FY 2011-12.

The growth in international traffic was largely due to capacity increase i.e. inclusion of new airlines and increase in frequency of existing routes.

Cargo handled in FY 2012-13 was 83,990 tons which registered a growth of 3% over 2011-12. The domestic cargo declined by 2% and international cargo grew by 7% as compared to FY 2011-12. Better operating performance resulted in profit after tax (PAT) of ₹ 105.84 Crore for the financial year.

On domestic front, Kingfisher airlines withdrew its operations completely out of Hyderabad while Indigo and Spicejet added their capacities and routes.

The Company has adopted a two-pronged strategy, for overall improvement in its business. The first focused on airlines that are the primary customers called "Route Development Strategy" and the second one being "Passenger Development Strategy". The primary objective of these strategies are to make Hyderabad Airport as South and Central India's gateway thereby enabling airlines to have financially sustainable operations from Hyderabad.

The following certificates were received during the year:

- 1st Airport in India to receive ISO 20000 certification for Best Practices in Information Technology Management;
- RGIA accredited ISO 50001:2011 - Energy Management System Certification.

Istanbul Sabiha Gokcen International Airport Limited (ISGIA)

ISGIA is promoted and developed by the consortium consisting of GMR Infrastructure Limited (GMR Group - 40%), Limak Holding (40%) and Malaysia Airports Holdings Berhad (20%). The terminal developed by the consortium has a capacity to handle up-to 25 million passenger per annum and has the rights to operate the terminal buildings, multi-story car park, cargo, aircraft refueling operations, airport hotel and Commercial Important Person (CIP) facilities in the airport.

ISGIA is located in the Asian side of Istanbul with connection to two major highways and has a catchment area of 20 million population. The city of Istanbul has a vibrant and growing economy and is the economic capital of the country. It is the 3rd most visited city in Europe and 5th in the world. ISGIA recorded 14.9 million total passengers in calendar year 2012, which corresponds to a 9% annual increase in total passenger traffic.

The group's 40% share of loss of ISGIA was ₹ 123.33 Crore for the financial year.

ISGIA's growth potential remains promising due to the capacity constraints at the city's major Ataturk airport. As a result, nine new airlines started

flights out of ISGIA during the year and Turkish Airways has also started new international destinations from ISGIA from March 2013.

GMR Male International Airport Private Limited (GMIAL)

- Ibrahim Nasir International Airport is a brownfield airport in Malé, the capital city of Maldives. The airport is developed and operated by GMIAL, a joint venture partnership between GMR Group (77%) and Malaysia Airports (Labuan) Private Limited (23%);
- Refurbishment of existing commercial areas and development of new commercial areas was nearly complete, which were leading to an increase in discretionary consumer spending at the airports as more retail options were now available at the airport;
- New terminal development project was on track for an early 2014 commercial opening date before it had to be halted due to a 'Stop-Work' order by the Ministry of Civil Aviation, Maldives in August, 2012;
- Overall passenger traffic at the airport had increased 6.5% for the 8 months period in FY 2012-13. International traffic grew at 1.9% compared to the same period last year, despite negative impact on international tourist traffic due to political disruptions in first half of calendar year 2012;
- The airport was taken over by MACL, an entity owned by Government of Maldives, on December 08, 2012 declaring that the concession agreement is void ab-initio and the arbitration process has been initiated for settlement.
- Management of the group is confident of proving that the concession agreement was not void ab-initio and that group would be entitled for compensation under the concession agreement.

Aerotropolis Development

Hyderabad and Delhi airports and surrounding land are being developed as an airport city or "Aerotropolis", with a mix of aeronautical and non-aeronautical developments. As adjoining commercial areas to the airports, they are bound to encourage the business activity and have a positive impact on the economy. DIAL is developing Aerocity in the locality of the Delhi Airport which may ultimately cover 250 acres of land.

GHIAL is developing India's largest Airport City in the vicinity of Hyderabad Airport with an objective of creating an ecosystem that will generate benefits for the Airport as well as the regional economy and facilitate in establishing the prominence of Hyderabad Airport in the global arena. Master Plan for the entire Airport City has been completed and the physical infrastructure activities have started. The initial phase assets consisting of Aerospace SEZ, Retail, Business School, Exhibition Centre etc. are in various stages of design and development.

GMR Aviation Private Limited

GMR Aviation Private Limited operates and owns one of the youngest fleets in the country and addresses the growing need for charter services in the country. The operations are managed by professionals with robust processes and systems to ensure highest levels of efficiency and safety. The company

has three aircrafts (two Falcons and one Hawker) and two helicopters in its fleet. Due to slow down of Indian Economy, the overall business for internal as well as external air charter has come down, which resulted in a loss of ₹ 31.11 Crore, which includes ₹ 8 Crore for cancellation of purchase agreement of an aircraft.

Aircraft - Maintenance, Repair and Overhaul (MRO)

The MRO facility is a part of aero SEZ of GMR Hyderabad International Airport. It is being operated by MAS GMR Aero Technic Limited ("MGAT") which is a wholly owned subsidiary of MAS GMR Aerospace Engineering Company Limited ("MGAE"). MGAE is a 50:50 joint venture set up by GHIAL and Malaysian Aerospace Engineering Sdn Bhd.

The MRO facility has ultra-modern facilities for aircraft maintenance, painting, avionics upgrades, interior refurbishments, aircraft modifications and structural repairs. It can cater to various types of narrow-body as well as wide-body aircraft belonging to Airbus, Boeing and ATR families.

During the year under review, maintenance service was provided on 30 various families of aircraft which include C-checks on B737-800, B737-900, ATR-72, A320, and A321 for domestic customers and painting on Cessna Citation 560XL and ATR 72-500 aircraft. Additionally Engine Change, Nose Landing gear & Main Landing gear change were carried out on B737-800 & B737-900 aircraft. Apart from the above, seat retrofit was performed on two A320 aircraft. The main customers during the year were - Spicejet, Go Air, Kingfisher and Indigo. The group's 50% share of loss of MGAT was ₹ 45.35 Crore.

Energy Sector

Energy Sector through Special Purpose Vehicles (SPVs) is operating around 1484 MWs of Coal, Gas, Liquid fuel and Renewable power plants in India and around 5690 MWs of power projects under various stages of construction and development besides a pipeline of other projects. The Energy Sector has a diversified portfolio of thermal and hydro projects with a mix of merchant and long term Power Purchase Agreements.

The current operating portfolio of energy sector comprises of:

Name of SPV	Capacity	Fuel
GMR Power Corporation Limited (GPCL)	200 MW	LSHS
GMR Vemagiri Power Generation Limited (GVPGL)	388 MW	Natural Gas
GMR Energy Limited (GEL)	220 MW	Natural Gas
EMCO Energy Limited (EEL) - Unit 1	300 MW	Coal
GMR Gujarat Solar Power Private Limited	25 MW	Solar
GMR Renewable Energy Limited	2.1 MW	Wind
GMR Power Infra Limited	1.25 MW	Wind

The following are the major highlights of the Energy sector:

Operating Assets

- GPCL Achieved Energy management system Certification - ISO 50001;
- GPCL achieved the GREEN Award from Tamil Nadu Pollution Control Board (TNPCB) presented by Honorable Chief Minister;

- GEL & GVPGL operated at a suboptimal PLF of about 25% due to reduced gas supply;
- Gujarat Solar Project and wind projects achieved Clean Development Mechanism (CDM) registration.

The Company along with its overseas subsidiary sold balance 70% interest in GMR Energy (Singapore) Pte Ltd.

The energy sector continues to face constraints in terms of availability of coal and gas for running the power plants. The supply of coal in India is not adequate due to lower production of coal which in turn necessitated many power producers to import coal with attendant risks in relation to pricing, government policies of the exporting countries, transportation etc. The availability of gas is also another challenge faced by the power producing companies. Lack of adequate fuel in the country continues to adversely impact the performance of the subsidiaries in the energy sector.

Amongst the energy subsidiary companies, GMR Power Corporation Limited, GMR Gujarat Solar Power Private Limited and GMR Renewable Energy Limited made a profit of ₹ 91.03 Crore, ₹ 9.05 Crore and ₹ 0.59 Crore respectively. GMR Energy Limited, GMR Vemagiri Power Generation Limited, EMCO Energy Limited and GMR Energy Trading Limited made a loss of ₹ 494.92 Crore, ₹ 76.93 Crore, ₹ 17.12 Crore and ₹ 16.27 Crore respectively. Loss in GMR Energy Limited includes an exceptional loss on account of impairment of investment in HEG of ₹ 350.47 Crore.

The Company has projects under implementation, which on completion will result in substantial increase in power generating capacity. Update on projects under implementation is given below:

- EMCO Energy Limited (EMCO): Unit 1 (300 MW) commissioned;
- EMCO: Won Case I bid for supply of 200 MW to Dadra and Nagar Haveli distribution company for 7 years 3 Months term;
- EMCO Unit - 1 Fuel Supply Agreement signed with South Eastern Coalfields Ltd.;
- GMR Kamalanga Energy Limited (GKEL): Unit 1 (350 MW) commercial operation achieved on April 29, 2013;
- GMR Chhattisgarh Energy Limited [Chhattisgarh Thermal Power Plant (CTPP)]: Achieved Integrated Management System (IMS) certification for successful implementation of Quality, Environmental & Safety standards;
- The implementation of coal based projects is progressing well to achieve commercial operation of the plant (all the units of GKEL, EMCO and first unit of CTPP) during the financial year 2014;
- Alaknanda and Bajoli Holi Hydro projects received all statutory clearances including Stage II forest clearance and CDM registration;
- Nepal Hydro projects achieved key project development milestones as per plan and license for import of power to India for a period of 30

years was obtained from Directorate General of Foreign Trade (DGFT), Government of India (GOI).

Highways

The FY 2012-13 has seen a decline in the highway sector due to various factors such as slowed economic situation, delay in clearances, sand quarry and mining bans, power shortage, funding constraints, etc. This has resulted in lower investment from private players in infrastructure in general including roads and highways sector.

GMR Highways Limited is one of the leading highways developers in India with 8 operating highways of total length of 3170 lane kms and 1 project under construction of total length of 178 lane kms. There is a healthy mix of 5 toll projects, viz Ambala - Chandigarh, Thondapalli - Jadcherla, Tindivanam - Ulundurpet, Hyderabad - Vijayawada and Hungund - Hospet; and 4 annuity projects, viz Tuni - Anakapalli, Tambaram - Tindivanam, Adloor Yellareddy - Gundla Pochanpalli and Chennai Outer Ring Road. The group entered into a Share Purchase Agreement for divestment of 74% stake in Thondapalli - Jadcherla project. Quality of construction and operational safety are of utmost priority.

Highways sector operating subsidiary companies, GMR Tambaram Tindivanam Expressways Private Limited, GMR Tuni Anakapalli Expressways Private Limited, GMR Pochanpalli Expressways Limited and GMR Jadcherla Expressways Private Limited, made a profit of ₹ 9.30 Crore, ₹ 6.47 Crore, ₹ 17.96 Crore and ₹ 2.08 Crore respectively. GMR Ambala Chandigarh Expressways Private Limited, GMR Hyderabad Vijayawada Expressways Private Limited, GMR OSE Hungund Hospet Highways Private Limited and GMR Ulundurpet Expressways Private Limited made a loss of ₹ 23.13 Crore, ₹ 21.47 Crore, ₹ 14.39 Crore and ₹ 8.25 Crore respectively.

During FY 2012-13, COD of Hyderabad Vijayawada project and partial COD of Hungund Hospet project was achieved overcoming various challenges during the construction lifespan viz. delay in land acquisition and local agitation. Arbitration process was initiated in respect of Ambala Chandigarh for loss of traffic under State Support Agreement & Concession Agreement (SSA & CA).

Kishangarh-Udaipur-Ahmedabad Highway

Amid various economic challenges, financial closure was successfully achieved for the development of four lane 555.5 Km long Kishangarh - Udaipur - Ahmedabad highway into a six lane highway, the first mega highway project in the country which the company had won in international competitive bidding. While the Company completed/complied with most of its obligations within stipulated time from the signing of the agreement, on the other hand, the Highways Authority could not fulfill its key obligations within the stipulated time, including getting the Environmental and Forest Clearance and issuing the Fee notification for the project. This has led to an inordinate delay in fixing the "appointed date" and there was no certainty as to when these key conditions would be fulfilled by the Authority. This uncertainty has materially affected the project putting additional financial burden on the Company. Considering these uncertainties and various

unfavorable factors that were beyond Company's control, the Company issued a notice of termination of concession agreement to the Highways Authority. Highways ministry is proactively working with other ministries, government authorities and various industry bodies for resolving the issues.

Urban Infrastructure

With the objectives of generation of additional economic activity, promotion of exports of goods and services, promotion of investment from domestic and foreign sources, creation of employment opportunities and development of infrastructure facilities, the urban infrastructure sector is focusing on developing special investment regions.

Kakinada and Krishnagiri SEZ

With the master plan underway for both the special investment regions in the year under review, all the necessary approvals on utility front from the Government, which includes approval for ground water abstraction, approval for power, consent for establishment and no objection certificate from Forest Department was obtained.

On the Kakinada SEZ development front, Memorandum of Understanding (MoU) has been signed with Rural Shores for setting up of BPO and two 'Letters of Intent' with fisheries processing firms for setting up of Marine Park. The Marine Park is expected to generate an employment to 3000 people in the region.

On Krishnagiri SEZ development front, a detailed plan on the EMC (Electronic Manufacturing Cluster) has been submitted to Department of Electronics and Information Technology (DeITY) and waiting for an in-principle approval from the Government for a greenfield EMC.

A concept note for setting up a Multi Skill Development Center (MSDC) has been submitted to Government of Tamilnadu. MoU with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been signed for designing and establishing MSDCs in both Kakinada and Krishnagiri Regions.

Engineering Procurement and Construction (EPC) Division

The Company had entered the EPC business to mitigate execution risk for in-house project development. EPC Division has been instrumental in successful and timely completion of new Highway assets. Apart from Highway Projects, EPC Division is supporting GMR Energy business in Balance of Plant (BoP) Segment and has completed Coal handling Unit at EMCO (Warora Power Plant). EPC Division has also undertaken Coal Blending system, Ash handling plant, Raw water Reservoir, Township and other non-plant structures.

Key highlights of the year under review were:

- Completed Hyderabad-Vijayawada Toll Project (0-65 kms)
- Completed 4-laning of Hungund-Hospet Toll Project (22 kms of 4 laning)
- Commissioned Coal Handling Plant at Warora Power Plant

Over the last three years, EPC Division has built an over ₹ 100 Crore Equipment Bank which includes Batching Plants, HMP Plants, Boom Placer and other equipment.

Risk Management

As an enterprise with presence in different segments of infrastructure industry and considering the high levels of economic volatility currently witnessed in the global markets, the Company is exposed to a number of risks that impact our businesses in varying measures. It is imperative to identify and address these risks and at the same time leverage opportunities for achieving the set objectives.

The Company's risk management framework is in line with the current best practices and effectively addresses the emerging challenges in a dynamic business environment.

Significant developments during the year include:

- Delhi International Airport Private Limited (DIAL) became the first airport in the world to be certified for ISO-22301:2012, Societal Security- Business Continuity Management System;
- Project Risk Management framework has been strengthened along with one of the top consultants in the world and being implemented for the ongoing projects;
- A Contractual Risk Review Framework has been developed for implementation across the Group that would help us in identifying and addressing contract related risks and compliance areas in an appropriate manner;
- Risk management process is critically woven in the strategic planning process with various risks identified to the strategic objectives of all the businesses and initiatives defined to address them;
- Risk review of important policies impacting the group such as treasury policy, foreign exchange policy and insurance policy manual etc. taken up;
- Formalized a country risk and opportunity profile framework to evaluate different countries being explored by the Group for investments and other business opportunities.

The Enterprise Risk Management (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 the Company is provided in Management Discussion and Analysis.

Developments in Human Resources and Organisation Development

The Company has robust process of human resources development which is described in detail in Management Discussion and Analysis section 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, statement of Profit and Loss and other documents of its subsidiary companies to its Annual Report. The Ministry of Corporate Affairs (MCA), Government of India vide its General 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 2012-13 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 is 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 the Listing Agreement with the Stock Exchanges, the audited consolidated financial statements of the Company and its subsidiaries, joint ventures and associates form part of the Annual Report.

Changes in Share capital

During the year under review, there is no change in the share capital structure of the Company.

Directors

Mr. B.V.N. Rao resigned as the Managing Director of the Company with effect from July 28, 2013. The Board places on record its appreciation for valuable contribution made by Mr. B.V.N. Rao during his tenure as the Managing Director of the Company.

Mr. Kiran Kumar Grandhi has been appointed as the Managing Director with effect from July 28, 2013 for a period of five years subject to the approval of the members at the Annual General Meeting.

Mr. G. M. Rao was reappointed as Executive Chairman for a period of five years with effect from October 18, 2012.

Mr. B.V.N. Rao and Mr. G.B.S. Raju, Directors retire by rotation and being eligible offer themselves for reappointment at the Annual General Meeting.

Mr. K. R. Ramamoorthy retires by rotation at the Annual General Meeting and has expressed his desire not to offer himself for reappointment in line with the policy on retirement of independent directors. Mrs. Vijaya Mohan Ram, who was appointed as an additional director on September 11, 2012, will cease to hold office at the forthcoming Annual General Meeting. The Board places on record its appreciation for the valuable contribution made by them during their tenure as Directors of the Company.

Mr. S. Sandilya was appointed as an additional director on September 11, 2012 and holds office till the Annual General Meeting. Mr. K.V.V. Rao and

Mr. S. Rajagopal were appointed as additional directors on the Board with effect from November 12, 2012 and they hold office till the Annual General Meeting. Notices under section 257 of the Companies Act, 1956 have been received from a member for their appointment as Directors.

Notices under section 257 of the Companies Act, 1956 have been received from a member for the appointment of Mr. V. Santhana Raman and Mr. C.R. Muralidharan at the forthcoming Annual General Meeting of the Company. The profiles of the Directors seeking appointment / reappointment are given in the Notice of the Annual General Meeting.

Directors' Responsibility Statement

Pursuant to under Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

1. That in the preparation of the annual accounts for the year ended March 31, 2013, 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 that period;
3. That the Directors have taken proper and sufficient care for the 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, 2013, on a going concern basis.

Corporate Governance

The Company follows the Business Excellence Framework, based on the Malcolm Baldrige Model, for continuous improvement in all spheres of its activities, to attain global standards including a clear focus on high standards of corporate governance. The company works towards continuous improvement in governance practices and processes. Board governance upgrades are underway and will be implemented in a progressive manner.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report. Also a detailed report on Corporate Governance practices followed by the 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, 2013, is provided in this Annual Report.

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.

Business Responsibility Report

SEBI, vide its circular CIR/CFD/DIL/8/2012 dated August 13, 2012, mandated inclusion of Business Responsibility Report as part of the Annual Report for Top 100 listed entities based on market capitalisation at BSE and NSE as on March 31, 2012. Accordingly, Report on Business Responsibility is provided separately in this Annual Report.

Auditors and Auditors' Report

M/s. S.R. Batliboi & Associates LLP, 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 reappointment 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.

With reference to the qualification in the auditors' report on the standalone financial statements of the Company pertaining to the dispute in GMR Malé International Airport Private Limited, auditors' observation is included in Basis for Qualified Opinion in the auditors' report. Management's disclosure on the qualification is detailed in note 43 of the notes to the standalone financial statements.

As regards to the auditors' observation with respect to clause no. xv in the annexure to auditors' report on matters specified in Companies (Auditor's Report) Order, 2003, corporate guarantee support is provided by the Company to its subsidiaries and other group companies, based on requirements. Commission is normally not charged on corporate guarantees issued by the Company.

With reference to the qualifications in the auditors' report on consolidated financial statements of the Company pertaining to the capitalization of indirect expenditure and borrowing costs in GMR Rajahmundry Energy Limited, capitalization of indirect expenditure towards project and borrowing costs in GMR Kishangarh Udaipur Ahmedabad Expressways Limited and dispute in GMR Malé International Airport Private Limited, auditors' observation is included in Point 1, 2 and 3 respectively under Basis for Qualified Opinion in the auditors' report. Management's disclosure on the qualifications are detailed respectively in note 35(viii)(j) (2), note 35(viii)(n) and note 30(a) & 35(viii)(m) of the notes to the consolidated financial statements.

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 such inclusive growth, GMRVF works with the communities neighboring GMR Group's businesses for their economic and social development. Currently, GMRVF is working in over 200 villages/urban communities across 22 locations.

Environmental Protection and Sustainability

The Company has been aligning sustainability to assist organization in identifying the cross-cutting dimensions of triple bottom line performance and in understanding the process elements of environmental accountability and engagements. Triple bottom line performance expands the traditional reporting framework to take into account social and environmental performance in addition to financial performance.

Every business operations should be driven with core values in accordance with business requirements to attain sustainability with respect to social, environment and economy. The Company's business culture is cautiously driven through 7 core values (GMR Values & Beliefs) viz., Humility, Entrepreneurship, Teamwork and Relationships, Deliver the promise, Learning, Social Responsibility and Respect for Individual. Thus, Company's Environmental Initiatives are driven with three main values and beliefs - 'Humility', 'Social Responsibility' & 'Respect for Individual' towards achieving the harmony with nature and society.

The Company believes in integrating strong environmental management practices into its industrial enterprises across all business operations. Each business enterprise has been covered under stupendously articulated Corporate Environmental, Health, Safety & Quality (EHSQ) Policy. Sustainable practices reduce risks to life and property, and improve system efficiency which helps to conserve natural resources. When such practices become institutionalized, they reduce costs. Several unique schemes have been implemented to prevent pollution and conserve natural resources to achieve sustainable development.

The Company is aggressively implementing national policies, regulation and objectives in Environmental Management and Pollution Control measures. Continuous efforts are laid to build the strong foundation towards environmental excellence for all of its operations.

Airport Sector

At DIAL, the Operational Environment management focuses on energy management, air quality, noise level, emissions management, waste management, water and waste water management, natural resource conservation and bird and animal hazard management. Proactive and collaborative efforts such as Workshop on Carbon Footprint of Indian Aviation with Directorate General of Civil Aviation (DGCA), Airports and Airlines, Community Noise issues discussions along with DGCA and Ministry

of Civil Aviation and Collaborative Environment Management Programs with stakeholders are examples of efforts on social concerns.

DIAL is successfully maintaining its certifications for all the international programs to which it subscribes through continual improvement in the environmental performance. ACI has recognized DIAL for Greenhouse Gas (GHG) Inventory and Accredited to the Reduction Level under Airport Carbon Accreditation. DIAL has bagged the Greentech Environmental Management Award, 2013 for the best environmental practices. DIAL in collaboration with International Air Transport Association (IATA) conducted the workshop on 'Infrastructure, Fuel Efficiency for Emission Reductions & Sustainable Aviation Environment Management' and 70 numbers of participants were certified. Various workshops and training on Environmental Management System, Environmental Legal requirement, green initiatives, and CSR for Aerocity builders were some of the prime initiatives during FY 2012-13.

DIAL has established an Aircraft Noise Monitoring System (ANMS) and the Indira Gandhi International Airport Noise Mapping with DGCA & National Aerospace Laboratory is done.

As part of Corporate Environmental Responsibility, GHIAL has voluntarily initiated and completed the GHG accounting since the calendar year 2009 till 2012. Further, it has successfully completed verification of the GHG data through third party as per ISO 14064-1 specifications. By this, GHIAL has obtained level of assurance for its reduction of GHG emission. Airport Council International has accredited RGIA under the Airport Carbon Accreditation Programme - level 2 during FY 2012-13. Online continuous environmental monitoring station has been installed at RGIA. Ambient air quality, meteorological parameters and ambient noise levels are being monitored. This initiative forms one of the best environmental practices at Indian Airports. GHIAL has bagged First Prize for the Best landscape in Private Institutions category (3rd consecutive time), First Prize for the Best Rotaries and Second Prize for Residential Township. The award was received from the Commissioner Horticulture, Department of Horticulture, Government of Andhra Pradesh.

This year a group wide initiative was undertaken to conserve electricity and water through project 'Bijlee' (Electricity) and project 'Paani' (Water) respectively.

Energy Sector

All the Operating units are in compliance with environmental regulations. Hazardous wastes management and disposal has been in accordance with Central Pollution Control Board (CPCB) guidelines. The environmental management system followed at these operating units provides no-opportunity for any environmental violations through establishment of continuous ambient air monitoring systems at appropriate locations in and around the plants. Thus, environmental performance indicators like stack emissions, ambient air quality are maintained well within the stipulated norms. Also, each of the operating units has dedicated Effluent treatment Plant to treat waste water from the units and discharge in accordance with Pollution Control Board Norms. Noise level monitoring has been the part of the monitoring scheme which will ensure the noise levels within the legal

perimeter and also, helps in quick identification of any abnormality during operation.

Energy Sector has continuously ventured to promote cleaner fuel operations and renewable energy. The supercritical technology power plant is under development at Chhattisgarh. The 25 MW capacity Solar Photo-Voltaic based power generation has become part of the success story under Phase-1 of Gujarat Solar Power Policy-2009. Further, installation of 2.1 MW and 1.25 MW wind turbine generators in the state of Gujarat and Tamil Nadu respectively with the total capacity of the wind turbine generator being 3.35 MW has added the Company for its one step ahead commitment towards sustainability in terms of clean and renewable energy resource.

Energy Sector has pledged its commitment beyond the regulatory compliance and thus, ensuring the implementation of internationally accredited Management Systems at major units at operation. Environmental Management System (ISO 14001:2004) has been successfully implemented and certified by the certification agency. The strong management review through triple bottom-line approach ensures the continuous improvement in environmental performance.

GMR Power Corporation Limited (GPCL), Chennai plant has successfully maintained the performance standards in accordance with OHSAS 18001, ISO 14001 and ISO 9001. Further, to add the feather into its cap, the GPCL is certified with ISO 50001:2011 (Energy Management Systems) which is one of the first-of-its-kind standardization norms to any power plant and thus, the energy conservation initiatives resulted in savings of 1.42 Million Units of power during FY 2012-13. Also, GPCL has been rewarded with 'GREEN Award' from Government of Tamil Nadu for Environment protection activities, recycling the waste water, and reduction in usage of fossil fuels. The best environmental practices are consistently thriving to achieve the best environmental performance throughout the year.

GMR Vemagiri Power Generation Limited (GVPGL), Rajahmundry has also maintained the certification OHSAS 18001, ISO 14001 and ISO 9001. This year was marked with greenery development with 4500 saplings planted in the plant premises. The company was able to harvest rain water of 1,00,000 m³ during the season, and also conserve 30,000 m³ of water for gardening purpose through recycling of Cooling Tower (CT) blow down water. GVPGL, which is also registered as CDM project under Kyoto Protocol, has already been contributing towards the GHG emission reduction and Sustainable Development.

GMR Energy Limited (GEL), Kakinada has maintained the certification for Environmental Management System (ISO 14001:2004) in accordance to the standards requirement for continual improvement. The plant premises have enhanced the rain-water harvesting potential through the well-connected drainage network. GEL, Kakinada is now registered at Verified Carbon Standards Board (VCS Board) for its contribution towards GHG's reduction by using cleaner fuel for power generation.

GHG Accounting as per ISO 14064-1 specifications is already initiated at GVPGL, GEL and GPCL voluntarily to map the carbon foot print of the power

plant.

GMR Infrastructure Limited (GIL) understands the global thrusts for minimizing the effect of developmental projects towards global warming. The Company has developed / under development of various projects voluntarily, which ultimately reduces GHG emissions into the atmosphere and thus, minimizing the global warming effect. GMR Rajahmundry Energy Ltd., Rajahmundry which utilizes Natural Gas (Clean fuel) for power generation has been successfully registered as CDM Project at United Nations Framework Convention on Climate Change (UNFCCC) during the FY 2012-13. The two hydro projects promoted by the Company at the location of Alaknanda and Bajoli-Holi have been registered under CDM at UNFCCC during the FY 2012-13. Further, the Solar Power project set up at Gujarat and Wind power project at Gujarat and Tamil Nadu are also registered as CDM Projects at UNFCCC.

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.

Acknowledgements

Your Directors express their appreciation for the valuable support and co-operation received from lenders, banks, financial institutions, business associates, customers, Government of India, State Governments in India, regulatory and statutory authorities, shareholders and the society at large. Your Directors thank the employees of the Company and its subsidiaries for their continued contribution and commitment.

For and on behalf of the Board

Place: Bengaluru
Date: July 27, 2013

G. M. Rao
Executive Chairman

Annexure 'A' to the Directors' Report

GMR Infrastructure Limited - Subsidiaries

Direct Subsidiaries		Subsidiaries to Subsidiaries											
Subsidiaries of DIAL		Subsidiaries of GHIAL		Subsidiaries of GEL		Subsidiaries of GLEL		Subsidiaries of GEML		Subsidiaries of GEC			
Delhi International Airport Private Limited (DIAL)	East Delhi Waste Processing Company Private Limited	Delhi Aerotropolis Private Limited											
	GMR Airports Limited (GAL)	GMR Hyderabad International Airport Limited (GHIAL)											
GMR Airports Limited (GAL)	GMR Hyderabad International Airport Limited (GHIAL)	Subsidiary of GHIAL	GMR Hyderabad Aerotropolis Limited	GMR Hyderabad Air Cargo Private Limited	GMR Hyderabad Airports Resource Management Limited	Subsidiary of GAL	GMR Hyderabad Airport Developers Limited (GADL)	GMR Hyderabad Aviation SEZ Limited	GMR Hyderabad Multiproduct SEZ Limited	Subsidiary of GALML	GMR Hyderabad Security Services Limited	GMR Hotels and Resorts Limited	GMR Airports (Malta) Limited
	Gateways for India Airports Private Limited	Subsidiary of GHIAL	GMR Hyderabad Airport Power Distribution Limited	GMR Airport Handling Services Company Limited	Subsidiary of GAL	GMR Airport Developers Limited (GADL)	Subsidiary of GADL	GADL (Mauritius) Limited (GALML)	Subsidiary of GADL	GADL International Limited	GMR Airport (Global) Limited (GAGL)	Subsidiary of GAGL	GMR Male Retail Private Limited
GMR Renewable Energy Limited (GREL)	GMR Energy Limited (GEL)	Subsidiaries of GEL											
	GMR Energy Trading Limited (GETL)	GMR Power Corporation Limited	GMR Mining & Energy Private Limited	GMR Vemagiri Power Generation Limited	GMR Airport Handling Services Company Limited	GMR Airport Developers Limited (GADL)	GMR Kamalanga Energy Limited	GMR Consulting Services Private Limited	GMR Rajahmundry Energy Limited	GMR Londa Hydropower Private Limited	GMR Kakinada Energy Private Limited	GMR (Badrinath) Hydro Power Generation Private Limited	GMR Airports (Malta) Limited
GMR Power Infra Limited	Emco Energy Limited	Subsidiaries of GEL											
	Maru Transmission Service Company Limited	GMR Indo-Nepal Power Corridors Limited	GMR Indo-Nepal Energy Links Limited	GMR Chhattisgarh Energy Limited	GMR Hydro Power Company Private Limited	GMR Maharashtra Energy Limited	GMR Uttar Pradesh Energy Private Limited	GMR Coastal Energy Private Limited	Subsidiary of GEN	PT Dwikarya Sejati Utama (PTDSU)	Subsidiary of GEL	Homeland Energy Group Limited (HEGL)	Subsidiary of HMBL
Energy	Aravalli Transmission Service Company Limited	Subsidiaries of GEL											
	GMR Lion Energy Limited (GLEL)	GMR Energy (Cyprus) Limited (GECL)	Subsidiary of GECL	GMR Energy (Netherlands) BV (GEN)	Subsidiary of GLEL	GMR Upper Karnali Hydropower Public Limited	Subsidiary of HMBL	Wizard Investments (Pty) Limited	Homeland Mining and Energy (Botswana) (Pty) Limited (HMBL)	Homeland Coal Mining (Pty) Limited	Homeland Mining and Energy SA (Pty) Limited (HMEI)	Subsidiary of FCHL	Ferret Coal (Kendal) (Pty) Limited
Energy	Karnali Transmission Company Private Limited	Subsidiaries of GEML											
	Subsidiary of HEC	Homeland Coal Mining (Pty) Limited	Homeland Mining and Energy (Botswana) (Pty) Limited (HMBL)	Subsidiary of HEC	Homeland Energy Group Limited (HEGL)	Subsidiary of HMBL	Wizard Investments (Pty) Limited	Homeland Coal Mining (Pty) Limited	Homeland Mining and Energy SA (Pty) Limited (HMEI)	Subsidiary of FCHL	Ferret Coal (Kendal) (Pty) Limited		

Annexure 'A' to the Directors' Report

GMR Infrastructure Limited - Subsidiaries

Direct Subsidiaries		Subsidiaries to Subsidiaries											
Highways	GMR Highways Limited (GHL)	Subsidiaries of GHL		GMR Pochampalli Expressways Limited	GMR Iadcherla Expressways Private Limited	GMR Ulundurpet Expressways Private Limited	GMR Highways Projects Private Limited	GMR Kishangarh Udalpur Ahmedabad Expressways Limited	GMR Tambaram - Tindivanam Expressways Private Limited	GMR Turi - Anakapalli Expressways Private Limited			
	GMR Ambala-Chandigarh Expressways Private Limited												
	GMR Hyderabad Vijayawada Expressways Private Limited												
	GMR Chennai Outer Ring Road Private Limited												
	GMR OSE Hungund Hospet Highways Private Limited												
	GMR SEZ & Port Holdings Private Limited (GSPHPL)	Subsidiaries of GSPHPL											
		Kakinada SEZ Private Limited	Advika Properties Private Limited	Bougainvillea 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			
	GMR Krishnagiri SEZ Limited	Subsidiaries of GSPHPL											
		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	Pranesh Properties Private Limited	Purnachandra Properties Private Limited	Shreyadita Properties Private Limited			
	Urban Infrastructure		Subsidiaries of GSPHPL										
		Sreepa Properties Private Limited	Deepesh Properties Private Limited	Padmapriya Properties Private Limited	Radhapriya Properties Private Limited	Larkspur Properties Private Limited	Asteria Real Estates Private Limited	Lantana Properties Private Limited					
		Subsidiaries of GIML											
GMR Infrastructure (Mauritius) Limited (GIML)		GMR Male International Airport Private Limited	GMR Infrastructure (UK) Limited	GMR Infrastructure Overseas Limited	GMR Infrastructure (Cyprus) Limited (GCL)	GMR Infrastructure (Singapore) PTE Limited (GSL)							
		Subsidiaries of GIGL											
GMR Infrastructure (Overseas) Limited		GMR Infrastructure (Global) Limited (GGL)	GMR Energy (Global) Limited (GEGL)	GMR Energy Projects (Mauritius) Limited									
Corporate & International Business		GMR Corporate Affairs Private Limited (GCAPL)	Subsidiaries of GCAPL										
			GMR Business Process and Services Private Limited										
		GMR Corporate Centre Limited											
		Dhruvi Securities Private Limited											
	GMR Aviation Private Limited												

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.

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before		Provision for		Profit after		Proposed Dividend
								Taxation	Taxation	Taxation	Taxation	Taxation	Taxation	
1	GMR Krishnagiri SEZ Limited	117.50	(4.06)	335.60	222.16	-	-	(0.68)	-	(0.68)	-	(0.68)	-	
2	GMR Aviation Private Limited	86.44	(46.79)	392.41	352.76	1.40	71.70	(23.34)	7.77	(31.11)	-	(31.11)	-	
3	GMR SEZ & Port Holdings Private Limited	47.99	(2.16)	305.65	259.82	-	-	(1.28)	-	(1.28)	-	(1.28)	-	
4	Advika Propertie Private Limited	1.00	(0.03)	7.01	6.04	-	-	-	-	-	-	-	-	
5	Aklima Properties Private Limited	1.00	(0.04)	4.10	3.14	-	-	-	-	-	-	-	-	
6	Amartya Properties Private Limited	1.00	0.01	7.73	6.72	-	-	-	-	-	-	-	-	
7	Baruni Properties Private Limited	1.00	(0.03)	6.12	5.15	-	-	-	-	-	-	-	-	
8	Bougainvillea Properties Private Limited	1.00	0.77	5.88	4.11	-	-	-	-	-	-	-	-	
9	Camelia Properties Private Limited	1.00	(0.17)	5.97	5.14	-	-	(0.07)	-	(0.07)	-	(0.07)	-	
10	Deepesh Properties Private Limited	1.00	1.80	5.81	3.01	-	-	(0.01)	-	(0.01)	-	(0.01)	-	
11	Ella Properties Private Limited	1.00	(0.04)	7.63	6.67	-	-	-	-	-	-	-	-	
12	Gerbera Properties Private Limited	1.00	-	6.54	5.54	-	-	-	-	-	-	-	-	
13	Lakshmi Priya Properties Private Limited	1.00	(0.03)	7.27	6.30	-	-	-	-	-	-	-	-	
14	Larkspur Properties Private Limited	1.00	(0.04)	13.53	12.57	-	-	(0.01)	-	(0.01)	-	(0.01)	-	
15	Honeysuckle Properties Private Limited	1.00	0.28	7.49	6.21	-	-	0.01	-	0.01	-	0.01	-	
16	Idilka Properties Private Limited	1.00	(0.03)	6.37	5.40	-	-	-	-	-	-	-	-	
17	Krishnapriya Properties Private Limited	1.00	(0.05)	5.94	4.99	-	-	(0.01)	-	(0.01)	-	(0.01)	-	
18	Nadira Properties Private Limited	1.00	0.07	6.48	5.41	-	-	0.10	-	0.10	-	0.10	-	
19	Prakaipa Properties Private Limited	1.00	(0.03)	6.77	5.80	-	-	-	-	-	-	-	-	
20	Purnachandra Properties Private Limited	1.00	(0.09)	6.86	5.95	-	-	(0.06)	-	(0.06)	-	(0.06)	-	
21	Padmapriya Properties Private Limited	1.00	0.68	25.77	24.09	0.50	-	0.40	0.12	0.28	-	0.28	-	
22	Pranesh Properties Private Limited	1.00	(0.03)	7.13	6.16	-	-	(0.01)	-	(0.01)	-	(0.01)	-	
23	Radhapriya Properties Private Limited	1.00	(0.03)	4.61	3.64	-	-	-	-	-	-	-	-	
24	Shreyadita Properties Private Limited	1.00	(0.05)	5.77	4.82	-	-	(0.07)	-	(0.07)	-	(0.07)	-	
25	Sreepa Properties Private Limited	1.00	(0.03)	5.53	4.56	-	-	(0.02)	-	(0.02)	-	(0.02)	-	
26	Asteria Real Estates Private Limited	0.03	(0.03)	9.36	9.36	-	-	-	-	-	-	-	-	
27	Lantana Properties Private Limited	0.01	(0.01)	6.87	6.87	-	-	(0.01)	-	(0.01)	-	(0.01)	-	
28	GMR Corporate Affairs Private Limited	20.00	0.27	188.80	168.53	-	7.47	(0.01)	(0.03)	0.02	-	0.02	-	
29	GMR Hotels and Resorts Limited	109.66	(85.03)	203.85	179.22	0.30	42.04	(23.85)	-	(23.85)	-	(23.85)	-	
30	Kakinada SEZ Private Limited	93.99	(2.27)	1,011.32	919.60	-	-	(0.65)	-	(0.65)	-	(0.65)	-	
31	Dhruvi Securities Private Limited	210.06	178.27	1,248.34	860.01	9.22	42.33	(20.65)	1.20	(21.85)	-	(21.85)	-	
32	GMR Business Process and Services Private Limited	0.01	(0.84)	7.64	8.47	-	0.25	(0.01)	-	(0.01)	-	(0.01)	-	
33	GMR Airport Developers Limited	5.10	26.38	43.92	12.44	1.00	64.68	18.77	6.22	12.55	-	12.55	-	
34	GMR Hyderabad International Airport Limited	378.00	65.48	3,025.13	2,581.65	10.22	702.86	159.05	53.21	105.84	-	105.84	-	

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 Comapnies Act, 1956. (contd.)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before		Provision for		Profit after		Proposed Dividend
								Taxation	Taxation	Taxation	Taxation	Taxation	Taxation	
35	Hyderabad Airport Security Services Limited	12.50	0.46	74.86	61.90	1.32	-	0.20	0.04	0.16	-	-	-	
36	GMR Hyderabad Airport Resource Management Limited	0.05	0.60	1.06	0.41	0.25	-	0.03	0.01	0.02	-	-	-	
37	GMR Hyderabad Aerotropolis Limited	23.63	(0.47)	23.66	0.50	0.57	-	(0.09)	-	(0.09)	-	-	-	
38	Hyderabad Menzies Air Cargo Private Limited	19.04	32.33	62.78	11.41	-	54.83	32.23	6.46	25.77	-	-	13.89	
39	GMR Hyderabad Multi Product SEZ Limited	0.05	(0.03)	0.02	-	-	-	-	-	-	-	-	-	
40	GMR Hyderabad Aviation SEZ Limited	30.00	9.63	109.85	70.22	1.50	17.13	7.31	2.49	4.82	-	-	-	
41	Gateways for India Airports Private Limited	0.01	1.77	2.69	0.91	2.45	-	0.25	0.08	0.17	-	-	-	
42	Delhi International Airport Private Limited	2,450.00	(1,380.69)	11,955.39	10,886.08	109.00	3,258.39	72.52	-	72.52	-	-	-	
43	Delhi Aerotropolis Private Limited	0.10	(0.10)	0.08	0.08	-	-	0.04	-	0.04	-	-	-	
44	Hyderabad Duty Free Retail Limited	9.95	(5.82)	21.43	17.30	-	31.86	(0.62)	-	(0.62)	-	-	-	
45	GMR Airport Handling Services Company Limited	0.05	(0.02)	0.04	0.01	-	-	-	-	-	-	-	-	
46	GMR Airports Limited	1,828.67	84.56	1,920.06	6.83	4.52	56.66	45.29	14.52	30.77	-	-	-	
47	GMR Energy Limited	2,780.28	85.09	8,080.46	5,215.09	-	170.36	(476.75)	18.17	(494.92)	-	-	-	
48	GMR Vemagiri Power Generation Limited	759.50	(146.11)	895.66	282.27	-	338.29	(39.23)	37.70	(76.93)	-	-	-	
49	GMR Power Corporation Limited	247.50	577.48	1,743.91	918.93	-	796.44	113.80	22.77	91.03	-	-	-	
50	GMR (Badrinath) Hydro Power Generation Private Limited	5.00	(9.34)	364.98	369.32	-	-	(0.06)	-	(0.06)	-	-	-	
51	Badrinath Hydro Power Generation Private Limited	0.01	(0.01)	-	-	-	-	-	-	-	-	-	-	
52	GMR Mahashitra Energy Limited	0.05	(0.02)	7.06	7.03	-	-	(0.01)	-	(0.01)	-	-	-	
53	GMR Kamalanga Energy Limited	1,356.37	(14.85)	5,981.09	4,639.57	-	-	(2.67)	-	(2.67)	-	-	-	
54	GMR Energy Trading Limited	62.00	(8.92)	217.83	164.75	-	460.64	(16.27)	-	(16.27)	-	-	-	
55	GMR Consulting Services Private Limited	0.01	1.91	23.59	21.67	-	27.25	1.35	0.54	0.81	-	-	-	
56	GMR Coastal Energy Private Limited	0.01	(0.05)	3.06	3.10	-	-	(0.01)	-	(0.01)	-	-	-	
57	GMR Bajoli Holi Hydro Power Private Limited	161.61	(0.46)	400.16	239.01	-	-	(0.19)	-	(0.19)	-	-	-	
58	GMR Londa Hydro Power Private Limited	0.01	(0.28)	50.92	51.19	-	-	(0.01)	-	(0.01)	-	-	-	
59	GMR Kakinada Energy Private Limited	0.01	(0.02)	4.50	4.51	-	-	(0.01)	-	(0.01)	-	-	-	
60	GMR Chhattisgarh Energy Limited	822.87	(10.95)	6,810.54	5,998.62	2.00	-	(4.42)	-	(4.42)	-	-	-	
61	GMR Rajahmundry Energy Limited	520.00	(4.06)	3,623.89	3,107.95	-	-	(0.46)	-	(0.46)	-	-	-	
62	SIK Powergen Limited	0.50	4.05	152.80	148.25	-	-	(0.01)	-	(0.01)	-	-	-	
63	EMCO Energy Limited	435.00	(22.93)	3,876.13	3,464.06	-	11.13	(17.12)	-	(17.12)	-	-	-	
64	GMR Mining & Energy Private Limited	0.05	(0.60)	-	0.55	-	-	(0.01)	-	(0.01)	-	-	-	
65	GMR Bundelkhand Energy Pvt. Limited	0.01	(0.06)	11.90	11.95	-	-	(0.02)	-	(0.02)	-	-	-	
66	GMR Uttar Pradesh Energy Pvt. Limited	0.01	(0.01)	0.17	0.17	-	-	(0.01)	-	(0.01)	-	-	-	
67	GMR Hosur Energy Limited	0.05	(0.01)	21.17	21.13	-	-	(0.01)	-	(0.01)	-	-	-	
68	GMR Gujarat Solar Power Private Limited	73.60	8.47	372.43	290.36	15.20	60.89	11.32	2.27	9.05	-	-	-	

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.)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
69	GMR Indo-Nepal Energy Links Limited	0.05	(0.01)	0.27	0.23	-	-	(0.01)	-	(0.01)	-
70	GMR Indo-Nepal Power Corridors Limited	0.05	(0.01)	0.38	0.34	-	-	(0.01)	-	(0.01)	-
71	GMR Renewable Energy Limited	1,014.44	(0.11)	1,014.35	0.02	1.60	1.40	0.64	0.05	0.59	-
72	East Delhi Waste Processing Company Private Limited	30.50	(1.77)	177.40	148.67	-	-	(0.64)	-	(0.64)	-
73	GMR Hyderabad Airport Power Distribution Limited	0.05	(0.01)	0.04	-	-	-	(0.01)	-	(0.01)	-
74	GMR Power Infra Limited	1.70	0.82	6.84	4.32	-	0.76	(0.05)	-	(0.05)	-
75	GMR Tambaram Tindivanam Expressways Private Limited	1.00	154.17	535.27	380.10	-	81.23	11.89	2.59	9.30	-
76	GMR Tuni Anakapalli Expressways Private Limited	1.00	87.25	369.03	280.78	-	58.94	8.40	1.93	6.47	-
77	GMR Ambala Chandigarh Expressways Private Limited	216.59	(103.21)	578.56	465.18	-	28.59	(23.14)	-	(23.14)	-
78	GMR Jodheria Expressways Private Limited	197.00	(17.50)	510.06	330.56	1.70	64.23	2.61	0.53	2.08	-
79	GMR Pochanpalli Expressways Limited	182.50	42.66	817.01	591.85	3.19	108.36	22.46	4.50	17.96	-
80	GMR Ulundurpet Expressways Private Limited	344.17	(56.48)	958.73	671.04	4.89	87.99	(8.25)	-	(8.25)	-
81	GMR Highways Limited	726.54	(79.18)	1,893.80	1,246.44	0.40	16.38	(62.90)	0.66	(63.56)	-
82	GMR Hyderabad Vijayawada Expressways Private Limited	297.83	(24.12)	2,276.51	2,002.80	-	64.75	(21.47)	-	(21.47)	-
83	GMR Chennai Outer Ring Road Private Limited	150.00	(1.03)	822.40	673.43	-	-	(0.04)	-	(0.04)	-
84	GMR OSE Hungund Hospet Highways Private Limited	230.00	(16.39)	1,241.34	1,027.73	-	23.28	(14.39)	-	(14.39)	-
85	GMR Highways Projects Private Limited	0.01	(0.01)	-	-	-	-	-	-	-	-
86	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	700.00	(2.45)	705.21	7.66	-	-	(1.77)	-	(1.77)	-
87	GMR Infrastructure (Global) Limited (b)	687.16	(1.37)	685.90	0.11	-	-	(0.14)	-	(0.14)	-
88	GMR Infrastructure (Cyprus) Limited (b)	0.03	(43.13)	1,436.09	1,479.19	-	-	12.89	1.31	11.58	-
89	GMR Energy (Global) Limited (b)	685.52	(683.35)	2.39	0.22	-	-	(0.09)	-	(0.09)	-
90	GMR Infrastructure Overseas, S.L. (d)	0.02	188.59	300.95	112.34	-	-	2.60	0.09	2.51	-
91	GMR Infrastructure (Mauritius) Limited (b)	1,756.61	(105.79)	3,184.93	1,534.11	-	-	(49.53)	-	(49.53)	-
92	GMR Infrastructure (UK) Limited (e)	41.20	(79.38)	43.01	81.19	-	10.41	(5.51)	-	(5.51)	-
93	GMR Airports (Malta) Limited (d)	0.01	(3.70)	105.25	108.94	-	-	(2.72)	-	(2.72)	-
94	GADL (Mauritius) Limited (b)	0.83	(0.10)	0.81	0.08	-	0.27	0.10	-	0.10	-
95	GADL International Limited (b)	0.14	15.08	296.22	281.00	-	304.56	73.86	11.46	62.40	-
96	GMR Infrastructure (Overseas) Limited (b)	-	(7.63)	0.25	7.88	-	-	(7.30)	-	(7.30)	-
97	GMR Male International Airport Private Limited (b)	164.67	182.65	1,327.42	980.10	-	973.65	(39.33)	(4.42)	(34.91)	-
98	GMR Airport Global Limited (b)	0.55	69.50	71.15	1.10	-	37.12	29.92	-	29.92	-
99	GMR Male Retail Private Limited (b)	0.11	(0.06)	0.11	0.06	-	-	(0.05)	-	(0.05)	-
100	GMR Energy (Mauritius) Limited (b)	408.06	(12.96)	480.99	85.89	-	-	(0.18)	-	(0.18)	-
101	GMR Lion Energy Limited (b)	16.12	(0.56)	44.06	28.50	-	-	(0.10)	-	(0.10)	-
102	GMR Energy(Cyprus) Limited (b)	0.02	7.29	312.26	304.95	-	-	(49.21)	-	(49.21)	-

(₹ In Crore)

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 Comapnies Act, 1956. (contd.)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
103	GMR Energy (Netherlands) B.V.(b)	0.13	242.71	460.66	217.82	-	-	(13.16)	-	(13.16)	-
104	PT Unsoco (c)	0.56	0.09	0.65	-	-	-	0.03	-	0.03	-
105	PT Dwikarya Sejati Utama (b)	35.50	(0.17)	35.60	0.27	-	-	-	-	-	-
106	PT Duta Sarana Internusa (b)	198.47	(7.40)	252.02	60.95	-	-	0.08	-	0.08	-
107	PT Barasantosa Lestari (b)	235.03	(14.05)	258.72	37.74	-	-	(2.84)	-	(2.84)	-
108	Homeland Mining and Energy Botswana@ (g)	-	-	-	-	-	-	-	-	-	-
109	Homeland Mining & Energy SA (Pty) Limited@ (g)	-	(246.05)	306.08	552.13	-	(0.06)	(248.16)	(51.50)	(196.66)	-
110	Homeland Coal Mining (Pty) Limited@ (g)	-	(56.85)	75.50	132.35	-	(0.22)	(64.07)	(12.19)	(51.88)	-
111	Corpdlo 331 (Pty) Limited@ (g)	-	(5.65)	0.15	5.80	-	-	(0.43)	-	(0.43)	-
112	Ferret Coal Holdings (Pty) Limited@ (g)	-	-	-	-	-	-	-	-	-	-
113	Ferret Coal (Kendal) (Pty) Limited@ (g)	-	(183.98)	226.90	410.88	-	88.71	(132.18)	(45.49)	(86.69)	-
114	Wizard Investments (Pty) Limited @ (g)	-	-	-	-	-	-	-	-	-	-
115	Homeland Energy (Swaziland) (Pty) Limited@ (g)	-	-	-	-	-	-	-	-	-	-
116	Homeland Energy Group Limited @ (h)	527.56	(701.03)	199.73	373.20	2.88	102.60	(249.33)	1.18	(250.51)	-
117	Homeland Energy Corp@ (h)	-	-	-	-	-	-	-	-	-	-
118	GMR Energy (Singapore) Pte.Limited (f)	-	-	-	-	-	-	7.36	1.08	6.28	-
119	GMR Supply (Singapore) Pte. Limited** (f)	-	-	-	-	-	-	(0.05)	-	(0.05)	-
120	GMR Infrastructure Singapore Pte Limited** (f)	302.32	1,292.14	2,908.23	1,313.77	-	1,342.83	1,221.18	0.70	1,220.48	-
121	GMR Energy Projects (Mauritius) Limited (b)	0.05	1.12	12.69	11.52	-	15.01	0.80	0.05	0.75	-
122	GMR Coal resources Pte Ltd. (b)	34.25	(152.31)	2,835.25	2,953.31	3.67	-	(100.92)	-	(100.92)	-
123	Himital Hydro Power Co. (P) Limited (a)	12.50	(0.35)	28.11	15.96	-	-	(0.21)	0.01	(0.22)	-
124	GMR Upper Karnali Hydro Power Limited (a)	0.94	(1.30)	38.32	38.68	-	-	(0.58)	-	(0.58)	-
125	Karnali Transmission Company Private Limited (a)	0.21	(0.03)	0.94	0.76	-	-	-	-	-	-
126	Marsyangdi Transmission Co. Pvt. Limited (a)	0.21	(0.03)	1.35	1.17	-	-	-	-	-	-
127	Aravali Transmission Service Company Ltd.	5.23	(0.64)	140.00	135.41	-	-	(0.09)	-	(0.09)	-
128	Maru Transmission Service Company Ltd.	8.94	(1.14)	177.89	170.09	-	-	(0.18)	-	(0.18)	-

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 registered office and that of the subsidiary companies concerned.
2. *Investments except investment in Subsidiaries & Joint Ventures.
3. @These companies financial statements are for the period ended on and as at December 31, 2012.
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. **The Company has ceased to be a subsidiary company as on March 31, 2013 and has been considered for the purpose of consolidation of accounts.
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 ₹)	Closing Rate (in ₹)
a	NPR	1.6	1.6
b	USD	54.59	54.80
c	IDR	0.006	0.006
d	Euro	70.02	69.495
e	GBP	85.92	82.228
f	SGD	43.63	43.72
g	ZAR	6.56	6.44
h	CAD	53.23	55.26

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, 2013:

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 (on accrual basis in books of accounts):

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

i. The Foreign Exchange earnings during the year:

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
Interest income	10.09	37.97
Profit on sale of Investment	75.83	-
Management Consulting fees	6.58	-
Total	92.50	37.97

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

Your Company's chosen vision is institution in perpetuity. We are also deeply conscious that while doing business successfully we will actively cater to building of nation and society around us. The long term interest particularly in infrastructure domain is closely woven with stakeholders alignment. Your Company has large number of stakeholders in all spheres of business and society. It will be our endeavor to constantly promote and enhance the stakeholders legitimate interests.

The Board comprises of the following Directors:

Sl. No.	Name of Director	Director Identification Number [DIN]	Category @	Number of other Directorships held in other Public Limited Companies as on 31-03-2013 #		Number of committee Chairmanships / memberships held in other Public Limited Companies as on 31-03-2013 *	
				Chairman	Director	Chairman	Member
1.	Mr. G. M. Rao	00574243	Executive Chairman	5	-	-	-
2.	Mr. B.V. N. Rao	00051167	Managing Director	1	2	-	-
3.	Mr. Srinivas Bommidala	00061464	NEPD	2	6	-	3
4.	Mr. G.B.S. Raju	00061686	NEPD	-	7	-	1
5.	Mr. Kiran Kumar Grandhi	00061669	NEPD	7	5	1	6
6.	Mr. O. Bangaru Raju	00082228	NENID	-	12	-	10
7.	Mr. K. V. V. Rao***	01165942	NENID	-	2	-	-
8.	Mr. K. R. Ramamoorthy	00058467	NEID	-	8	2	5
9.	Dr. Prakash G. Apte	00045798	NEID	-	2	-	-
10.	Mr. N. C. Sarabeswaran	00167868	NEID	-	13	5	4
11.	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	-	4	4	1
12.	Mr. S. Sandilya**	00037542	NEID	2	3	4	3
13.	Mr. S. Rajagopal***	00022609	NEID	1	10	5	5
14.	Mrs. Vijaya Mohan Ram**	01810934	NEID	-	-	-	-

@ NEPD - Non-Executive Promoter Director, NENID - Non-Executive Non-Independent 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' Grievance Committee.

** Appointed as additional director with effect from September 11, 2012.

*** Appointed as additional director with effect from November 12, 2012.

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

II. Board of Directors

a. Composition of the Board

The Board consists of Fourteen (14) Directors, including one Executive Chairman and one Managing Director. Twelve (12) Directors are Non-Executive Directors; out of them Seven (7) 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.

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

Seven Board Meetings were held during the financial year ended March 31, 2013. These meetings were held on May 29, 2012, July 12, 2012, August 9, 2012, September 11, 2012 (11.00 a.m.), September 11, 2012 (5.15 p.m.), November 12, 2012 and February 8, 2013. The maximum gap between two meetings was 87 days.

c. Directors' Attendance record

The attendance of Directors at the Board Meetings held during the financial year ended March 31, 2013 and at the previous Annual General Meeting (AGM) was as under:

Name of the Directors	Board Meetings during the period April 01, 2012 to March 31, 2013		Whether present at the Previous AGM held on September 11, 2012
	Held	Attended #	
Mr. G. M. Rao	7	6	Yes
Mr. B. V. N. Rao	7	7	Yes
Mr. Srinivas Bommidala	7	3	Yes
Mr. G. B. S. Raju	7	4	Yes
Mr. Kiran Kumar Grandhi	7	3	Yes
Mr. O. Bangaru Raju	7	7	Yes
Mr. K. Balasubramanian*	4	2	NA
Mr. K. V. V. Rao***	2	2	NA
Mr. Arun K. Thiagarajan*	4	3	Yes
Mr. K. R. Ramamoorthy	7	6	Yes
Mr. N. C. Sarabeswaran	7	7	Yes
Dr. Prakash G. Apte	7	6	No
Mr. R.S.S.L.N. Bhaskarudu	7	7	Yes
Mr. Udaya Holla*	4	1	Yes
Mr. Uday M. Chitale*	4	4	Yes
Mr. S. Sandilya**	2	2	NA
Mr. S. Rajagopal***	2	1	NA
Mrs. Vijaya Mohan Ram**	2	-	NA

* Ceased to be a director with effect from September 11, 2012.

** Appointed as additional director with effect from September 11, 2012.

*** Appointed as additional director with effect from November 12, 2012.

Attendance includes participation through video conference.

III. Committees of the Board

1. Audit Committee

a. Composition of Audit Committee:

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

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. R. S. S. L. N. Bhaskaradu	Member
Mr. N. C. Sarabeswaran	Member

ii. Previous Annual General Meeting of the Company was held on September 11, 2012. 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. Sounderajan, 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, 2013, Seven Audit Committee meetings were held on April 5, 2012, May 26, 2012, August 8, 2012, November 8, 2012, December 7, 2012, February 7, 2013 and March 28, 2013.

The attendance of the Audit Committee members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	7	7
Mr. R. S. S. L. N. Bhaskarudu	7	7
Mr. N. C. Sarabeswaran	7	7
Mr. Arun K. Thiagarajan*	3	2
Mr. Uday M. Chitale*	3	3

* Ceased to be a member with effect from September 11, 2012.

Special meetings of the Committee were held on December 7, 2012 and March 28, 2013 exclusively to review the matters relating to update on GMR Malé International Airport Private Limited, update on Hydro projects, Liquidity status of Energy sector, Nature and scope of audit by the Statutory Auditors for the Financial Year 2012-13, Adequacy of internal control, Enterprise Risk Management update, Control process, HR issues, Evaluation of auditors performance, Functioning of Whistle blower mechanism, 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 statements are 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 on 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 of 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.

2. Remuneration Committee

Composition of the Remuneration Committee of the Board and particulars relating to the meeting held on July 11, 2012 during the year and attendance details are as under:

Names	Designation	Meeting	
		Held	Attended
Mr. K.R. Ramamoorthy	Chairman	1	1
Mr. Udaya Holla	Member	1	1
Dr. Prakash G. Apte	Member	1	1
Mr. G. M. Rao	Member	1	-

Remuneration Committee and Nomination Committee were merged to constitute Nomination and Remuneration Committee with effect from September 11, 2012.

3. Nomination Committee

Composition of the Nomination Committee of the Board and particulars relating to the meeting held on September 11, 2012 during the year and attendance details are as under:

Names	Designation	Meeting	
		Held	Attended
Mr. R. S. S. L. N. Bhaskarudu	Chairman	1	1
Mr. B.V.N. Rao	Member	1	1
Mr. Arun K Thiagarajan*	Member	NA	NA
Mr. N.C. Sarabeswaran	Member	1	1

*Ceased to be a member with effect from September 11, 2012.

Nomination Committee and Remuneration Committee were merged to constitute Nomination and Remuneration Committee with effect from September 11, 2012.

4. Nomination and Remuneration Committee

a. Constitution of Nomination and Remuneration Committee:

The Board of Directors at the meeting held on September 11, 2012, approved the merger of both Nomination Committee and Remuneration Committee to constitute Nomination and Remuneration Committee.

b. Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of the following Directors as members:

Names	Designation
Mr. R. S. S. L. N. Bhaskarudu	Chairman
Mr. B.V.N. Rao	Member
Dr. Prakash G. Apte	Member
Mr. N.C. Sarabeswaran	Member
Mr. K.R. Ramamoorthy	Member

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

c. Meetings and Attendance during the year:

During the financial year ended March 31, 2013, two meetings of the Committee were held on November 12, 2012 and February 7, 2013.

The attendance of the Nomination and Remuneration Committee members are as under:-

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	2	2
Dr. Prakash G. Apte	2	1
Mr. R. S. S. L. N. Bhaskarudu	2	2
Mr. B.V.N. Rao	2	2
Mr. N.C. Sarabeswaran	2	2

d. The terms of reference of the Nomination and Remuneration Committee are as under:

- Identifying, evaluating, and recommending appropriate Independent Directors Executive and Non-Executive Directors on the Board of the Company based on the qualifications, positive attributes, independence of a director and availability of time with him or her to devote to the job;
- Evaluating the skill, knowledge, experience and effectiveness of individual directors as well as the Board as a whole;
- Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;

- 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;
- Payment of remuneration shall be approved by a resolution passed by the Nomination and Remuneration Committee;
- 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;
- 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;
- 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;
- 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; and
- 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.

e. Remuneration Policy

Remuneration of the Executive Chairman, Managing Director or Executive Director is determined periodically by the Nomination and 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.

f. Details of remuneration paid during the financial year ended March 31, 2013 to the Directors are furnished hereunder:

Name	Category @	Salary & Commission (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)	No. of shares held
Mr. G. M. Rao	Executive Chairman	38,729,784	638,384	-	39,368,168	12,31,330
Mr. B. V. N. Rao	Managing Director	-	-	-	-	1,50,000
Mr. Srinivas Bommidala	NEPD	-	-	-	-	4,51,660
Mr. G. B. S. Raju	NEPD	-	-	-	-	5,44,160
Mr. Kiran Kumar Grandhi	NEPD	-	-	-	-	8,72,160
Mr. O. Bangaru Raju	NENID	-	-	-	-	55,000
Mr. K. V. V. Rao***	NENID	-	-	-	-	1,82,700
Mr. K. Balasubramanian *	NENID	-	-	-	-	Nil
Mr. Arun K. Thiagarajan*	NEID	-	-	1,10,000	1,10,000	46,000
Mr. K. R. Ramamoorthy	NEID	-	-	3,10,000	3,10,000	Nil
Mr. N. C. Sarabeswaran	NEID	-	-	3,00,000	3,00,000	20,000
Dr. Prakash G Apte	NEID	-	-	1,40,000	1,40,000	30,000
Mr. R.S.S.L.N. Bhaskarudu	NEID	-	-	3,10,000	3,10,000	Nil
Mr. Udaya Holla*	NEID	-	-	30,000	30,000	Nil
Mr. Uday M. Chitale*	NEID	-	-	1,50,000	1,50,000	30,000
Mr. S. Sandilya**	NEID	-	-	40,000	40,000	5,000
Mr. S. Rajagopal***	NEID	-	-	20,000	20,000	22,000
Mrs. Vijaya Mohan Ram**	NEID	-	-	-	-	5,000

@ NEPD - Non-Executive Promoter Director, NENID - Non-Executive Non-Independent Director, NEID - Non-Executive Independent Director

* Ceased to be a director with effect from September 11, 2012.

** Appointed as additional director with effect from September 11, 2012.

*** Appointed as additional director with effect from November 12, 2012.

Note: The remuneration paid to Executive Chairman 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).

5. Shareholders' Transfer and Grievance Committee

a. Composition of the Committee:

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

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. B. V. N. Rao	Member
Mr. G.B.S. Raju	Member

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

Mr. C. P. Sounderajan, 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, 2013, four meetings were held on May 29, 2012, August 9, 2012, November 12, 2012 and February 7, 2013.

The attendance of the Shareholders' Transfer and Grievance Committee members is as under:

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

* Ceased to be a member with effect from September 11, 2012.

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

- Allotment of all types of securities to be issued by the Company;
- Transfer, transposition and transmission of securities;
- Issuance of duplicate shares or other securities;
- 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 2012-13 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 Refund Order	1	1	0
Non-Receipt of Dividend Warrants	40	40	0
Non-Receipt of Annual Reports	31	31	0
Non-Receipt of Share Certificates	8	8	0
SEBI Complaints (SCORES)	5	5	0
Total	85	85	0

6. Management Committee

a. Composition of Management Committee:

The Management Committee comprises of the following Directors as members:

Names	Designation
Mr. G.M. Rao	Chairman
Mr. B.V. N. Rao	Member
Mr. Srinivas Bommidala	Member
Mr. G.B.S. Raju	Member
Mr. Kiran Kumar Grandhi	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, 2013, nineteen meetings of the Management Committee were held on April 9, 2012, April 13, 2012, April 27, 2012, May 16, 2012, May 21, 2012, June 15, 2012, June 29, 2012, July 25, 2012, September 3, 2012, October 1, 2012, November 8, 2012, November 23, 2012, December 18, 2012, December 26, 2012, January 29, 2013, February 20, 2013, March 6, 2013, March 14, 2013 and March 23, 2013.

The attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. G.M. Rao	19	15
Mr. B.V. N. Rao	19	11
Mr. Srinivas Bommidala	19	8
Mr. G.B.S. Raju	19	14
Mr. Kiran Kumar Grandhi	19	13

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 delegates specific powers to the Management Committee.

7. Debentures Allotment Committee

a. Composition of Debentures Allotment Committee:

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

Names	Designation
Mr. B.V. N. Rao	Member
Mr. Srinivas Bommidala	Member
Mr. G.B.S. Raju	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 on March 31, 2013, two meetings of the Committee were held on April 11, 2012 and May 16, 2012. The attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. B.V. N. Rao	2	1
Mr. Srinivas Bommidala	2	2
Mr. G.B.S. Raju	2	2

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.

8. Corporate Governance Committee

a. Composition of Corporate Governance Committee:

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

Names	Designation
Mr. N. C. Sarabeswaran	Chairman
Dr. Prakash G Apte	Member
Mr. R. S. S. L. N. Bhaskarudu	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, 2013, two meetings of Committee were held on April 5, 2012 and March 28, 2013 and the attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. Arun K Thiagarajan*	1	1
Dr. Prakash G Apte	2	-
Mr. R. S. S. L. N. Bhaskarudu	2	2
Mr. Uday M Chitale*	1	1
Mr. N. C. Sarabeswaran+	1	1

* Ceased to be a member with effect from September 11, 2012.

+ Appointed as a member with effect from September 11, 2012.

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.

IV. 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 ("the Code") for all Board members and Senior Management Personnel of the Company. The

Code 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. B. V. N. Rao, 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 and affirmed by them on an annual basis, 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.

V. 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 a Whistle Blower Policy in place, applicable to the Company and its subsidiaries.

This mechanism has been communicated to all concerned and posted on the Group's intranet.

VI. Risk Management

Risk is an inherent aspect of business, especially in a dynamic industry such as infrastructure. The Company's Enterprise Risk Management 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.

Your Company's Enterprise risk management framework, in line with the current best practices, clearly defines the applicability, coverage, processes and linkages. The framework has been implemented with the development of risk registers at the enterprise, sector, functions and key business unit levels. The top risks across the business units and functions are aggregated and escalated to top management. The risk profiles covering current controls and mitigation plans are prepared for top risks and reviewed on a regular basis.

In addition to qualitative aspects, we also focus on quantitative impact of risks through sensitivity and scenario analysis, usage of tools & techniques and highlighting major value drivers for each business. These endeavors ensure risk-informed decision making, throughout the entire Value Chain (i.e. Pre Bid - Bid - Project - Asset) of your Company's Business.

We have in place a robust Bid Risk Framework for carrying out detailed risk analysis for all the bids / opportunities that come up to the Board for

approval. Additionally, we have revised our Project Risk Management and Contractual Risk Review Framework which is being implemented to strengthen our risk management process across the Group.

ERM team also carries out risk review of the major policies and processes that have a group wide impact (e.g. treasury policy, foreign exchange policy, code of conduct, whistleblower policy etc.) and provides inputs for tighter controls and limits on the same.

The Company has also strengthened its processes to build resilience to deal with eventualities through Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP) exercise for its key assets and projects.

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

VII. 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
2011-12	Convention Centre, NIMHANS, Hosur Road, Bengaluru - 560 029	September 11, 2012 at 2.30 p.m.	1. Appointment of Mr. B. V. N. Rao as Managing Director 2. Issue of securities for an aggregate amount not exceeding ₹ 2500 Crore
2010-11	Convention Centre, NIMHANS, Hosur Road, Bengaluru - 560 029	September 2, 2011 at 2.30 p.m.	No Special Resolution was 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%

b. Extraordinary 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 follows:

Year	Venue	Date & Time	Special Resolution Passed
2011-12	No Extraordinary General Meeting was held during the year		
2010-11	No Extraordinary General Meeting was held during the year		
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 ₹ 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.

c. Special Resolutions passed through postal ballot:

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

VIII. 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 at page no. 199 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 Exchanges or SEBI or any statutory authority.

IX. Subsidiary Companies

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

- The financial statements, in particular the investments made by subsidiary companies, are reviewed by the Audit Committee of the Company periodically;
- The minutes of the Board / Audit Committee Meetings of the subsidiary companies are noted at the Board / Audit Committee Meetings respectively of the Company;
- The details of significant transactions and arrangements entered into by the material subsidiary companies are placed periodically before the Board of the Company.

X. 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 'Business Line', '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. The shareholding pattern and Corporate Governance disclosures as per Listing Agreement are filed electronically through Corporate Filing and Dissemination System (CFDS), NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance & Listing Centre (BSE Listing Centre) and investor complaints are redressed through SEBI Complaints Redress System (SCORES).

XI. General Shareholder Information

a. Date, time and venue of the 17th AGM:

Tuesday, September 17, 2013 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bengaluru - 560 029, Karnataka.

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, 2013	First fortnight of August 2013
Financial reporting for the quarter / half year ending September 30, 2013	First fortnight of November 2013
Financial reporting for the quarter / nine months ending December 31, 2013	First fortnight of February 2014
Financial reporting for the quarter / year ending March 31, 2014	Second fortnight of May 2014
Annual General Meeting for the year ending March 31, 2014	August / September 2014

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, September 10, 2013 to Tuesday, September 17, 2013 (both days inclusive) for the purpose of the 17th Annual General Meeting.

d. Dividend Payment Date:

The dividend if declared shall be paid/ credited after September 17, 2013.

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
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	532754

The Company had paid Annual listing fees for the year 2013-14 to both the Stock Exchanges.

(ii) Privately placed Debt instruments:

The Company's privately placed debentures allotted in FY 2009-10 are listed on National Stock Exchange of India Limited and were partially redeemed. The face value of these Unsecured Non-Convertible Debentures (NCDs) was reduced to ₹ 7 lakh from ₹ 8.5 lakh for each debenture. The Stock code of these NCDs is GMRI15.

During 2011-12 and 2012-13, 10,000 Secured Non-Convertible Debentures of ₹ 10 lakh each aggregating to ₹ 1,000 Crore were issued to ICICI Bank Limited on a private placement basis, in various tranches. Secured Non-Convertible Debentures were listed on National Stock Exchange of India Limited and were partially redeemed. The face value of secured Non-Convertible Debentures were reduced to ₹ 9.875 lakh from ₹ 10 lakh for each debenture. The Stock code of Secured Non-Convertible Debentures were GMRI21, GMRI21A, GMRI21B and GMRI21C.

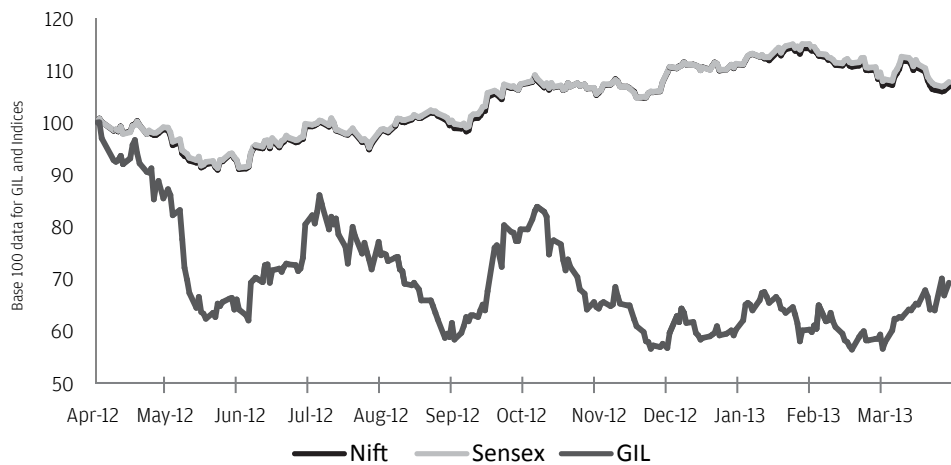
The Company had paid Annual listing fees to the Stock Exchange in respect of the listed debt securities for the year 2013-14.

f. Stock Market Data relating to Shares Listed:

(Amount in ₹)

Month	NSE		BSE	
	High	Low	High	Low
April 2012	31.75	25.80	31.90	26.40
May 2012	27.95	18.55	27.75	18.55
June 2012	25.40	19.20	25.35	19.25
July 2012	27.25	22.35	27.00	22.25
August 2012	23.90	17.65	23.90	17.60
September 2012	26.40	17.50	26.20	18.15
October 2012	27.00	19.65	27.00	19.65
November 2012	21.55	16.75	21.55	16.75
December 2012	20.35	18.10	20.45	18.10
January 2013	21.75	17.85	21.60	17.90
February 2013	20.60	16.85	20.60	17.00
March 2013	23.00	17.65	23.00	17.65

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:

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

Branch Office:

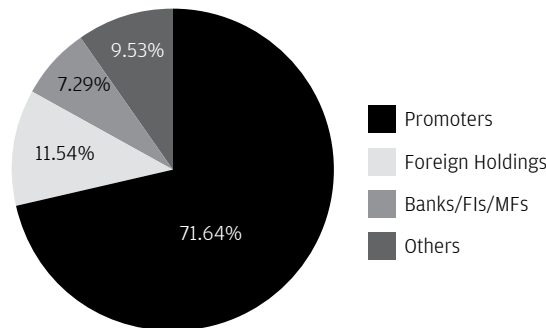
Karvy Computershare Private Limited
 No. 51/2, TKN Complex, Vani vilas Road,
 Opp: National College
 Basavannagudi, Bengaluru-560 004
 Telephone No. 080 - 41204350
 Fax No. 080 - 26621169
 Email ID: kulashekara.sharma@karvy.com

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 Shareholders' 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, the 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, 2013:

Distribution by category



Description	No. of Cases	Total Shares	% Equity
Banks	27	108467138	2.79
Clearing Members	309	6092290	0.16
Foreign Institutional Investors	105	449240086	11.54
Indian Financial Institutions	27	173426918	4.46
Bodies Corporates	2828	61118795	1.57
Mutual Funds	11	1799406	0.05
Non Resident Indians	4326	10305506	0.26
Promoters	15	2788732032	71.64
Resident Individuals	444518	266355355	6.84
Trusts	15	26897256	0.69
Total:	452181	3892434782	100.00

Distribution by size

Sl. No	Range of equity shares held	March 31, 2013				March 31, 2012			
		No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1	1 - 500	361302	79.90	62215623	1.60	383335	81.37	65224706	1.68
2	501 - 1000	49212	10.88	39536378	1.02	49092	10.42	39216581	1.01
3	1001 - 2000	23189	5.13	36222418	0.93	22203	4.71	34707281	0.89
4	2001 - 3000	6794	1.50	17490506	0.45	6137	1.3	15834773	0.41
5	3001 - 4000	3753	0.83	13945596	0.36	3536	0.75	13157781	0.34
6	4001 -5000	2225	0.49	10535925	0.27	1906	0.41	9007758	0.23
7	5001 - 10000	3253	0.72	24044459	0.62	2765	0.59	20374112	0.52
8	10001 and above	2453	0.55	3688443877	94.75	2132	0.45	3694911790	94.93
Total		452181	100.00	3892434782	100.00	471106	100	3892434782	100

j. Dematerialisation of Shares and Liquidity:

The Company's shares are available for dematerialization with 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, 2013.

ISIN: INE776C01039 (Fully Paid Shares)

IN9776C01037 (Partly Paid Shares)

Description	No. of Shareholders	No. of Shares	% Equity
PHYSICAL	318	1132914	0.03
NSDL	303105	3797473844	97.56
CDSL	148758	93828024	2.41
Total	452181	3892434782	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. Sounderajan
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 Practising 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, 2013, 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:

Certificate from the Practising Company Secretaries, M/s. V. Sreedharan & Associates, Company Secretaries, 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, M/s. Karvy Stock Broking Limited. The details in respect of equity shares lying in the suspense / escrow account is as under:

Particulars	Number of share holders	Number of equity shares held
Aggregate number of shareholders and the outstanding shares in the suspense/escrow account lying as on April 1, 2012	8	19000
Number of shareholders who approached the Company for transfer of shares from suspense/escrow account during the year	1	3000
Number of shareholders to whom shares were transferred from the suspense/escrow account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2013	8	19000

The voting rights on the shares outstanding in the aforesaid suspense account as on March 31, 2013 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 Nomination and Remuneration Committee, Corporate Governance Committee, Management Committee and Debenture Allotment Committee of the Board, notes on which are given elsewhere in this report.
2. Whistle Blower Policy is in place.
3. The Board has approved Board Governance Initiatives which include retirement policy for Independent Directors and training of Board members.

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, B. V. N. Rao, 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, 2013.

Place: Bengaluru
Date: May 30, 2013

B. V. N. Rao
Managing Director

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, 2013 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

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

Place: Bengaluru

Date: May 30, 2013

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L45203KA1996PLC034805
Nominal Capital : ₹ 750 Crore

To the Members of GMR INFRASTRUCTURE LIMITED

We have examined all the relevant records of GMR Infrastructure Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with BSE Limited and National Stock Exchange of India Ltd., for the year ended March 31, 2013. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records, produced and the explanations and information furnished, we certify that the Company has complied with the mandatory conditions of Clause 49 of the Listing Agreement. As regards Annexure 1D relating to Non-Mandatory requirements, the Company has complied with Sl. Nos. 2, 5 and 7 of the same.

For V. Sreedharan & Associates
Company Secretaries

V. Sreedharan
Partner
FCS 2347; C.P. No. 833

Place : Bengaluru

Date : May 30, 2013

SECRETARIAL AUDIT REPORT

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

We have examined the registers, records and documents of GMR Infrastructure Limited ("The Company") for the financial year ended March 31, 2013 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, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and as amended to date;
 - iii. 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 as amended to date; and
- The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited and Listing Agreement for Debt Securities 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, ("Companies Act or 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 16th Annual General Meeting held on September 11, 2012;
- (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, and 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, 2011 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, as amended to date, 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 BSE Limited and the National Stock Exchange of India Limited and Listing Agreement for Debt Securities 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 as amended to date.
- For V. Sreedharan & Associates
Company Secretaries
- V. Sreedharan
Partner
F.C.S-2347:C.P. No.833
- Place: Bengaluru
Date: May 30, 2013

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 this purpose, forward-looking statements are statements that address activities, events, conditions or developments that the company expects or anticipates which 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.

The New Infra Business Strategy - Asset Light Asset Right

The emerging global volatility and uncertainty coupled with the lack of institutionalized policy environment demand the Indian Infrastructure players to be more dynamic and adaptive than ever before.

Global Economic Scenario

Now we are more affected by world events than ever before.

Global market continued to suffer by volatility and uncertainty in FY 13. While US gave mixed indicators on its path to recovery, Eurozone still remained in crisis and was forced to take harsh bailouts like the Cyprus. Although the breakup is averted, only zero to marginal growth can be expected this year in Eurozone. Meanwhile, export driven China was also affected by the global slowdown and is likely to improve in medium to long term.

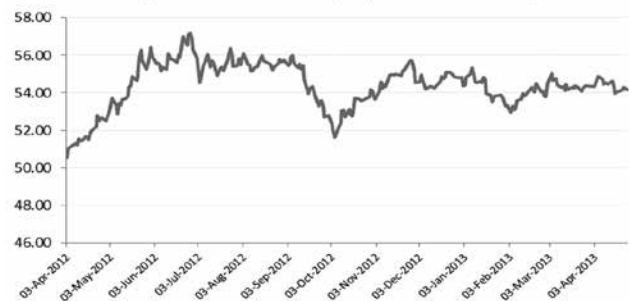
Indian Economy

India's economic growth continued to struggle during FY 13. The percentage share of investments to GDP in physical assets like Gold, Real Estate etc. continued to be higher as compared to liquid financial assets. High oil and gold bill coupled with weak exports due to slow global recovery led to a liquidity crisis and continued to put stress on the Balance of payments (BoP) during 2012-13. The inflation continued to hover between 7-8% for most of the year and at one stage the country also faced the risk of downgrade.

However, this crisis situation was averted by the various policy measures taken by Indian Government - like diesel price deregulation, disinvestment in sectors like Retail, Aviation etc. RBI too played its role in measures to bring back the growth through minor reduction in interest rates in Q3 and Q4. Even the global oil prices came down to a reasonable level towards the end of the FY 13.

Amidst this Indian rupee remained volatile and performed a range bound movement as shown in the chart below:

Rupee Dollar Exchange Rate Trend - Apr 2012 to Mar 2013



India continues to sit on a huge latent demand; however more policy reforms are required to improve the economic situation and investor confidence.

Projected investment in infrastructure in the twelfth Plan

Despite a bleak and uncertain macro-economic outlook, the prospects for infrastructure look positive with the planning commission recognizing the continued infrastructure deficit of India. The 12th five year plan (2012-17) envisages doubling of investment over the previous 11th five year plan. In addition, almost half of its share is expected to come through the private sector. This provides tremendous business potential for established and emerging infrastructure developers.

Parameter	10th Plan (2002-2007)	11th Plan (2007-12)	12th Plan (2012-17)
Infrastructure Spend	225 Billion USD	500 Billion USD (₹ 24 Tn)	1 Trillion USD (₹ 55 Tn)

These investments are of a magnitude that has not been seen before. Their sheer size necessitates a change in financing models. The debt requirement would require banks to have over 50% of their gross credit to infrastructure. The equity requirement would need over a third of the market capitalization to be in infrastructure. While initiatives are underway for allowing external financing, deepening corporate bond markets, and so on, the financing model will change. In a volatile world, quality of portfolio, profitability and liquidity are the critical differentiators. In this new environment, adaptability is the key to sustained financial performance.

The Group adopted Asset Light - Asset Right (ALAR) strategy after a detailed analysis of the trends in the infrastructure sector. As part of ALAR strategy,

the Groups's focus moves now from asset growth to cash growth. The Group will shift investments from assets with low profit potential to those with higher returns. This will help improve profits & cash even if size of assets is lower.

In addition following initiatives have been taken up at the corporate level:

- Re-design organization structure to increase effectiveness;
- Merger of related operating units in EPC;
- Improvement of project management processes;
- Shared services and process excellence;
- Raising cost-effective funds.

Sector outlook and future plan

Airport sector outlook for FY 2013-14 and future plan

The Indian aviation industry has grown at a 14.4% CAGR in passenger traffic over the past decade and is expected to grow at 12.6% CAGR from 2013 to 2020. Overall, it is expected that:

- a) Favourable demographics will continue to drive demand for air travel both on domestic and international routes;
- b) Airlines are likely to maintain capacity discipline;
- c) Opportunities would be sought to cut-costs to achieve growth.

Indira Gandhi International Airport (IGIA) - Delhi Airport

The outlook for IGIA, New Delhi is driven by the expected moderate growth in passenger and cargo traffic:

- Passenger traffic is expected to grow at ~6 % in 2013-14;
- Cargo traffic from IGIA, New Delhi is expected to grow between 1-2% given the global macro-economic scenario and better growth in 2014-15 once the global economy stabilizes.

The company will continue to work towards achieving its long term strategic objectives, which include:

- Maximize value from existing assets;
- Emerge as international air traffic "Hub" for passengers and cargo;
- Build a Customer focused organization;
- Cost Management;
- Improve connectivity to the airport.

Rajiv Gandhi International Airport (GHIAL) - Hyderabad Airport

GHIAL is expected to witness a passenger traffic growth of 4-5% during FY 14. GHIAL will work towards achieving the following strategic objectives:

- To make Hyderabad the regional Hub of South and Central India;
- To position Hyderabad as the Cargo and Logistics Hub of India;

- To triple the passenger based Non-Aero incomes in the period 2010-2016;
- To increase the Non-Aero revenues by leasing space in Airport-based SEZ & FTZ;
- To regain our world No.1 ACI ranking;
- To be a shining example in "Great Place to Work".

Istanbul Sabiha Gokcen International Airport (ISGIA) - Turkey Airport

The Turkey government's outlook towards Istanbul is positive and is being shown in the investments on the 3rd Bridge, 3rd Airport, Metro and Marmaray projects (expected to be commenced in October 2013). Outlook for ISGIA is a 19% traffic increase through a larger share of international traffic growth.

- The strategic initiatives proposed to meet the future goals are:
 - Attracting more international routes;
 - Attracting full service carriers such as Turkish Airlines;
 - Improving retail / commercial revenues;
 - Sustain efforts to optimize costs without compromise to service delivery standards.
- Airport connectivity is expected to improve with the proposed subway system and Marmaray rail projects which are expected to commence in October 2013. Connection to ISGIA is anticipated in 2014;
- Environmental Impact Assessment (EIA) report process for the ISGIA 2nd runway is underway. On completion of EIA report, tender for the 2nd runway will be released in second half of 2013;
- Improvement in the commercial area performance is expected due to introduction of new brands, new spaces in the mezzanine and also improved passenger profile.

Maintenance Repair and Overhaul (MRO)

MAS GMR Aero Technic Limited (MGAT), a subsidiary of the Company, is aiming to get necessary approvals from Directorate General of Civil Aviation (DGCA) and European Aviation Safety Agency (EASA) for providing base checks on Bombardier Q400 aircraft during the Financial Year 2013-14. MGAT intends to become an Authorized Service Facility (ASF) for Bombardier Q400 and other Dash series aircraft. This would enable MGAT to service the Bombardier aircraft in the region.

MGAT is in advanced stage of negotiations with various domestic airlines and is making efforts to execute contracts to that effect. MGAT has plans to improvise the marketing efforts to penetrate into the international market by engaging marketing consultants and generating more business. MGAT aims at securing End of Lease checks of aircraft from an International Airline. This will form a strong case and will help in securing more End of Lease checks from the international market.

MGAT has plans to aggressively foray into the international market and to actively participate in international MRO and Airline conferences, in order to create recognition in the market. With such business development activities, MGAT is aiming at performing around 75 checks on various types of aircraft including C-checks and End of Lease checks, in the Financial Year 2013-14.

Energy Sector Outlook for FY13-14 and future plan

In line with the Group's Asset Light Asset Right strategy, the group divested its stake in GMR Energy Singapore Pte Limited (GESPL) and further the Energy business would continuously evaluate its portfolio to enhance value.

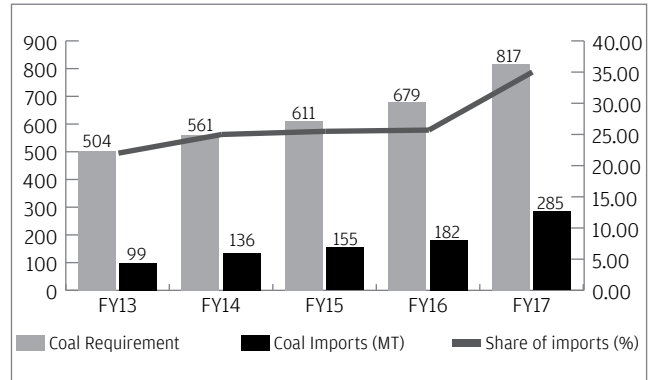
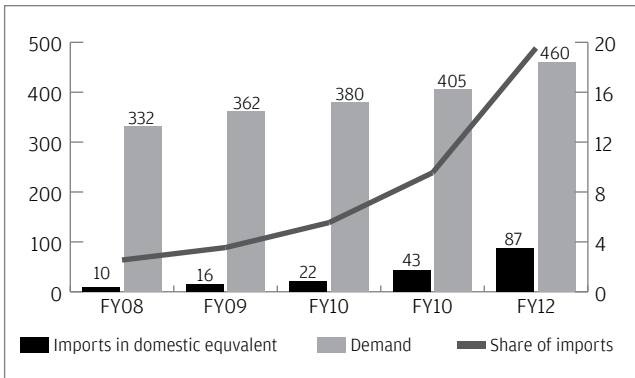
For the financial year the Energy sector would focus on the following factors:

- Strive to enhance Profitability, Liquidity and Organisational capability;
- Recycling of capital and strategic divestments;
- Timely completion of on-going projects within the budgeted project cost;
- Maximize the returns by Sweating of Assets through operational excellence and optimum fuel & power sale mix;
- Focus on improving process efficiency and maturity;
- Organizational re-structuring to make it nimble, flat and enhance accountability.

Detailed Outlook

Coal: Coal is expected to remain a major fuel source with 66% of the capacity addition target in the 12th five year plan. However, availability of domestic coal is a major challenge on account of reasons such as less production from Coal India Limited (CIL), issues related to coal block allocation, land acquisition and Environmental & forest clearances. The gap between demand and availability of coal has to be met through importing coal. But the nationalistic policies of the coal exporting countries have impacted the financial viability of imported coal based plants.

The issuance of Presidential Directive to CIL to sign fuel supply agreements (FSAs) might bring some relief to the power producers, but CIL's inability to meet its commitment with domestic production would lead to import of fuel. The price pooling mechanism or a fuel cost pass through mechanism for imported



coal at a benchmark price are some of the remedial measures under serious consideration of the Government to resolve the current deficit situation.

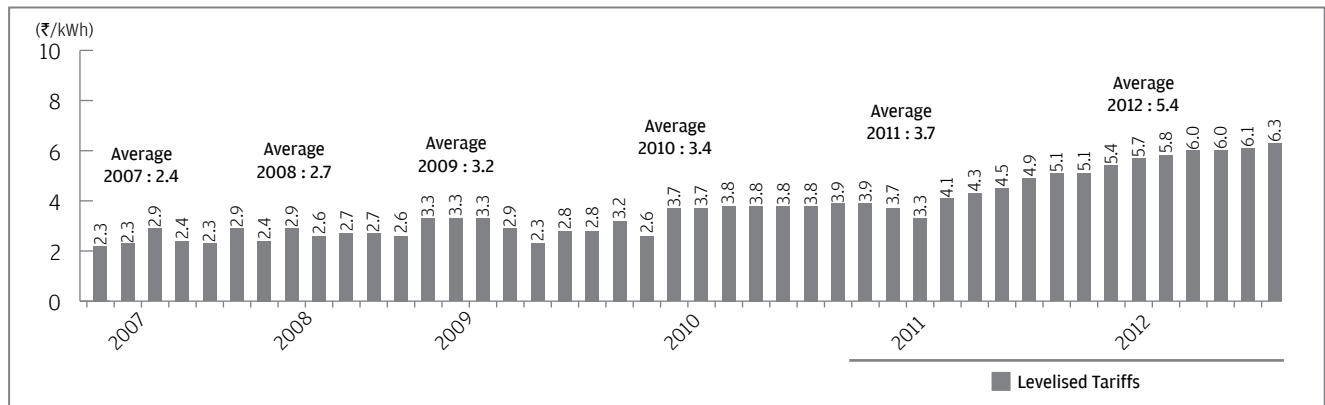
Thus, the power producers face a serious challenge of arranging coal to run their power plants at an optimum level and to meet the obligations under the power supply agreements. Power producers are forced to depend on the e-auction markets or get in to long term coal supply agreements/invest in overseas coal mines, to ensure long term fuel security.

Gas: Based on the earlier production estimates of natural gas from KG D6 basin, many gas based power plants have been set up in the State of Andhra Pradesh. However, the significant drop in the natural gas supplies from these fields in the last 2 years has resulted in the non-operation of these power plants to a large extent. As a result, despite having power shortage in the country, the gas based capacity has remained grossly unutilized or stranded causing immense loss to the economy. Government is considering solutions such as (a) Gas pooling mechanism (b) Rationalization of taxes on LNG by classifying it as a declared good (c) Establishing Liquefied Natural Gas (LNG) terminal at the east coast, which would significantly save the transportation cost of LNG (d) Peaking power policy, which will help the gas based capacity to run on Regasified Liquefied Natural Gas (RLNG). Some states like Andhra Pradesh has come out with a policy to supply RLNG based power to the willing customers who can pay higher tariffs for the power.

Power Trading: While the outlook for power trading seems to be bright in the long term, the sector is currently facing several challenges. With pre-condition of Long Term Power Purchase Agreement (LTPPA) for domestic coal supply by CIL, merchant market would be based on imported/e-auction coal. Considering this and continued supply shortfall, it is expected that average merchant rates would remain subdued in the medium term.. Towards the later half of the 12th five year plan, prices are expected to increase further given the higher level of peak deficit expected. The mandatory conditions for debt restructuring to progressively reduce exposure to Short Term power purchase and CIL's insistence to sign Fuel Supply Agreements (FSAs) with power plants having PPAs, will discourage developers to set up new merchant capacities.

It has been observed over the years that the prices of long term tariffs under case 1 bids have been gradually increasing. The power generators are factoring the increased costs & risks associated with long term fuel sourcing and regulatory uncertainties, into the bid.

Case-I bids history (2007-2012)



Recent Policy Initiatives

The Central Government has taken some positive initiatives to overcome the challenges being faced by Indian Power Sector:

- Financial Restructuring of State Discoms;
- Hike in power tariffs across regions;
- Persuading CIL to sign FSAs' with the power developers;
- Group of Ministers (GoM) approval of environment clearances for coal mines which had been stuck for a long time;
- Setting up of Cabinet Committee on Investment to fast track the large projects by addressing uneven policies, bureaucratic delays and expedite approvals;
- Attempts by Central Government on ensuring fuel supply through bankable FSAs and building consensus for coal price pooling;
- Easing External Commercial Borrowing (ECB) norms for infrastructure companies;
- Public Private Partnership (PPP) Policy framework with CIL;
- Re-introduction of Wind Generation Based Incentive (GBI);
- Extension of Tax holiday by another year;
- Low interest bearing funds from National Clean Energy Fund (NCEF) to Indian Renewable Energy Development Agency (IREDA) for viable renewable energy projects;
- Policy to encourage shale gas exploration and production.

Urban infrastructure and Highways sector outlook for FY 2013-14 and future plan

Highways

With most of the projects either getting operational last year or will become operational in FY 2013-14, the focus of the business will shift from project management to asset management in future. Consequently, the focus will shift to output-based parameters like safety, quality, lane availability, and similar other operating Key Performance Indicators (KPIs) to ensure higher level of service to users by adopting cost-effective measures.

The Company divested its stake in GMR Jadcherla Expressways Private Limited (GJEPL) having seen its full potential value is realized in line with the Asset Light Asset Right strategy. In line with the strategy, the Company will be focusing on consolidation of assets and churning of equity. Equity so raised will be used to bid or acquire assets having potential to give higher returns and steady cash streams to the business.

The Company will continue its Business Excellence journey to be agile in the existing tough economic situations and be ahead of its peers.

Urban Infrastructure – Kakinada and Krishnagiri SEZ

The major focus and objective of the company in next few years would be to monetize the developed land parcels by getting necessary approvals needed to provide basic amenities. This objective will also ensure fitment of SEZ business with group's "Asset Light and Asset Right" strategy. With minimum financial support from the corporate, both the projects have potential to generate cash and enhance the company's valuation.

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.

Delhi Airport Aerocity

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 and will commence operation during the year 2013-14.

GMR Hyderabad Airport City Development

GMR Hyderabad International Airport Limited is planning to develop India's largest first Airport City (Aerotropolis) in the vicinity of Hyderabad Airport with an objective of creating an ecosystem that will generate benefits for the Airport as well as the regional economy and facilitate in establishing the prominence of Hyderabad Airport in the global arena. Master Plan for the entire Airport City has been completed and the physical infrastructure activities have also been started. The initial phase assets consisting of Aerospace SEZ, Retail, Business School, Exhibition Centre etc. are in various stages of design and development.

Schulich Business School (York University, Canada) is planning to set-up their campus in the Airport City. The Aerospace Park, which also has a multi-product SEZ, is operational. MAS-GMR has a MRO facility and CFM International (CFM) has an engine training facility in the SEZ. A helicopter assembly facility is also planned by Tata Group in the Aerospace Park.

Environmental Protection and Sustainability

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

The Company is aggressively implementing national policies and objectives in Environmental Management and Emission Control. In its quest to march towards business excellence, it is pursuing to attain excellence in the vital area of environmental management.

All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Central 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 among others are maintained well within the stipulated norms.

'DIAL-T3' and 'GHIAL' have developed a comprehensive Carbon Accounting & Management System and have verified it through a third party. This ensures the compliance to Airport Carbon Accreditation Program in India.

The group wide initiative was undertaken to conserve electricity and water through project 'Bijlee' and project 'Paani' respectively.

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial position as at March 31, 2013 and performance of the Company and its subsidiaries/joint ventures during the Financial Year ended on that date are discussed hereunder:

A. Reserves and surplus: ₹ 6,888.94 crore (March 31, 2012: ₹ 7,148.54 crore)

A summary of reserves and surplus is as follows

Particulars	(₹ in Crore)	
	March 31, 2013	March 31, 2012
Capital reserve on consolidation	125.87	115.85
Capital reserve on acquisition	3.41	3.41
Capital reserve government grant	65.49	65.49
Capital redemption reserve	28.53	19.50
Debenture redemption reserve	158.62	80.78
Employee stock option outstanding	0.96	0.96
Securities premium	6,926.79	7,269.93
Foreign currency translation reserve	337.91	282.43
Foreign currency monetary translation reserve	(2.51)	(2.50)
Special reserve u/s 45IC of RBI Act	0.20	26.86
Sub Total	7,645.27	7,862.71
Surplus/(Deficit) in the statement of profit and loss	(756.33)	(714.17)
Total	6,888.94	7,148.54

The reserve and surplus has decreased from ₹ 7,148.54 crore as at March 31, 2012 to ₹ 6,888.94 crore as at March 31, 2013.

Major reasons for changes in reserves and surplus position are as under:

- Additional stake acquired during the year in GTAEP and GTTEPL resulting in increase of ₹ 10.02 crore as capital reserve on consolidation.
- Reduction of ₹ 343.14 crore in the securities premium during the year on account of utilization of ₹ 346.60 crore towards debenture issue expenses, share issue expenses and debenture redemption premium in the Company and its subsidiaries offset by ₹ 3.46 crore transferred to minority interest.
- Debenture redemption reserve balance has increased on account of additional reserves of ₹ 59.87 crore created in the Company and ₹ 17.97 crore by way of transfer from statement of profit and loss in GPEPL.
- Foreign currency translation reserve balance has gone up by ₹ 55.48 crore on account of additions to reserve made while consolidating the overseas entities.
- Deficit in the statement of profit and loss increased by ₹ 42.16 crore mainly on account of:
 - Profit for the year of ₹ 88.12 crore (after an exceptional income of ₹ 777.27 crore on account of profit on sale of investment in GESPL, loss on impairment of assets in HEGL and write of assets in GMIAL).
 - Allocation of profit to minority on dilution of interest in subsidiaries/joint ventures of ₹ 14.32 crore.
 - Appropriation of preference dividend and dividend distribution tax totaling to ₹ 10.52 crore declared by the Company's subsidiaries.
 - Appropriation of proposed equity dividend and dividend distribution tax totaling to ₹ 45.23 crore declared by the Company.
 - Transfer from special reserve u/s 45IC of RBI Act of ₹ 26.66 crore (net) in a subsidiary company.
 - Transfer of an amount of ₹ 77.84 crore (net) to debenture redemption reserve account by the Company and GPEPL and transfer of ₹ 9.03 crore to capital redemption reserve on redemption of preference shares issued by GEL.

B. Minority interest: ₹ 1,720.00 crore (March 31, 2012: ₹ 1,791.72 crore)

The Minority interest reduced by ₹ 147.21 crore on account of divestment of stake in GESPL, which is a subsidiary of GISPL. This reduction was offset by increase in minority share of profits of ₹ 47.29 crore and share of brought forward profit of ₹ 14.32 to minority interest pursuant to an additional investment of ₹ 80.75 crore in GKEL by minority shareholders.

C. Long-term borrowings (including current maturities of long term borrowings)

- a. Secured loans: ₹ 35,423.79 crore (March 31, 2012: ₹ 26,657.16 crore).

The increase of ₹ 8,766.63 crore is mainly on account of the issue of debentures in the Company, GEL and fresh project loan disbursements mainly in GKEL, GCHEL, GREL, EMCO in Energy sector project companies and in GCORR, GOSEHHHPL in Highways sector project companies to meet the cost of projects under development. This is offset by reduction of ₹ 1,273 crore on account of transfer of liability to the buyer as a part of the sale transaction of GESPL.

- b. Unsecured loans: ₹ 2,068.89 crore (March 31, 2012 : ₹ 2,104.21 crore).

The decrease of ₹ 35.32 crore is mainly due to repayment of loans amounting to ₹ 299.06 crore, and new loans taken by the Company & GEL to meet the temporary obligations.

D. Trade payables (Non-current): ₹ 68.57 crore (March 31, 2012: ₹ 11.67 crore)

Trade payables increased by ₹ 56.90 crore due to increase in payables of ₹ 7.50 crore in GVPGL and ₹ 46.23 crore in ISG.

E. Other long-term liabilities: ₹ 2,858.23 crore (March 31, 2012: ₹ 2,478.52 crore)

The increase of ₹ 379.71 crore is mainly due to the following

- GHIAL has repaid an advance of ₹ 10.14 crore to customers and DIAL has received deposits of ₹ 78.15 crore from concessionaries.
- Increase in unearned revenue of ₹ 37.32 crore and ₹ 22.97 crore in ISG & GHIAL respectively.
- Increase in deferred obligation on deposit from concessionaires of ₹ 40.20 crore and ₹ 14.73 crore in DIAL and ISG respectively.
- Increase of concession fees payable by GHIAL by ₹ 29.47 crore.
- Increase in retention money payable by ₹ 14.89 crore in the Company, ₹ 128.72 crore in GREL, ₹ 247.68 crore in GCHEPL, ₹ 18.88 crore in GCORRPL which is offset by payment of ₹ 74.34 crore by various project companies on completion of the project during the year.

F. Short-term borrowings ₹ 4,856.62 crore (March 31, 2012: ₹ 7,315.57 crore)

The increase of ₹ 2,458.95 crore is mainly on account of increase in bills discounting in GKEL, GCHEL, GREL, and EMCO and new loans taken by GEL, DIAL and GHIAL to meet the temporary obligations.

G. Trade payables - current: ₹ 1,481.59 crore (March 31, 2012: ₹ 1,236.71 crore)

Increase of ₹ 244.88 crore in current trade payables is mainly due to:

- Increase of ₹ 23.60 crore, ₹ 200.03 crore, ₹ 120.87 crore in GIML, DIAL and in EMCO respectively
- Decrease of ₹ 47.23 crore, ₹ 91.82 crore, ₹ 19.08 crore and ₹ 19.04 crore in ISG, GMIAL, GTAEPL and GTTEPL respectively.

H. Other current liabilities (Other than current maturities of long-term loan): ₹ 5,632.69 crore (March 31, 2012: ₹ 4,745.77 crore)

The increase of ₹ 886.92 crore is mainly due to increase in advances or deposits received by ₹ 149.76 crore, ₹ 501.16 crore in non-trade payables, ₹ 185.60 crore in Development Fee accrued, ₹ 208.72 crore on interest accrued but not due and ₹ 169.67 crore decrease in unearned revenue

I. Fixed assets

A statement of movement in fixed assets is given below:

(₹ in Crore)

Particulars	March 31, 2013	March 31, 2012
1) Tangible assets	22,241.06	19,502.63
2) Intangible assets		
Goodwill on consolidation	3,261.84	3,174.50
Carriage ways	6,145.13	3,518.17
Others	857.17	1,239.82
3) Assets taken on lease	7.92	7.95
Gross Block	32,513.12	27,443.07
Less: Accumulated depreciation	5,177.90	4,115.42
Net Block	27,335.22	23,327.65
Add: Capital work in progress	17,785.28	15,535.90
Add: Intangible assets under development	1,393.04	3,121.38
Net Fixed Assets	46,513.54	41,984.93

- a. Gross block has gone up by ₹ 4,887.57 crore. The major reasons are as follows:
- Carriageways gone up by ₹ 2,626.97 crore on capitalization of GHVEPL and partial capitalization of GOSEHHHPL.
 - ₹ 2,342.96 crore capitalized EMCO on successful commencement of Unit 1 of the project.
- b. Capital work-in-progress has increased by ₹ 2,249.38 crore primarily from energy project companies GKEL, GCHEPL, EMCO and GREL.
- c. Intangible assets under development decreased by ₹ 1,728.34 crore in GHVEPL and GOSEHHHPL.

J. Investments: ₹ 282.79 crore (March 31, 2012: ₹ 721.60 crore)

The investments decreased by ₹ 438.81 crore during the year on account of shift in investment pattern from liquid mutual funds to bank deposits.

K. Other non-current assets: ₹ 3,845.81 crore (March 31, 2012: 1,616.34 crore)

Increase of ₹ 2,229.47 crore mainly due to increase in non-current bank balances which includes ₹ 747.20 crore in GICL, increase in development fund receivable of ₹ 163.73 crore in DIAL and claim recoverable of ₹ 918.94 crore in GMIAL.

L. Current assets

a. Cash and bank balances: ₹ 5,134.84 crore (March 31, 2012: ₹ 4,256.14 crore).

Increase of ₹ 878.70 crore in the cash, cash equivalents and other bank balances is mainly on account of funds received consequent to sale of GESPL.

b. Other current assets: ₹ 1,484.82 crore (March 31, 2012: ₹ 1,224.36 crore)

Other current assets mainly consists of interest accrued but not due on deposits, claims and grants receivables, assets held for sale and other receivables. Increase of ₹ 260.46 crore is on account of ₹ 715.41 crore from assets held for sale which is offset by receipt of development fund of ₹ 475.47 crore in DIAL.

Overview of our results of operations

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

Particulars	For the year ended March 31,	
	2013	2012
	Amount (₹ in crore)	Amount (₹ in crore)
Sales/ income from operations	9,871.87	8,320.11
Other operating income	102.99	152.92
Other income	277.19	243.42
Total Income (Including other income)	10,252.05	8,716.45
Expenditure		
Revenue share paid/ payable to concessionaire grantors	1,669.48	830.97
Consumption of fuel/ raw materials consumed	1,233.75	1,745.48
Purchase of traded goods/Increase in stock	1,251.50	1,300.02
Sub-contracting expenses	963.15	722.64
Employee benefits expenses	611.93	687.83
Other expenses	1,637.01	1,427.86
Finance Costs	2099.00	1,653.13
Utilisation fees	130.87	98.71
Depreciation and Amortisation expenses	1,039.78	935.81
Exceptional items - (gains) / loss (net)	(777.27)	162.12
Profit/ (loss) before taxation and minority interest	392.85	(848.12)
Tax Expenses:		
Current tax (Including taxes of earlier years)	183.96	159.75
Less: MAT credit entitlement	(21.81)	(4.09)
Deferred tax expense / (credit)	95.29	55.06
Total tax expenses	257.44	210.72
Profit/ (loss) after taxation and before minority interest	135.41	(1,058.84)
Minority interest - share of (profit)/loss	(47.29)	455.50
Profit/ (loss) after minority interest	88.12	(603.34)

Sales/Operating Income

The segment wise break-up of the Sales/Operating Income are as follows:

Particulars	For the year ended March 31			
	2013		2012	
	Amount (₹ in crore)	% of Total Income	Amount (₹ in crore)	% of Total Income
Sales/ Operating Income:				
Airports segment	6,099.07	61.78%	4,381.29	52.65%
Power segment	2,420.76	24.52%	2,374.99	28.55%
Road segment	517.37	5.24%	405.64	4.88%
EPC segment	655.16	6.64%	970.89	11.67%
Others segment	179.51	1.82%	187.30	2.25%
Total Sales/ Operating Income	9,871.87	100.00%	8,320.11	100.00%

The total income has increased by ₹ 1,551.76 crore representing a growth of 18.65%.

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

Operating income from airport segment

Income from our airport segment 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) cargo operations and rentals received in connection with commercial development on land that is part of our airport projects.

Income from airport operations has increased by 39.21% from ₹ 4,381.29 crore for fiscal 2012 to ₹ 6,099.07 crore for fiscal 2013 mainly on account of increase in tariff at DIAL effective May 15, 2012 based on Tariff Order from AERA.

Operating income from power segment

Income from our power segment 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, sale of power on merchant basis, trading of power and sale of coal.

Income from power segment has increased by 1.93 % from ₹ 2,374.99 crore for fiscal 2012 to ₹ 2,420.76 crore for fiscal 2013. The increase is resulting from full year operations of PTGEMS and the Solar power plant (GGSPPL) which is offset by reduction in PLF in the gas-based power plants due to non-availability of fuel.

Operating income from road segment

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

The operating income from road business has increased by 27.54 % from ₹ 405.64 crore for fiscal 2012 to ₹ 517.37 crore for fiscal 2013. The increase is due to commissioning of Hyderabad Vijayawada (GHVEPL) and Hungund

Hospet (GOSEHHPL), both toll-based road projects during the year coupled with increase in traffic and toll rates in the existing three toll-based projects.

Operating income from EPC sector

Income from our EPC division is derived from the execution of engineering, procurement and construction works in connection with power and road projects under implementation.

During the current year, the EPC sector has contributed ₹ 655.16 crore to the operating income as against ₹ 970.89 crore in the previous year.

Operating income from Other Sector

Income from other sector includes management services income, investment income and operating income of our aviation and hotel businesses. During the current year, the other sector has contributed ₹ 175.51 crore to the Operating Income as against ₹ 187.30 crore in the previous year.

Other income

Other income includes income from investments, profit on sale of investments, reversal of provisions no longer required and other miscellaneous income. Other income has increased by 13.87 % from ₹ 243.42 crore in fiscal 2012 to ₹ 277.19 crore in fiscal 2013.

Expenditure

Revenue share paid/payable to concessionaire grantors

The revenue share paid/payable to various airport concessionaires has increased from ₹ 830.97 crore in fiscal 2012 to ₹ 1,669.48 crore in fiscal 2013 primarily on account of increase in operating income at DIAL.

Consumption of fuel/raw materials

The consumption of fuel and raw material decreased from ₹ 1,745.48 crore in fiscal 2012 to ₹ 1,233.75 crore in fiscal 2013 primarily on account of reduction of fuel consumption in gas based power plants. .

Purchase of traded goods/ increase in stock

Purchase value of the traded goods has decreased from ₹ 1,300.02 crore in fiscal 2012 to ₹ 1,251.50 crore in fiscal 2013 primarily on account of decrease in fuel trading, due to termination of operation in Male airport which is offset by increase in duty free product sales.

Subcontracting expenses

Subcontract expenses increased from ₹ 722.64 crore in fiscal 2012 to ₹ 963.15 crore in fiscal 2013, primarily on account of full year operations of PTGEMS which is offset by decrease in operations of EPC Division.

Employee benefits expenses

The decrease in employee benefit costs is mainly on account of termination of operations at Male Airport which is offset by periodic increases in employee costs.

Other expenses

Following are the components of other expenses:

- Consumption of fuel and lubricants, water, salaries and wages of operational employees, 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, 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, loss on foreign exchange and other miscellaneous expenses.

Increase in other expenses is mainly on account of full year operations of PTGEMS, fixed assets write off and provision for doubtful advances/receivables in HEG and Male airport during the fiscal year.

Finance costs

Following are the components of financing costs:

- Interest on term loans, interest to others and other finance charges viz., prepayment premiums, guarantee commission, bank charges among others.

Financing costs mainly have gone up on account of full year operations of Gujarat Solar Power Project, PTGEMS, Hyderabad-Vijayawada & Hugund-Hospet Toll Road Projects, increased interest rates and additional borrowings for meeting operational requirements.

Utilisation fees

Increase in utilisation fees is on account of increase in traffic in ISGIA.

Depreciation and amortisation expenses

Increase in depreciation and amortisation is mainly on account of full year operations of Gujarat Solar Power Project & PTGEMS; part period operations of Hyderabad-Vijayawada & Hungund-Hospet Toll Road Projects (both commissioned during the second half of the year); partial capitalization of EMCO; part period operations of Male Airport and also due to the impact of change in method of amortization of highway projects during the previous year.

Exceptional items

In fiscal 2013, a profit of ₹ 1,231.25 crore has been recognized on account of divestment of the existing 70% stake held in GMR Energy Singapore Pte Limited (GESPL).

In fiscal 2013, we have provided for loss of impairment of fixed assets in HEGL for ₹ 251.37 crore and ₹ 202.61 crore Assets write off in Male Airport due to termination of Airport operations.

In fiscal 2012 we have incurred a onetime interest cost of ₹ 162.12 crore incurred in DIAL on account of borrowings against development fund.

Profit / (loss) before taxation and minority interest

In fiscal 2013, we have recorded a profit before tax & minority interest of ₹ 392.85 crore as against Loss before tax & minority interest of ₹ 848.12 crore in fiscal 2012.

Taxes

Tax expense has increased from ₹ 210.72 crore in fiscal 2012 to ₹ 257.44 crore in fiscal 2013, mainly due to the increase in current taxes by ₹ 24.21 crore in fiscal 2013, increase in deferred tax charge during the year by ₹ 40.23 crore and a higher MAT credit of ₹ 17.72 crore during the year.

Profit / (loss) after taxation and before minority interest

In fiscal 2013, we have recorded a profit after tax & before minority interest of ₹ 135.41 crore as against Loss after tax & before minority interest of ₹ 1,058.84 crore in fiscal 2012.

Net profit / (loss) after minority interest

In fiscal 2013, we have recorded a Net profit after minority interest of ₹ 88.12 crore as against net loss after minority interest of ₹ 603.34 crore in fiscal 2012.

Minority interest represents share of the profits and losses of various subsidiaries which relates to the minority shareholders. The share of profit to minority shareholders for the year 2012-13 amounts to ₹ 47.29 crore as against loss of ₹ 455.50 crore for the previous year.

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 neighbouring 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 responses to the needs of the diverse communities it works with.

Currently, the Foundation is working in over 200 villages/urban communities across 22 locations. 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 activities of GMRVF for FY 13 are given below:

Education: Foundation sets up and runs quality educational institutions in under-served areas. It also works with the Government in making quality education accessible to all sections of the community. Towards this end, the Foundation is:

- Running an Engineering College, Degree College and Polytechnic and several schools in the under-served areas. The Foundation's flagship institution, GMR Institute of Technology was ranked 45 in Top 100 Engineering Colleges in India by Dataquest;
- Several scholarships and freeships are given for poor students from surrounding communities to these institutions;
- In addition, Foundation supports about 300 Government schools with Vidya Volunteers, Teaching and Learning Materials, After-School tuitions, Small infrastructure etc. benefiting about 35000 children;
- Foundation also focuses on quality pre-school education and works with over 180 Anganwadis and Bala Badis benefiting 3500 children;
- Several other initiatives are taken up to make quality education accessible to the children which include running tent schools for children of migrant labour, providing transport support, boarding support etc.

Health, Hygiene and Sanitation: With the belief that health is a key dimension of well-being, GMRVF works towards better health and healthy lifestyles of the communities. GMRVF's initiatives in the area of health include:

- Running a 135-bed secondary care hospital in Srikakulam, one of the poorest districts of Andhra Pradesh, to serve the communities in this area by offering quality treatment at affordable prices. A robust concession scheme is in place to help all sections of communities to avail the services;
- Running 28 medical clinics in areas where medical facilities are inaccessible to the communities-offering services to over 7000 people per month;
- Running 4 Mobile Medical Units which take health care to the door steps of about 7000 elders every month;
- Running 4 Ambulances to provide emergency care for the communities;
- Building and maintaining public toilets and conducting several awareness programs on hygiene and sanitation.

Empowerment and Livelihoods: The Foundation lays a major thrust on the economic and social empowerment of women and youth, and towards this it has taken up several initiatives which include:

- Running 8 vocational training centres to provide appropriate market-relevant skills to dropout youth to increase their employability. About 4,500 youth are trained every year through these centers and more than 80% of them are settled in wage or self-employment;
- GMRVF's vocational training initiative works towards bridging the skill gap between employers and those who seek employment. It actively seeks partnerships with different industry leaders for providing best quality training in different market relevant skills;

- Further, Foundation works with about 300 Self Help Groups of women and supports them for taking up income generation activities;
- Foundation initiated EMPOWER (Enabling Marketing of Products of Women Entrepreneurs) program to market the products made by under-privileged women through shops at Delhi and Hyderabad Airports, setting up of stalls and exhibitions, bulk orders for conferences and seminars, and through an online store www.empowershop.org;
- GMRVF also works with farmers to support them to increase their incomes, through training, capacity building and input materials.

Community Development: To meet the different emerging needs of the community, GMRVF takes up various community development initiatives based on the local needs. It runs about 80 community libraries, manages 100 children and youth groups and celebrates different days of significance with the community to improve their awareness on various social issues.

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. Over the year, over 4000 employees and their family members participated in more than 600 programs, contributing about 10,000 hours of volunteer time and benefiting over 60,000 people. As recognition for its corporate social responsibility initiatives, GMRVF received Rotary Vocational Award for the year 2012-13.

Risk and Concerns

Our business in the Infrastructure sector exposes the Company to a variety of risks. Consequently, the company seeks to continuously improve its Enterprise Risk Management (ERM) processes and framework in line with the current best practices. The Company's aim is to ensure that we proactively identify, measure and monitor various risks and implement appropriate risk treatment plans to deal with them by establishing a suitable balance between harnessing opportunities and containing risks.

Our philosophy is to integrate the process for managing risk across the organization and throughout its businesses & lifecycle to enable protection and enhancement of stakeholder value and also ensure an institution in perpetuity.

Process Maturity: The Company has well-defined processes for risk identification, assessment, profiling, treatment and monitoring & review actions thereof. The ERM process has been rolled out with development of risk registers for Sectors, Key Business Units and Corporate functions. The risks for each Sector and Group Corporate Services have been arrived at through aggregation / consolidation of the risks of their respective business units and functions.

The framework is strengthened from time to time to keep it updated to meet with the changing business requirements covering the following:

- **Bid / Opportunities:** A very rigorous bid screening framework is being deployed where both the qualitative as well as quantitative risks are analyzed. All bids are stress tested under difference scenarios in

detail to ensure proactive evaluation of projects and aid risk-based decision making;

- **Project Risk Management (PRM):** A framework has been strengthened along with one of the top consultants in the world that ensures stage gates and focuses extensively on project completion on time and within the cost and quality parameters;
- **Asset Risk Management:** A forward looking risk assessment is being carried out for the company's assets whereby top drivers of risks to next 2-3 years cash flows and P&L are being assessed and detailed risk mitigation and review plan is being developed;
- **Contractual Risk Review (CRR):** Framework has been developed and being implemented for identifying and addressing contract related risks and compliance areas.

The ERM Framework and Deployment across the Group is independently assessed by Internal Team i.e. Management Assurance Group (MAG) as well as External Panel of Experts. Their inputs and recommendations serve as opportunities for improvements and also help create better alignment and learning across the Group.

Business Resilience: In order to build business resilience across the Group and deal with eventualities, we have significantly progressed on development of detailed Business Continuity Plans (BCP) & Disaster Recovery Plans (DRP) for identifying high impact events for our key assets and putting in place appropriate processes & risk treatment plans to avoid / reduce the impact. Our Delhi International Airport (DIAL) is the first Airport in the world to be certified for ISO-22301:2012, Societal Security, BCMS.

Linkages: Strong linkage with Corporate Strategy enables sharper focus on key strategic risks. Detailed risk analysis is carried out during the formulation of the Company's Strategic Plan and Annual Operating plan. ERM team also shares the results of its exercise with the Management Assurance Group (MAG) to enable it to draw plans for risk-based audit.

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

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.

Macroeconomic Risk factors: Weak macroeconomic factors in India have a significant impact on the operating performance of the Group. 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. The diversified nature of our portfolio across different sub-sectors within the Infrastructure Sector and our revised strategies would help in mitigating some of these risks.

Regulatory Risk: Being in the Infrastructure Sector, we are exposed to regulatory risks. However, based on our experiences, we provide inputs and suggestions to the Government along with various industry bodies to shape the regulatory scenario in the country for better development of the Sector. For e.g. like all other private operators, our Airports business is exposed to regulatory risks which would affect the revenue model assumed.

Fuel availability risks: Non-availability of natural gas has adversely affected the performance of our gas based power plants and hence the profitability of the Group. Moving forward, we aim to diversify our fuel mix through focusing on the commissioning of coal-based projects and initiating construction of hydroelectric projects thereby reducing our exposure to a single source of fuel. Availability of domestic coal and getting coal linkages is also a challenge to focus on.

Input Costs Risk: We are 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 work 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. However, with most of our projects coming close to completion, our exposure would significantly reduce to that extent.

Project development, acquisition and management: Based on the portfolio exercise carried out last year at the Group level and the prevailing external environment, management has taken a conscious decision to follow an "Asset Light and Asset Right" model whereby our endeavor would always be looking at a portfolio which will maximize efficiency to the stakeholders while simultaneously being selective in new bids and acquisition. The focus is as always on consolidation of our existing portfolio, sweating of assets and completion of the existing projects within time, cost and quality parameters. The Group has also initiated the outsourcing of some of its non-core activities in Finance, HR, IT and Management Assurance Group so as to gain more management bandwidth, improve productivity and efficiency in the Group's operations.

Ability to finance projects at competitive rates: Infrastructure projects are typically capital intensive and require high levels of finance in a mix of debt and equity. However, taking cognizance of the fact that soon banks would be reaching their sectoral caps and fund availability through this route might be insufficient for planned sector growth in the future, we are continuously exploring innovative means to finance/refinance our project with the aim to reduce the overall interest cost. Most of our under construction projects have already achieved financial closure.

Credit Risk: Our exposure to merchant sale of electricity to private sector customers and weak financial health of airlines in the airports sector might expose us to credit risk of default in payments. We have developed models to check and regularly monitor the credit-worthiness of our customers. Also, all our receivables are being closely monitored and reviewed frequently by the top management.

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 are continuously exploring and implementing innovative means of financing/refinancing our existing loan with the aim of reducing our interest costs e.g. we have reduced our interest cost for Hyderabad Airport through take-out finance last year. Also, with the divestments of some of our assets, we also aim to reduce our debt exposure and thereby the interest cost.

Foreign Currency Exchange Rate Risk: We are exposed to the vagaries of exchange rate risk, as we have some expenditures in foreign currencies for procurement of project equipment, but a majority of revenues are in Indian Rupees (though Airports and other international assets earn some foreign currency). We have in place a mechanism of having regular review of our foreign exposures including the sensitivity of our financials to the movements in exchange rate. However, we have hedged most of our exposure and keep rolling them as a part of a robust foreign exchange risk management policy which is reviewed regularly and approved by the Board.

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 unauthorised 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. Some significant features of the internal control systems include the following:

- A well-established multi-disciplinary Management Assurance Group (MAG) comprising of internal resources and outsourced audit teams, which carries out audit of functions across the sectors, report to audit committee, gives assurance and support to management with the objective to add value, improve organization's operations and accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;
- 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;
- Bid documents/records of all new projects including M&A deals are being critically reviewed for probable risks;

- Effective project management and technical audits are being carried out;
- Identifying and mitigating key business and transactional risks through effective risk management process.

Developments in Human Resources and Organisation Development at GMR Group

"Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes" - Peter F. Drucker

The focus on building organization and people capability continues for the GMR Group this year as well, through the established robust process around Identifying, Developing and Deploying potential leaders in critical position across the enterprise. The emphasis has been towards grooming leaders within rather than hiring from outside which we call as 'Make v/s Buy' ratio. The shift is towards 'Make'.

The Talent Review process has been reviewed to make it outcome based realizing the goal of creating a robust talent pipeline for current and future requirement of the organisation as per 'Sankalp 2020'.

In order to enable the development of future leaders the multi-tier leadership development program has been enhanced right from entry level (Executive) to Senior levels (Vice -President). The content of the programme has been redesigned based on GMR Group's strategic direction of "Asset Light Asset Right", "Shrink and Grow" and "Sweat the Asset".

Focus on Senior Leadership Team development continues through development centres and assessment centres based on which Individual Development Plans (IDPs) for them have been put in place. Going forward the focus for the Senior Leadership Team would be to develop their next in line as functional managers with strong financial capabilities.

In order to enable effective assessment across levels, the competency based assessment process along with potential identification, 9-box placement and identification of successors has been automated and piloted in the Energy Business.

As part of the institutional building process, 'Leader-led Sessions' was introduced on Values and Beliefs (V&B) across the enterprise - facilitated by Senior Leadership Team (SLT) members. 103 leaders have been developed internally who have covered approximately 3000 employees as part of the Humility tenet. Over and above the Leader-led Session, an e-learning course on V&B as well as 'Code of Business Conduct and Ethics' have been launched. The intention is to ensure that all employees of the organisation go through these two programmes as part of culture building.

Virtual Management development program was strengthened by increasing the number of courses from 120 to 240, covering the four pillars (Leading Self, Leading Others, Leading Change and Leading Business) and 11 competencies - to enable learning virtually and ensure maximum coverage as per the training needs identified.

We also have aligned all our development programmes to our competency model. To enable and create awareness of the competency framework, an e-learning program on 'Competency Awareness' has been launched.

Being a core Infrastructure developer, our focus on Commercial and Contracts, Engineering, Procurement, Construction, Operations and Maintenance (CEPCOM) continues to be high on priority. Based on the outcome of competency mapping and assessment which has been automated, each of the sectors has initiated technical training programs to fill the identified gaps in the respective sectors.

Internal communication is a key to sustaining vibrancy and organisational 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 organisation 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.

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** : L45203KA1996PLC034805
2. **Name of the Company** : GMR Infrastructure Limited
3. **Registered address** : SKIP House, 25/1, Museum Road, Bengaluru - 560 025
4. **Website** : www.gmrgroup.in
5. **E-mail id** : Sounderarajan.CP@gmrgroup.in
6. **Financial Year reported** : 2012- 2013
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)** : The Company has Engineering, Procurement and Construction (EPC) business as a separate operating division to cater to the requirements for implementing the projects undertaken by the subsidiaries and others; and is a holding company for the investments made in Airports, Energy, Highways and Urban Infrastructure & SEZ (Special Economic Zone) sectors.

Group	Class	Sub Class	Description
421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways.
429	4290	42909	Other civil engineering projects n.e.c
439	4390	43900	Other specialized construction activities

8. **List three key products/services that the Company manufactures/ provides (as in balance sheet)**

The Company has Engineering, Procurement and Construction (EPC) business as a separate operating division to cater to the requirements for implementing the projects undertaken by the subsidiaries and others.

The Company is a holding company for the investments made in Airports, Energy, Highways and Urban Infrastructure & SEZ (Special Economic Zone) sectors.
9. **Total number of locations where business activity is undertaken by the Company:**
 - i. Number of International Locations (Provide details of major 5): NIL
 - ii. Number of National Locations: GIL has business activities undertaken in more than five states in India viz Bangalore, Hyderabad, Mumbai, Kamalanga (Orissa), Chennai, Hospet (Karnataka), Warora (Maharashtra).
10. **Markets served by the Company - Local / State / National / International :**

Number of International and National locations for Subsidiaries, JVs and Associates:

The International locations of GIL's Subsidiaries / JVs / Associates include Turkey, Indonesia, South Africa, Singapore, Maldives, Nepal and the National locations include Bangalore, Delhi, Hyderabad, Chennai, Vemagiri, Kakinada and Rajahmundry (Andhra Pradesh), Krishnagiri (Tamil Nadu), Chandigarh, Chamoli (Uttarakhand), Chamba (Himachal Pradesh), Raikheda (Chhattisgarh), Charanka (Gujarat), Rajasthan, Kamalanga (Orissa), Hospet (Karnataka), Warora (Maharashtra).

The Company has Engineering, Procurement and Construction (EPC) business as a separate operating division to cater to the requirements for implementing the projects undertaken by the subsidiaries and others in India.

Over the past two decades, GMR Group has grown from a regional to a global infrastructure player.

The international presence of the Company's subsidiaries extends to the following geographies:

- Stakes in international coal assets in Indonesia - PTBSL & Sinarmas;
- Hydro-power projects in Nepal - Under various stages of developing;
- In Airports - 40% stake in Sabiha Gökçen International Airport, Istanbul with a capacity to handle 25 MPPA (million passengers per annum).

The Company's subsidiaries also served following geographies in FY 2012-13 but currently do not have any presence:

- Coal assets in South Africa: Successfully operated for many years but divested completely in 2012-13;
- Project in Singapore: Project was under development but divested completely in FY 2012-13;
- Airport in Male: Operated the Airport till December 2012 but after change in the political leadership in Maldives, the concession agreement was terminated. The matter is sub-judice as per the terms of the Concession Agreement.

On the National level, the Company's subsidiaries own and operate 2 airports on Public Private Partnership (PPP) (Delhi & Hyderabad), 7 energy assets operating in Tamil Nadu, Andhra Pradesh, Gujarat, Maharashtra, 4 projects under construction (including power plants in Orissa & Chhattisgarh and 2 transmission projects in Rajasthan) and 2 Hydro plants (Himachal Pradesh & Uttarakhand) under development, and 9 different highways (mix of toll as well as annuity) at various locations in India - Andhra Pradesh, Karnataka, Punjab and Tamil Nadu).

Section B: Financial Details of the Company

	(₹ In Crore)
1. Paid up Capital (INR)	: 389.24
2. Total Turnover (INR)	: 1461.37
3. Total profit after taxes (INR)	: 53.45
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: 0.34%
5. List of activities in which expenditure in 4 above has been incurred:	
The above expenditure has been incurred for promotion of the following activities:	
• Education	
• Health	
• Empowerment and Livelihood	

The subsidiaries of the Company have contributed towards CSR activities undertaken by GMR Varalakshmi Foundation (GMRVF), a Corporate Social Responsibility (CSR) arm of the Company, which develops social infrastructure and enhances the quality of life of communities around the locations, where the Company/subsidiaries have a presence.

The activities include:

Education Programs

Running educational institutions; Working with Government Schools and Anganwadis; Running Bala Badis; Conducting after School tuitions, extra-curricular activities; providing scholarships etc.

Health, Hygiene and Sanitation

Running 135-bed multi-specialty hospital at Rajam; Running 28 medical clinics, 4 Mobile Medical Units and 4 Ambulances; Conducting health and hygiene awareness sessions; Running Nutrition Centers for pregnant and lactating women; Building and maintaining public toilets.

Empowerment and Livelihood

Running 8 vocational training centers which trained about 4000 unemployed youth during the year; supporting about 300 women Self-Help Groups; Support to farm and non-farm livelihoods; supporting women to take up income generation activities and marketing their products.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**
Yes, the Company has 127 subsidiary Companies, as on March 31, 2013.
2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Yes, the Company along with its subsidiary companies participate in group wide Business Responsibility (BR) initiatives on a wide range of topics. All subsidiaries are aligned to the activities under the aegis of GMRVF, a Corporate Social Responsibility (CSR) arm of the Company, which develops social infrastructure and enhance the quality of life of communities around the locations, where the Company / Subsidiaries have a presence.
3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**
No

Section D: BR Information

1. **Details of Director / Directors responsible for BR**
 - a) **Details of the Director / Directors responsible for implementation of the BR policy / policies:**

- DIN Number : 00051167
- Name : Mr. B.V.N. Rao
- Designation : Managing Director

b) Details of the BR head:

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. C.P. Sounderarajan
3.	Designation	Company Secretary and Compliance Officer
4.	Telephone number	T: +91-80-4053 4000
5.	e-mail id	Sounderarajan.CP@gmrgroup.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 - Businesses should promote the well-being of all employees.
- P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 - Businesses should respect and promote human rights.
- P6 - Businesses should respect, protect, and make efforts to restore the environment.
- P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 - Businesses should support inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7***	P8	P9***
1.	Do you have a policy /policies for.....	Y	Y	Y	Y	Y The Code of Conduct, Ethics and HR Policies cover Human Rights aspects.	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	--**	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Wherever the Group Policy is not compliant with local laws, they are suitably modified. There is no known non-compliance with international standards.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	--**	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	--**	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y*	--**	Y*	Y	Y	Y*	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	--**	Y	Y	Y	Y (internal stakeholders)	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	--**	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy /policies to address stakeholders' grievances related to the policy/policies?	Y	--**	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	--**	Y	Y	Y	Y	Y	Y	Y

* The policy is available in Company's intranet.

** The Company and the Subsidiaries wherever applicable have systems and practices to adhere as per the principles.

*** The Company and the Subsidiaries have systems in place and have practices as per the Principles and formal policy based upon systems and practices will be placed before the Board for approval.

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify)									

Not Applicable

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

It is proposed to assess the BR performance on an annual basis.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Annual Report containing Business Responsibility Report will be uploaded in Company's website.

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

Yes. The Code of Business Conduct and Ethics policy of the company embodies the Group's Values and Beliefs and endeavour to lay down guidelines for employees of the Group to follow in their day to day work life. The policy applies to all employees on regular rolls of the company including Full Time Directors, Advisors, In-house Consultants, Expatriates and employees on contract.

As an extension of the Code of Conduct, Company has a Whistle Blower policy which applies to third parties with concerns regarding any serious malpractice or impropriety within the group. Third parties include Vendors, Service providers, Partners, JV employees, and customers. There is also a supplier Code of Conduct and Business Ethics to ensure transparent business governance.

Company has an Ethics and Intelligence Department to expeditiously investigate and take action to protect the culture and ethical environment.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

As specified in the Corporate Governance Report, 85 investors' complaints were received during the financial year 2012-13, which have been fully resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

The Company's EPC business as a separate operating division is catering to the requirements for implementing the projects undertaken by the subsidiaries and others.

GMR Group (including the 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.

- Energy - All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Pollution Control Board authorised agencies. Efficient 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, among others are maintained well within the stipulated norms.
- Delhi Airport - the Operational Environment management focuses on energy management, air quality, noise level, emissions management, waste management, water and waste water management, natural resource conservation and bird and animal hazard management. Proactive and collaborative efforts such as Workshop on Carbon Footprint of Indian Aviation with DGCA, Airports and Airlines, Community Noise issues discussions along with DGCA and Ministry of Civil Aviation

(MoCA) and Collaborative Environment Management Programs with stakeholders are examples of efforts on social concerns. DIAL has established an Aircraft Noise Monitoring System (ANMS) in order to develop a database of aircraft noise which will help in formulating future mitigation strategies on noise in parity with the working group on airport noise formed by DGCA. 'Track your Aircraft Noise' program is one of the noise mitigation initiatives by the team, which offers an awareness on noise levels 10 decibels(A) below the DGCA standard for both night and day periods for aircraft movements taking place at IGIA.

- Hyderabad Airport - As part of Corporate Environmental responsibility, GHIAL has voluntarily initiated and completed the GHG accounting for the calendar years 2009, 2010, 2011 & 2012. Further, it successfully completed verification of the GHG data of three years by M/s. Bureau Veritas as per ISO 14064-1 specifications. Bio-fuel tree plantation (Jatropha) is one of the novel initiatives taken by RGIA towards promoting green environment. Energy conservation practices are also being implemented.

In addition to this, various Energy and Water Conservation initiatives are underway within Energy sector and both Delhi & Hyderabad Airports.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

EPC division of the Company seeks to source locally available material (unless otherwise Specified), deploys energy conservation measures and work with clients on Sustainability / Green initiatives. EPC division has built DAV School at Rajam, Andhra Pradesh, for which Green Certification is under process. Construction Equipments deployed by EPC division at project sites are fuel efficient and in compliance with emission norms.

The fuel in the Energy Sector subsidiary companies is sourced through pipelines to the plant avoiding wastages like leak, vapourisation etc. The Company and its subsidiaries have a Procurement Policy in place and vendors agree to the GMR Code of Conduct and Business Ethics.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

There are several services at the construction sites of the Company for which local people have been given opportunity. These include housekeeping services, photography and Canteen, Mess services, Printing stationary. Apart from that supply of various building material such as sand, aggregate, Fly ash bricks, Moorum etc. has been given to local persons only. Many local people have been appointed and trained in various technical skills for execution of work like quality lab technicians, Plant and Machineries helper, Store assistant, operator for Transits mixture and Tough rider.

For subsidiary companies in Energy Sector: The Companies have a policy of procuring goods and services like horticulture, housekeeping and the like from nearby suitable sources of supply. The Companies have its internal methodology of procuring goods and services like horticulture, housekeeping, Hospitality support services, selling of products made by nearby community trained and managed through its CSR wing GMRVF.

For subsidiary companies in Airport Sector:

- (i) Hyderabad Airport (GHIAL): There are several services at the Airport for which local people have been given exclusive opportunity through the Business Development and CSR team of GHIAL. These include housekeeping services, photography and photocopy services, barber saloon services, tyre inflation puncture repair, grocery shop, etc. These businesses are having more than ₹ 40 lakhs turnover in a year. While these refer to the individual entrepreneurs, GHIAL CSR runs at vocational training centre and enterprise centre for local women. The vocational training centre capacity builds youth towards different technical skills and more than 700 people from Airport surrounding villages have been provided employment in the Airport in different entry-level jobs. For the women enterprise, women from surrounding villages have been trained in making handicrafts and these are marketed through different channels. GHIAL has provided two shop spaces at the Airport, including one at international departure for selling these products. The total revenue for this initiative has grown from ₹ 8 lakhs in 2008-09 to more than ₹ 70 lakhs in 2012-13. Every year GHIAL itself buys many products for its own requirements from this enterprise approximately to the tune of several lakhs every year.
- (ii) Delhi Airport (DIAL): The Company has been procuring Goods & Services from Local & Small producers, traders & service Providers and based on quality of their deliverables, these Agencies are being considered for further opportunities. There are several steps taken to procure services from the communities surrounding place of work at the airport, for which local people have been given exclusive opportunity through the Business Development and CSR team of DIAL. Some of these are as below:

- Efforts have made to develop small entrepreneur's to procure Public Health related engineered Products (Urinal Sensor etc.), Horticulture Products, Flower Arrangement etc.;
- Tenders are generally invited from NGO's / War Widows for Cleaning Material & Consumables;
- For the women enterprise, 15 women from Meharamnagar village have been trained in making handicrafts (cushion covers, stoles, mobile pouches, ladies bags etc.) and to enable marketing of products made by these women, DIAL - CSR has set up one "EMPOWER Shop" at MLCP (Multi level car parking) at Terminal 3;
- Artificial Jewelry making activity of women group has also been set up at Savda Ghevera and marketing of the same is done through EMPOWER Shop;
- DIAL CSR is also running one screen printing centre at Savda Ghevera with four women for income generation;
- DIAL-CSR identified 11 poorest of the poor individuals from the displaced community at Savda and provided livelihood support for their individual income generation activities like laundry, Refrigerator and Air-conditioner repairing shop, rickshaw, envelope making, sewing machine etc;
- Centre for Empowerment and Livelihoods (CEL), Delhi is engaged in imparting vocational skill trainings for under-privileged dropout youth;
- Training is provided in various vocations like Basic Computers; Basic Electrical; Refrigeration and Air Conditioning; and Cargo related courses like Cargo Handling and Basic Cargo Management and Airport Systems (PBB/BHS/VHT);
- During the last three years, around 1100 under-privileged youth were trained and more than 950 of them have been successfully placed in different jobs;
- One of the major accomplishments in the area of vocational training program was the launch of 'Basic Cargo vocational training course' at CEL- Delhi with an end -to- end partnership with CELEBI Delhi Cargo Management India Private Limited. 2 batches of Basic Cargo trainings were completed during the year in which about 30 poor and needy graduates were trained. More than 20 of them are currently working with CELEBI at Cargo Terminal;

- The CSR team also extended support to DIAL-HR team for the recruitment of "Passenger Attendant" for IGI Airport New Delhi. More than 200 youth from under-privileged background were mobilized for this recruitment drive.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company's subsidiaries operate in different business sectors like Energy, Airports, Highways and Urban Infrastructure. The waste water at the power generation plants and Airport is recycled and used for gardening and other cleaning purposes. Also, wastes generated during the operations of the power generation plants are sent to the authorized agencies of CPCB/SPCB for treatment.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees:**

Sl No.	Category of Employees	No. of Employees
1	Managerial Staff (Executive Cadre)	550
2	Operations Staff (Non-Executive Cadre)	226
	Total	776

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis:**

Sl No.	Category of Employees	No. of Employees
1	Advisors & Consultants	12
2	Sub-Contracted Employees	2023
3	Casual Employees	NIL
	Total	2035

3. **Please indicate the Number of permanent women employees:**

Number of permanent women employees : 76

4. **Please indicate the Number of permanent employees with disabilities:**

Number of permanent employees with disabilities : NIL

5. **Do you have an employee association that is recognized by management?**

There is no employee association in the Company.

6. **What percentage of your permanent employees is members of this recognized employee association?**

NIL

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour/forced labour/involuntary labour	NIL	The Company does not hire child labour, forced labour or involuntary labour; hence not applicable.
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	The company does not discriminate in the recruitment process; hence not applicable.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees: 100%
- Permanent Women Employees: 100%
- Casual / Temporary / Contractual Employees: 100%
- Employees with Disabilities: N.A.

All the contractual employees of the Company receive mandatory safety training before entering their premises and receive the job training through the contractor and the Company.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/No

Whenever the Company sets up a business, it surveys the surrounding communities and identifies key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

There is a specific focus on identifying the vulnerable amongst the stakeholders. These include landless, tribal communities, socially and economically backward sections, people with disabilities, women-headed households, etc.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

For the Company, community is a major stakeholder of business. Thus, GMR Group works with the under-privileged communities around its business operations for improving their quality of life. A special focus is laid on vulnerable and marginalized sections of the community such as differently-abled persons, elders, tribals, migrant labour etc. GMR Varalakshmi Foundation (GMRVF) initiated Tent School program in Bangalore for the children of migrant labour communities. About 1000 children get benefit from this Tent School initiative that otherwise had to drop out of education due to migratory nature of their families. At Delhi, the CSR unit is running

Samarth program for mainstreaming differently-abled persons through inclusive education, creation of livelihood opportunities, facilitating their rights and entitlements etc. To address the health care needs of disadvantaged elderly people, GMRVF is running 4 Mobile Medical Units at different locations which take quality health care to the doorsteps of about 7000 elderly and vulnerable people. At Shahdol, GMRVF partnered with Women and Child Welfare Department to set up Anganwadi centers in tribal hamlets which provide pre-school education, nutrition support etc. for children of 0-5 years age, adolescent girls, pregnant and lactating women. Further, to ensure all the children access quality education, GMRVF is providing school bus support, boarding support etc. for the children (mostly from tribal communities) in hilly remote areas which enabled them to continue their education. In the vocational training program of GMRVF also, preference is given to the candidates from disadvantaged backgrounds and special efforts are put to mainstream them through provision of required skills. GMRVF also has focused programmes to reach out to women and improve their livelihoods.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?

The Company does not have an independent Human Rights Policy. However, policies like Code of Conduct, Whistle Blower Policy, Disciplinary Policy, Policy Against Sexual Harassment, Policy on Work Environment coupled with transparent HR processes and practices adequately cover the human rights aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There are no reported complaints received during the financial year 2012-13.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs/ others.

The policy related to principle 6 is applicable to all the units of GMR Group, its contractors and its employees.

2. **Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company and the Group has strategies to address global environmental issues such as Climate Change and Global Warming.

GMR Group has initiated the process of Clean Development Mechanism in 2008 and commenced assessment of Carbon Footprint of its units.

3. **Does the company identify and assess potential environmental risks? Y/N**

Yes, the company has a procedure to identify and assess potential environmental risk.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes, the Company and the Group is actively involved in the development of Clean Development Mechanism (CDM) projects. It has taken the initiative towards developing the projects which are energy efficient, utilizes cleaner fuel, and uses renewable energy resources as fuel. In such endeavor, the Group has registered five CDM projects at United Nation Framework Convention on Climate Change (UNFCCC) during FY 2012-13. Also, UNFCCC has issued 1,11,667 certified emission reduction in FY 2012-13. The Group does not have the requirement to file any environmental compliance related to CDM; however, the environmental aspects related to compliance and sustainability are included in the Project design document of CDM.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc Y/N. If yes, please give hyperlink for web page etc.**

Yes. The Company understands the thrust of achieving energy efficiency, and effectively utilizes the available clean technology and renewable energy resources in all its business developments. Delhi Indira Gandhi International Airport, Terminal 3 has been awarded green building "LEED INDIA GOLD" rating from Indian Green Building Council (IGBC) thereby making it one of the largest Green Buildings in the world¹. The Rajiv Gandhi International Airport (RGIA) Passenger Terminal Building has 'Leadership in Energy and Environmental Design' (LEED) certification for its unique design, which allows maximum natural lighting, and other features that enable optimal use of energy and water. RGIA is the first airport in the world to be awarded the LEED silver rating for its eco-friendly design². Upcoming thermal power plants projects based on Coal are planned with the latest available technology viz Supercritical Technology and wherever feasible the projects are developed to use Natural Gas, which is the Clean fuel resource. The operating power plants viz. GMR Power

Corporation Limited (GPCL) and GMR Vemagiri Power Generation Limited (GVPG) are already identified as energy efficient power plants as per the Notification [S.O. 687 (E) dated March 30 2012] issued by the Ministry of Power under the Perform, Achieve and Trade (PAT) Mechanism. The Company is involved in developing the projects under renewable portfolio. The Company takes the pride of commissioning 25 MW grid connected Solar Photo Voltaic based power plant at solar park developed by Gujarat Power Corporation Limited, Charanka in Gujarat. The Company has also commissioned the wind mill in Gujarat (2.1 MW Capacity) and Tamil Nadu (1.25 MW Capacity).

¹<http://www.newdelhiairport.in/environment.aspx>

²<http://www.hyderabad.aero/environment.aspx>

6. **Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

Yes, all the emissions and waste generated by the company including its subsidiaries is well within the permissible limits prescribed by CPCB/ SPCB.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of:

- A. Confederation of Indian Industry (CII), Chennai
- B. The Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi
- C. Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi
- D. Bangalore Chamber of Commerce & Industry (BCCI)
- E. Indo-Japanese Chamber of Commerce & Industry (Karnataka) - (IJCCI)
- F. PHD Chamber of Commerce & Industry (PHDCCI), New Delhi

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, following are the broad areas:

- (i) Economic Reforms
- (ii) Airport Services
- (iii) Public Utility

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, GMR Group works with the communities surrounding its business operations with a vision to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. The programs are designed based on the local needs identified through the baseline studies at each location. Thus, all the programs are sensitive to the needs of local communities and thus ensure a high level of participation from the communities.

Under the area of Education, GMR Group is running an Engineering, Degree, Polytechnic and Community colleges in AP apart from several schools. 20% of the seats in all the schools are provided to the children from poor communities free of cost. Group also supports the education of poor students by facilitating Scholarships and Educational loans. About 3000 students have received such support. GMR Group also focuses on improving the infrastructure facilities and quality of education at Government schools and pre-schools, apart from running its own Bala Badis (Pre-schools for children of 3-5 year age group). Over 300 Govt. schools are supported reaching out to over 30000 children. About 4000 per school age children in 180 Bala Badis and Anganwadis across the country benefit from the Group's initiatives. Technology enabled learning is also facilitated with the setting up of 26 IBM Kid Smart Early Learning Centers across the locations.

In the area of health, GMR Group is providing health services to under-served communities by running a 135-bed hospital, 27 medical clinics, 4 ambulances and 4 Mobile Medicare Units. The medical clinics of the Foundation are serving over 7000 patients per month. The 135-bed secondary care hospital is established in Srikakulam, one of the poorest districts of Andhra Pradesh, to serve the communities in this area by offering world class treatment at comparatively very low prices. 19 public toilets have been constructed in both rural and urban locations to improve sanitation facilities which are used by about 30000 people per month. Many awareness programs are organized on health and hygiene related issues which have shown lot of impact on the health status of the communities.

Enhancing the livelihoods of the communities is another area of the focus areas, and to achieve this, as part of the CSR, 8 vocational training centers are run in different locations through which about 4000 under-privileged youth are trained every year in different

market relevant skills. Over 80% of these trainees are settled in wage or self-employment. The Group also works towards women empowerment by promoting and strengthening Women Self Help Groups. About 300 groups are formed so far with more than 3500 members and are receiving thrift, credit, capacity building and market support.

Further, the community development initiatives focus at establishing village libraries, promoting youth and children's clubs and also on generating awareness among communities on key social and environmental issues.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

GMR Group implements the community development programs through GMR Varalakshmi Foundation, a Section 25 Company. The Foundation is governed by a Board of eminent professionals chaired by the Group Chairman. It has its own professional staff drawn from top academic institutions.

3. Have you done any impact assessment of your initiative?

Yes, GMRVF conducts impact assessment studies in its project locations to understand the effectiveness of the programs.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company and the Group Companies during the year contributed to community development projects to the extent of ₹ 23.71 Crore

Projects undertaken:

Education:

- 1) Supporting Govt. schools with Vidya Volunteers, Teaching Learning Materials, After School Learning Centers, Small infrastructure, Teachers' training etc. to improve the quality of education;
- 2) Supporting Govt. Anganwadis and setting up Bala Badis to provide quality pre-school education;
- 3) Support to students with coaching for different entrance and competitive examinations, scholarships and loans for pursuing higher education etc.

Health, Hygiene and Sanitation:

- 1) Running Medical Clinics, Mobile Medical Units and Ambulances where ever there is a gap of such health facilities;
- 2) Conducting need based general and specialized health check-up camps and school health check-ups;
- 3) Conducting health awareness programs with special focus on seasonal illnesses, HIV/AIDS etc.

Empowerment and Livelihoods:

- 1) Running 8 vocational training centers for training under-privileged dropout youth in different vocational programs;
- 2) Promoting and strengthening Self-Help Groups of women and providing training, input and marketing support for them to take up income generation programs;
- 3) Running community libraries, supporting youth clubs, conducting awareness programs on social issues etc.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

GMRVF lays a greater emphasis on involving community in their development process. Towards this, GMRVF conducts wide consultations with the communities before initiating any program and develops programs based on the local needs identified by the communities. Community members are engaged at every stage of the programs and all the systems and procedures have been made accountable and transparent for the communities. For example, in the education programs, GMRVF strengthens School Management Committees, Parents Associations and facilitates parent teacher meetings so that these committees monitor the programs closely and effectively. Where relevant, SHG federations have been formed and strengthened so that they would take the responsibility of facilitating and monitoring the SHGs. Child clubs, Youth clubs, Self Help Groups and other community based institutions are made involved in all the community development programs which help in building ownership of the programs.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

NIL

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A. /Remarks (additional information)**

Not Applicable

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

NIL

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**

The Company measures customer satisfaction at four stages viz during initiation & mobilization, execution, handing over and defect liability period. Customer Satisfaction Survey captures feedback on various criteria like planning, execution, safety and quality on the scale of 1 to 5 and also captures suggestions / comments if any from the customer. This information is analyzed to arrive at actionable points to improve on the service offerings. Balance Score Card (BSC) and Goal Sheets (of related employees) have weightage for Customer feedback and Satisfaction index.

The subsidiaries of the Company i.e. Delhi International Airport Limited (DIAL) and GMR Hyderabad International Airport Limited (GHIAL), as per the covenants of the concession agreement, have to regularly conduct stakeholder surveys (including passengers & airlines) in order to evaluate the performance resulting in form of the internationally accepted ASQ scores. Based on the same, both DIAL and GHIAL are at second positions across the globe in their respective categories.



Financial Section

Independent Auditors' Report

To the Board of Directors of GMR Infrastructure Limited

We have audited the accompanying consolidated financial statements of GMR Infrastructure Limited ('the Company'), its subsidiaries and its jointly controlled entities [collectively hereinafter referred to as 'the Group' and individually as 'component' (refer note 2 to the accompanying consolidated financial statements of the Group)], which comprise the consolidated balance sheet as at March 31, 2013, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

- As detailed in Note 35(viii)(j)(2) to the accompanying consolidated financial statements for the year ended March 31, 2013, GMR Rajahmundry Energy Limited ('GREL'), a subsidiary of the Company has capitalised ₹ 282.39 crore for the period July 1, 2012 to March 31, 2013 towards indirect expenditure and borrowing costs incurred on a plant under construction where active construction work has been put on hold pending securing supply of requisite natural gas and has approached the Ministry of Corporate Affairs for clarification on the applicability of / relaxation from the provisions of Accounting Standard ('AS') -10 and AS -16 to the aforesaid capitalisation. However, in our opinion, the capitalisation of such expenses is not in accordance with the relevant Accounting Standards. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended March 31, 2013 would have been lower by ₹ 276.49 crore.
- As detailed in Note 35(viii) (n) to the accompanying consolidated financial statements for the year ended March 31, 2013, GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company has issued a notice of intention to terminate the

Concession Agreement with National Highways Authority of India ('NHAI') which has been disputed by NHAI. As at March 31, 2013, GKUAEL has incurred and capitalised indirect expenditure towards project and borrowing costs of ₹ 107.75 crore and has given capital advances of ₹ 590.00 crore. In our opinion, the aforesaid capitalisation of ₹ 107.75 crore is not in accordance with the relevant Accounting Standards and such expenses should have been charged off in the consolidated financial statements. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended March 31, 2013 would have been lower by ₹ 107.75 crore. Further, having regard to the uncertainty in view of the dispute, we are also unable to comment on the final outcome of the matter and any other consequential impact that may arise in this regard, on the consolidated financial statements for the year ended March 31, 2013.

- As detailed in Note 30(a) and 35(viii)(m) to the accompanying consolidated financial statements for the year ended March 31, 2013, the Concession Agreement entered into between GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT') for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated arbitration process to seek remedies under the said agreement and pending resolution of the dispute, continues to recognise the assets at their carrying values as at March 31, 2013 including the claim recoverable of ₹ 919.16 crore (USD 16.77 crore) as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets. Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and has received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the consolidated financial statements as at March 31, 2013.

The takeover of MIA by MACL, indicate the existence of a material uncertainty about the going concern of GMIAL and GADLIL. However, the financial statements of GMIAL and GADLIL as at and for the year ended March 31, 2013 continue to be prepared on a going concern basis.

Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on its impact on the carrying value of the assets of GMIAL and GADLIL and any other consequential impact that may arise in this regard on the consolidated financial statements for the year ended March 31, 2013.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us i.e. except for the effects / possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- i. We draw attention to Note 35(viii) (h) to the accompanying consolidated financial statements for the year ended March 31, 2013 in connection with the carrying value of net assets of ₹ 238.35 crore (after providing for losses till date of ₹ 103.21 crore) as regards investment in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Company. 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 of the Group 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. Accordingly, no adjustments have been made in the accompanying consolidated financial statements. Our opinion is not qualified in respect of this matter.
- ii. We draw attention to Note 35 (viii) (r) to the accompanying consolidated financial statements for the year ended March 31, 2013 in connection with the approval pending from the Board of Approval of the Ministry of Commerce & Industry for the extension of the validity period for development of a port based multi-product SEZ by Kakinada SEZ Private Limited, a subsidiary of the Company. The management of the Group is confident of obtaining the necessary approval in the foreseeable future. Our opinion is not qualified in respect of this matter.
- iii. We draw attention to Note 35 (iv) (f) to the accompanying consolidated financial statements for the year ended March 31, 2013 regarding outstanding dues in GMR Hyderabad International Airport Limited and Delhi International Airport Private Limited ('DIAL'), subsidiaries of the Company, from Kingfisher Airlines Limited ('KAL') aggregating to ₹ 16.73 crore. The Group's management has represented that they have taken steps to recover the amounts and are of the opinion that the receivables are fully recoverable. Accordingly, no adjustments have been made in the accompanying consolidated financial statements. Our opinion is not qualified in respect of this matter.
- iv. We draw attention to note 35(viii)(k) to the accompanying consolidated financial statements for the year ended March 31, 2013 which indicate that the entire matter relating to claims / counter claim arising out of the Power Purchase Agreement and Land Lease Agreement, filed by GMR Power Corporation Limited ('GPCL'), a subsidiary of the Company, and Tamil Nadu Electricity Board, is sub-judice before the Hon'ble Supreme Court of India and has not attained finality. However, pending the resolution of matter, no adjustments have been made in the accompanying consolidated financial statements. Considering that substantial amount, though under protest, has been received, GPCL, based on an expert opinion, has offered the amount of claims received upto March 31, 2012 as income in its tax returns and has claimed the deduction under Section 80IA of the Income Tax Act 1961. Our opinion is not qualified in respect of this matter.
- v. We draw attention to Note 35(viii)(j)(l) to the accompanying consolidated financial statements for the year ended March 31, 2013 regarding (i) losses incurred by GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL'), subsidiaries of the Company, and the consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas; and (ii) rescheduling of the commercial operations date and the repayment of certain project loans by GREL pending linkage of natural gas supply. Based on business plans and valuation assessment, the management of the Group is of the view that the carrying value of the net assets in GEL, GVPGL and GREL as at March 31, 2013 is appropriate. However, continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and as such the accompanying consolidated financial statements

do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not qualified in respect of this matter.

Other Matters

- (a) The financial statements and other financial information of a subsidiary, with total assets of ₹ 11,878.19 crore as at March 31, 2013, total revenue (including other income) of ₹ 3,120.99 crore, total loss of ₹ 115.15 crore and net cash outflow amounting to ₹ 70.59 crore for the year then ended (after adjustments on consolidation) have been audited jointly by S.R. BATLIBOI & ASSOCIATES LLP along with other auditors.
- (b) The financial statements and other financial information of a subsidiary, with total assets of ₹ 2,620.48 crore as at March 31, 2013, total revenue (including other income) of ₹ 682.13 crore, total profit of ₹ 28.04 crore and net cash inflow amounting to ₹ 18.89 crore for the year then ended (after adjustments on consolidation) have been audited jointly by S R B C & CO LLP along with other auditors.
- (c) We did not audit the financial statements and other financial information of (i) 107 subsidiaries (including 6 subsidiaries consolidated for the period January 1, 2012 to December 31, 2012) with total assets of ₹ 39,935.12 crore as at March 31, 2013, total revenue (including other income) of ₹ 4,151.25 crore, total profit of ₹ 550.17 crore and net cash inflow amounting to ₹ 1,551.74 crore for the year then ended (after adjustments on consolidation); and (ii) 26 jointly controlled entities (including 13 jointly controlled entities consolidated for the period January 1, 2012 to December 31, 2012) whose financial statements include the Group's share of total assets of ₹ 2,186.60 crore as at March 31, 2013, total revenue (including other income) of ₹ 1,898.49 crore, total profit of ₹ 40.59 crore and net cash outflow amounting to ₹ 109.64 crore for the year then ended (after adjustments on consolidation). These financial statements and other financial information for these subsidiaries and jointly controlled entities have been audited by other auditors, whose reports have been furnished to us, and our opinion in so far as it relates to the affairs of such subsidiaries and jointly controlled entities is based solely on the report of such other auditors.
- (d) We did not audit the financial statements and other financial information of (i) 3 subsidiaries whose financial statements reflect total assets of ₹ 30.83 crore as at March 31, 2013, total revenue (including other income) of ₹ 2.42 crore, total loss of ₹ 1.71 crore and net cash outflows amounting to ₹ 5.92 crore for the year then ended (after adjustments on consolidation); and (ii) 3 jointly controlled entities whose financial statements include the Group's share of total assets of ₹ 22.44 crore as at March 31, 2013, total revenue (including other income) of ₹ 17.32 crore, total profit of ₹ 4.75 crore and net cash outflow amounting to ₹ 0.81 crore for the year then ended (after 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 ended March 31, 2013 were not available and our opinion in so far as it relates to the affairs of such subsidiaries and jointly controlled entities is based solely on the basis of management certified financial statements. Our opinion is not qualified in respect of this matter.

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

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 30, 2013

Consolidated Balance Sheet as at March 31, 2013

	Notes	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Equity and Liabilities			
Shareholders' funds			
Share capital	3	389.24	389.24
Reserves and surplus	4	6,888.94	7,148.54
		7,278.18	7,537.78
Preference shares issued by subsidiaries		1,971.10	1,980.13
Minority interest		1,720.00	1,791.72
Non-current liabilities			
Long-term borrowings	5	31,633.16	25,414.70
Deferred tax liability (net)	39	55.39	37.66
Trade payables	6	68.57	11.67
Other long-term liabilities	6	2,858.23	2,478.52
Long-term provisions	7	148.84	149.08
		34,764.19	28,091.63
Current liabilities			
Short-term borrowings	8	4,856.62	7,315.57
Trade payables	9	1,481.59	1,236.71
Other current liabilities	9	11,492.21	8,092.44
Short-term provisions	7	253.10	182.22
		18,083.52	16,826.94
Total		63,816.99	56,228.20
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	18,066.51	16,089.78
Intangible assets	11	9,268.71	7,237.87
Capital work-in-progress	32(a)	17,785.28	15,535.90
Intangible assets under development	32(b)	1,393.04	3,121.38
Non-current investments	12	104.16	149.36
Deferred tax asset (net)	39	58.11	135.89
Long term loans and advances	13	3,477.82	3,204.46
Trade receivables	14	173.41	133.65
Other non-current assets	15	3,845.81	1,616.34
		54,172.85	47,224.63
Current assets			
Current investments	16	178.63	572.24
Inventories	17	270.43	259.45
Trade receivables	14	1,695.63	1,703.70
Cash and bank balances	18	5,134.84	4,256.14
Short-term loans and advances	13	879.79	987.68
Other current assets	15	1,484.82	1,224.36
		9,644.14	9,003.57
Total		63,816.99	56,228.20
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 30, 2013

Place: Bengaluru
Date : May 30, 2013

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

	Notes	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Income			
Revenue from operations:			
Sales / income from operations	19	9,871.87	8,320.11
Other operating income	20	102.99	152.92
Other income	21	277.19	243.42
Total - (A)		10,252.05	8,716.45
Expenses			
Revenue share paid / payable to concessionaire grantors		1,669.48	830.97
Consumption of fuel		1,031.85	1,446.45
Cost of materials consumed	22	201.90	299.03
Purchase of traded goods	23	1,230.80	1,327.99
(Increase) / decrease in stock in trade	24	20.70	(27.97)
Sub-contracting expenses		963.15	722.64
Employee benefits expenses	25	611.93	687.83
Other expenses	26	1,637.01	1,427.86
Utilisation fees	35 (iii)	130.87	98.71
Depreciation and amortisation expenses	27	1,039.78	935.81
Finance costs	28	2,099.00	1,653.13
Total - (B)		10,636.47	9,402.45
(Loss) / profit before exceptional items, tax expenses and minority interest (A-B)		(384.42)	(686.00)
Exceptional items - (gains) / loss (net)	29	(777.27)	162.12
Profit / (loss) before tax expenses and minority interest		392.85	(848.12)
(Loss) / profit from continuing operations before tax expenses and minority interest		(440.39)	(959.10)
Tax expenses of continuing operations			
Current tax		174.08	139.37
Tax adjustments for prior years		(5.82)	0.30
Less: MAT credit entitlement		(21.81)	(4.09)
Deferred tax expense / (credit)		95.49	54.89
(Loss) / profit after tax expenses and before minority interest from continuing operations		(682.33)	(1,149.57)
Minority interest - share of (profit) / loss from continuing operations		(86.40)	437.37
(Loss) / profit after minority interest from continuing operations (C)		(768.73)	(712.20)
Profit / (loss) from discontinuing operations before tax expenses and minority interest	30 (e)	833.24	110.98
Tax expenses of discontinuing operations			
Current tax		14.62	20.08
Tax adjustments for prior years		1.08	-
Less: MAT credit entitlement		-	-
Deferred tax expense / (credit)		(0.20)	0.17
Profit / (loss) after tax expenses and before minority interest from discontinuing operations		817.74	90.73
Minority interest - share of (profit) / loss from discontinuing operations		39.11	18.13
Profit / (loss) after minority interest from discontinuing operations (D)		856.85	108.86
Profit / (loss) after minority interest from continuing and discontinuing operations (C+D)		88.12	(603.34)
Earnings per equity share (₹) - Basic and diluted (per equity share of ₹ 1 each)	31	0.23	(1.55)
Earnings per equity share (₹) from continuing operations - Basic and diluted (per equity share of ₹ 1 each)	31	(1.97)	(1.83)
Earnings per equity share (₹) from discontinuing operations - Basic and diluted (per equity share of ₹ 1 each)	31	2.20	0.28
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the Consolidated financial statements
As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 30, 2013

Place: Bengaluru
Date : May 30, 2013

Consolidated Cash flow statement for the year ended March 31, 2013

	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
(Loss) / Profit from continuing operations before tax expenses and minority interest	(440.39)	(959.10)
Profit / (loss) from discontinuing operations before tax expenses and minority interest	833.24	110.98
Profit / (loss) before tax expenses and minority interest	392.85	(848.12)
Non-cash adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortization of continuing operations	999.28	898.45
Depreciation / amortization of discontinuing operations	40.50	37.36
Adjustments to the carrying amount of current investments	2.91	11.76
Inventory written off	8.09	-
Provisions no longer required, written back	(23.58)	(3.34)
Amortisation of ancillary borrowing costs	73.18	43.47
Impairment / other write off of tangible / intangible assets pertaining to continuing operations	9.30	1.87
Impairment / other write off of tangible / intangible assets pertaining to discontinuing operations	483.25	-
Loss/ (profit) on sale of fixed assets	(3.82)	-
Provision / write off of doubtful advances and trade receivables	125.22	53.43
Effect of changes in exchange rates	186.52	80.85
Mark to market losses on derivative instruments	-	0.94
Net gain on sale of investments	(1,315.54)	(162.59)
Finance costs	2,025.82	1,770.84
Interest income	(200.20)	(194.34)
Dividend income on current investments	(0.04)	(0.64)
Operating profit before working capital changes	2,803.74	1,689.94
Movements in working capital :		
Increase / (decrease) in trade payables and other liabilities	524.57	810.86
(Increase) / decrease in trade receivables	(156.91)	(1,057.63)
(Increase) / decrease in inventories	(42.64)	(59.68)
Decrease/ (increase) in other assets	77.40	252.92
Decrease/ (increase) in loans and advances	105.54	(285.13)
Increase / (decrease) in provisions	26.97	56.05
Cash generated from operations	3,338.67	1,407.33
Direct taxes paid (net of refunds)	(262.50)	(76.40)
Net cash flow from operating activities (A)	3,076.17	1,330.93
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets	(10,281.02)	(10,813.34)
Proceeds from sale of fixed assets	17.02	21.50
Proceeds from sale of long term investments	46.72	1,775.01
Purchase / sale of current investments (net)	473.47	608.83
Proceeds from sale / dilution of stake in subsidiary companies	1,677.23	200.57
Proceeds from sale / dilution of subsidiary companies on settlement of borrowings	1,284.30	-
Purchase consideration paid on acquisition of subsidiary companies / jointly controlled entities	(53.09)	(2,684.07)
(Investments) / redemption of bank deposits (net) (having original maturity of more than three months)	(1,589.88)	(247.33)
Interest received	193.26	241.10
Dividend received	0.04	0.64
Net cash flow used in investing activities (B)	(8,231.95)	(10,897.09)

Consolidated Cash flow statement for the year ended March 31, 2013 (Contd.)

	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from issue of preference shares (including securities premium)	-	585.26
Redemption of preference shares (including redemption premium)	(9.03)	(9.50)
Payment of debenture / share issue expenses	(346.60)	(142.19)
Issue of common stock in consolidated entities (including share application money)	78.16	110.53
Proceeds from borrowings	16,142.24	16,952.89
Repayment of borrowings	(8,130.20)	(5,124.69)
Finance costs paid	(1,817.10)	(2,244.29)
Dividend paid (including dividend distribution taxes)	(7.19)	(4.82)
Net cash flow from financing activities (C)	5,910.28	10,123.19
Net increase in cash and cash equivalents (A + B + C)	754.50	557.03
Cash and cash equivalents as at April 1,	3,185.50	2,107.57
Cash and cash equivalents on acquisitions during the year	0.02	400.08
Cash and cash equivalents on account of sale subsidiary during the year	(201.51)	-
Effect of exchange differences on cash and cash equivalents held in foreign currency	44.60	120.82
Cash and cash equivalents as at March 31,	3,783.11	3,185.50
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	10.85	14.43
Cheques/ drafts on hand	10.08	18.68
With banks:		
- on current account	3,399.83	1,635.94
- on deposit account (having original maturity of less than or equal to three months)	362.35	1,516.45
Total cash and cash equivalents	3,783.11	3,185.50

Note:

1. The above consolidated cash 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.
2. The above consolidated cash flow statement has been compiled from and is based on the consolidated balance sheet as at March 31, 2013 and the related consolidated statement of profit and loss for the year ended on that date.
3. Refer note 5 and note 8 as regards restriction on balances with banks arising in connections with the borrowings made by the Group.
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 LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 30, 2013

Place: Bengaluru
Date : May 30, 2013

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 1 | CORPORATE INFORMATION

GMR Infrastructure Limited ('GIL' or 'the Company') and its subsidiary companies, associates and jointly controlled entities (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 and Construction (EPC) contracting activities and operation of special economic zones.

Power sector

Certain entities of the Group are involved in the generation of power. These are separate Special Purpose Vehicles ('SPV') which have entered into Power Purchase Agreements ('PPA') with the electricity distribution companies of the respective state governments / other government authorities (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 subsidiary companies.

Airport sector

Certain entities of the Group are engaged in development and operation of airport infrastructure such as Greenfield International Airport at Hyderabad and modernisation and operation of international airports at Delhi, Male (refer note 30(a) with regard to discontinuance of operations) 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 SPVs which have entered into concessionaire agreements with National Highways Authority of India ('NHAI') or respective state governments 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

Entities of the Group which cover all residual activities of the Group that include special economic zones, operations of hotels, investment activities and management / technical consultancy.

NOTE | 2 | PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include accounts of the subsidiary companies (accounted as per Accounting Standard (AS) 21), associates (accounted as per AS 23) and jointly controlled entities (accounted as per AS 27). Subsidiary undertakings are those companies in which the Company, 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. Subsidiary companies 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 sheets, the statements of profit and loss and the cash flow statements of the Company and its subsidiary companies. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between the entities in the Group are eliminated unless cost cannot be recovered.

The excess of the cost to the Company of its investments in subsidiary companies, 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 or goodwill. Gains or losses arising on the direct sale by the Company of its investment in its subsidiary companies are transferred to the statement of profit and loss. 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 the consolidated financial statements as per AS 23 on "Accounting for Investments in Associates". Investments in associate companies, which have been made for temporary purposes, have not been considered for consolidation.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

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

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

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2013	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
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%	100.00%	100.00%
5	Badrinath Hydro Power Generation Private Limited (BHPL)	India	Subsidiary ¹	-	96.93%	-	99.00%
6	GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary ³	97.52%	71.57%	99.60%	73.10%
7	GMR Kamalanga Energy Limited (GKEL)	India	Subsidiary ²	79.13%	78.33%	80.82%	80.00%
8	Himtal Hydro Power Company Private Limited (HHPL)	Nepal	Subsidiary ³	80.29%	78.33%	82.00%	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 (GUKPL)	Nepal	Subsidiary	71.55%	71.55%	73.00%	73.00%
12	GMR Energy Trading Limited (GETL)	India	Subsidiary	99.60%	99.60%	99.99%	99.99%
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	97.91%	97.91%	100.00%	100.00%
15	GMR BajoliHoli Hydropower Private Limited (GBHPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
16	GMR Londa Hydropower Private Limited (GLHPPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
17	GMR Kakinada Energy Private Limited (GKEPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
18	Rampia Coal Mine and Energy Private Limited (RCMEPL)	India	Joint Venture	17.03%	17.03%	17.39%	17.39%
19	GMR Chhattisgarh Energy 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 Utama (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 (PTBSL)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
25	GMR Rajahmundry Energy Limited (GREL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
26	SJK Powergen Limited (SJK)	India	Subsidiary	68.54%	68.54%	70.00%	70.00%
27	PT Unsoco (PT)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
28	EMCO Energy Limited (EMCO)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
29	Homeland Energy Group Limited (HEGL)	Canada	Subsidiary	54.67%	54.67%	55.84%	55.84%
30	Homeland Energy Corporation (HEC)	Mauritius	Subsidiary	54.67%	54.67%	100.00%	100.00%
31	Homeland Mining & Energy SA (Pty) Limited (HMES)	South Africa	Subsidiary	54.67%	54.67%	100.00%	100.00%
32	Homeland Energy (Swaziland) (Pty) Limited (HESW)	Swaziland	Subsidiary ¹	-	41.00%	-	75.00%
33	Homeland Mining & Energy (Botswana) (Pty) Limited (HMEB)	Botswana	Subsidiary ¹	-	54.67%	-	100.00%
34	Homeland Coal Mining (Pty) Limited (HCM)	South Africa	Subsidiary	54.67%	54.67%	100.00%	100.00%
35	Nhalalala Mining (Pty) Limited (NML)	South Africa	Joint Venture	27.34%	27.34%	50.00%	50.00%
36	Tshedza Mining Resource (Pty) Limited (TMR)	South Africa	Joint Venture	27.34%	27.34%	50.00%	50.00%
37	Corpco 331 (Pty) Limited (CPL)	South Africa	Subsidiary	54.67%	54.67%	100.00%	100.00%
38	Ferret Coal Holdings (Pty) Limited (FCH)	South Africa	Subsidiary ¹	-	54.67%	-	100.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2013	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
39	Wizard Investments (Pty) Limited (WIL)	Botswana	Subsidiary ¹	-	38.27%	-	70.00%
40	Ferret Coal (Kendal) (Pty) Limited (FCK)	South Africa	Subsidiary	40.46%	40.46%	74.00%	74.00%
41	Manoka Mining (Pty) Limited (MMPL)	South Africa	Subsidiary ¹	-	35.54%	-	65.00%
42	GMR Maharashtra Energy Limited (GMAEL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
43	GMR Bundelkhand Energy Private Limited (GBEPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
44	GMR Uttar Pradesh Energy Private Limited (GUPEPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
45	GMR Hosur Energy Limited (GHOEL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
46	GMR Gujarat Solar Power Private Limited (GGSPPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
47	Karnali Transmission Company Private Limited (KTCPL)	Nepal	Subsidiary	98.01%	98.01%	100.00%	100.00%
48	Marsyangdi Transmission Company Private Limited (MTCPL)	Nepal	Subsidiary	98.01%	98.01%	100.00%	100.00%
49	GMR Indo-Nepal Energy Links Limited (GINELL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
50	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
51	GMR Renewable Energy Limited (GREEL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
52	Aravali Transmission Service Company Limited (ATSCL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
53	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
54	GMR Energy Projects (Mauritius) Limited (GEPML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
55	GMR Energy Singapore Pte Limited (GESPL)	Singapore	Subsidiary ¹	-	70.00%	-	70.00%
56	GMR Supply Singapore Pte Limited (GSSPL)	Singapore	Subsidiary ¹	-	70.00%	-	100.00%
57	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
58	GMR Highways Limited (GMRHL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
59	GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL)	India	Subsidiary ³	86.48%	60.48%	100.00%	74.00%
60	GMR Tuni Anakapalli Expressways Private Limited (GTAEPL)	India	Subsidiary ³	86.48%	60.48%	100.00%	74.00%
61	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary	99.46%	99.46%	100.00%	100.00%
62	GMR Jadcherla Expressways Limited (Formerly known as GMR Jadcherla Expressways Private Limited) (GJEPL)	India	Subsidiary	99.99%	99.90%	100.00%	100.00%
63	GMR Pochanpalli Expressways Limited (GPEPL)	India	Subsidiary	99.99%	99.90%	100.00%	100.00%
64	GMR Ulundurpet Expressways Private Limited (GUEPL)	India	Subsidiary	99.99%	99.90%	100.00%	100.00%
65	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	India	Subsidiary	90.00%	90.00%	90.00%	90.00%
66	GMR Chennai Outer Ring Road Private Limited (GCCRPL)	India	Subsidiary	89.79%	89.79%	90.00%	90.00%
67	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)	India	Subsidiary	51.00%	51.00%	51.00%	51.00%
68	GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary	61.20%	61.20%	63.00%	63.00%
69	Gateways for India Airports Private Limited (GFIAL)	India	Subsidiary	86.49%	86.49%	86.49%	86.49%
70	Hyderabad Menzies Air Cargo Private Limited (HMACPL)	India	Subsidiary	31.21%	31.21%	51.00%	51.00%
71	Hyderabad Airport Security Services Limited (HASSL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
72	GMR Hyderabad Airport Resource Management Limited (GHARML)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
73	GMR Hyderabad Aerotropolis Limited (HAPL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
74	GMR Hyderabad Aviation SEZ Limited (GHASL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
75	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
76	MAS GMR Aerospace Engineering Company Private Limited (MGAECL)	India	Joint Venture	30.60%	30.60%	50.00%	50.00%
77	TVS GMR Aviation Logistics Limited (TVS GMR)	India	Joint Venture	29.99%	29.99%	49.00%	49.00%
78	Hyderabad Duty Free Retail Limited (HDFRL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
79	GMR Airport Developers Limited (GADL)	India	Subsidiary	96.20%	96.20%	99.02%	99.02%

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2013	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
80	MAS GMR Aero Technic Limited (MGATL)	India	Joint Venture	30.60%	30.60%	50.00%	50.00%
81	GADL International Limited (GADLIL)	Isle of Man	Subsidiary	96.20%	96.20%	100.00%	100.00%
82	GADL (Mauritius) Limited (GADLML)	Mauritius	Subsidiary	96.20%	96.20%	100.00%	100.00%
83	GMR Airport Handling Services Company Limited (GAHSCL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
84	Asia Pacific Flight Training Academy Limited (APFT)	India	Joint Venture ⁴	24.51%	60.28%	40.04%	98.50%
85	Delhi International Airport Private Limited (DIAL)	India	Subsidiary	52.82%	52.82%	54.00%	54.00%
86	Delhi Aviation Services Private Limited (DASPL)	India	Joint Venture	26.41%	26.41%	50.00%	50.00%
87	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary	52.82%	52.82%	100.00%	100.00%
88	East Delhi Waste Processing Company Private Limited (EDWPCPL)	India	Subsidiary	26.94%	26.94%	51.00%	51.00%
89	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	Joint Venture	21.13%	21.13%	40.00%	40.00%
90	Devyani Food Street Private Limited (DFSPL)	India	Joint Venture	21.13%	21.13%	40.00%	40.00%
91	Delhi Select Services Hospitality Private Limited (DSSHPL)	India	Joint Venture	21.13%	21.13%	40.00%	40.00%
92	Delhi Duty Free Services Private Limited (DDFS)	India	Joint Venture	26.36%	26.36%	49.90%	49.90%
93	Delhi Aviation Fuel Facility Private Limited (DAFF)	India	Joint Venture	13.73%	13.73%	26.00%	26.00%
94	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	India	Joint Venture	13.73%	13.73%	26.00%	26.00%
95	Delhi Cargo Service Center Private Limited (DCSCPL)	India	Joint Venture	13.73%	13.73%	26.00%	26.00%
96	Wipro Airport IT Services Limited (WAISL)	India	Joint Venture	13.73%	13.73%	26.00%	26.00%
97	Delhi Airport Parking Services Private Limited (DAPSL)	India	Joint Venture	26.36%	26.36%	49.90%	49.90%
98	TIM Delhi Airport Advertising Private Limited (TIM)	India	Joint Venture	26.36%	26.36%	49.90%	49.90%
99	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Velsletme Sirketi (ISG)	Turkey	Joint Venture	40.00%	40.00%	40.00%	40.00%
100	Istanbul Sabiha Gokcen Uluslararasi Hvalimani YerHizmetleri Anonim Sirketi (SGH)	Turkey	Joint Venture	29.00%	29.00%	29.00%	29.00%
101	GMR Hotels and Resorts Limited (GHRL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
102	GMR Airports Limited (GAL)	India	Subsidiary	97.15%	97.15%	97.15%	97.15%
103	GMR Aviation Private Limited (GAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
104	GMR Krishnagiri SEZ Limited (GKSEZ)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
105	Advika Properties Private Limited (APPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
106	Aklima Properties Private Limited (AKPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
107	Amartya Properties Private Limited (AMPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
108	Baruni Properties Private Limited (BPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
109	Bougainvillea Properties Private Limited (BOPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
110	Camelia Properties Private Limited (CPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
111	Deepesh Properties Private Limited (DPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
112	Eila Properties Private Limited (EPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
113	Gerbera Properties Private Limited (GPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
114	Lakshmi Priya Properties Private Limited (LPPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
115	Honeysuckle Properties Private Limited (HPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
116	Idika Properties Private Limited (IPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
117	Krishnapriya Properties Private Limited (KPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
118	Larkspur Properties Private Limited (LAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
119	Nadira Properties Private Limited (NPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2013	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
120	Padmapriya Properties Private Limited(PAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
121	Prakalpa Properties Private Limited (PPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
122	Purnachandra Properties Private Limited (PUPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
123	Shreyadita Properties Private Limited (SPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
124	Pranesh Properties Private Limited (PRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
125	Sreepa Properties Private Limited (SRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
126	GMR SEZ and Port Holdings Private Limited (GSPHPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
127	GMR Corporate Affairs Private Limited (GCAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
128	Dhruvi Securities Private Limited (DSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
129	Kakinada SEZ Private Limited (KSPL)	India	Subsidiary	51.00%	51.00%	51.00%	51.00%
130	GMR Power Infra Limited (GPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
131	GMR Infrastructure (Mauritius) Limited (GIML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
132	GMR Infrastructure (Cyprus) Limited (GICL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	100.00%
133	GMR Infrastructure Overseas (Malta) Limited, (Formerly known as GMR Infrastructure Overseas Sociedad Limitada (GIOSL)	Malta	Subsidiary	100.00%	100.00%	100.00%	100.00%
134	GMR Infrastructure (UK) Limited (GIUL)	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%
135	GMR Airports (Malta) Limited (GMRAML) (Formerly known as GMR International (Malta) Limited	Malta	Subsidiary ⁵	96.11%	99.91%	99.91%	99.91%
136	Limak GMR Construction JV (CJV)	Turkey	Joint Venture	50.00%	50.00%	50.00%	50.00%
137	GMR Infrastructure (Global) Limited (GIGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
138	GMR Energy (Global) Limited (GEGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
139	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)	Turkey	Joint Venture	40.00%	40.00%	40.00%	40.00%
140	GMR Male International Airport Private Limited (GMIAL)	Maldives	Subsidiary	76.99%	76.99%	77.00%	77.00%
141	GMR Male Retail Private Limited (GMRPL)	Maldives	Subsidiary	95.72%	95.72%	99.50%	99.50%
142	GMR Coal Resources Pte Limited (GCRPL)	Singapore	Subsidiary	98.01%	98.01%	100.00%	100.00%
143	Laqshya Hyderabad Airport Media Private Limited (Laqshya)	India	Joint Venture	29.99%	29.99%	49.00%	49.00%
144	GMR Infrastructure Overseas Limited (GIOL)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
145	Radhapriya Properties Private Limited (RPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
146	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUDEL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
147	GMR Business Process and Services Private Limited (GBPSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
148	GMR Airport Global Limited (GAGL)	Isle of Man	Subsidiary	96.20%	96.20%	100.00%	100.00%
149	GMR Highways Projects Private Limited (GHPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
150	PT Golden Energy Mines Tbk (PTGEMS)	Indonesia	Joint venture	29.40%	29.40%	30.00%	30.00%
151	PT Roundhill Capital Indonesia (RCI)	Indonesia	Joint venture	29.11%	29.11%	29.70%	29.70%
152	PT Borneo Indobara (BIB)	Indonesia	Joint venture	28.84%	28.84%	29.43%	29.43%
153	PT Kuansing Inti Makmur (KIM)	Indonesia	Joint venture	29.40%	29.40%	30.00%	30.00%
154	PT Karya Cemerlang Persada (KCP)	Indonesia	Joint venture	29.40%	29.40%	30.00%	30.00%
155	PT Bungo Bara Utama (BBU)	Indonesia	Joint venture	29.40%	29.40%	30.00%	30.00%
156	PT Bara Harmonis Batang Asam (BHBA)	Indonesia	Joint venture	29.40%	29.40%	30.00%	30.00%
157	PT Berkat Nusantara Permai (BNP)	Indonesia	Joint venture	29.40%	29.40%	30.00%	30.00%
158	PT Tanjung Belit Bara Utama (TBBU)	Indonesia	Joint venture ²	29.40%	29.34%	30.00%	29.94%

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2013	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
159	PT Trisula Kencana Sakti (TKS)	Indonesia	Joint venture	20.58%	20.58%	21.00%	21.00%
160	PT Mangaala Alam Lestari (MAL)	Indonesia	Joint venture ¹	-	29.40%	-	30.00%
161	PT Nusa Indah Permai (NIP)	Indonesia	Joint venture ¹	-	29.40%	-	30.00%
162	GEMS Coal Resources Pte Limited (GEMSCR)	Singapore	Joint venture ⁶	29.40%	-	30.00%	-
163	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)	India	Subsidiary ⁷	61.20%	-	100.00%	-
164	Asteria Real Estates Private Limited (AREPL)	India	Subsidiary ⁸	100.00%	-	100.00%	-
165	Lantana Properties Private Limited (LPPL)	India	Subsidiary ⁸	100.00%	-	100.00%	-

The reporting dates of the subsidiary companies and jointly controlled entities coincide with that of the parent Company except in case of HEGL and its subsidiary companies and jointly controlled entities (refer Sl. No 29 to 41 above) and PTGEMS and its subsidiary companies and jointly controlled entities (refer Sl. No 150 to 162 above), whose financial statements for the year ended on and as at December 31, 2012 were considered for the purpose of the audited consolidated financial statements of the Group.

The financial statements of other subsidiary companies / jointly controlled entities have been drawn up to the same reporting date as of the Company, i.e. March 31, 2013

Notes:

1. Wound up / sold during the year.
2. Further infusion of Equity Share Capital during the year.
3. Acquired additional stake from the minority shareholder.
4. Became a jointly controlled entity pursuant to the infusion of equity share capital by the minority shareholders and existence of joint venture agreements.
5. Dilution due to change in holding structure of the subsidiary companies during the year.
6. Subsidiary of PTGEMS incorporated during the year.
7. Subsidiary company / jointly controlled entity incorporated during the year.
8. Acquired during the year.

NOTE | 2.1 | SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) 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. The following specific recognition criteria must also be met before revenue is recognised.

Power sector business:

In case of power generating companies, revenue from energy units sold as per the terms of the PPA 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 customers based on the units of energy delivered and the rate agreed with the customers.

Revenue from the sale of coal is recognised when 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 payments charges and any other claims, which the Group is entitled to, under the PPAs, are accounted for in the year of acceptance.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Development of highways:

In case of companies involved in construction and maintenance of roads, toll revenue from operations is recognised on accrual basis which coincides with the collection of toll. 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 NHAI or with respective State Governments. Claims raised on NHAI under concessionaire agreement are accounted for in the year of acceptance.

Revenue share paid / payable to concessionaire grantors:

Revenue share paid / payable to Concessionaire / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective roads has been disclosed as revenue share paid / payable to concessionaire grantors in the statement of profit and loss.

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.

In case of cargo handling revenue, revenue from outbound cargo is recognised at the time of acceptance of cargo with respect to non-airline customers and at the time of departure of aircraft with respect to airline customers and revenue from inbound cargo is recognised at the time of arrival of aircraft in case of airline customers and at the point of delivery of cargo in case of non-airline customers. Interest on delayed receipts from customers is recognised on acceptance.

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

Revenue from the sale of goods at the duty free outlets operated by the Group is recognized at the time of delivery of goods to customers which coincides with transfer of risks and rewards to its customers. Sales are stated net of returns and discounts.

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

Revenue from sale of fuel is recognised 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 advertisements is recognised over the period of display of advertisements, net of taxes and rebates.

Revenue share paid/ payable to concessionaire grantors:

Revenue share paid / payable to Concessionaire / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective airports has been disclosed as revenue share paid/ payable to concessionaire grantors' in the statement of profit and loss.

Construction business:

Construction revenue and costs are recognised 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 recognised 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, revenue is recognized 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.

Others:

- i. Dividend income is recognised when the right to receive dividend is established by the reporting date.
- ii. Income from management / technical services is recognised as per the terms of the agreement on the basis of services rendered.
- iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other operating income" for companies engaged in investing activities and under the head "other income" for other companies in the statement of profit and loss.
- iv. Benefits arising out of duty free scrips utilised for the acquisition of fixed assets or inventory are recognised as income once it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- v. On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Such income is included under the head "other operating income" for companies engaged in investing activities and under the head "other income" for other companies in the statement of profit and loss.
- vi. Revenue from certified emission reductions is recognised as per the terms and conditions agreed with the customers on sale of the certified emission reduction units.
- vii. Insurance claim is recognised on acceptance of the claims by the insurance company.
Revenue earned in excess of billings has been included under "other assets" as unbilled revenue and billings in excess of revenue have been disclosed under "other liabilities" as unearned revenue.
Expenditure including pre-operative and other incidental expenses incurred by the Group on projects that are in the process of commissioning, being recoverable from the respective SPVs / subsidiary companies created for carrying out these projects, are not charged to the statement of profit and loss and are treated as advances to the respective entities.

c) Operation and maintenance contracts

Certain entities engaged in power generation have entered into a Long Term Service Agreements (LTSAs), Technical Service Agreement ('TSA') for maintenance of the power plants, Operations and Maintenance Agreement for regular and major maintenance and Long Term Assured Parts Supply Agreement (LTAPSA), Repair Work Supply Agreement ('PRWST') for supply of parts for planned and unplanned maintenance over the term of the agreements. Amounts payable under the LTSAs / TSA are charged to the statement of profit and loss 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. Amounts payable under PRWST are charged to the statement of profit and loss on an accrual basis.

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 statement of profit and loss on an accrual basis.

d) Fixed assets

Tangible assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and freight, duties, levies and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Group adjusts exchange differences arising on translation / settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the tangible asset and are recognised in the statement of profit and loss when the asset is de-recognised.

Tangible assets under installation or under construction as at balance sheet are shown as Capital work-in-progress and the related advances are shown as loans and advances.

Intangible assets

In case of airport infrastructure companies, amounts in the nature of upfront fee and other costs incurred pursuant to the terms of the respective concession agreements are recognised as Intangible assets.

Carriageways represents commercial rights to collect toll fee in relation to roads projects 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 subcontracting costs, inward freight, duties, taxes, obligation towards negative grant payable to concessionaires, if any, and any directly attributable expenditure on making the commercial right ready for its intended use.

e) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred for potential mineral reserves and related to the project expenditure are recognised and reported as part of 'intangible assets under development' when one of the below conditions are met:

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- i. 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
- ii. 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.

f) Deferred stripping costs

The Group defers stripping costs incurred subsequently, during the production stage of its operations, for those operations where this is the most appropriate basis for matching the costs against the related economic benefits and the effect is material. This is generally the case where there are fluctuations in stripping costs over the life of the mine (or pit). The amount of stripping costs deferred is based on the ratio ('Ratio') obtained by dividing the tonnage of waste mined either by the quantity of ore mined or by the quantity of minerals contained in the ore. In some operations, the quantity of ore is a more practical basis for matching costs with the related economic benefits where there are important co-products or where the grade of the ore is relatively stable from year to year. Stripping costs incurred in the period are deferred to the extent that the current period Ratio exceeds the life of mine ratio. Such deferred costs are then charged to statement of profit and loss to the extent that, in subsequent periods, the current period Ratio falls short of the life of mine ratio.

The life of mine ratio is based on proved and probable reserves of the mine. The life of mine waste-to-ore ratio is a function of the pit design(s) and therefore changes to that design will generally result in changes to the Ratio. Changes in other technical or economic parameters that impact on reserves will also have an impact on the life of mine ratio even if they do not affect the pit design(s). Changes to the life of mine ratio are accounted for prospectively.

In the production stage of some mines, further development of the mine requires a phase of unusually high overburden removal activity that is similar in nature to pre-production mine development. The costs of such unusually high overburden removal activity are deferred and charged to statement of profit and loss in subsequent periods on a units of production basis. This accounting treatment is consistent with that for stripping costs incurred during the development phase of a mine, before production commences.

Deferred stripping costs are included in 'Mining properties (including deferred exploration and stripping costs)' under intangible assets. These form part of the total investment in the relevant cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

g) 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 inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

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 statement of profit and loss on a straight-line basis over the lease term.

For lessor:

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

h) Depreciation / Amortisation

In case of entities under CERC Regulations:

Depreciation on plant and machinery is provided using straight line method at the rate of 5.28% per annum. After a period of 12 years from the date of commencement of commercial operations, the remaining written down value shall be depreciated over the balance useful life of the asset estimated by the management or in the manner prescribed under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 in terms of MCA Circular No: 31/2011 dated May 31, 2011 ('CERC regulations').

Other tangible assets are depreciated using straight line method at the rates specified in the CERC regulations, which is estimated by the management to be the estimated useful lives of the fixed assets, except for fixed assets individually costing Rs 5,000 or less, which are fully depreciated in the year of acquisition.

Sl. No.	Block	Rate of depreciation
1	Buildings: - Factory and office	3.34%
2	Office equipments - Computers - Others	15.00% 6.33%
3	Vehicles	9.50%
4	Furniture and fixtures	6.33%

Other entities:

For domestic subsidiary companies and jointly controlled entities, other than as stated aforesaid and below, the Group provides depreciation on fixed assets, using straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 or rates based on useful lives of the assets which are estimated by the management whichever are higher, except for assets individually costing less than ₹ 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 subsidiary companies, jointly controlled entities and associates, the Group provides depreciation based on estimated useful lives of the fixed assets as determined by the management of such subsidiary companies, jointly controlled entities and associates. In view of different sets of environment in which such foreign subsidiary companies, jointly controlled entities 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 subsidiary companies, jointly controlled entities and associates with those of the domestic subsidiary companies, jointly controlled entities and associates.

The estimated useful lives of the assets considered by such overseas entities are as follows:

Asset category	Useful life in years	
	Minimum	Maximum
Lease hold improvements	3	16
Buildings	3	10
Plant and machinery	3	15
Furniture and fixtures	3	20
Computer equipments, office equipment	3	20
Motor vehicles	4	7
Other tangible fixed assets	5	10

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Intangible assets

Goodwill arising on consolidation is not amortised but tested for impairment.

Intangible assets representing upfront fees and other payments made to concessionaires of the respective airports, pursuant to the terms and conditions of concession agreements are amortised on a straight line method over the initial and extended periods of concession agreements, as applicable.

Carriageways related to annuity based projects are amortised over the period of the respective Concessionaire Agreements on a straight line basis.

Carriageways related to toll based road projects are amortised based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in terms of MCA notification dated April 17, 2012.

The total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in traffic and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life.

Intangible assets representing carriageways and airport concessionaire rights are amortised over the concession period, ranging from 17 to 20 years and 20 to 60 years respectively, which is beyond the maximum period of 10 years as specified in AS 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 straightline basis as estimated by the management.

i) Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve upto the amount of any previous revaluation.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

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

j) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the consolidated financial statements at lower of cost or fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in nature in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

k) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares: Raw materials, components, stores and spares are valued at 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 in bringing goods to their present locations 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 / Finished goods: Traded goods are valued at 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.

Self-generated certified emission reductions are recognised on grant of credit by United Nations Framework Convention on Climate Change ('UNFCCC') and are measured at lower of cost and net realisable value.

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.

l) 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 services are rendered by the employees.

The Group makes monthly contributions and has no further obligations under such plans beyond its contributions.

b. Defined benefit plans

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 statement of profit and loss as an income or expense.

c. Other long term employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

d. Short term employee benefits

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

m) Foreign currency transactions

Foreign currency transactions and balances

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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Group accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Group's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.
3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
4. All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing asset / liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain / loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii)(2) and (iii)(3) above.

v. Translation of integral and non-integral foreign operations

The Group classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operations are translated as if the transactions of the foreign operations have been those of the Company itself.

The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operations, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

When there is a change in the classification of foreign operations, 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 operations is translated at closing rate.

n) 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 such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

o) Government grants and subsidies

Grants or subsidies including airport development fee from the government or any regulatory authority are recognised when there is reasonable assurance that the grant / subsidy will be received and all conditions attached to the grant / subsidy will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant or subsidy relates to an asset, the grant or subsidy amount (net of direct amount incurred to earn aforesaid grant or subsidy) 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Development fee entitlement in terms of preliminary ad-hoc approval of Ministry of Civil Aviation ('MoCA') dated February 9, 2009, which was finally approved by Airports Economy Regulatory Authority ('AERA') vide its order No. 28/2011-12 and issued on November 14, 2011 towards development of project, is reduced from the total project cost. The balance portion of development fee for the project cost, which is under construction, shall be accrued and reduced from the aforesaid cost after completion of assets under construction.

p) Taxes on income

Tax expense comprises 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 ('IT Act') enacted in India and tax laws prevailing in the respective tax jurisdictions where the entities in the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences 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 entities in the Group have 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.

In the situations where the entities in the Group are entitled to a tax holiday under IT Act enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the entities in the Group restricts recognition of 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 realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the entities in the Group re-assess unrecognised deferred tax assets. It recognises unrecognised deferred tax asset 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 realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The entities in the Group writes-down the carrying amount of 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 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.

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 taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax 'MAT' paid in a year is charged to the statement of profit and loss as current tax. The entities in the Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the entities in the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the entities in the Group recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The entities in the Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the entities in the Group does not have convincing evidence that it will pay normal tax during the specified period.

q) 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 at cost plus appropriate margins.

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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Unallocated items:

Unallocated items includes general corporate income and expense items, which are not allocated to any business segment. It includes income tax, deferred tax charge or credit and the related tax liabilities and tax assets, interest expense or interest income and related interest generating assets, interest bearing liabilities, which are not allocated to any business segment.

Segment accounting policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

r) Provisions

A provision is recognised when the Group has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

s) Derivative instruments

In accordance with the Institute of Chartered Accountants of India ('ICAI') announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

t) Shares issue expenses and premium on redemption

Share issue expenses incurred are expensed in the year of issue and debenture / preference share issue expenses and redemption premium payable on preference shares / debentures are expensed over the term of preference shares / debentures. These are adjusted against the securities premium account of the respective entities as permitted by Section 78 of the Companies Act, 1956 to the extent of balance available in such securities premium account.

u) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

v) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

w) 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 Securities Exchange Board of India ('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 ICAI. 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.

x) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 3 | SHARE CAPITAL

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Authorised shares		
7,500,000,000 (March 31, 2012: 7,500,000,000) equity shares of ₹ 1 each	750.00	750.00
Issued, subscribed and fully paid-up shares		
3,892,430,282 (March 31, 2012: 3,892,430,282) equity shares of ₹ 1 each	389.24	389.24
Issued, subscribed but not fully paid-up shares		
4,500 (March 31, 2012: 4,500) equity shares of ₹ 1 each not fully paid up [₹ 2,250 (March 31, 2012: ₹ 2,250)]	0.00	0.00
Total issued, subscribed and paid-up share capital	389.24	389.24

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

Equity Shares	March 31, 2013		March 31, 2012	
	Number	₹ in Crore	Number	₹ in Crore
At the beginning of the year	3,892,434,782	389.24	3,892,434,782	389.24
Outstanding at the end of the year	3,892,434,782	389.24	3,892,434,782	389.24

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Every member holding equity shares there in shall have voting rights in portion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(c) Shares held by the Holding Company / Ultimate Holding Company and/ or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its Holding Company, ultimate Holding Company and their subsidiaries/associates are as below:

Particulars	March 31, 2013 Number	March 31, 2012 Number
GMR Holdings Private Limited ('GHPL'), the Holding Company		
Equity shares of ₹ 1 each fully paid-up	2,736,221,862	2,736,221,862
Rajam Enterprises Private Limited ('REPL'), an associate of the Holding Company		
Equity shares of ₹ 1 each fully paid-up	-	5,170,000
GMR Infra Ventures LLP ('GIVLLP'), an associate of the Holding Company		
Equity shares of ₹ 1 each fully paid-up	30,000,000	30,000,000
GMR Enterprises Private Limited ('GEPL'), an associate of the Holding Company		
Equity shares of ₹ 1 each fully paid-up	17,100,000	4,830,000
Welfare Trust of GMR Infra Employees ('GWT'), an associate of the Holding Company		
Equity shares of ₹ 1 each fully paid-up	17,999,800	17,999,800

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Equity shares allotted as fully paid-up for consideration other than cash ¹	2.60	2.60

- During the year ended March 31, 2010, 46,800,000 equity shares of ₹ 10 each of DIAL were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of ₹ 149.72 crore, which was discharged by allotment of 26,038,216 equity shares of the Company of ₹ 1 each at an issue price of ₹ 57.50 per equity share (including ₹ 56.50 per equity share towards security premium).

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2013		March 31, 2012	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 1 each fully paid				
GHPL	2,736,221,862	70.30%	2,736,221,862	70.30%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 4 RESERVES AND SURPLUS		
Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Capital reserve on consolidation		
Balance as per the last financial statements	115.85	115.85
Add: Additions during the year	10.02	-
Closing balance	125.87	115.85
Capital reserve on acquisition (as per last financial statements) [refer note 4(a)]	3.41	3.41
Capital reserve (government grant)		
Balance as per the last financial statements [refer note 4(b) and 4(c)]	65.49	92.94
Less: Transferred to minority interest [refer note 4(b)]	-	1.92
Less: Transferred to intangible assets under development [refer note 4(c)]	-	25.53
Closing balance	65.49	65.49
Capital redemption reserve		
Balance as per the last financial statements	19.50	10.00
Add: Amount transferred from surplus / (deficit) in the balance in the statement of profit and loss	9.03	9.50
Closing balance	28.53	19.50
Debenture redemption reserve		
Balance as per the last financial statements	80.78	49.09
Add: Amount transferred from surplus / (deficit) in the statement of profit and loss	99.50	50.66
Less: Amount transferred to surplus / (deficit) in the statement of profit and loss on redemption	21.66	18.97
Closing balance	158.62	80.78
Employee stock option outstanding		
Balance as per the last financial statements	0.96	1.13
Less: Gross employee stock compensation for options forfeited during the year	-	0.17
Closing balance	0.96	0.96
Securities premium account		
Balance as per the last financial statements	7,269.93	7,012.44
Add: Received on allotment of equity / preference shares	-	441.36
Less: Utilised towards debenture/ share issue expenses / redemption premium (net of taxes and MAT credit)	346.60	142.19
Add / (less): Transfer from / (transfer to) minority interest	3.46	(10.86)
Less: Utilised towards issue of bonus preference shares by a subsidiary to minority shareholders	-	30.82
Closing balance	6,926.79	7,269.93
Foreign currency translation reserve		
Balance as per the last financial statements	282.43	59.34
Movement during the year	55.48	223.09
Closing balance	337.91	282.43
Foreign currency monetary items translation difference account		
Balance as per the last financial statements	(2.50)	(7.38)
Movement during the year	(0.01)	4.88
Closing balance	(2.51)	(2.50)
Special Reserve u/s 45-IC of Reserve Bank of India Act ('RBI Act') [refer note 4(d)]		
Balance as per the last financial statements	26.86	20.34
Add: Amount transferred from surplus / (deficit) in the statement of profit and loss	1.67	6.52
Less: Amount transferred to surplus / (deficit) in the statement of profit and loss on redemption [refer note 4(e)]	28.33	-
Closing balance	0.20	26.86
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	(714.17)	(79.15)
Profit / (loss) for the year	88.12	(603.34)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 4 RESERVES AND SURPLUS (Contd.)

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Appropriations		
Add: Transfer from debenture redemption reserve	21.66	18.97
Less: Transfer to debenture redemption reserve	(99.50)	(50.66)
Add: Transferred from special reserve u/s 45-IC of RBI Act [refer note 4(e)]	28.33	-
Less: Transferred to special reserve u/ 45-IC of RBI Act	(1.67)	(6.52)
Add / Less: Transfer of profit / (loss) to minority on dilution of interest in subsidiaries/ joint ventures	(15.95)	18.05
Less: Proposed equity dividend [refer note 4(f)]	(38.92)	-
Less: Dividend distribution tax on proposed equity dividend	(6.31)	-
Less: Preference dividend declared by a subsidiary	(2.16)	(0.84)
Less: Dividend distribution tax on preference dividend declared by a subsidiary	(6.73)	(1.18)
Less: Transferred to capital redemption reserve on redemption of preference shares by a subsidiary	(9.03)	(9.50)
Less: Total appropriations	(130.28)	(31.68)
Net surplus / (deficit) in the statement of profit and loss	(756.33)	(714.17)
Total reserves and surplus	6,888.94	7,148.54

NOTE 4(a)

GAPL purchased the aircraft division of GMR Industries Limited (GIDL) under slump sale on October 01, 2008 for a purchase consideration of ₹ 29.00 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of ₹ 3.41 crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognised as capital reserve on acquisition.

NOTE 4(b)

During the year ended March 31, 2006, GHIAL had received a grant of ₹ 107.00 crore from Government of Andhra Pradesh ("GoAP") towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project and accordingly, the Group's share amounting to ₹ 67.41 crore as at April 1, 2011 was included in Capital reserve (government grant). During the year ended March 31, 2012, pursuant to dilution in Group's effective holding in GHIAL, ₹ 1.92 crore was transferred to minority interest.

NOTE 4(c)

During the year ended March 31, 2011, GCORRPL had received project support fund of ₹ 28.44 crore from the Government of Tamil Nadu ("GoTN") as per the concession agreement and the Group's share amounts to ₹ 25.53 crore. The total project support fund is ₹ 300.00 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. During the year ended March 31, 2012, the grant received by GCORRPL during earlier years aggregating to ₹ 25.53 crore (net off ₹ 2.91 crore transferred to minority interest in earlier years) has been adjusted with intangible assets under development.

NOTE 4(d)

As required by section 45-1C of RBI Act, 20% of GAL's and DSPL's net profit of the year is transferred to special reserve. The said reserve can be used only for the purpose as may be specified by the RBI from time to time.

NOTE 4(e)

On July 9, 2012, GAL had written a letter to the RBI seeking the status as Core Investment Company ("CIC") and exemption from registration with the RBI. Pursuant to the reply by the RBI vide letter reference DNBS (BG) No. 382/01.02.636/2012-13 dated September 5, 2013, GAL has been exempted from the requirement of registration with RBI under section 45-1A of RBI Act, 1934, in terms of para (i) of RBI notification No. DNBS(PD) 22-/CGM (US)-2011 dated January 5, 2011. Further it was advised that Certificate of Registration bearing No. B-02.00225 dated March 3, 2010 issued in the name of "GMR Airports Limited" has been cancelled. However, GAL has to adhere to the guidelines issued by the Bank vide Circular CC No. 291 dated July 2, 2012.

GAL vide reference no. GAL / DEL / CS / 130101 on January 7, 2013, wrote another letter to RBI for the permission to reverse provisions against Standard Assets and Reserve Fund created as per Section 45-1C of the RBI Act, 1934. RBI, vide letter reference DNBS (BG) NO. 1047/01.02.636/2012-13 dated March 14, 2013, advised that CICs which are not systemically important are exempt from registration required under Section 45-1A of the RBI Act, 1934 and Prudential Norms Directions for NBFCs. Since CIC non-Non Depository Systematic Investment companies are exempt from registration requirements, the provisions of section 45-1C will not be applicable to them.

Hence, based on above developments during the year, the Group has written back the provisions against Standard Assets of ₹ 1.57 crore to other income and transferred the Reserve Fund created under section 45-1C of the RBI Act, 1934 pertaining to GAL amounting to ₹ 28.33 crore to the statement of profit and loss.

NOTE 4(f)

The Board of Directors of the Company have recommended a dividend of ₹ 0.10 per equity share of ₹ 1 each for the year ended March 31, 2013.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 5 | LONG-TERM BORROWINGS

Particulars	Non-current portion		Current maturities	
	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Bonds/ debentures				
Debentures (secured)	2,298.15	1,700.89	44.61	35.13
Debentures (unsecured)	194.50	350.00	175.00	75.00
Term loans				
Indian rupee term loans from banks (secured)	15,739.49	11,208.57	1,356.14	1,198.94
Indian rupee term loans from financial institutions (secured)	5,411.70	2,718.18	448.17	957.19
Foreign currency loans from banks (secured)	6,384.64	8,067.19	3,488.18	543.84
Indian rupee term loans from banks (unsecured)	571.83	237.93	16.10	362.08
Indian rupee term loans from financial institutions (unsecured)	359.45	280.77	104.03	-
Foreign currency loans from banks (unsecured)	-	0.17	-	-
Indian rupee term loans from others (unsecured)	23.43	46.17	8.18	0.10
Foreign currency loans from others (unsecured)	5.66	117.56	-	-
Supplier's credit (secured)	64.51	75.82	16.13	15.16
Supplier's credit (unsecured)	109.00	109.00	-	-
Other loans and advances				
Bills discounted (secured)	-	-	134.70	134.70
Finance lease obligations (secured)	0.60	0.76	0.77	0.79
Negative grant (unsecured)	155.15	186.64	31.51	23.74
From the State Government of Andhra Pradesh (unsecured)	315.05	315.05	-	-
	31,633.16	25,414.70	5,859.52	3,346.67
The above amount includes				
Secured borrowings	29,899.09	23,771.41	5,524.70	2,885.75
Unsecured borrowings	1,734.07	1,643.29	334.82	460.92
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(5,859.52)	(3,346.67)
Net amount	31,633.16	25,414.70	-	-

- During the year ended March 31, 2012, GEL has issued 8,000 secured, redeemable and non convertible debentures of ₹ 0.10 crore (₹ 1,000,000) each to ICICI Bank Limited ('ICICI'). The debentures are secured by way of first ranking: (a) pari passu charge on the fixed assets of GVPGL; (b) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GEL held by GREEL; (c) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GVPGL held by GEL; (d) pari passu charge over GVPGL's excess cash flow account, as defined in the subscription agreement executed between GEL and ICICI; and (e) exclusive charge over Debt Service and Reserve Account 'DSRA' maintained by GEL with ICICI. The debentures are redeemable at a premium yielding 14.25% per annum (p.a.) till March 25, 2013 and after March 25, 2013 with a yield of base rate of ICICI plus 4.25% p.a. in thirty seven quarterly unequal installments starting from March 2012. As at March 31, 2013, GEL has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 0.10 crore (₹ 987,500) (March 31, 2012: ₹ 0.10 crore (₹ 997,500)) per debenture. These secured, redeemable and non convertible debentures are listed on the Wholesale Debt Segment of National Stock Exchange of India Limited.
- During the year ended March 31, 2012, the Company had entered into an agreement to issue 7,000 secured, redeemable, non convertible debentures of ₹ 0.10 crore each to ICICI ('Tranche 1'). During the year ended March 31, 2013, the Company has entered into an agreement with ICICI to issue 3,000 secured, redeemable, non convertible debentures of ₹ 0.10 crore each ('Tranche 2'). These debentures are secured by way of first ranking: (a) pari passu charge on the fixed assets of GVPGL; (b) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GEL held by GREEL; (c) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GVPGL held by GEL; (d) pari passu charge over GVPGL's excess cash flow account, as defined in the subscription agreement executed between the Company and ICICI; and (e) exclusive charge over DSRA maintained by the Company with ICICI. These debentures are redeemable at a premium yielding 14.50% p.a. till March 25, 2013 and after March 25, 2013 with a yield of base rate of the bank plus 4.50% p.a. The Tranche 1 is redeemable in thirty seven quarterly unequal installments commencing from March 25, 2012 and Tranche 2 is redeemable in thirty six quarterly unequal installments commencing from June 2012. As at March 31, 2013, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 0.10 crore (₹ 987,500) (March 31, 2012: ₹ 0.10 crore (₹ 997,500)) per debenture.
- Secured, redeemable and non convertible debentures of ₹ 0.10 crore each issued by GPEPL amounting to ₹ 565.26 crore (March 31, 2012: ₹ 588.89 crore) bear an interest of 9.38% p.a. and are secured by way of pari passu first charge over GPEPL's movable and immovable properties, both present and future, including plant and machinery excluding project assets (unless permitted by NHAI under the Concession agreement). Further, it is secured by the

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 5 LONG-TERM BORROWINGS (Contd.)

- rights, title, interest, benefit, claims, of GPEPL 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 GPEPL in respect of monies lying to the credit of Trust and Retention Account (TRA) and other accounts. These debentures are redeemable in 34 unequal half yearly installments from April 2010 to October 2026.
- 4 During the year ended March 31, 2010, the Company issued 5,000 unsecured redeemable, non convertible debentures of ₹ 0.10 crore each to a bank which are redeemable at a premium yielding 14.00% p.a. (March 31, 2012 : 14.00% p.a.) and are repayable in 5 annual unequal installments commencing from April 2011. As at March 31, 2013, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 0.07 crore (March 31, 2012: ₹ 0.09 crore) per debenture.
 - 5 During the year ended March 31, 2013, EDWPCPL has issued 1,950 unsecured fully convertible debentures of ₹ 0.01 crore each to IL&FS Renewable Energy Limited ('IL&FS Renw') which bear an interest rate of 15.00% p.a. These debentures are to be converted into 17.00% cumulatively compulsorily convertible preference shares of ₹ 100 each of EDWPCPL after 36 months from the issue date.
 - 6 Secured Indian rupee term loans from banks of ₹ 250.00 crore (March 31, 2012 : ₹ Nil) of KSPL are secured by pari passu first charge on land and buildings appurtenant thereon and first ranking exclusive charge over DSRA of KSPL. Further, secured by an irrevocable and unconditional guarantee given by the Company. The loan is repayable in 12 equal quarterly installments starting from the end of 27 months from the first drawdown date and carries an interest rate of 9.75% p.a. plus spread of 4.50% p.a.
 - 7 Secured Indian rupee term loans from banks of ₹ 43.50 crore (March 31, 2012: ₹ 59.00 crore) of the Company are secured by an exclusive first charge on assets to be acquired out of the proceeds of the loan and second charge on the current assets of EPC division of the Company. The rate of interest is base rate of the lender plus 2.50% p.a. (March 31, 2012 : base rate of the lender plus 2.50% p.a.) and are repayable in 3 half yearly installments commencing from February 2013.
 - 8 Secured Indian rupee term loans from banks of ₹ 200.00 crore (March 31, 2012 : ₹ Nil) of the Company are secured by exclusive first mortgage and charge on: (a) movable fixed assets and immovable properties of GPCL; (b) non agricultural lands of GMR Hebbal Towers Private Limited (GHTPL) and Mr. G.M. Rao; (c) certain immovable properties of Boyance Infrastructure Private Limited (BIPL) in Mamidipally, Ranga reddy district; (d) commercial apartment owned by Honey Flower Estates Private Limited (HFEPL) and (e) an irrevocable and unconditional guarantee of GHPL, BIPL and HFEPL and demand promissory note equal to principal amount of the loan and interest payable on the loan. The loans carry an interest rate of base rate of lender plus applicable spread of 3.25% p.a and is repayable in 16 quarterly installments commencing from October 2014.
 - 9 Secured Indian rupee term loans from banks of ₹ 300.00 crore (March 31, 2012 : ₹ Nil) of the Company are secured by 10% of cash margin on the outstanding amount in form of lien on fixed deposit in favour of lender and exclusive charge on loans and advances provided by the Company out of this facility. The loans carry an interest rate of base rate of lender plus spread of 1.50% p.a. (March 31, 2012 : Nil) and is repayable in 6 equal quarterly installments commencing from March 2014.
 - 10 Secured Indian rupee term loans from bank of ₹ 180.00 crore (March 31, 2012 : ₹ Nil) of the Company are secured by a first charge over certain immovable properties and aircrafts of the Group and exclusive charge on loans and advances provided by the Company out of this loan facility, charge over 30% shares held by GHPL in GMR Sports Private Limited ('GSPL') and non-disposable undertaking with regard to 19% of shareholding held by GHPL in GSPL. The loans carry an interest rate of base rate of lender plus spread of 1.50% p.a. and is repayable in 8 equal quarterly installments commencing from June 2016.
 - 11 Secured Indian rupee term loans from banks of ₹ 138.79 crore (March 31, 2012: ₹ 138.64 crore) of GHRL are secured by first pari passu charge by way of equitable mortgage of GHRL's immovable properties pertaining to the hotel project (including assignment of leasehold rights in the case of leasehold land, if any) and assets of the project consisting of land admeasuring 5.37 acres together with all the buildings, structures etc. on such land; further secured by first pari passu charge on the whole of stocks of raw materials, goods-in-process, semi-finished goods and finished goods, consumable stores and spares, book debts, bills, movable plant and machinery, machinery spares, tools and accessories and other movables, whole of equipments including its spares, tools and accessories, software, whether installed or not and whether in the possession or under the control of GHRL or not, all bank accounts (whether escrow and no lien or otherwise) and all estate, rights, title, interest, benefits, claims and demands, trade receivables, all cash flows and receivables and proceeds of GHRL. Further secured by corporate guarantee given by GHIAL. The interest rate is 12.65% p.a. to 13.00 % p.a. (March 31, 2012 : 11.00% p.a. to 13.00% p.a.). The loan is repayable in 48 quarterly installments commencing from December 2012.
 - 12 Secured Indian rupee term loans from banks and financial institutions of ₹ 1,681.70 crore (March 31, 2012 : ₹ 1,153.35 crore) of GHVEPL are secured by way of pari passu first charge over GHVEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GHVEPL 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 GHVEPL in respect of monies lying to the credit of TRA and other accounts and by pledge of 1,300,000 equity share held by GMRHL. The loans carry an interest rate of 11.75% p.a. (March 31, 2012 : 10.75% p.a.) and are repayable in 46 unequal quarterly installments commencing from April 2013.
 - 13 Secured Indian rupee term loans from banks and financial institutions of ₹ 466.76 crore (March 31, 2012 : ₹ 481.62 crore) of GUEPL are secured by way of pari passu first charge over GUEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GUEPL 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 GUEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 5.96 crore (March 31, 2012 : 5.96 crore) equity shares of GUEPL held by GMRHL. The loans carry an interest at base rate plus spread as approved by the lenders and are repayable in 48 unequal quarterly installments commencing from January 2011.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

- 14 Secured Indian rupee term loans from banks of ₹ 271.53 crore (March 31, 2012 : ₹ 278.05 crore) of GACEPL are secured by way of pari passu first charge over GACEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GACEPL 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 GACEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 2.33 crore and 2.42 crore (March 31, 2012 : 2.33 crore and 2.42 crore) equity shares of GACEPL held by GIL and GEL respectively. The loans carry an interest at base rate plus spread as approved by the lenders and are repayable in 48 unequal quarterly installments commencing from August 2010.
- 15 Secured Indian rupee term loans from banks of ₹ 275.65 crore (March 31, 2012 : ₹ 308.05 crore) of GTTEPL are secured by way of mortgage of all the present and future immovable fixed assets of GTTEPL, hypothecation of movable fixed assets of the GTTEPL and the annuity / receivables, investments made out of the balance lying in TRA, assignment of all contractor guarantee, performance bond guarantee and liquidated damages, assignment of all the rights, titles, interest in the assets of the project and all project documents, assignment of all insurance policies, pledge of 51% of equity shares of GTTEPL, assignment of revolving letter of credit (LC) issued by NHA, corporate guarantee by GHPL to cover any short fall in the amount payable in respect of the facility in the event of termination due to any event of default other than NHA event of default. The loans carry an interest of 7.50% p.a. ± 10% spread, now fixed at 8.25% p.a. (March 31, 2012 : 7.50% p.a. ± 10% spread, fixed at 8.25% p.a.) and are repayable in 29 unequal half yearly installments commencing from November 2005.
- 16 Secured Indian rupee term loans from banks of ₹ 307.13 crore (March 31, 2012 : ₹ 316.97 crore) of GJEPL are secured by way of pari passu first charge over movable properties of GJEPL, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GJEPL 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 GJEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 3.53 crore (March 31, 2012 : 3.53 crore) equity shares of the GJEPL held by GMRHL. The loans carry an interest at base rate plus spread as approved by the lenders and are repayable in 48 unequal quarterly installments commencing from January 2011.
- 17 Secured Indian rupee term loans from banks of ₹ 570.32 crore (March 31, 2012 : ₹ 331.49 crore) of GCORRPL are secured by way of first charge on all immovable and movable properties of GCORRPL, both present and future; assignment of all rights, titles and interests in respect of all assets and a first charge on all revenues and receivables and by way of pledge of 26% of paid up equity capital of GCORRPL held by the Company and GMRHL. The loans carry an interest rate of lead bank's interest rate plus margin plus 2.00% p.a. (March 31, 2012: lead bank's interest rate plus margin plus 2.00% p.a.) reset from time to time and are repayable in 27 unequal half yearly installments commencing from June 2013.
- 18 Secured Indian rupee term loans from banks of ₹ 213.10 crore (March 31, 2012 : ₹ 238.00 crore) of GTAEPPL are secured by way of mortgage of all the present and future immovable fixed assets of GTAEPPL, hypothecation of movable fixed assets of GTAEPPL and the annuity / receivables, investments made out of the balance lying in TRA, assignment of all contractor guarantee, performance bond guarantee and liquidated damages, assignment of all the rights, titles, interest in the assets of the project and all project documents, assignment of all insurance policies, pledge of 51% of equity shares of GTAEPPL, assignment of revolving LC issued by NHA, corporate guarantee from GHPL to cover any short fall in the amount payable in respect of the facility in the event of termination due to any event of default other than NHA event of default. The loans carry an interest of 7.50% p.a. ± 10% spread, now fixed at 8.25% p.a. (March 31, 2012 : 7.50% p.a. ± 10% spread, fixed at 8.25% p.a.) and are repayable in 29 unequal half yearly installments commencing from November 2005.
- 19 Secured Indian rupee term loans from banks and financial institutions of ₹ 929.51 crore (March 31, 2012: ₹ 563.00 crore) of GOSEHHHPL are secured by way of hypothecation of all movable assets of GOSEHHHPL both present and future, first charge / assignment on all intangible assets GOSEHHHPL but not limited to goodwill, right and undertakings, both present and future, uncalled capital of GOSEHHHPL both present and future, GOSEHHHPL's bank accounts including debt service escrow accounts and first charge / assignment / security interest on GOSEHHHPL's rights, title and interest in the project documents including the substitution agreement. Further secured by way of pledge of 51% of the equity shares of GOSEHHHPL held by its shareholders. The loans carry an interest rate ranging from 7.50% p.a. to 8.50% p.a. (March 31, 2012 : 7.50% p.a. to 7.75% p.a.) plus applicable spread rate, reset from time to time and are repayable in 46 unequal quarterly installments from April 2014 to July 2025.
- 20 Secured Indian rupee term loans from banks and financial institutions of ₹ 3,650.00 crore (March 31, 2012 : ₹ 3,650.00 crore) of DIAL are secured by first rank pari passu charge on all the future revenues, receivables and insurance proceeds of DIAL and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under Operation Management and Development Agreement 'OMDA' and also by the pledge / non disposable undertaking of requisite shares of DIAL held by of GIL, GEL, GAL, Malaysia Airports (Mauritius) Private Limited 'MAMPL' and Fraport AG Frankfurt Airport Services Worldwide 'FAG'. Out of ₹ 3,650.00 crore loans, lenders extending the loan of ₹ 1,250.00 crore would be sharing the said security with existing lenders on a pari passu basis after completion of security documentation, which is in process, for which they have allowed time period of 90 days from the date of first disbursement under loan agreement i.e. March 28, 2013. The loans carry an interest rate at base rate plus agreed spread, which is subject to reset at the end of agreed interval . The interest rate ranges from 11.25% p.a. to 12.00 % p.a (March 31, 2012: 11.50% p.a. to 12.00% p.a.) The loans of ₹ 2,400.00 crore are repayable in 48 quarterly installments starting from June 2013 and the loans of ₹ 1,250.00 crore are repayable in 60 quarterly installments as per repayment schedule starting from June 2013.
- 21 Secured Indian rupee term loans from banks and financial institutions of ₹ 1,192.10 crore (March 31, 2012: ₹ 1,153.11 crore) of DIAL are secured by pari passu first charge on development fund fee 'DF' receipts. Further, the Company has given undertaking to lenders for meeting the shortfall in the repayment of loan by DIAL. The loan is repayable from collection of DF receipts and repayment commitments are as per the loan agreement. The loans carry fixed rate of interest at 11.50% p.a (March 31, 2012: 11.50% p.a. to 11.74% p.a.).

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 5 LONG-TERM BORROWINGS (Contd.)

- 22 Secured Indian rupee term loans from banks of ₹ 101.99 crore (March 31, 2012: ₹ 109.98 crore) of DDFS are secured by hypothecation of DDFS's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the banks. Further secured by first charge on movable fixed assets of the DDFS, both present and future and pledge of 30% shareholding held by DIAL, Yalorvin Limited 'YL' and IDFC Trading Private Limited in DDFS and escrow agreement between the lenders and DDFS for first and exclusive charge on receivables. The rate of interest is 13.25% p.a. (March 31, 2012 : 12.50% p.a.). The loan is repayable in 36 unequal quarterly installments commencing from December 2011.
- 23 Secured Indian rupee loans from banks and financial institutions and foreign currency loans from banks of ₹ 1,438.25 crore (March 31, 2012: ₹ 1,493.72 crore) of GHIAL are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land and first pari passu 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 TRA, DSRA and further secured by pledge of 16.41 crore (March 31, 2012 : 16.41 crore) and 2.87 crore (March 31, 2012 : 2.87 crore) equity shares, both present and future, held or to be held, upto 51% of the paid up share capital of GHIAL, as the case may be, by both, GAL and MAHB (Mauritius) Private Limited respectively. The foreign currency loans from banks of ₹ 582.25 crore (March 31, 2012: ₹ 579.71 crore) carry an interest rate of LIBOR plus agreed spread; however GHIAL has entered into interest rate swap 'IRS' arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 7.30% p.a. (March 31, 2012 : 7.30% p.a.). The Indian rupee term loans from banks and financial institutions carry interest at base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate ranges from 10.75% to 12.10% p.a. (March 31, 2012 : 10.50% to 13.75% p.a.). Indian rupee loans from banks and financial institutions and foreign currency loans from banks are repayable in 56 quarterly installments commencing from July 2010.
- 24 Secured Indian rupee term loans from banks of ₹ 0.31 crore (March 31, 2012: ₹ 1.23 crore) of Laqshya are secured by first pari passu charge on current and fixed assets of Laqshya. Further secured by a corporate guarantee given by Laqshya Media Private Limited (LMPL). The rate of interest is 12.50% p.a. (March 31, 2012 : 9.00% p.a.). The loan is repayable in unequal monthly installments till October 2013.
- 25 Secured Indian rupee term loans from banks of ₹ 42.95 crore (March 31, 2012: ₹ 37.45 crore) of CDCTM are secured against charge on fixed assets and surplus account in accordance with escrow agreement entered with banks. Further, the loans have been guaranteed by Celebi Hava Servisi A.S. 'CHSAS' and pledge over shares of CDCTM held by CHSAS. The loans carry an interest rate of 12.00% p.a. (March 31, 2012: base rate of the lenders plus 1.25% p.a. to 1.50% p.a.). The loans are repayable in 28 equal quarterly installments commencing from June 2012.
- 26 Secured Indian rupee term loans from banks and financial institutions of ₹ 2,213.16 crore (March 31, 2012 : ₹ 1,693.62 crore) of GREL are secured by first charge on all movable, immovable properties including stock of raw material and consumables, all book debts, cash flows receivables, TRA, DSRA, other reserves and any other bank accounts of GREL, both present and future. Further secured by way of assignments / hypothecation of security interest of all the rights, title, interest, benefits, claims and demands of the GREL in the project documents. Further, secured by way of pledge of 25.17 crore (March 31, 2012 : 25.17 crore) equity shares of GREL held by GEL. The rate of interest for loans from banks is the base rate of lead bank plus 3.50% p.a., except for one bank which charges at its base rate plus 3.75% p.a. (March 31, 2012 : base rate plus 3.00% p.a. to 3.25% p.a.) and the rate of interest on loans from financial institution is 12.84% p.a. (March 31, 2012 : 11.87% p.a.). As at March 31, 2012 these loans were repayable in 46 unequal quarterly installments commencing from April 2013. However, as per the amendment agreement dated March 25, 2013 the secured Indian rupee term loans from banks of ₹ 1,706.49 crore are repayable in 50 unequal quarterly installments commencing from October 2015 and secured Indian rupee term loans from financial institutions of ₹ 506.67 crore are repayable in 50 unequal quarterly installments commencing from October 2016.
- 27 Secured Indian rupee term loans from banks and financial institutions of ₹ 3,075.33 crore (March 31, 2012 : ₹ 1,031.76 crore) of GKEL are secured by first mortgage and charge by way of registered mortgage in favour of the lenders / security trustees of all the immovable properties of GKEL, present and future / a first charge by way of hypothecation of all GKEL's movables fixed assets including movable plant and machinery, machinery spares, tools and accessories, present and future, GKEL's stock of raw materials, semi-finished and finished goods and consumable goods, a first charge on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, intangibles, goodwill, uncalled capital, present and future / first charge on the TRA including the DSRA and other reserves and any other bank accounts, wherever maintained present and future first charge by way of assignment or creation of charge of all the right, title, interest, benefits, claims and demands whatsoever of GKEL in the project documents / in the clearances / in any letter of credit, guarantee, performance bond provided by any party to the project documents and all insurance contracts / insurance proceeds, pledge of shares (in the demat form) representing a minimum of 51% of the total paid up equity share capital of GKEL. From the date of repayment of 50% of loan, the number of shares under the pledge may be reduced to 26% of the paid up equity share capital of GKEL. All the securities set out above shall rank pari passu amongst the lenders of the project for an aggregate rupee term loans of ₹ 3,405.00 crore and working capital lenders for an amount acceptable to the lenders. The interest rate ranges from 11.50% to 14.50 % p.a (March 31, 2012 : 11.50% to 14.50 % p.a.). As at March 31, 2012, the loans were repayable in 48 equal quarterly installments from the earlier of 12 months from scheduled project completion date i.e. in August 2012 or 51 months from the date of financial closure i.e. in May 2009 as per the loan agreement, whichever is earlier. However, pursuant to the negotiations with the lenders during the year ended March 31, 2013 the installment repayment will start from September 15, 2013, further if the amount disbursed is less than the sum agreed as per the agreement, the installment of repayment of loan shall stand reduced proportionately.
- 28 Secured Indian rupee term loans from banks and financial institutions of ₹ 741.58 crore (March 31, 2012 : ₹ 327.61 crore) of GCHEPL are secured by way of a first ranking charge on all the movables including current assets, all bank accounts, all rights, title, interest, benefits, claims, and demand of GCHEPL in project documents, all clearances, licenses, permits, approvals, consents, letters of credit, guarantees, all insurance contracts, all intellectual property, etc. and immovable properties at Warora, Maharashtra and in the State of Chhattisgarh. The loan has a tenure of ten to fifteen years. The loans carry an

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

- interest rate of 13.25% p.a. (March 31, 2012: 13.25% p.a.) except for one lender which charges the rate prevailing at the each rupee disbursement. GCHEPL shall repay 70% of the loans in 40 equal quarterly installments commencing from March 2015 and the balance of 30% of by a single installments on March 2025, except for one lender to whom the loan is to be repaid in 60 equal quarterly installments commencing from March 2015.
- 29 Secured Indian rupee term loans from banks and financial institutions of ₹ 2,560.36 crore (March 31, 2012 : ₹ 534.60 crore) of EMCO are secured by way of a first charge and registered mortgage of all the immovable properties and movables including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods and book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further secured by pledge of equity shares representing 51% of the total paid up equity share capital of EMCO. The loans carry an interest rate of Base Prime Lending Rate (BPLR) of the lead lender less 3.75% p.a. (March 31, 2012 : BPLR of the lead lender less 3.75% p.a.). EMCO shall repay 70.09% of the loan in 43 equal quarterly installments commencing from September 2013 and the balance of 29.91% shall be paid by a single installment in June 2024.
- 30 Secured Indian rupee term loans from banks and financial institutions of ₹ 60.35 crore (March 31, 2012 : ₹ 20.00 crore) of EDWPCPL are secured by way of hypothecation / mortgage of all movable assets, receivables, bank balances and intangible assets of EDWPCPL. The rate of interest is 11.00% p.a. (March 31, 2012 : 15.00% p.a.). The loans are repayable in 40 equal quarterly installments payable commencing from 9th quarter from the date of first disbursement, i.e. July 2011.
- 31 Secured Indian rupee term loans from banks of ₹ Nil (March 31, 2012: ₹ 150.00 crore) of GBHHPL were secured by a corporate guarantee of GEL and subsequent charge on movable fixed and current assets of the GBHHPL. The rate of interest is base rate plus 2.45% p.a. (March 31, 2012 : base rate plus 2.45% p.a.) During the year ended March 31, 2013, GBHHPL has repaid the loan in full.
- 32 Secured Indian rupee term loans from banks and financial institution of ₹ 211.70 crore (March 31, 2012: ₹ 184.00 crore) of GGSPPPL are secured by way of pledge of shares aggregating 51% of the total paid up capital of GGSPPPL and first charge by way of mortgage of immovable properties of GGSPPPL. The rate of interest in case of loans from banks is 12.50% p.a. (March 31, 2012 : 13.00% p.a.) and in case of loans from financial institutions, the rate is 12.60% p.a. (March 31, 2012 : Nil). The loans from banks are repayable in 47 unequal quarterly installments commencing from July 2012 and the loans from financial institutions is repayable as bullet payment in January 2024.
- 33 Secured Indian rupee term loans from banks of ₹ 88.65 crore (March 31, 2012: ₹ 20.00 crore) of MTSCCL are secured by way of a first ranking mortgage/ hypothecation/ assignment/ security interest/ pledge on immovable property comprising of land and building both present and future acquired; movable, current assets both present and future; pledge of shares representing 30% of the total equity shares of MTSCCL and all rights, titles, permits, interests in respect of MTSCCL in respect of all the assets, project documentation including all insurance contracts and clearances. The rate of interest is base rate plus spread of 2.75% p.a. (March 31, 2012 : 2.75% p.a.). The loan is repayable in 28 equated monthly installments commencing from March 2014.
- 34 Secured Indian rupee term loans from banks of ₹ 14.46 crore (March 31, 2012: ₹ 14.46 crore) of ATSCCL are secured by way of a first ranking mortgage/ hypothecation / assignment / security interest / pledge on the immovable property comprising of land and building both present and future acquired; movable, current assets both present and future; pledge of shares representing 30% of the total equity share capital of ATSCCL and all rights, titles, permits, and interests of ATSCCL in respect of all the assets, project documentation including all insurance contracts and clearances. The rate of interest is base rate plus spread of 2.75% p.a. (March 31, 2012 : 2.75% p.a.). The loans are repayable in 28 equated monthly installments commencing from March 2014.
- 35 Secured Indian rupee term loans from banks of ₹ 26.40 crore (March 31, 2012: ₹ 32.19 crore) of DASPL are secured by first charge on DASPL's escrow accounts (i.e. after payment of statutory dues and payment of concession fee to DIAL). The interest rate is base rate of the lender minus 2.75% p.a. (March 31, 2012 : base rate of the lender minus 2.75% p.a.). The loans are repayable in 32 quarterly installments commencing from July 2011.
- 36 Secured Indian rupee term loans from banks of ₹ 55.12 crore (March 31, 2012: ₹ 69.40 crore) of HASSL are secured by equitable mortgage of leasehold right and title in respect of leasehold land belonging to GHIAL and other immovable properties and first charge on all movables, including movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles and other movable assets, book debts, operating cash flows, receivables, intangibles, uncalled capital, commissions, revenues, present and future and assignment of all claim and demands from insurance, TRA, DSRA of HASSL and further secured by pledge of 0.37 crore (March 31, 2012 : 0.37 crore) equity shares of HASSL held by GHIAL. The rate of interest is Prime Lending Rate ('PLR') plus 3.00% p.a. (March 31, 2012 : PLR plus 3.00% p.a.). The loan is repayable in 21 equal quarterly installments commencing from March 2012.
- 37 Secured Indian rupee term loans from banks of ₹ 55.00 crore (March 31, 2012: ₹ 40.00 crore) of GHASL are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land and first pari passu charge on all movable and immovable assets, operating cash flows, book debts, receivables, commissions, revenue of whatsoever nature, both present and future, and an exclusive charge on all bank accounts of the project, including TRA, escrow accounts etc. The rate of interest is 12.00% p.a. (March 31, 2012 : PLR plus 2.50% p.a.) with yearly reset. As at March 31, 2012, the loans were repayable in 120 unequal monthly installments commencing from April 2013, however as per the negotiations with bank the repayment has been rescheduled as 40 unequal monthly installments commencing from November 2013.
- 38 Secured Indian rupee term loans from banks of ₹ 116.00 crore (March 31, 2012: ₹ 116.00 crore) of MGAECL are secured by first pari-passu charge of equitable mortgage by deposit of title deeds over immovable properties of MGAECL admeasuring 16.46 acres of leasehold lands including buildings, structures, etc. on such land, hypothecation of all the movable assets of the project, including, but not limited to plant and machinery, machinery spares, tools and accessories, current assets of the project, all rights, title, interests, benefits, claims and demands whatsoever of MGAECL with respect to the insurance contracts, both present and future and all rights, claims and benefits to all monies receivable there under in respect of all the insured assets of the project both present and future, book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future of the project, all bank accounts of the project. Further secured by pledge of 26% of the paid up share capital of MGAECL held by one

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

- of its shareholders. The rate of interest is 12.50% p.a. to 13.00% p.a. (March 31, 2012 : 11.00% p.a. to 13.00% p.a.). The loan is repayable in 40 unequal quarterly installments commencing from February 2014.
- 39 Secured Indian rupee term loans from banks of ₹ 4.10 crore (March 31, 2012: ₹ 3.21 crore) of DFSPL are secured against exclusive charge on receivables of DFSPL through an escrow account maintained by DFSPL, non-disposal undertaking from Devyani International Limited 'DIL' for 60% shareholding in DFSPL, escrow receivables of DFSPL, corporate guarantee of DIL. The rate of interest is base rate of the lender plus 2.25% p.a. (March 31, 2012 : base rate of the lender plus 2.25% p.a.). The loan is repayable in 28 equal quarterly installments commencing from September 2011.
- 40 Secured Indian rupee term loans from banks of ₹ 3.00 crore (March 31, 2012: ₹ 3.50 crore) of DSSHPL are secured by way of charge on furniture and fixtures and equipments of DSSHPL installed at various outlets and security deposit of ₹ 0.80 crore by DSSHPL with DIAL and pledge of 30% of the shareholding of DSSHPL held by DIL. The rate of interest is base rate of the lender plus agreed premium minus 1.50% p.a. (March 31, 2012 : base rate of the lender plus agreed premium minus 1.50% p.a.) The loan is repayable in 25 unequal quarterly installments commencing from March 2011.
- 41 Secured Indian rupee term loans from banks of ₹ 42.45 crore (March 31, 2012: ₹ 47.79 crore) of DAFF are secured by charge on receivables / cash flows / revenue under escrow account, both present and future, after payment of statutory dues and DIAL's license fees. The rate of interest is base rate of the lender (March 31, 2012: base rate plus 1.25% p.a. to 1.50% p.a.). The loans are repayable in 48 quarterly unequal installments commencing from July 2011.
- 42 Secured Indian rupee term loans from banks of ₹ 81.61 crore (March 31, 2012: ₹ 89.04 crore) of DAPSL are secured by exclusive first charge on the receivables, cash flows and revenues as available under escrow account of DAPSL and by a pledge of 1.88 crore and 0.38 crore equity shares of DAPSL held by DIAL and Tenaga Parking Services (India) Private Limited, respectively. The rate of interest is 12.25% p.a. to 12.50 % p.a. (March 31, 2012: 12.50% p.a. to 13.75 % p.a.). The loans are repayable in 36 unequal quarterly installments commencing from April 2011.
- 43 Secured Indian rupee term loans from banks of ₹ 43.64 crore (March 31, 2012: ₹ 35.52 crore) of DCSCPL are secured by first charge by way of hypothecation of all the current assets, all the tangible and intangible assets and pledge of 30% of the shares of DCSCPL held by one of its shareholders. The rate of interest is BPLR minus 2.50% (March 31, 2012 : BPLR minus 2.50%) on floating basis. The loans are repayable in 30 unequal installments commencing from October 2012.
- 44 Secured Indian rupee term loans from banks of ₹ 6.00 crore (March 31, 2012: ₹ 7.14 crore) of TFS are secured by pledge of 30% of the shareholding in TFS and by way of lien on escrow account. The rate of interest is 11.25% p.a. to 13.00% p.a. (March 31, 2012: 11.25% p.a. to 12.00% p.a.). The loans are repayable in 28 equal quarterly installments commencing from July 2011.
- 45 Secured Indian rupee term loans from banks of ₹ 9.93 crore (March 31, 2012: ₹ 11.44 crore) of HDFRL are secured by current assets including stock, book debts, movable assets, software, whether installed or not and whether in possession or under the control of HDFRL or not, all bank accounts, a pledge of 30% of shares of total equity held by GHIAL. As on March 31, 2013, HDFRL has pledged 0.15 crore (March 31, 2012 : 0.06 crore) equity shares out of total equity of 1.00 crore (March 31, 2012 : 0.50 crore) which is 15% of the paid up share capital of HDFRL. HDFRL is in process of securing pledge of balance 0.15 crore (March 31, 2012 : 0.09 crore) equity shares as per the sanction terms. The rate of interest is base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate for the year ranges from 12.40% p.a. to 12.75% p.a. (March 31, 2012 : 11.50% p.a. to 12.75% p.a.). The loans are repayable in 22 unequal quarterly installments commencing from March 2012.
- 46 Secured Indian rupee term loans from banks of ₹ 8.88 crore (March 31, 2012: ₹ 10.88 crore) of TIM are secured by a charge on entire book debts of TIM, bills whether documentary or clean, outstanding monies and receivables of TIM, both present and future, under escrow account. TIM has also given an undertaking to the bank for first right on security deposit of ₹ 35.00 crore (given to DIAL) so released by DIAL after appropriation towards dues of the lender, if any. The rate of interest is 11.50% p.a. to 12.50% p.a. (March 31, 2012 : 12.50% p.a.). The loans are repayable in 24 quarterly equal installments commencing from December 2011.
- 47 Secured Indian rupee term loans from banks of ₹ 26.51 crore (March 31, 2012: ₹ 31.44 crore) of GEL are secured by way of an equitable mortgage of immovable properties comprising of land and building acquired with the loan proceeds. The rate of interest is benchmark primary lending rate minus 1.00% p.a. The loan was repayable in 120 equated monthly installments of ₹ 0.74 crore each till August 2011. With effect from September 2011, the loan is repayable in 87 equated monthly installments of ₹ 0.41 crore each.
- 48 Unsecured Indian rupee loans from banks of ₹ 237.93 crore (March 31, 2012 : ₹ 250.01 crore) of GHIAL are guaranteed by the Company. The rate of interest is base rate plus agreed spread, which is subject to reset at the end of agreed interval, which is presently 11.75% p.a. (March 31, 2012 : 11.75% p.a.). The loans are repayable in 43 unequal quarterly installments commencing from October 2012.
- 49 Secured Indian rupee term loans from financial institution of ₹ 900.00 crore (March 31, 2012: ₹ 1,000.00 crore) of the Company are secured by an exclusive first charge on barge mounted plant of GEL and pledge of 11.51 crore (March 31, 2012: 10.27 crore) equity shares of ₹ 1 each of the Company, held by GHPL. The loans carry an interest rate of 11.75% p.a. (March 31, 2012 : 11.75% p.a.) and are repayable in 10 equated annual installments commencing from December 2012.
- 50 Secured Indian rupee term loans from financial institution of ₹ Nil (March 31, 2012 : ₹ 215.00 crore) of KSPL was secured by first charge on entire movable and immovable properties, both present and future of KSPL. The loan carried an interest rate of 11.90% p.a. (March 31, 2012 : 11.90% p.a.). The loans have been repaid in July 2012.
- 51 Secured Indian rupee term loans from financial institutions of ₹ Nil (March 31, 2012 : ₹ 250.00 crore) of KSPL was secured by first charge on entire movable and immovable properties, both present and future of KSPL. The loans carried an interest rate of base rate of the lender minus 2.75% p.a (March 31, 2012 : base rate of the lender minus 2.75% p.a.). The loan has been repaid in March 2013.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

- 52 Secured Indian rupee term loans from financial institutions of ₹ 250.00 crore (March 31, 2012: ₹ Nil) of GMRHL are secured by way of a pledge of 26% equity shares of GMRHL held by the Company. The rate of interest is 13.00% p.a. The loan is repayable in lump sum within 37 months from March, 2013.
- 53 Secured Indian rupee term loans from financial institutions of ₹ 30.47 crore (March 31, 2012 : ₹ 35.34 crore) of GAPL are secured by way of hypothecation of aircrafts of GAPL and guarantee issued by the Company. The rate of interest ranges from 11.10% p.a to 13.66% p.a. (March 31, 2012 : 9.40% p.a. to 12.35% p.a.). The loan is repayable in quarterly installments of ₹ 1.22 crore each with an option to preclose at the end of 1 year and there after on every interest reset date with 30 days written notice to lender without any prepayment premium.
- 54 Secured Indian rupee term loans from financial institutions of ₹ Nil (March 31, 2012 : ₹ 375.00 crore) of SJK are secured by way of pledge of shares held by the GEL in the equity share capital of the SJK, representing 51% of the total paid up equity share capital of SJK and also, irrevocable and unconditional corporate guarantee of GEL. The loan carried interest at the rate of Nil (March 31, 2012 : 12.40% p.a.) The loan has been repaid in May 2012.
- 55 Secured Indian rupee term loans from financial institutions of ₹ 700.00 crore (March 31, 2012 : ₹ Nil) of GEL are secured by first pari passu charge on the land of KSPL and corporate guarantee given by the Company. As per the terms of the loan agreement the security has to be created within 90 days from the date of first disbursement and may be extended by another 90 days subject to approval by lender. GEL has filed for extension for creation of security till June 4, 2013, in case the security is not created within the agreed timelines including the extended period, the lender has various rights under the loan agreement. The loans carry an interest rate of 12.00% p.a. payable quarterly. The loan is repayable in 6 equal installments after fifth year from the date of first disbursement.
- 56 Unsecured Indian rupee loans from a financial institution of ₹ 182.72 crore (March 31, 2012 : ₹ Nil) of GHIAL are guaranteed by the Company. The rate of interest is base rate plus agreed spread, which is subject to reset at the end of agreed interval, which is presently 11.65% p.a. (March 31, 2012 : Nil). The loan is repayable in 41 quarterly installments commencing from March 2013.
- 57 Secured foreign currency loans from banks of ₹ 306.88 crore (March 31, 2012 : ₹ Nil) of GKEL are secured by first ranking charge/ assignment / mortgage / hypothecation / security interest on pari passu basis on all the immovable (including land) and movable properties (excluding mining equipments) including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicles and other movable assets of GKEL, both present and future in relation to the project, all the tangible and intangible assets including but not limited to its goodwill, undertaking and uncalled capital, both present and future in relation to the project, all insurance policies, performance bonds, contractors guarantees and any letter of credit provided by any person under the project documents, all the rights, titles, permits, clearances, approvals and interests of GKEL in, to and in respect of the project documents and all contracts relating to the project, all the book debts, operating cash flows, receivables, all other current assets, commission, revenues of GKEL, both present and future in relation to the project and all the accounts and all the bank accounts of GKEL in relation to the project and pledge of shares (in the demat form) held by GEL, constituting 51% of the shares which shall be reduced to 26% of shares on repayment of half the loans subject to the compliance of conditions put forth by the lenders. The rate of interest for each interest period is the percentage p.a. which is aggregate of the applicable margin and six months LIBOR calculated at two business days prior to the relevant interest period. GKEL has to repay 1.00% p.a. of the total foreign currency loans drawdown amount starting from 12 months from initial drawdown date for first four years and thereafter the balance amount is to be paid in the fifth installments.
- 58 Secured foreign currency loans from banks of ₹ 386.98 crore (March 31, 2012: ₹ 389.28 crore) of GIML are secured by way of pledge of 6.91 crore (March 31, 2012 : 6.91 crore) shares of GISPL and further secured by way of corporate guarantee given by the Company. The rate of interest is LIBOR plus 3.50% to 6.45% (March 31, 2012 : LIBOR plus 3.50% to 6.45%). The loan is repayable in 3 equal annual installments commencing from August 2013.
- 59 Unsecured foreign currency loans from a banks of ₹ 789.11 crore (March 31, 2012: ₹ Nil) of GIML are secured by way of corporate guarantee given by the Company. The rate of interest is LIBOR plus 200 bbps. The loan is repayable in June 2013.
- 60 Secured foreign currency loans from banks and financial institutions of ₹ 30.38 crore (March 31, 2012 : ₹ 36.26 crore) of LGM are secured by corporate guarantee given by the Company and further secured by pledge of shares of LGM held by its shareholders. The rate of interest is EURIBOR plus 550 bbps (March 31, 2012 : EURIBOR plus 550 bbps) and repayable in 14 equal half yearly installments commencing from December 2010.
- 61 Secured foreign currency loans from banks and financial institutions of ₹ 1,055.42 crore (March 31, 2012: ₹ 924.09 crore) of ISG are secured against present and future receivables, rights, income, claims, interest, benefits and all kinds of receivables arising out of or in connection with other agreements. Further secured by pledge of shares of ISG held by the Company and a subsidiary of the Company. The rate of interest is EURIBOR plus spread i.e. 5.00%. The loan is repayable in 18 unequal half yearly installments commencing from June 2013.
- 62 Secured foreign currency loans from banks of ₹ 699.07 crore (March 31, 2012 : ₹ 255.17 crore) of GISPL are secured by way of a charge over the DSRA to be created and a corporate guarantee provided by a shareholder. The interest rate ranges from 3.68% p.a. to 5.05% p.a. (March 31, 2012 : 3.65% p.a. to 5.08% p.a.). The loans was originally repayable in 8 equal quarterly installments commencing from July 2014. GISPL has fully repaid the loan in April 2013. Accordingly, the loan has been disclosed as current maturities of long term borrowings.
- 63 Secured foreign currency loans from banks of ₹ 327.90 crore (March 31, 2012 : ₹ 109.30 crore) of GISPL are secured by way of a charge over the DSRA to be created and a corporate guarantee provided by a shareholder. The interest rate ranges from 3.68% p.a. to 5.05% p.a. (March 31, 2012 : 3.65% p.a. to 5.08% p.a.). The loan was originally repayable after 48 months from the first drawdown date . i.e. in November 2011. GISPL has fully repaid the loan in April 2013. Accordingly, the loan has been disclosed as current maturities of long term borrowings.
- 64 Secured foreign currency loans from banks of ₹ Nil (March 31, 2012 : ₹ 1,190.44 crore) of GESPL were secured against debentures in respect of rights and interest over project assets, project documents, project accounts, insurances, all shares certificates, instruments of transfer and stock transfer forms. The rate of interest is Nil (March 31, 2012 : 2.91% p.a) The loan was repayable in 28 half yearly installments commencing from December 2014. Pursuant to

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

the sale of GESPL, GESPL has ceased to be the subsidiary of the Company.

- 65 Secured foreign currency loans from banks of ₹ 1,870.06 crore (March 31, 2012: ₹ 1,803.55 crore) of DIAL are secured by first rank pari passu charge on all the future revenues and receivables of DIAL and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA and further secured by the pledge of shares of shareholders of DIAL held by GIL, GEL, GAL, MAMPL and FAG. The loans carry an interest at LIBOR plus agreed spread. DIAL had entered into IRS arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 7.76% p.a. (March 31, 2012 : 7.76% p.a.) The loans are repayable in unequal half yearly installments commencing from March 2013 and till March 2021.
- 66 Secured foreign currency loans from banks of ₹ 136.45 crore (March 31, 2012: ₹ 102.61 crore) of HEGL are secured by way of charge on all the assets of HEGL and further guaranteed by the Company. The loan bears interest at LIBOR plus 400 to 450 bbps (March 31, 2012 : LIBOR plus 400 bbps), with tenure of 6 years from first drawdown date i.e. July 2011 with repayment starting from third year onwards. Pursuant to the agreements entered into for the sale of certain mines of HEGL and its subsidiaries/joint ventures during the year ended March 31, 2013, the loan has been disclosed as current maturities of long term borrowings.
- 67 Secured foreign currency loans from banks of ₹ 146.14 crore (March 31, 2012 : ₹ 206.12 crore) of GENBV are secured by pledge of shares of GENBV, pledge of 100% shares of PTDSU, PTDSI and PT Unsoco, non-disposal undertaking from PTDSI and PT for their entire shareholding in PTBSL, non-disposal undertaking from GEL for its shareholding in GEML and non-disposal undertaking of 100% shareholding of GEML in GECL and undertaking by the Company to retain 51% direct ownership and control in GEL. Further secured by way of irrevocable and unconditional guarantee by the Company and charge over escrow of cash flows from PTDSU, PTDSI, PTBSL and PT including dividends and cash sweeps. The rate of interest is LIBOR plus 5.50%. The loan shall be repaid in 3 annual equal installments commencing from February 2013.
- 68 Secured foreign currency loans from banks of ₹ 90.91 crore (March 31, 2012: ₹ Nil) of ATSCCL are secured by way of first ranking mortgage / hypothecation/ assignment / security interest / pledge on: (a) the immovable property comprising of land and building, both present and future acquired; (b) movable, current assets both present and future; (c) pledge of shares representing 30% of the total equity shares of ATSCCL; and (d) all rights, titles, permits and interest of ATSCCL in respect of all the assets, project documentation, including all insurance contracts and clearances. The loans carry an interest at LIBOR plus 4.5%. ATSCCL has entered into full currency swap arrangement to convert floating rate of interest into fixed rate of interest. The effective rate of interest is 10.71% p.a. The entire foreign currency loan is repayable as a single installment in December 2017.
- 69 Secured foreign currency loans from banks of ₹ 2,574.43 crore (March 31, 2012: ₹ 2,421.91 crore) of GCRPL are secured by a charge over all tangible and intangible assets of GCRPL and charge over the shares of GCRPL held by GEL and the Company. Further, it is secured by way of guarantee by the Company and a non-disposable undertaking with respect to shares held in PTGEMS by GCRPL. The rate of interest is three month LIBOR plus 4.25% (March 31, 2012: One month LIBOR plus 3.73%). 5% of the loans are repayable within 24 months from the first utilisation date i.e. in October 2011, 10% within 36 months from the first utilisation date, 10% within 48 months from the first utilization date and the final installment of 75% on the maturity date i.e. in October 2016.
- 70 Secured foreign currency loans from banks amounting ₹ 876.80 crore (March 31, 2012: ₹ 592.60 crore) of GMIAL are secured by first charge / assignment of all receivables of GMIAL from the project or otherwise, first charge of existing and future movable properties, all banks accounts including without limitation, the escrow accounts and each of the other accounts required to be created by GMIAL under any project document or contract, all intangible assets including but not limited to the goodwill, undertaking, uncalled capital and intellectual property rights, assignments of all the rights, titles, and interests of GMIAL from all contractors, insurances, licenses in, to, and under all assets of the project, all project documents, which GMIAL is a party to including contractor guarantees, liquidated damages and all other contracts relating to the project, a first charge or assignment of all the rights, titles, interests, benefits, claims and demands whatsoever of GMIAL in any letter of credit, guarantee, performance bonds, provided by EPC contractors, or any party to the project documents, lender's security package listed in the project documents, including substitution rights and termination payments due in respect of the project in specified circumstances and pledge of 51% of the equity share capital of GMIAL. All the securities created would be shared on pari passu basis amongst the lenders participating in the facility and the lenders providing the operations and maintenance bonds, works bonds, capex LCs and working capital facilities and interest and currency hedge providers. The rate of interest is six months LIBOR plus 375 bbps (March 31, 2012 : LIBOR plus 550 bbps). The loan was originally repayable in half yearly installments starting from June 2015. However, pursuant to the takeover of control of Ibrahim Nasir International Airport ('Male airport') by the Government of Maldives/ Maldives Airport Company Limited ('MACL'), the bank has served a notice of events default on December 7, 2012 and has recalled the total loan outstanding. Accordingly, the loan have been classified as current maturities of long term borrowings. However, GMIAL is in the process of negotiating with the bank to defer the loan repayment till the process of arbitration is complete.
- 71 Unsecured Indian rupee term loans from banks of ₹ 250.00 crore (March 31, 2012 : ₹ Nil) of the Company are secured by exclusive first mortgage and charge on non-agricultural lands of Boyance Infrastructure Pvt. Ltd. (BIPL), Neozone Real Estate Private Limited (NREPL), Sri Varalakshmi Jute Twine Mills Private Limited ('SVJTMPL') and Neozone Properties Private Limited. The loans carry an interest rate of base rate of lender plus 1.50% p.a. and is repayable in 5 equated monthly installments commencing from November 2014.
- 72 Unsecured Indian rupee term loans from banks of ₹ 100.00 crore (March 31, 2012 : ₹ Nil) of GEL carried an interest rate of base rate of the bank plus 1.75% p.a. and repayable in 4 equal quarterly installments from the end of 15 months from the date of first disbursement.
- 73 Unsecured Indian rupee loans from banks of ₹ Nil (March 31, 2012 : ₹ 350.00 crore) of GEL carried an interest rate of 9.50% p.a. to 12.25% p.a. The loans are repayable by way of a bullet payment after one year from the date of disbursement. During the year ended March 31, 2013, GEL has repaid the loans in full.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

- 74 Unsecured Indian rupee term loan from a financial institution of ₹ 275.00 crore (March 31, 2012 : ₹ 275.00 crore) of the Company are secured by way of corporate guarantee issued by GHPL and pledge of 26.92 crore (March 31, 2012: 16.92 crore) equity shares of ₹ 1 each of the Company, held by GHPL. The loans carry periodic rates of interest as agreed with the lenders. The loan is repayable in 3 equated annual installments commencing from August 2013.
- 75 Unsecured Indian rupee loans from a financial institution of ₹ 5.76 crore (March 31, 2012 : ₹ 5.77 crore) of WAISL carries an interest rate of 10.50% p.a. (March 31, 2012 : 10.55% p.a.). The loan is repayable in 72 equal monthly installments from January 2012 to December 2017.
- 76 Unsecured Indian rupee term loan from others of ₹ 5.10 crore (March 31, 2012 : ₹ Nil) of DCSCPL is interest free. The loan was originally repayable after 48 months but subsequent to the balance sheet date, on request of Cargo Service Centre (India) Private Limited, the loan has been prepaid in full.
- 77 Unsecured loans from others of ₹ Nil (March 31, 2012 : ₹ 26.00 crore) in relation to GTAEPL and GTTEPL carried an interest rate of 1.00% p.a. GTAEPL and GTTEPL have repaid the loan during the year ended March 31, 2013.
- 78 Unsecured loan from others of ₹ Nil (March 31, 2012 : ₹ 117.56 crore) of GESPL carried an interest rate of 6.50% p.a. (March 31, 2012 : 6.50% p.a. to 6.72% p.a.).
- 79 Unsecured loan others of ₹ 4.55 crore (March 31, 2012 : ₹ 4.55 crore) of EDWPCPL carries an interest rate of 15.00% p.a. (March 31, 2012 : 15.00% p.a.) and is repayable in 40 equal quarterly installments commencing from 9th quarter from the date of first disbursement i.e. April 2011.
- 80 Unsecured loan from others of ₹ 14.51 crore (March 31, 2012 : ₹ 14.51 crore) of Laqshya is interest free. The loan is repayable in unequal annual installments over next 8 years.
- 81 Unsecured loan from others of ₹ 1.10 crore (March 31, 2012 : ₹ 1.20 crore) of HMACPL is interest free. The loan is repayable in 15 equal annual installments of ₹ 0.10 crore each commencing from April 2009.
- 82 Unsecured loan from others of ₹ 5.40 crore (March 31, 2012 : ₹ Nil) of DSPL carries interest rate of 12.00% p.a. The loan is repayable in thirteen months or as mutually agreed between the parties.
- 83 Unsecured loan from others of ₹ 0.96 crore (March 31, 2012 : ₹ Nil) of DSSHPL carries at an interest rate of base rate plus 2.5% p.a. Loans of ₹ 0.56 crore is repayable in 45 equal monthly installments commencing from November 1, 2011 and loans of ₹ 0.40 crore is repayable in 8 equal quarterly installments after completion of one year of moratorium period.
- 84 Unsecured foreign currency from others of ₹ 5.66 crore (March 31, 2012 : ₹ Nil) of CDCTM carries an interest rate of six month LIBOR rate plus spread of 500 bbps and loan is repayable on maturity i.e. May 2018.
- 85 Unsecured foreign currency loans from bank ₹ Nil (March 31, 2012: ₹ 0.17 crore) of KIM carry an interest rate of Nil (March 31, 2012 : 14.50% p.a.). During the year ended March 31, 2013 the loan has been repaid in full.
- 86 Secured supplier credit of ₹ 80.64 crore (March 31, 2012: ₹ 90.98 crore) of GAPL is secured by way of hypothecation of aircrafts and guarantee issued by the Company. The rate of interest is six months LIBOR plus spread of 115 bbps. The interest rate is hedged at 3.66% p.a. (March 31, 2012 : 3.66% p.a.). The loan is repayable in 16 equal half yearly installments commencing from April 2010.
- 87 Unsecured supplier credit of ₹ 61.00 crore (March 31, 2012 : ₹ 61.00 crore) of GVPGL is interest free and is repayable in a single installment on December 31, 2018. The rights, benefits and obligations under this suppliers' credit were assigned to Grandhi Enterprises Private Limited (GREPL), on terms accepted by GVPGL. Further, GREPL has assigned the credit facilities to Prolific Finvest Private Limited (assignee) (PFPL). The assignee on acceptance by GVPGL may convert the above facility in to fully convertible debentures at par to be issued by GVPGL.
- 88 Unsecured suppliers credit of ₹ 48.00 crore of GGSPPL (March 31, 2012 : ₹ 48.00 crore) represents interest free retention money repayable after 15 years.
- 89 Bills discounted of ₹ 134.70 crore (March 31, 2012 : ₹ 134.70 crore) of GEL are secured by first charge over the current assets of GEL and second charge over the entire fixed assets of GEL. The security would be shared on a pari passu basis with existing chargeholders. The amount was repayable on April 6, 2013 and has been further renewed till April 6, 2014.
- 90 Finance lease obligations of ₹ 1.37 crore (March 31, 2012 : ₹ 1.55 crore) are secured by underlying assets taken on finance lease arrangement. Lease term is around 4 to 5 years and carries an interest from 8.50% p.a. to 10.00% p.a. (March 31, 2012: 10.00% p.a. to 13.00% p.a.)
- 91 Negative grant of ₹ 120.25 crore (March 31, 2012 : ₹ 126.50 crore) of GUEPL is interest free. Negative grant is repayable in unequal yearly installments over next 6 years. Refer note 35 (ii).
- 92 Negative grant of ₹ 66.41 crore (March 31, 2012 : ₹ 83.88 crore) of GACEPL is interest free. Negative grant is repayable in unequal yearly installments over next 5 years. Refer note 35 (ii).
- 93 Interest free loan from others of ₹ 315.05 crore (March 31, 2012 : ₹ 315.05 crore) of GHIAL received from the State Government of Andhra Pradesh (GoAP) is repayable in 5 equal installments commencing from 16th anniversary of the commercial operations date of GHIAL i.e. March 2008.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 6 | OTHER LONG-TERM LIABILITIES

Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Trade payables	68.57	11.67
	68.57	11.67
Others		
Advance / deposits received from customers	355.52	284.54
Unearned revenue	70.50	2.37
Deposits / advances from concessionaires	179.89	274.86
Deposits / advances from commercial property developers	1,471.51	1,427.18
Concession fee payable	109.98	80.51
Non trade payable (including retention money)	670.83	367.91
Other liabilities	-	41.15
	2,858.23	2,478.52
	2,926.80	2,490.19

NOTE | 7 | PROVISIONS

Particulars	Long-term		Short-term	
	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Provision for employee benefits				
Provision for gratuity (refer note 37)	1.16	3.92	0.13	0.80
Provision for leave benefits	-	-	46.02	31.42
Provision for voluntary retirement compensation (refer note 40)	89.57	108.57	18.99	19.36
Provision for other employee benefits	4.61	-	55.42	61.04
	95.34	112.49	120.56	112.62
Other provisions				
Provision for taxation (net)	-	-	36.74	39.93
Provision for wealth tax	-	-	0.01	0.05
Provision for debenture redemption premium	-	-	8.53	7.88
Provision for preference shares redemption premium	-	-	12.23	12.95
Provision for operation and maintenance (net of advances) (refer note 40)	53.50	36.59	27.51	8.20
Proposed equity dividend	-	-	38.92	-
Provision for tax on proposed equity dividend	-	-	8.51	-
Provision for tax on proposed preference dividend	-	-	0.09	0.59
	53.50	36.59	132.54	69.60
	148.84	149.08	253.10	182.22

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 8 | SHORT TERM BORROWINGS

	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Secured:		
Cash credit and overdraft from banks	385.29	74.66
Letters of credit/ bills discounted	3,570.35	5,183.00
Indian rupee short term loans from banks	443.72	120.52
Foreign currency short term loans from banks	-	108.58
Indian rupee short term loans from financial institutions	152.72	125.28
Unsecured:		
Bonds	-	3.45
Letters of credit/ bills discounted	88.10	-
Indian rupee short term loans from banks	151.99	1,382.42
Indian rupee short term loans from financial institutions	-	192.00
Indian rupee short term loans from others	64.44	125.66
	4,856.62	7,315.57
The above amount includes		
Secured borrowings	4,552.09	5,612.04
Unsecured borrowings	304.53	1,703.53
	4,856.62	7,315.57

- Cash credit from banks of ₹ 43.03 crore (March 31, 2012 : ₹ 45.01 crore) of GHIAL is 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 movable properties including movable 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. The rate of interest is 12.50% to 12.75% p.a (March 31, 2012: 12.75% p.a).
- Cash credit from banks of ₹ 0.87 crore (March 31, 2012 : ₹ 0.80 crore) of HDFRL is secured by current assets including stock, book debts, movable assets, software, whether installed or not and whether in possession or under the control of HDFRL or not, all bank accounts, a pledge of 30% of shares of total equity share capital of HDFRL held by GHIAL. As on March 31, 2013, HDFRL has pledged 0.15 crore (March 31, 2012 : 0.06 crore) equity shares out of total equity of 0.99 crore (March 31, 2012 : 0.50 crore) which is 15% (March 31, 2012 : 12%) of the paid up share capital of HDFRL. HDFRL is in process of securing pledge of balance 15% of share capital as per the sanction terms. The rate of interest is 12.50% to 12.75% p.a (March 31, 2012: 11.00% p.a to 12.75% p.a).
- Cash credit from banks of ₹ 0.20 crore (March 31, 2012: ₹ 1.57 crore) of TIM is secured by charge on receivables and subservient charge on security deposit of ₹ 17.46 crore deposited with DIAL by TIM, after statutory dues and license fees payable to DIAL. The rate of interest is 11.25% to 12.50% p.a. (March 31, 2012 : base rate of the lender plus 1.75% p.a.).
- Bank overdraft of ₹ 20.89 crore (March 31, 2012 : ₹ 0.04 crore) of GPCL is secured by way of first charge on inventories and book debts of GPCL. The rate of interest is 13.50% to 15.00% p.a. (March 31, 2012 : base rate of the bank plus 4.75% p.a).
- Bank overdraft of ₹ 65.71 crore (March 31, 2012 : ₹ 24.83 crore) of GETL is secured against bank deposits of GETL. The rate of interest is 10.22% p.a (March 31, 2012 : 10.90% p.a).
- Cash credit from banks of ₹ 1.61 crore (March 31, 2012 : ₹ 2.41 crore) of GAPL is secured by way of hypothecation of aircraft and charge over receivables of GAPL. The rate of interest is 14.35% p.a. (March 31, 2012 : 13.25% to 14.60% p.a.)
- Cash credit from banks of ₹ 5.70 crore (March 31, 2012: ₹ Nil) of MGATL is secured by first charge on entire current assets and cash flows including stocks, receivables, bank balances etc., first pari passu charge by way of extension of equitable mortgage of leasehold rights of land to the extent of 16.46 acres standing in the name of MGAECCL on which MRO facilities have been created along with all the buildings, structures. The rate of interest is base rate of the bank plus 3.25% p.a.
- Cash credit from banks of ₹ 23.65 crore (March 31, 2012: ₹ Nil) of GEL is secured by first pari-passu charges on entire current assets and second pari-passu charges on the entire fixed assets of GEL. The rate of interest is Bank's base rate plus 2.00% p.a.
- Cash credit from banks of ₹ 4.00 crore (March 31, 2012: ₹ Nil) of GHRL is secured by way of first pari-passu charge on entire current assets and cash flows including stocks, receivables, bank balances etc. with existing term lenders and collateral first pari-passu charge by way of extension of equitable mortgage of the immovable properties and assets pertaining to the hotel project (including assignment of leasehold rights in the case of leasehold land, if any) and assets of the project consisting of land admeasuring 5.37 acres together with all the buildings, structures etc. on such land. The rate of interest is base rate of the lender plus 2.50% p.a.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 8 | SHORT-TERM BORROWINGS (Contd.)

- 10 Bank overdraft of ₹ 201.20 crore (March 31, 2012: ₹ Nil) of the Company is secured by a first charge on current assets of the EPC division of the Company and carries an interest ranging from 10.00% to 11.20% p.a.
- 11 Cash credit facilities of ₹ 18.43 crore (March 31, 2012 : ₹ Nil) of EMCO are secured by way of a first charge and registered mortgage of all the immovable properties and movables including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods and by book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further secured by pledge of shares representing 51% of the total paid up equity share capital of EMCO. The beneficial interest in the security shall rank pari passu among all the rupee lenders and the lenders participating in the bank borrowings for the working capital requirements/ bank guarantee facility to the extent as approved by the rupee lenders. The rate of interest is base rate of the lender plus 2.25% p.a.
- 12 Domestic letters of credit of ₹ 1,452.00 crore (March 31, 2012 : ₹ 1,074.47 crore) and foreign letters of credit of ₹ 1,381.97 crore (March 31, 2012 : ₹ 783.41 crore) of GCHEPL are sub limit to rupee term loans as per the facility agreement entered into by GCHEPL and are secured in the same manner and terms and conditions as that of rupee term loans of GCHEPL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have been discounted with banks. Rate of interest of domestic letters of credit is 9.75% p.a to 11.75% p.a (March 31, 2012 : 9.82% to 11.75% p.a.) and foreign letters of credit is from 0.99% to 4.05% p.a. (March 31, 2012 : 0.99% to 4.05% p.a.)
- 13 Domestic letters of credit of ₹ Nil (March 31, 2012 : ₹ 237.79 crore) and foreign letters of credit of ₹ 239.24 crore (March 31, 2012 : ₹ 1,028.08 crore) of GKEL are sub limit to rupee term loans as per the facility agreement entered into by GKEL and are secured in the same manner and terms and conditions as that of rupee term loans of GKEL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have been discounted with banks. Rate of interest of letters of credit is 10.87% to 12.24% p.a (March 31, 2012 : 9.62% to 10.79% p.a) and foreign letters of credit is 2.13% to 4.43% p.a. (March 31, 2012 : 0.85% to 3.66% p.a.).
- 14 Domestic letters of credit of ₹ Nil (March 31, 2012 : ₹ 348.61 crore) and foreign letters of credit of ₹ 435.92 crore (March 31, 2012: ₹ 420.21 crore) of GREL are sub limit to rupee term loans as per the facility agreement availed by GREL and are secured in the same manner and terms and conditions as that of rupee term loans of GREL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have been discounted with banks. The rate of interest of domestic letters of credit is 9.95% to 11.30% p.a. (March 31, 2012: 9.95% to 11.30% p.a.) and foreign letters of credit is 1.78% to 2.16% p.a (March 31, 2012 : 1.95 % to 3.05% p.a.).
- 15 Bills discounted of ₹ 61.01 crore (March 31, 2012 : ₹ 22.62 crore) of GEL are secured by second charge on the present and future current assets of GEL. These letters of credit have been discounted with various banks for payment to the gas vendors for the supply of nature gas. The rate of interest is 11.75% to 13.00% p.a (March 31, 2012 : 11.00% to 11.75% p.a.).
- 16 Domestic letters of credit of ₹ 0.21 crore (March 31, 2012: ₹ Nil) of Laqshya is secured by first pari-passu charge on current and fixed assets of Laqshya. Further secured by corporate guarantee of holding company i.e. LMPL. These letters of credit have been discounted with banks. The rate of interest is 12.50% p.a.
- 17 Domestic letters of credit of ₹ Nil crore (March 31, 2012 : ₹ 504.85 crore) and foreign letters of credit of ₹ Nil crore (March 31, 2012: ₹ 762.96 crore) of EMCO are sub limit to rupee term loans as per the facility agreement entered into by EMCO and are secured in the same manner and terms and conditions as that of rupee term loans of EMCO. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have been discounted with banks. The rate of interest of domestic letters of credit is 9.75% to 12.00% during 2013 -13 (March 31, 2012: 8.95% to 12.00% p.a) and foreign letters of credit is 0.9% to 3.74 % p.a. during 2012-13 (March 31, 2012: 0.85 % to 4.00% p.a).
- 18 Secured short term loans from banks and financial institutions of ₹ 347.67 crore (March 31, 2012: ₹ 240.23 crore) of KSPL are secured by way of a charge on fixed deposits of the Company and other group companies. The rate of interest is interest rate on fixed deposit plus 1.00% p.a. or base rate whichever is higher (March 31, 2012 : 8.50 % to 10.50% p.a).
- 19 Secured short term loans from banks of ₹ 2.23 crore (March 31, 2012: ₹ Nil) of CDCTM are secured on trade receivables including unbilled revenue. The loans carry an interest rate of 12.00% to 13.00%. p.a
- 20 Secured short term loans from banks ₹ 6.85 crore (March 31, 2012: ₹ Nil) of DAFF are secured by way of charge on receivables/ cash flows/ revenue under escrow account (present & future) after statutory dues and DIAL's license fee and carries an interest rate of 10.20% p.a.
- 21 Secured short term loan from bank of ₹ 46.20 crore (March 31, 2012: ₹ Nil) of GETL are secured by way of a first ranking pari passu charge by way of hypothecation of the borrower's entire stock of materials, semi finished goods, finished goods, consumable goods and spares and such other movable including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future in a form and manner satisfactory to the banks. The rate of interest is 12.75% p.a.
- 22 Secured short term loans from banks of ₹ Nil (March 31, 2012: ₹ 2.50 crore) of DDFS are secured by hypothecation of the DDFS's entire stocks of raw material, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, first charge on movable fixed assets of the DDFS, both present and future, pledge of 30% of share holding in DDFS, escrow agreement between the lenders and DDFS for first and exclusive charge on receivables. The rate of interest is 13.00% p.a (March 31, 2012: 12.50% p.a). During the year ended March 31, 2013, DDFS has repaid the loan in full.
- 23 Secured short term loans from banks of ₹ 3.49 crore (March 31, 2012: ₹ 3.06 crore) of DASPL are secured by a first charge on DASPL's escrow account, after payment of statutory dues and fees of DIAL. The rate of interest is 12.50% p.a (March 31, 2012 : 13.00% p.a.)
- 24 Secured short term loans from banks of ₹ Nil (March 31, 2012: ₹ 108.58 crore) of ISG are secured against present and future receivables, rights, income, claims, interest, benefits, into and under its receivables and all kinds of receivables arising out of or in connection with other agreements. Further,

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 8 | SHORT-TERM BORROWINGS (Contd.)

- secured by pledge of shares of ISG held by the Company and a subsidiary of the Company. The rate of interest is 6.10% p.a plus agreed margin. During the year ended March 31, 2013, ISG has repaid the loans in full.
- 25 Domestic letters of credit of ₹ 69.99 crore (March 31, 2012 : ₹ Nil) of GVPGL are secured by corporate guarantee given by the Company. The rate of interest is 10.25% to 12.00% p.a.
- 26 Unsecured bills of ₹ 18.11 crore (March 31, 2012: ₹ Nil) of PT GEMS are discounted with banks against trade receivables from coal sales. The rate of interest is 2.85% p.a.
- 27 Unsecured short term loans from banks of ₹ 150.00 crore (March 31, 2012 : ₹ 500.00 crore) of the Company carry an interest rate ranging from 12.00% to 12.80% p.a. (March 31, 2012: 12.00% to 12.50% p.a).
- 28 Secured short term loans from banks of ₹ 190.00 crore (March 31, 2012 : ₹ 150.00 crore) of GEL are secured by fixed deposit of GPCL and GVPGL and carries an interest rate ranging from 9.75% to 10.45% p.a (March 31, 2012: 9.00% to 11.00% p.a).
- 29 Unsecured short term loans from banks of ₹ 1.99 crore (March 31, 2012 : ₹ Nil) of CDCTM carry an interest rate of 12% to 13% p.a.
- 30 Unsecured short term loans from banks of ₹ Nil (March 31, 2012 : ₹ 731.50 crore) of DIAL are guaranteed by the Company. The rate of interest is 12.00% to 13.50% p.a (March 31, 2012: 12.00% to 13.50% p.a). During the year ended March 31, 2013, DIAL has repaid the loans in full.
- 31 Unsecured short term loans from banks of ₹ Nil (March 31, 2012 : ₹ 0.92 crore) of other companies under airport segment are repayable on demand and carry an interest rate 9.00% to 12.00% p.a (March 31, 2012: 9.00% to 12.00% p.a). During the year ended March 31, 2013, the loans have been repaid in full.
- 32 Unsecured short term loans from financial institutions of ₹ Nil (March 31, 2012 : ₹ 192.00 crore) of GHIAL is guaranteed by the Company. The loan is repaid during current year. The loan carry an interest at the rate of 11.93 % 12.00% p.a. (March 31, 2012: 11.93% p.a.) The terms of the loan has been changed during the year ended March 31, 2013, pursuant to which the loan have been disclosed as long term borrowings.
- 33 Unsecured short term loans from others of ₹ 54.44 crore (March 31, 2012 : ₹ 30.00 crore) of EDWPCPL from IL&F Renewable Energy Limited, a minority shareholder in EDWPCPL carries an interest rate of 11.00% p.a. (March 31, 2012: 11.00% p.a.)
- 34 Unsecured short term loans from others of ₹ 10.00 crore (March 31, 2012 : ₹ Nil) of DSPL carry an interest rate of 10.00% p.a.
- 35 Unsecured short term loans from others of ₹ Nil (March 31, 2012 : ₹ 95.00 crore) of GIL taken from GMR Projects Private Limited ('GPPL') carried an interest rate of 11.00% p.a. During the year ended March 31, 2013, GIL has repaid the loans in full.
- 36 Unsecured short term loans from others of ₹ Nil (March 31, 2012 : ₹ 0.66 crore) of other companies in airport segment carried an interest rate of 9.00 % to 13.00% p.a. (March 31, 2012 : 9.00% to 13.00% p.a.) During the year ended March 31, 2013, these loans have been repaid in full.
- 37 Convertible bonds of ₹ Nil (March 31, 2012 : ₹ 3.45 crore) have been issued by MAL to PT Bumi Kencana Eka Sakti (BKES) pursuant to an agreement between MAL and BKES. The convertible bonds are repaid during the year.
- 38 Secured short term loan from banks of ₹ Nil (March 31, 2012: ₹ 150.00 crore) of GEL carried on interest rate ranging from 9.00% to 11.00% p.a. (March 31, 2012: 9.00% to 11.00% p.a.).

NOTE | 9 | OTHER CURRENT LIABILITIES

Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Trade payables (including acceptances)	1,481.59	1,236.71
	1,481.59	1,236.71
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	5,859.52	3,346.67
Deposits / advances from concessionaires	12.08	11.21
Deposits / advances from commercial property developers	69.88	119.00
Interest accrued but not due on borrowings	323.22	114.50
Others		
Advance / deposits from customers	1,446.30	1,248.29
Unpaid share application money refund - not claimed	0.05	0.05
Book overdraft	0.83	19.59
Non trade payables (including retention money)	3,325.96	2,824.80
Statutory dues payable	98.57	122.65
Unearned revenue	73.20	242.87
Development fee accrued (to the extent not utilised) [refer note 35 (vii)(a)(i)]	185.60	-
Other liabilities	97.00	42.81
	11,492.21	8,092.44
	12,973.80	9,329.15

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE	10	TANGIBLE ASSETS	(₹ in crore)													
			Freehold land	Leasehold land	Runways and others	Buildings	Plant and machinery	Leasehold improvements	Computer equipments	Office equipments (including computers)	Furniture and fixtures	Vehicles and aircrafts	Leased assets - plant and machinery	Leased assets - office equipments	Leased assets - vehicles	Total
		Gross Block Cost or Valuation														
		As at April 1, 2011	205.22	90.27	2,010.54	8,060.91	7,093.36	154.75	547.92	271.15	429.30		2.46	5.39	0.06	18,871.33
		Additions	35.56	20.80	49.79	454.05	568.87	78.40	16.89	25.99	13.02					1,263.37
		Additions on inclusion of subsidiaries/joint ventures	0.27	0.02	-	10.04	30.86	-	0.05	3.04	1.31				0.10	45.69
		Disposals	(0.52)	(0.36)	(8.24)	(6.52)	(4.31)	(4.65)	(0.79)	(6.80)	(1.13)					(33.32)
		Adjustments against development fund	-	-	(48.17)	(762.04)	(414.54)	-	-	(12.19)						(1,236.94)
		Other adjustments	-	(11.96)	-	-	-	-	-	-	-				(0.06)	(12.02)
		Exchange differences	-	-	22.88	255.12	96.96	1.63	4.67	11.18	10.22					402.66
		Borrowing costs	-	-	7.30	131.89	68.36	0.15	2.10	2.10	0.01					209.81
		As at March 31, 2012	240.53	98.77	2,034.10	8,143.45	7,439.56	230.13	568.89	294.47	452.73		2.46	5.39	0.10	19,510.58
		Additions	17.18	24.77	89.44	504.67	1,805.20	31.16	26.12	33.30	6.05					2,537.89
		Disposals	(0.40)	-	-	(0.24)	(11.11)	(2.79)	(2.45)	(4.61)	(3.40)				(0.03)	(25.03)
		Adjustments against development fund	-	-	0.32	1.53	0.95	-	0.17	19.31	-					2.84
		Other adjustments	-	-	537.70	(578.95)	(6.22)	-	0.17	19.31	-					(27.99)
		Exchange differences	(0.24)	(0.01)	23.82	117.52	143.99	0.37	4.67	7.58	9.21					306.91
		Borrowing costs	10.73	-	-	40.06	153.14	0.49	0.82	0.82	-					205.24
		Transferred to claims recoverable	-	-	-	(3.82)	(7.20)	-	(9.44)	(7.43)	(3.68)					(31.57)
		Transferred to assets held for sale	-	-	-	-	(103.29)	-	(0.32)	(0.04)	(126.24)					(229.89)
		As at March 31, 2013	267.80	123.53	2,685.38	8,224.22	9,415.02	259.36	587.64	343.44	334.67		2.46	5.39	0.07	22,248.98
		Accumulated Depreciation														
		As at April 1, 2011	-	-	153.27	419.35	1,737.30	11.07	160.01	44.89	60.92		0.75	4.53	-	2,592.09
		Charge for the year	-	-	73.43	311.24	327.16	7.95	45.40	28.42	26.60		0.74	0.86	0.01	821.81
		Depreciation on account of inclusion of subsidiaries/ joint ventures	-	-	-	0.55	6.15	-	0.03	1.43	0.28					8.52
		Disposals	-	-	-	(0.93)	(3.79)	(2.37)	(0.32)	(4.81)	(0.73)					(12.95)
		Other adjustments	-	-	-	-	-	-	-	-	-					-
		Exchange differences	-	-	0.01	8.73	0.07	0.92	0.32	0.92	0.36				0.00	11.33
		As at March 31, 2012	-	-	226.71	738.94	2,066.89	175.7	205.44	70.85	87.43		1.49	5.39	0.09	3,420.80
		Charge for the year	-	-	129.08	250.53	320.95	10.52	51.26	39.04	30.93		0.49	-	-	832.80
		Disposals	-	-	-	(0.14)	(5.79)	(1.52)	(0.86)	(0.99)	(2.30)				(0.02)	(11.62)
		Exchange differences	-	-	-	0.56	1.48	-	0.81	0.66	0.58					4.09
		Transferred to claims recoverable	-	-	-	(0.08)	(0.36)	-	(1.06)	(0.54)	(0.33)					(2.37)
		Transferred to assets held for sale	-	-	-	-	(20.88)	-	(0.22)	(0.03)	(40.10)					(61.23)
		As at March 31, 2013	-	-	355.79	989.81	2,362.29	26.57	295.37	108.99	76.21		1.98	5.39	0.07	4,182.47
		Net Block														
		As at March 31, 2012	240.53	98.77	1,807.39	7,404.51	5,372.67	212.56	363.45	223.62	365.30		0.97	-	0.01	16,089.76
		As at March 31, 2013	267.80	123.53	2,329.59	7,234.41	7,052.73	232.79	332.27	234.45	258.46		0.48	-	-	18,066.51

Notes:

- Buildings with a gross book value of ₹ 6,346.99 crore (March 31, 2012: ₹ 6,473.58 crore) and runways are on leasehold land.
- Disposals from gross block during the year includes ₹ 0.56 crore (March 31, 2012: ₹ 17.87 crore) on reversal of outstanding liabilities pertaining to project construction which are no longer payable now in case of GHIAL and reversal of depreciation there on amounting to ₹ 0.12 crore (March 31, 2012: ₹ 1.53 crore) of GHIAL under depreciation charge for the year.
- Development fund of ₹ 2.84 crore (March 31, 2012: ₹ 1,236.94 crore) received towards development of aeronautical assets in DIAL is reduced from the gross block above. Refer note 35(viii).
- Other adjustments in the Gross Block during the year includes:
 - Leasehold land (reclassification) of ₹ Nil (March 31, 2012: ₹ 11.96 crore) to capital advances with respect to PTDSU.
 - Leasehold land (reclassification) of ₹ Nil (March 31, 2012: ₹ 1,037.89 crore) towards reduction in liability in connection with the disposal of Terminal 3.
 - Reclassification of ₹ 1,570.00 crore from build up to gross block with fiscal exemptions in respect of Terminal 3.
 - ₹ 6.26 crore (March 31, 2012: ₹ Nil) of DAPS, on reversal of outstanding liabilities pertaining to project construction which are no longer payable.
- Foreign exchange differences in gross block:
 - Foreign exchange gain of ₹ 38.66 crore (March 31, 2012: ₹ 90.55 crore) on account of the effect of translation of assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of Accounting Standard 11.
 - Foreign exchange loss of ₹ 268.25 crore (March 31, 2012: ₹ 312.11 crore) in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets.
 - Claim recoverable in gross block and accumulated depreciation of ₹ 315.7 crore and ₹ 2.37 crore (March 31, 2012: ₹ Nil) respectively pertain to assets transferred by GMAIL pursuant to the take over of the Male airport on the date of take over. Refer note 30.
 - Assets held for sale as at March 31, 2013 included gross block and accumulated depreciation respectively of ₹ 125.91 crore and ₹ 39.96 crore (March 31, 2012: ₹ Nil) of GAIL.
 - Aircraft asset of ₹ 1.46 crore and ₹ 20.73 crore (March 31, 2012: ₹ Nil) consequent to sale of mining rights in HECL. Refer note 30(b).
 - ₹ 106.52 crore and ₹ 20.73 crore (March 31, 2012: ₹ Nil) of GIEPL which were sold subsequent to the year ended March 31, 2013. Refer note 30(b).
 - ₹ 1.46 crore and ₹ 0.54 crore (March 31, 2012: ₹ 10.72 crore) relating to certain consolidated entities in the project stage, which are included in capital work in progress in note 32(a) and intangible assets under development in note 32 (b).
 - Depreciation for the year includes ₹ 0.52 crore (March 31, 2012: ₹ 10.72 crore) on account of the effect of translation of assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS 11.
 - Foreign exchange differences in accumulated depreciation represents foreign exchange loss of ₹ 4.09 crore (March 31, 2012: ₹ 11.33 crore) on account of the effect of translation of assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS 11.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 11 | INTANGIBLE ASSETS

(₹ in crore)

	Goodwill on consolidation	Airport concessionaire rights	Capitalised software	Carriageways	Mining properties (including deferred exploration and stripping costs)	Technical know-how	Total
Gross Block							
Cost or Valuation							
As at April 1, 2011	937.34	893.15	80.29	3,517.71	70.41	-	5,498.90
Additions	-	39.71	10.32	0.46	81.02	17.03	148.54
Additions on inclusion of subsidiary companies / jointly controlled entities	2,172.75	-	1.84	-	46.08	-	2,220.67
Disposals	(17.71)	-	(0.13)	-	-	-	(17.84)
Exchange differences	82.12	53.42	0.05	-	(1.39)	-	134.20
Other adjustments	-	(51.98)	-	-	-	-	(51.98)
As at March 31, 2012	3,174.50	934.30	92.37	3,518.17	196.12	17.03	7,932.49
Additions	-	1.96	14.12	2,897.16	129.25	-	3,042.49
Additions on inclusion of subsidiaries/ joint ventures	8.69	-	-	-	-	-	8.69
Disposals	(44.62)	(2.40)	(0.16)	-	-	-	(47.18)
Exchange differences	123.27	25.45	0.01	-	(6.50)	-	142.23
Borrowing costs	-	-	-	269.16	-	-	269.16
Transferred to claims recoverable	-	(450.83)	(2.42)	-	-	-	(453.25)
Transferred to assets held for sale	-	-	(0.46)	(539.36)	(90.67)	-	(630.49)
As at March 31, 2013	3,261.84	508.48	103.46	6,145.13	228.20	17.03	10,264.14
Accumulated amortisation							
As at April 1, 2011	-	35.68	29.19	489.04	4.27	-	558.18
Charge for the year	-	27.55	14.24	84.64	1.61	1.44	129.48
Amortisation on account of inclusion of subsidiary companies / jointly controlled entities	-	-	0.15	-	7.11	-	7.26
Disposals	-	-	(0.13)	-	-	-	(0.13)
Exchange differences	-	1.02	-	-	0.12	-	1.14
Other adjustments	-	(1.31)	-	-	-	-	(1.31)
As at March 31, 2012	-	62.94	43.45	573.68	13.11	1.44	694.62
Charge for the year	-	23.05	15.56	146.62	20.18	3.46	208.87
Disposals	-	(0.41)	(0.15)	-	-	-	(0.56)
Exchange differences	-	1.97	-	-	0.99	-	2.96
Transferred to assets held for sale	-	-	(0.39)	(59.77)	(38.95)	-	(99.11)
Transferred to claims recoverable	-	(37.92)	(0.33)	-	-	-	(38.25)
Assets written off	-	-	-	-	29.43	-	29.43
As at March 31, 2013	-	49.63	58.14	660.53	24.76	4.90	797.96
Accumulated Impairment							
As at April 1, 2011	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
As at March 31, 2012	-	-	-	-	-	-	-
Charge for the year	98.71	-	-	-	98.76	-	197.47
As at March 31, 2013	98.71	-	-	-	98.76	-	197.47
Net Block							
As at March 31, 2012	3,174.50	871.36	48.92	2,944.49	183.01	15.59	7,237.87
As at March 31, 2013	3,163.13	458.85	45.32	5,484.60	104.68	12.13	9,268.71

Notes:

- Additions on inclusion of subsidiary companies / jointly controlled entities in goodwill during the year ended March 31, 2013 represents additional payment of ₹ 8.69 crore made to the minority shareholders of HHPL and additions on inclusion of subsidiary companies / jointly controlled entities in goodwill during the year ended March 31, 2012 includes additional payment of ₹ 57.00 crore made to the sellers of EMCO and SJK on the satisfaction of the conditions specified as per the shareholding agreement with the sellers of these companies.
- Disposal in goodwill is arising on account of disposal / dilution of Group's holding in GESPL. Refer note 30(c).
- Impairment of goodwill of ₹ 98.71 crore during the year ended March 31, 2013 represents goodwill on consolidation of HEGL. For details, refer note 30(b).
- Exchange difference in goodwill on consolidation represents foreign exchange gain of ₹ 123.27 crore (March 31, 2012: ₹ 82.12 crore) on account of effect of translation of goodwill arising out of consolidation of foreign subsidiary companies / jointly controlled entities which are consolidated as non integral foreign operations as per the requirements of AS - 11.
- Foreign exchange differences in gross block includes foreign exchange gain of ₹ 19.00 crore (March 31, 2012: ₹ 52.08 crore) on account of the effect of translation of intangible assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS - 11.
- Claim recoverable in gross block and accumulated amortisation of ₹ 453.25 crore and ₹ 38.25 crore respectively pertains to assets transferred by GMIAL pursuant to the take over of the Male airport by MACL. Refer note 30(a).
- Impairment loss during the year ended March 31, 2013 includes ₹ 98.76 crore (March 31, 2012: ₹ Nil) pertaining to impairment of mining properties held by HEGL. Refer note 30(b).
- Assets held for sale as at March 31, 2013 includes gross block and accumulated amortisation respectively of Gross block of ₹ 539.82 crore and accumulated amortisation of ₹ 59.77 crore (March 31, 2012: ₹ Nil) of carriageways due to sale of GJEPL subsequent to year ended March 31, 2013. Gross block of ₹ 90.67 crore and accumulated amortisation of ₹ 39.34 crore (March 31, 2012 : ₹ Nil) of mining rights, consequent to sale of certain mines by the Group subsequent to the year end.
- Amortisation on carriage ways for the year ended March 31, 2013 ₹ Nil (March 31, 2012 : ₹ 48.15 crore) is net off write back due to change in the method of amortisation.
- Amortisation for the year includes ₹ 1.47 crore (March 31, 2012 : ₹ 4.76 crore) relating to certain consolidated entities in the project stage, which are included in capital work-in-progress in note 32(a) and intangible assets under development in note 32(b).
- Foreign exchange differences in accumulated amortisation represents foreign exchange loss of ₹ 2.96 crore (March 31, 2012 : ₹ 1.14 crore) on account of the effect of translation of intangible assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS - 11.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 12 NON-CURRENT INVESTMENTS

Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Long term - at cost, unquoted		
A. In Equity shares of Companies - Trade		
Vemagiri Power Services Limited		
[5,000 (March 31, 2012 : 5,000) equity shares of ₹ 10 each, fully paid up]	0.01	0.01
Power Exchange India Limited		
[4,000,000 (March 31, 2012 : 2,500,000) equity shares of ₹ 10 each, fully paid up]	4.00	2.50
B. In Equity shares of Body Corporates - Trade		
GMR Holding (Malta) Limited		
[58 (March 31, 2012: 58) equity shares of EUR 1 each] (₹ 3,924 (March 31, 2012: ₹ 3,924))	0.00	0.00
PT DSSP Power Sumsel		
[2 (March 31, 2012: 2) equity shares with nominal value of Indonesia Rp 1,000,000 per share]	0.01	0.01
MAL		
[12,939 (March 31, 2012: Nil) equity shares with nominal value of Indonesia Rp 1,000,000 each]	0.03	-
C. In Debentures of Companies - Trade		
Kakinada Infrastructure Holdings Private Limited		
[100 (March 31, 2012 : 100) 0.10% cumulative optionally convertible Debentures of ₹ 10,000,000 each]	100.00	100.00
D. In Preference shares of Companies - Other than trade		
Rushil Constructions (India) Private Limited		
[Nil (March 31, 2012 : 4,673,000) preference shares of ₹ 100 each, fully paid up]	-	46.73
E. In Equity shares of Companies - other than trade		
Business India Publications Limited		
[5,000 (March 31, 2012: 5,000) equity shares of ₹ 10 each, fully paid up]	0.06	0.06
Ujjivan Financial Services Private Limited		
[50,000 (March 31, 2012: 50,000) equity shares of ₹ 1 each, fully paid up]	0.05	0.05
Total (A+B+C+D+E)	104.16	149.36

Notes:

Aggregate amount of non-current unquoted investments - ₹ 104.16 crore (March 31, 2012 : ₹ 149.36 crore)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 13 | LOANS AND ADVANCES

Particulars	Non-current		Current	
	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Capital advances				
Unsecured, considered good	2,114.65	1,944.00	-	-
(A)	2,114.65	1,944.00	-	-
Security deposit				
Unsecured, considered good	237.76	298.25	5.75	5.45
(B)	237.76	298.25	5.75	5.45
Advances recoverable in cash or kind				
Unsecured, considered good	187.61	187.65	219.17	435.54
Unsecured, considered doubtful	53.44	-	0.97	0.59
	241.05	187.65	220.14	436.13
Provision for doubtful advances	(53.44)	-	(0.97)	(0.59)
(C)	187.61	187.65	219.17	435.54
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net), including paid under protest	211.66	89.54	-	39.52
MAT credit entitlement	62.37	44.44	0.45	0.62
Prepaid expenses	11.55	10.96	307.62	319.74
Loan to others	266.78	350.87	285.53	149.43
Loans to employees	3.61	4.96	12.53	8.99
Deposits / balances with statutory / government authorities	381.83	273.79	48.74	28.39
	937.80	774.56	654.87	546.69
Unsecured, considered doubtful				
Balances with statutory / government authorities	6.23	1.27	-	-
	6.23	1.27	-	-
Provision for doubtful advances	(6.23)	(1.27)	-	-
(D)	937.80	774.56	654.87	546.69
Total (A+B+C+D)	3,477.82	3,204.46	879.79	987.68
Capital advances includes advances to related parties:				
Oriental Structures Engineers Private Limited (OSEPL)	-	10.86	-	-
IL&FS Environmental Infrastructure & Services Limited (IEISL)	27.94	29.93	-	-
GPPL	590.00	140.00	-	-
Airports Authority of India (AAI)	-	1.33	-	-
Security deposit includes deposits with related parties:				
GMR Family Fund Trust (GFFT)	32.44	29.94	-	-
GMR Bannerghatta Properties Private Limited (GBPPL)	1.12	1.63	-	-
GHTPL	135.00	135.00	-	-
Corporate Infrastructure Services Limited (CISL)	8.59	8.59	-	-
Raxa Security Services Limited (RSSL)	4.49	4.95	-	-
Advances recoverable in cash or kind includes advances to related parties:				
AAI	-	-	0.76	2.92
Laqshya Media Private Limited (LMPL)	-	-	-	0.52
Celebi Ground Handling Delhi Private Limited (CELBI GHDPL)	-	-	0.57	0.28
Cambata Aviation Private Limited (CAPL)	-	-	3.60	2.99
Limak Insaat San.Ve Tic. A.S. (LISVT)	-	-	3.13	-
Times Innovative Media Limited (TIML)	-	-	0.07	-
Asia Pacific Flight Training Sdn Bhd (APFTSB)	-	-	0.61	-
Bird World Wide Flight Services India Private Limited (BWWFSIPL)	-	-	1.21	1.96
Track India Private Limited (TIPL)	-	-	-	0.10
CHSAS	-	-	-	0.21
Loan to others includes loans to related parties:				
Welfare Trust of GMR Infra Employees (GWT)	115.00	115.00	-	-
GMR Projects Private Limited (GPPL)	100.00	100.00	10.00	10.00
U E Development India Private Limited (UEDIPL)	-	-	-	14.93
GMR Holdings Malta Limited (GHML)	-	-	127.07	-
Crossridge Investments Limited (CIL)	14.64	59.33	-	-
GMR Varalakshmi Foundation (GVF)	-	-	28.51	12.89

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 14 | TRADE RECEIVABLES

Particulars	Non-current		Current	
	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	173.41	133.65	404.49	503.05
Unsecured, considered doubtful	4.83	2.12	33.77	15.96
	178.24	135.77	438.26	519.01
Provision for doubtful trade receivables	(4.83)	(2.12)	(33.77)	(15.96)
(A)	173.41	133.65	404.49	503.05
Other receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,291.14	1,200.65
Unsecured, considered doubtful	-	-	1.75	0.28
	-	-	1,292.89	1,200.93
Provision for doubtful trade receivables	-	-	(1.75)	(0.28)
(B)	-	-	1,291.14	1,200.65
Total (A+B)	173.41	133.65	1,695.63	1,703.70

NOTE 15 | OTHER ASSETS

Particulars	Non-current		Current	
	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 18)	1,795.76	442.33	-	-
(A)	1,795.76	442.33	-	-
Unamortised expenditure				
Ancillary cost of arranging the borrowings	332.13	466.45	41.52	39.88
(B)	332.13	466.45	41.52	39.88
Others				
Insurance claim recoverable	-	-	3.16	-
Assets held for sale	-	-	715.41	-
Interest accrued on fixed deposits	2.72	-	23.63	21.00
Interest accrued on current investments	-	-	6.27	4.68
Interest accrued on long term investments	-	-	-	-
Development fund receivable [refer note 35(vii)(b)]	864.22	700.49	345.16	820.63
Non trade receivables	843.27	0.52	66.84	67.92
Non trade receivables, considered doubtful	-	-	27.27	20.68
Grant receivable from authorities	-	-	0.04	0.04
Unbilled revenue	7.71	6.55	282.79	270.21
	1,717.92	707.56	1,470.57	1,205.16
Less: Provision for doubtful non trade receivable	-	-	(27.27)	(20.68)
(C)	1,717.92	707.56	1,443.30	1,184.48
Total (A+B+C)	3,845.81	1,616.34	1,484.82	1,224.36

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE	16	CURRENT INVESTMENTS		
Particulars			March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Current portion of long term investments, unquoted				
In Debentures of Body Corporates - Trade				
GMR Holding (Malta) Limited				
[Nil (March 31, 2012 : 19,234,619) compulsory convertible debentures of USD 1 each]			-	99.12
	(i)		-	99.12
Current				
Other than trade, quoted (valued at lower of cost and fair value)				
A. Investment In Equity shares of Companies				
Karur Vysya Bank Limited				
[41,000 (March 31, 2012 : 229,018) equity shares of ₹ 10 each, fully paid up]			1.60	6.99
Aviva Corporation Limited				
[4,000,000 (March 31, 2012 : 4,000,000) common shares without par value]			2.04	3.03
Caracara Silver Inc.				
[2,116,451 (March 31, 2012 : Nil) unlimited common shares without par value]			0.81	-
Southern Andes Energy Inc				
[Nil (March 31, 2012 : 4,704,219) unlimited common shares without par value]			-	3.91
	(ii)		4.45	13.93
Other than trade, unquoted				
A. Investment in Mutual Funds				
ICICI Prudential - Super Institutional Plan - Growth Option				
[565,361 (March 31, 2012 : 1,828,471) units of ₹ 100 each]			9.78	28.95
Birla Sunlife Infrastructure Fund - Plan - Dividend - Payout				
[4,720,000 (March 31, 2012 : 4,720,000) units of ₹ 10 each]			4.60	4.72
Birla Sun Life Cash Plus - Institutional Premium Growth				
[5,393,513 (March 31, 2012 : 1,809,683) units of ₹ 100 each]			101.11	33.31
Birla Sunlife Cash Plus Institutional - Daily Dividend				
[85,208 (March 31, 2012 : 300,255) units of ₹ 100 each]			1.60	3.01
IDFC Cash Fund Super Institutional Plan - C Growth				
[88,362 (March 31, 2012 : 191,750) units of ₹ 1,000 each]			12.58	24.82
IDBI Liquid Fund-Growth				
[20,805 (March 31, 2012 : Nil) units of ₹ 1,000 each]			2.61	-
Baroda Pioneer Liquid Fund Growth Plan				
[31,829 (March 31, 2012 : Nil) units of ₹ 1,000 each]			4.27	-
LIC Nomura - Liquid Fund - Growth Plan				
[134,639 (March 31, 2012 : Nil) units of ₹ 1,000 each]			28.62	-
SBI Premier Liquid Fund				
[8,173 (March 31, 2012 : Nil) units of ₹ 1,000 each]			1.50	-
Axis Liquid Fund Institutional - Growth Scheme				
[Nil (March 31, 2012 : 55,550) units of ₹ 1,000 each]			-	6.60
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth				
[Nil (March 31, 2012 : 18,494,345) units of ₹ 100 each]			-	290.14
HDFC Liquid Fund - Premium Plan - Growth				
[Nil (March 31, 2012 : 2,897,921) units of ₹ 10 each]			-	6.22
UTI Liquid Cash Plan Institutional - Growth Option				
[Nil (March 31, 2012 : 33,742) units of ₹ 1,000 each]			-	5.93
Kotak Liquid Fund Premium Plan Daily Dividend Reinvestment Option				
[Nil (March 31, 2012 : 6,791,746) units of ₹ 10 each]			-	13.60
Reliance Liquidity Fund - Growth Option				
[Nil (March 31, 2012 : 9,963,746) units of ₹ 10 each]			-	16.09

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 16 CURRENT INVESTMENTS (Contd.)		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Reliance Floating Rate Fund, Daily Dividend Plan [Nil units (March 31, 2012 : 287,921) units of ₹ 10 each]	-	0.29
Birla Sun Life Dynamic Bond - Retail Plan Quarterly Dividend [Nil (March 31, 2012 : 113,720) units of ₹ 10 each]	-	0.13
ICICI Prudential Flexible Income Plan Regular Dividend Weekly [Nil units (March 31, 2012 : 126,831) units of ₹ 10 each]	-	0.13
IDFC Super Saver Income Short Term Plan A (Regular) Dividend Monthly [Nil units (March 31, 2012 : 128,423) units of ₹ 10 each]	-	0.13
Union KBC Liquid Fund Growth [Nil (March 31, 2012 : 80,162) units of ₹ 1,000 each]	-	8.60
Tata Liquid Fund SHIP - Appreciation [Nil (March 31, 2012 : 43,146) units of ₹ 1,000 each]	-	8.54
Birla Sun life Savings Fund Retail-Weekly Dividend [Nil (March 31, 2012 : 13,274) units of ₹ 1,000 each]	-	0.13
DSP Black Rock Short Term Dividend [Nil units (March 31, 2012 : 117,876) units of ₹ 10 each]	-	0.13
DSP Black Rock Liquidity Fund - Institutional Plan - Growth [Nil (March 31, 2012 : 106,917) units of ₹ 10 each]	-	0.13
Templeton India Low Duration Fund - Quarterly Dividend [Nil (March 31, 2012 : 125,081) units of ₹ 10 each]	-	0.13
Templeton India Short Term Income Plan- Dividend [Nil units (March 31, 2012 : 1,139) units of ₹ 1,000 each]	-	0.13
HDFC Cash Management Fund- Treasury Advantage Plan Dividend Monthly [Nil (March 31, 2012 : 131,802) units of ₹ 10 each]	-	0.13
HDFC Short Term Plan Dividend [Nil (March 31, 2012 : 125,221) units of ₹ 10 each]	-	0.13
Fidelity Short Term Income Fund Dividend [Nil (March 31, 2012 : 129,085) units of ₹ 10 each]	-	0.13
ICICI Prudential Short Term Plan Dividend [Nil (March 31, 2012 : 109,099) units of ₹ 10 each]	-	0.13
B. Investment in Non-Convertible Debentures		
9% Shriram Transport Company Limited [42,284 (March 31, 2012 : 42,284) units of ₹ 1,000 each]	4.23	4.23
C. Investments in Venture Capital Funds:		
Faering Capital India Evolving Fund [38,450 (March 31, 2012 : 24,000) Units of ₹ 1,000 each]	3.28	2.19
	(iii)	174.18
Other than Trade, Unquoted		
A. Investment In Equity shares of Companies		
Sai Rayalaseema Paper Mills Limited [Nil (March 31, 2012: 323,210) equity shares of ₹ 10 each, fully paid up]	-	0.39
	(iv)	0.39
Total - (v) = (i)+(ii)+(iii)+(iv)	178.63	572.24

Notes:

- Aggregate market value of current quoted investments - ₹ 4.70 crore (March 31, 2012 : ₹ 15.47 crore)
- Aggregate amount of current unquoted investments - ₹ 174.18 crore (March 31, 2012 : ₹ 459.19 crore)
- Aggregate amount of current portion of long term unquoted investments - ₹ Nil (March 31, 2012 : ₹ 99.12 crore)
- Aggregate provision for diminution in the value of current investments - ₹ 4.16 crore (March 31, 2012 : ₹ 11.76 crore)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 17 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Raw materials	86.82	78.50
Work-in-progress	71.16	3.82
Traded goods / finished goods	55.31	125.52
Stores, spares and components	57.14	51.61
	270.43	259.45

NOTE 18 CASH AND BANK BALANCES

Particulars	Non-current		Current	
	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Cash and cash equivalents				
Cheques / drafts on hand	-	-	10.08	18.68
Cash on hand	-	-	10.85	14.43
Balances with banks:				
- On current accounts*	-	-	3,399.83	1,635.94
- Deposits with less than three months maturity	-	-	362.35	1,516.45
	-	-	3,783.11	3,185.50
Other bank balances				
- Deposits with maturity for more than 12 months	384.50	22.31	36.75	23.22
- Deposits with maturity for more than 3 months but less than 12 months	135.89	-	294.57	546.46
- Restricted deposits ** ^	1,275.37	420.02	1,020.41	500.96
	1,795.76	442.33	1,351.73	1,070.64
Amount disclosed under non-current assets (refer note 15)	1,795.76	442.33	-	-
	-	-	5,134.84	4,256.14

* Includes share application money pending refund ₹ 0.05 crore (March 31, 2012: ₹ 0.05 crore)

** As at March 31, 2013, GICL, a subsidiary of the Company, has fixed deposits of ₹ 747.20 crore with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. The management is of the view that in spite of such economic difficulties the amount held as fixed deposit with Eurobank is good for recovery though withdrawal of the amount from the Republic of Cyprus would be subject to restriction as may be imposed by the Central Bank of the country. Accordingly, the amount of deposit has been considered as non current.

^ Restricted deposits includes margin money deposit and deposits with banks that are pledged by the Group with the Government and other authorities and with lenders against long term and short term borrowings availed by the Group.

Refer note 5 and note 8 as regards restriction on balances with banks arising in connections with the borrowings made by the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE	19	SALES / INCOME FROM OPERATIONS		
Particulars			March 31, 2013	March 31, 2012
			₹ in crore	₹ in crore
Sale of products				
Power segment:				
Income from sale of electrical energy			1,374.91	2,042.65
Income from mining activities			779.74	199.25
			2,154.65	2,241.90
Traded goods				
Power segment:				
Income from sale of electrical energy			266.11	133.09
			266.11	133.09
Airport segment:				
Non - Aeronautical				
Fuel trading			980.14	1,370.37
Duty free items			431.12	281.17
			1,411.26	1,651.54
Sale of services / others				
Airport segment:				
Aeronautical			2,748.15	1,014.02
Non - Aeronautical			1,565.85	1,367.03
Cargo operations			277.02	265.24
Income from commercial property development			96.79	83.46
			4,687.81	2,729.75
Roads segment:				
Annuity income from expressways			248.53	248.55
Toll income from expressways			268.84	157.09
			517.37	405.64
EPC segment:				
Construction revenue			655.16	970.89
			655.16	970.89
Others segment:				
Income from hospitality services			94.95	87.31
Income from management and other services			84.56	99.99
			179.51	187.30
Sales / Income from operations			9,871.87	8,320.11
NOTE	20	OTHER OPERATING INCOME		
Particulars			March 31, 2013	March 31, 2012
			₹ in crore	₹ in crore
Interest income on				
Bank deposits			54.03	59.46
Current investments			2.58	16.39
Others			-	0.06
Dividend income on current investments			0.04	0.64
Sale of certified emission reductions			4.37	-
Net gain on sale of current investments			41.97	76.37
			102.99	152.92

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 21 OTHER INCOME		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Interest income on		
Bank deposits	90.27	61.38
Current investments	0.36	4.31
Others	52.96	52.74
Provisions no longer required, written back	23.58	3.34
Net gain on sale of investments		
Long-term investments [refer note 30(c)]	-	37.11
Current investments	42.32	49.11
Exchange differences (net)	0.17	-
Profit on sale of fixed assets (net)	3.82	-
Lease income	2.94	0.89
Income from management fees	30.42	-
Miscellaneous income (net of expenses directly attributable to such income are of ₹ Nil (March 31, 2012 : ₹ Nil))	30.35	34.54
	277.19	243.42

NOTE 22 COST OF MATERIALS CONSUMED		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Inventory at the beginning of the year	78.50	36.26
Add: Purchases	210.22	341.27
	288.72	377.53
Less: Inventory at the end of the year	86.82	78.50
	201.90	299.03

NOTE 23 PURCHASE OF TRADED GOODS		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Purchase of electrical energy	235.35	92.98
Purchase of fuel	751.74	1,111.70
Purchase of duty free items	243.71	123.31
	1,230.80	1,327.99

NOTE 24 (INCREASE) / DECREASE IN STOCK IN TRADE		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Stock as at April 1,	125.52	97.55
Less: Transferred at cost	49.51	-
Less: Stock as at March 31,	55.31	125.52
	20.70	(27.97)

NOTE 25 EMPLOYEE BENEFITS EXPENSES		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Salaries, wages and bonus	543.62	610.21
Contribution to provident and other funds	27.34	22.07
Gratuity expenses	4.42	2.72
Other employment benefits	3.28	3.21
Staff welfare expenses	33.27	49.62
	611.93	687.83

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 26 OTHER EXPENSES		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Consumption of stores and spares	34.44	48.62
Electricity and water charges	184.73	166.65
Prompt payment rebate	14.92	24.24
Open access charges paid	25.54	31.44
Airport service charges / operator fees	60.04	52.08
Cargo handling charges	12.49	12.62
Freight	11.32	16.42
Rent [includes land lease rentals of ₹ 8.23 crore (March 31, 2012: ₹ 6.56 crore)]	124.95	84.11
Rates and taxes	56.58	42.67
Insurance	38.01	36.58
Repairs and maintenance		
Plant and machinery	95.66	129.70
Buildings	29.48	36.38
Others	144.53	70.39
Manpower charges	15.81	18.15
Advertising and sales promotion	132.84	67.40
Travelling and conveyance	41.91	56.20
Communication costs	10.97	11.47
Printing and stationery	7.10	8.54
Legal and professional fees	201.08	178.00
Directors' sitting fees	1.77	8.61
Adjustments to the carrying amount of current investments	2.91	11.76
Provision / write off of doubtful advances and trade receivables	125.22	53.43
Inventories written off	8.09	-
Exchange differences (net)	-	59.18
Donation	14.76	12.02
Fixed assets written off	38.57	1.87
Office maintenance	85.82	80.26
Security expenses	48.81	47.05
Logo fees	14.76	14.63
Miscellaneous expenses	53.90	47.39
	1,637.01	1,427.86

NOTE 27 DEPRECIATION AND AMORTISATION EXPENSES		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Depreciation on tangible assets	832.38	811.09
Amortisation on intangible assets	207.40	124.72
	1,039.78	935.81

NOTE 28 FINANCE COSTS		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Interest	2,005.43	1,555.14
Bank charges	45.94	24.75
Amortisation of ancillary borrowing costs	73.18	43.47
Mark to market loss on derivative instruments	-	0.94
Exchange difference to the extent considered as an adjustment to borrowing costs (net) [refer note 35(i)(c)]	(25.55)	28.83
	2,099.00	1,653.13

NOTE 29 EXCEPTIONAL ITEMS - (GAINS) / LOSSES		
Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
a. Profit on sale of a subsidiary [refer note 30(c)]	(1,231.25)	-
b. Loss on impairment of assets in a subsidiary [refer note 30(b)]	251.37	-
c. Assets write off in a subsidiary [refer note 30(a)]	202.61	-
d. Interest on loans against development fee receipts [refer note 35(vii)(a)(ii)(b)]	-	162.12
	(777.27)	162.12

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 30 | DISCONTINUING OPERATIONS

- a) GMIAL entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury (MoFT), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male airport for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of Male airport within 7 days of the said letter.

Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the Male International Airport and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and does not anticipate counter claims if any. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to ₹ 1,295.80 crore (USD 23.65 crore) including claim recoverable ₹ 919.16 crore (USD 16.77 crore) at their carrying values as at March 31, 2013, net off assets written off of ₹ 202.61 crore. Such assets written off are disclosed as an exceptional item in these consolidated financial statements. The outcome of the arbitration is uncertain as at March 31, 2013. GMIAL's ability to continue its future business operations is solely dependent on the outcome of arbitration and / or a negotiated settlement. However financial statements of GMIAL as at and for the year ended March 31, 2013 have been prepared and accordingly consolidated on a going concern basis in these consolidated financial statements.

Further, GMIAL has executed work construction contracts with GADLIL and other service providers for rehabilitation, expansion, modernization of Male International Airport. Pursuant to aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore during the year ended March 31, 2013 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised in these consolidated financial statements as at March 31, 2013 since the amounts payable are not certain.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Group is confident of proving that the concession agreement was not void ab initio and that the Group would be entitled for compensation under the concession agreement.

The statement disclosed in note 30(e) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and the cash flows of discontinuing operations with regard to GMIAL.

- b. The Group has an investment of ₹ 167.94 crore and has given a loan of ₹ 219.20 crore to HEGL. During the year ended March 31, 2013, the Group has entered into agreements for divestment of the key coal mines held by certain subsidiaries and jointly controlled entities of HEGL, subject to obtaining necessary approvals. Based on the realisable value of these mines, pursuant to the proposed divestment, the Group has made an impairment provision of ₹ 251.37 crore towards the carrying value of the net assets of HEGL (including goodwill on consolidation of ₹ 98.71 crore). The management of the Group is confident that the carrying value of net assets as at March 31, 2013 in HEGL after the aforesaid impairment provision is appropriate. The Group has disclosed such impairment provision as an exceptional item in these consolidated financial statements.

The statement disclosed in note 30(e) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and the cash flows of discontinuing operations with regard to HEGL and its subsidiaries and jointly controlled entities.

- c. During the year ended March 31, 2012, the Group had divested its 30% stake in GESPL to PETRONAS Power Sdn Bhd, a subsidiary of Petronas International Corporation Limited and had recognised a profit of ₹ 37.11 crore arising on such sale of shares, which has been disclosed under other income. During the year ended March 31, 2013, the Group has divested its balance 70% stake in GESPL to FPM Power Holding Limited and has realised a profit of ₹ 1,231.25 crore arising on such sale of shares, which has been disclosed as an 'exceptional item' in these consolidated financial statements. GESPL was developing a 800MW combined cycle gas turbine power plant in Jurong Island, Singapore. Further, the Company has provided a guarantee of SGD 38.00 crore towards warranties as specified in the Share Purchase Agreement (SPA) and other SPA transaction documents for a period till September 30, 2014 and in respect of tax claims, if any, the guarantee period is upto March 31, 2018.

The statement disclosed in note 30(e) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to GESPL.

- d. During the year ended March 31, 2013, the Group has entered into definitive sale agreements for divestment of 74% equity shareholding in GJEPL to Macquarie SBI Infrastructure Investments Pte. Limited and SBI Macquarie Infrastructure Trustee Limited. Subsequent to the year end, the sale transaction has been completed.

GJEPL was a special purpose vehicle formed to widen the existing 2 lane portion from Km 34.14 (Farukhnagar) to Km 80.05 (Jadcherla) on National Highway - 7 in the State of Andhra Pradesh to 4 lanes and improvement, operation and maintenance of Km 22.3 (Thondapalli) to Km 34.14 (Farukhnagar) on National Highway - 7 in the State of Andhra Pradesh.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

The statement disclosed in note 30(e) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to GJEPL.

e. i) Profit / (loss) from discontinuing operations

Particulars	For the year ended March 31, 2013 ₹ in crore	For the year ended March 31, 2012 ₹ in crore
Income		
Revenue from operations:		
Sales/ income from operations	1,144.29	1,449.68
Other income	15.12	15.79
Total	1,159.41	1,465.47
Expenses		
Revenue share paid / payable to concessionaire grantors	85.74	102.08
Purchase of traded goods	453.00	717.16
Decrease / (Increase) in stock in trade	14.65	(22.84)
Sub-contracting expenses	97.88	101.94
Employee benefits expenses	110.24	136.04
Other expenses	244.23	231.73
Depreciation and amortisation expenses	40.50	37.36
Finance costs	57.20	51.02
Total	1,103.44	1,354.49
Profit / (loss) before exceptional items, tax expenses, and minority interest	55.97	110.98
Exceptional items		
Profit on sale of a subsidiary [refer note 30(c)]	1,231.25	-
Loss on impairment of assets in a subsidiary [refer note 30(b)]	251.37	-
Assets write off in a subsidiary [refer note 30(a)]	202.61	-
Profit / (loss) before tax expenses and minority interest	833.24	110.98
Tax expenses		
Current tax	14.62	20.08
Tax adjustments for prior years	1.08	-
Deferred tax expense / (credit)	(0.20)	0.17
Profit / (loss) after tax expenses and before minority interest	817.74	90.73
Minority interest - share of (profit) / loss	39.11	18.13
Profit / (loss) after minority interest	856.85	108.86

ii) The carrying amounts of the total assets and liabilities of discontinuing operations at March 31 are as follows:

Particulars	As at March 31, 2013 ₹ in crore	As at March 31, 2012 ₹ in crore
Total assets	1,661.03	3,969.47
Total liabilities	1,462.56	2,614.92
Net assets	198.47	1,354.55

iii) Net cash flows attributable to the discontinuing operations are as below

Particulars	As at March 31, 2013 ₹ in crore	As at March 31, 2012 ₹ in crore
Cash flow from / (used in) operating activities	(13.68)	(139.27)
Cash flow from / (used in) investing activities	(411.66)	(1,907.92)
Cash flow from / (used in) financing activities	1,117.37	1,954.48
Net cash inflows / (outflows)	692.03	(92.71)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 31 EARNINGS PER SHARE (EPS)

Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Nominal value of equity shares (₹ per share)	1.00	1.00
Weighted average number of equity shares used in computing earnings per share	3,892,432,532	3,892,432,532
Profit / (loss) after tax expenses and before minority interest (₹ in crore)	88.12	(603.34)
EPS - Basic and diluted (₹)	0.23	(1.55)
(Loss) / profit after minority interest from continuing operations (₹ in crore)	(768.73)	(712.20)
EPS - Basic and diluted (₹)	(1.97)	(1.83)
Profit / (loss) after minority interest from discontinuing operations (₹ in crore)	856.85	108.86
EPS - Basic and diluted (₹)	2.20	0.28

Notes:

(a) As at March 31, 2013, ₹ 0.00 crore (₹ 2,250) (March 31, 2012: ₹ 0.00 crore (₹ 2,250)) 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 Group does not have any dilutive securities.

NOTE 32 (a) CAPITAL WORK IN PROGRESS

Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Capital expenditure incurred on tangible assets	18,990.32	12,563.00
Salaries, allowances and benefits to employees	531.59	490.50
Contribution to provident and other funds	27.38	16.49
Staff welfare expenses	26.86	21.60
Rent [includes land lease rentals of ₹ 21.46 crore (March 31, 2012: ₹ 12.06 crore)]	152.29	112.28
Repairs and maintenance		
Buildings	3.86	3.07
Others	71.36	48.17
Rates and taxes	45.14	26.94
Insurance	82.84	56.72
Legal and professional fees	863.35	869.81
Travelling and conveyance	205.06	217.07
Communication costs	14.56	11.44
Depreciation of tangible assets	17.24	20.85
Amortisation of intangible assets	6.07	4.41
Interest costs	2,869.31	2,342.83
Amortisation of ancillary borrowing costs	40.92	32.81
Bank charges	326.09	379.12
Printing and stationery	2.38	2.28
Exchange differences (net)	413.39	149.71
Trial run costs	165.84	-
Miscellaneous expenses	220.47	180.82
(i)	25,076.32	17,549.92
Less: Other income		
Interest income on bank deposits	74.97	30.37
Net gain on sale of current investments	35.86	99.71
Miscellaneous income (net of expenses directly attributable to such income Nil (March 31, 2012: Nil))	17.53	2.70
(ii)	128.36	132.78
Total - (iii) = (i) - (ii)	24,947.96	17,417.14
Less: Apportioned over the cost of tangible assets	2,772.70	1,881.24
Less: Sale of subsidiary during the year [refer note 30(c)]	3,861.31	-
Less: Transferred to claims recoverable	528.67	-
(iv)	7,162.68	1,881.24
Total - (v) = (iii) - (iv)	17,785.28	15,535.90

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 32 (b) INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	March 31, 2013 ₹ in crore	March 31, 2012 ₹ in crore
Capital expenditure incurred on intangible assets	4,231.13	2,875.50
Salaries, allowances and benefits to employees	114.67	70.37
Contribution to provident and other funds	6.78	3.64
Staff welfare expenses	6.54	5.44
Rent	10.79	7.61
Repairs and maintenance		
Others	12.25	6.22
Rates and taxes	3.00	2.17
Insurance	9.10	6.59
Legal and professional fees	140.42	98.68
Travelling and conveyance	27.35	16.46
Communication costs	2.52	1.66
Depreciation of tangible assets	0.14	1.63
Amortisation of intangible assets	0.45	0.35
Interest costs	360.96	142.33
Amortisation of ancillary borrowing costs	6.59	3.51
Bank charges	21.80	14.27
Printing and stationery	0.37	0.09
Miscellaneous expenses	60.12	58.63
	(i)	
	5,014.98	3,315.16
Less: Other income		
Interest income on bank deposits	2.91	0.19
Exchange differences (net)	1.21	-
Net gain on sale of current investments	3.55	4.12
Miscellaneous income (net of expenses directly attributable to such income Nil (March 31, 2012: Nil))	0.04	0.03
	(ii)	
	7.71	4.34
Total - (iii) = (i) - (ii)	5,007.27	3,310.82
Less: Government grant received (refer note 32(b)(i) and 32(b)(ii) below)	453.39	189.44
Less: Apportioned over the cost of intangible assets	3,132.06	-
Less: Transferred to statement of Profit and Loss	13.41	-
Less: Transferred to assets held for sale	15.37	-
	(iv)	
	3,614.23	189.44
Total - (v) = (iii) - (iv)	1,393.04	3,121.38

Note 32(b)(i) - GOSEHHHPL is entitled to a grant of ₹ 340.19 crore as cash support by way of an outright grant for meeting the project cost from NHAI subject to the satisfaction of the conditions as per Article 25 of the Concession Agreement. The grant is to be deposited in escrow account and is to be utilised towards the project cost. As at March 31, 2013, GOSEHHHPL has received a grant of ₹ 241.80 (March 31, 2012: ₹ 82.74 crore) against the aforesaid sanction and the same has been deducted from the cost of intangible assets under development.

Note 32(b)(ii) - GCORRPL is entitled to a grant of ₹ 300.00 crore as project support fund by way of a grant, which is to be disbursed on a 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 the GoTN. As at March 31, 2013, GCORRPL has received a grant of ₹ 211.59 crore (March 31, 2012: ₹ 106.70 crore) against the aforesaid sanction and the same has been deducted from the cost of intangible assets under development.

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NOTE 33 a CONTINGENT LIABILITIES

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Corporate guarantees	2,201.82	251.93
Bank guarantees outstanding	1,085.09	855.38
Claims against the Group not acknowledged as debts	530.46	301.08
Matters relating to income tax under dispute	77.94	86.73
Matters relating to indirect taxes duty under dispute	730.41	99.81
Arrears of cumulative dividends on preference share capital issued by subsidiary	16.05	1.62

b. Others in addition to 33(a) above:

- i. During the year ended March 31, 2010, GVPGL was granted a refund of customs duty of ₹ 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 ₹ 11.19 crore, charged from the date of capitalisation till the date of grant of such refund, was credited to the statement of profit and loss during the year ended March 31, 2010. GVPGL received a refund of ₹ 59.11 crore.
 - a. During the year ended March 31, 2011, GVPGL had received an intimation from the Office of the Joint Director General of Foreign Trade ('JDGFT') for cancellation of duty drawback refund Order received in 2009-10 to the extent of ₹ 9.99 crore, in view of which, GVPGL had restored the capitalisation of customs duty and adjusted the cost of the asset and the related depreciation expense of ₹ 2.39 crore, chargeable from the date of capitalisation till the date of cancellation of such refund, was adjusted with the depreciation for the year ended March 31, 2011.
 - b. During the year ended March 31, 2012, GVPGL had received a further intimation from DGFT for cancellation of duty drawback refund Order of ₹ 59.11 crore received in 2009-10, thereby seeking refund of the amount GVPGL received earlier. Based on an expert's opinion, the management of the Group is confident that the duty drawback refund granted earlier was appropriate and that the cancellation of the duty drawback refund is not tenable as the intimation cannot be applied retrospectively. Accordingly, no adjustment has been made with regard to ₹ 59.11 crore already received by GVPGL in the consolidated financial statements of the Group.
 - c. GVPGL has filed a writ petition with the Hon'ble High Court of Delhi in November 2011 as regards the aforesaid matter, which is pending settlement as at March 31, 2013.
- ii. During the year ended March 31, 2011, GPCL had received a refund of customs duty of ₹ 29.57 crore which was paid earlier towards the import of the plant and machinery, which was passed on to Tamil Nadu Electricity Board (TNEB) as a pass through as per the terms of the PPA. During the year ended March 31, 2012, GPCL had received an intimation for cancellation of the duty draw back refund received earlier. The Group does not foresee any liability in respect of the same demand as the liability, if any, is to be recovered from TNEB, the ultimate beneficiary of the refund received earlier. However pending settlement of the matter, the same has been considered as a contingent liability in these consolidated financial statements of the Group.
- iii. During the year ended March 31, 2012, GVPGL had received a demand of ₹ 48.21 crore for the period September 2006 to November 2011 from the Chief Electrical Inspectorate, GoAP, whereby GoAP had imposed electricity duty on generation and sale of electrical energy calculated at the rate of six paise for each electricity unit generated by GVPGL since commencement of commercial operations. Based on an internal assessment and an expert opinion, the management of the Group is confident that the provisions of Electricity Duty Act and Rules, 1939 ('Electricity Rules') in respect of payment of electricity duty are not applicable to GVPGL. Accordingly electricity duty liability of ₹ 57.27 crore for the period September 2006 to March 2013 (March 31, 2012 : ₹ 52.02 crore) has been considered as a contingent liability in these consolidated financial statements of the Group.
- iv. During the year ended March 31, 2012, GEL received an intimation from the Chief Electrical Inspectorate, GoAP, whereby GoAP had demanded electricity duty on generation and sale of electrical energy amounting to ₹ 11.06 crore calculated at the rate of six paise for each electricity unit generated by GEL for the period from June 2010 to December 2011. GEL had filed a writ petition with the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad against the intimation by GoAP and it was granted a stay order on deposit of 1/3rd of the duty demanded within a stipulated time. GEL had not made the requisite deposit and accordingly the interim stay was automatically vacated.
However, based on an internal assessment and a legal opinion obtained by GEL, the management is confident that the provisions of Electricity Rules in respect of payment of electricity duty are not applicable to GEL and accordingly electricity duty liability of ₹ 14.61 crore for the period from June 2010 to March 31, 2013 (March 31, 2012: ₹ 12.36 crore) has been considered as a contingent liability and accordingly no adjustments have been made to these consolidated financial statements of the Group.
- v. As at March 31, 2013, Municipal Corporation of Delhi ('MCD') has demanded property tax of ₹ 105.18 crore (March 31, 2012: ₹ 59.24 crore) on the land and properties at Delhi Airport. DIAL had filed a writ petition in the Delhi High Court challenging the applicability of the DMC (Amendment) Act, 1957 on the land and properties at the Delhi Airport and has deposited an amount of ₹ 13.68 crore under protest. Based on the legal opinion obtained, the management of the Group is confident of success in the writ petition and hence amount of ₹ 105.18 crore has been considered as a contingent liability in these consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

- vi. GEL had entered into a PPA with Karnataka Power Transmission Corporation Limited for supply of energy during the period December 15, 1997 to July 7, 2008. GEL had a Fuel Supply Agreement ('FSA') with a fuel supplier toward purchase of Naphtha for generation of electricity during the aforementioned period. The FSA provided for payment of liquidated damages to the fuel supplier in the event that there was a shortfall in the purchase of the annual guaranteed quantity.

During the year ended March 31, 2013, GEL has received a notice for good faith negotiation under erstwhile FSA entered into between GEL and the fuel supplier with respect to dispute regarding liquidated damages amounting to ₹ 296.16 crore along with an interest of ₹ 5.55 crore toward failure of purchase of the annual guaranteed quantity for the period from November 21, 2001 to June 6, 2008. GEL vide its letter dated October 31, 2012 has disputed the demand from the supplier towards the aforementioned damages.

Further, GEL received a notice of arbitration from the fuel supplier's legal representative requesting the appointment of arbitrator for the dispute resolution which has been disputed by GEL in their reply dated February 15, 2013. Based on its internal assessment and a legal opinion, the management of the Group is confident that the claim of the fuel supplier towards such liquidated damages is not tenable and accordingly no adjustments have been made to these consolidated financial statements of the Group.

- vii. In case of DIAL, with effect from June 1, 2007, the Airports Authority of India ('AAI') has claimed service tax on the annual fee payable to them considering the 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 of the Group.
- viii. HMA CPL has accrued customs officers' salaries stationed at air cargo terminal based on debit notes raised by the customs department on GHIAL as the ultimate cost has to be borne by the custodian i.e. HMA CPL. GHIAL had filed a writ petition under Article 226 of the Constitution of India in the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised. During the year ended March 31, 2013, GHIAL had received an order from the Hon'ble High court of Andhra Pradesh (Single Judge), stating that the grounds on which the levy was made by customs department were wholly unsustainable and accordingly, HMA CPL had reversed the accrued customs duty amounting to ₹ 14.02 crore (March 31, 2012: ₹ Nil) for the period from March 23, 2008 to March 31, 2012 as provision no longer required and included the same in other income for the year ended March 31, 2013.

Subsequent to the above order, the customs department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Hon'ble High Court of Andhra Pradesh passed an order for interim suspension of the said order passed by the Hon'ble Single Judge. Management, based on internal assessment/legal opinion, is confident that there is no financial impact of this interim suspension order and accordingly, no further adjustment has been made in these consolidated financial statements of the Group.

- ix. SGH dismissed 552 employees in January 2012 out of which 348 employees have filed a joint lawsuit against SGH for wrongful dismissal in February 2012. The courts have ruled against SGH and asked for payment of 16 months' salary as compensation to the employees. SGH appealed against the rulings and in January 2013, the Supreme Court of Turkey has ratified the decision of the lower courts and decided against SGH and ordered to pay Euro 0.12 crore (Group's share of Euro 0.03 crore) (March 31, 2012: EUR Nil) due in February 2013 in respect to the 90 employees who are part of 348 joint lawsuits. SGH had already made provision amounting to Euro 0.43 crore (Group's share of Euro 0.12 crore) for the joint lawsuits of 348 employees, including all legal expenses for the year ended March 31, 2013.

In October 2012, 130 additional employees were dismissed; out of which 101 employees have filed cases for wrongful dismissal against SGH as of December 31, 2012. In respect to the lawsuits of 101 employees; SGH has made provision of Euro 0.21 crore (Groups' share of Euro 0.06 crore) (March 31, 2012: Euro Nil) as at March 31, 2013. Based on an internal assessment, the management of the Group is of the view that no further financial implications will arise on account of the aforesaid lawsuits and accordingly, no further adjustments have been made in these consolidated financial statements.

- x. In respect of ongoing land acquisition process of KSPL, there are claims of different types pending before various judicial forums. These claims are subject to judicial verdicts as at March 31, 2013. The Group based on its internal assessment is of the view that there would not be any claims against the Group and accordingly, no adjustments have been made to these consolidated financial statements of the Group for the year ended March 31, 2013.
- xi. The Deputy Commissioner of Commercial Taxes, Bhuvaneshwar have demanded ₹ 150.23 crore (including penalty of ₹ 100.16 crore) for non payment of entry tax on imported plant and machinery worth ₹ 2,464.05 crore during the financial year 2010-11 to financial year 2012-13 from outside India as per Orissa Entry Tax Act, 1999. GKEL has deposited ₹ 13.42 crore under protest and has filed an appeal before Appellate authorities and Special Leave Petition ('SLP') before Hon'ble Supreme Court of India. However based on an internal assessment, the management of the Group is of the view that no further financial implications will arise on account of aforesaid matter and accordingly, no further adjustment have been made in these consolidated financial statements.
- xii. Refer note 35(vi)(c) for details of contingent liabilities on issue of non-cumulative compulsorily convertible non-participatory preference shares (CCPS) by GAL to Investor I and Investors II.
- xiii. Refer note 35(vi)(b) for details of contingent liabilities on issue of fully paid up compulsorily convertible cumulative preference shares ('CCCPs') by GEL at an agreed upon IRR.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 34 a | CAPITAL COMMITMENTS

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	10,871.59	19,577.68

(b) Other commitments

- 1) Entities in roads sectors have entered into various concession agreements with Concessionaires for periods ranging from 17.50 years to 26 years from achievement of date of commencement of commercial operations ('COD') / Appointed Date as defined in the respective concession agreements, whereby these entities have committed to comply with certain key terms and conditions pertaining to construction of roads / highways in accordance with the timelines and milestones as defined in the respective concession agreements, COD as per the respective concession agreements, construction, management, operation and maintenance of roads / highways in accordance with the respective concession agreements, performance of the obligations under the respective financing agreements, non transfer or change in ownership without the prior approval of the concessionaire and transfer of the roads / highways projects on termination of relevant agreements or in case of defaults as defined in the respective concession agreements.
- 2) Entities in airports sector have entered into various agreements with Concessionaires for periods ranging from 21 years and 300 days to 30 years extendable by another 30 years in certain cases on satisfaction of certain terms and conditions of respective concession agreements from dates as defined in the respective agreements for development, rehabilitation, expansion, modernisation, operation and maintenance of various airports in and outside India. Pursuant to these agreements, these entities have committed to comply with various terms of the respective agreements which pertains to payment of fees, development / expansion of Airports in accordance with the timelines and milestones as defined in the respective agreements, achievement of COD as per the respective agreements, development, management, operation and maintenance of airports in accordance with the respective agreements, performance of various obligations under the respective financing agreements, non transfer or change in ownership without the prior approval of respective airport concessionaires, compliance with the applicable laws and permits as defined in the respective agreements, transfer of airports on termination of agreements or in case of defaults as defined in the respective agreements.
- 3) Entities in power sector have entered into PPAs with customers, pursuant to which these entities have committed to sell power of contracted capacity as defined in the respective PPAs, make available minimum Plant Load Factor ('PLF') over the period of tariff year as defined in the respective PPAs. The PPAs contain provision for disincentives and penalties in case of certain defaults.
- 4) Certain entities in power sector have entered into fuel supply agreements with suppliers whereby these entities have committed to purchase and suppliers have committed to sell contracted quantity of fuel for defined period as defined in the respective fuel supply agreements, including the fuel obtained through the suppliers outside India.
- 5) One of the overseas entities in power sector and the Government of Indonesia (Government) have entered into Coal Sale agreement for a defined period pursuant to which the entity is required to pay to the Government, amount equivalent to a specified percentage of proceeds from sale of the coal by the entity. Further, based on a regulation of the Government, all Companies holding mining rights have an obligation to pay an exploitation fee equivalent to certain percentage, ranging from 3% - 5% of sales, net of selling expenses.
- 6) One of the overseas entities in power sector (as the buyer) and its joint venture entity (as the seller) in power sector have entered into a Coal Sales Agreement for Sale and Purchase of Coal, whereby the buyer entity and seller entity have committed to, respectively, take delivery and to deliver, minimum specified percentage of the Annual Tonnage as specified in the Agreement for each Delivery Year, based on the agreed pricing mechanism. The buyer entity is also committed to use the coal for the Agreed Use, provided that it shall not sell any Coal to any person domiciled or incorporated in the country in which the seller entity operates.
- 7) Certain entities in power sector has entered into Long Term Assured Part Supply and Maintenance Agreements with sub-contractors whereby these entities have committed to pay fixed charges in addition to variable charges based on operating performance as defined in the agreements. The entities have also committed to pay incentives on attainment of certain parameters by the sub-contractors.
- 8) One of the entities in airports sector is committed to pay every year a specified percent of previous year's gross revenue as operator fee to the airport operator for the period specified in the Airport operator agreement.
- 9) One of the entities in airport sector has entered into a tripartite Master Service Agreement ('MSA') with the service provider and the holding company of the service provider, whereby this entity is committed to pay annually to the service provider if the receivable of the service provider falls short of subsistence level (as defined in the said MSA).
Also in case of delay in payment of dues from customers to the service provider, this entity would fund the deficit on a temporary basis till the time the service provider collects the dues from aforementioned customers. As at March 31, 2013, this entity has funded ₹ 12.30 crore (March 31, 2012: ₹ 17.31 crore) towards shortfall in collection from the customers.
- 10) The Group has entered into agreements with the lenders of certain subsidiary entities wherein it has committed to hold at all times at least 51% of the equity share capital of these subsidiary entities and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

- 11) The Group has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of its project stage subsidiaries, to the extent as defined in the agreements executed with the respective lenders.
- 12) Refer note 38(b) for commitments relating to lease arrangements.
- 13) Refer note 35(ii) as regards negative grant payable to concessionaries of road entities.
- 14) Refer note 35(vi), for commitments arising out of convertible preference shares.
- 15) Shares of the certain subsidiaries/ joint ventures have been pledged as security towards loan facilities sanctioned to the Group.

NOTE 35 OTHERS

i) Foreign currency transactions

The MCA, Gol vide its Notification No GSR 225 (E) dated March 31, 2009 announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to AS 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 recognising 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 loss amounting to ₹ 268.25 crore (net off exchange difference of ₹ 25.55 crore accounted as detailed under note 35(i)(c)) (March 31, 2012: exchange loss of ₹ 312.11 crore) has been adjusted to the cost of depreciable assets in these consolidated financial statements of the Group.
- b. An exchange gain of ₹ 0.01 crore, (March 31, 2012: exchange loss of ₹ 4.88 crore), net of amortisation, on long term monetary assets has been accumulated in the 'Foreign currency monetary item translation difference account' and is being amortised in the statement of profit and loss over the balance period of such long term monetary assets but not beyond March 31, 2020. The unamortised balance as at March 31, 2013 amounts to a debit balance of ₹ 2.51 crore (March 31, 2012: ₹ 2.50 crore).
- c. In view of the clarification issued by MCA through General Circular No. 25/2012 dated August 09, 2012 with regard to paragraph 46A of Notification No. GSR . 914(E) dated December 29, 2011 on AS -11, the Group has capitalized the exchange difference of ₹ 25.55 crore which was charged off to the statement of profit and loss during the year ended March 31, 2012 and the finance costs for the year ended March 31, 2013 are shown net off such adjustments.

(ii) Negative grant

In accordance with the terms of the concession agreements entered into with NHAH 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 ₹ 507.96 crore by way of Negative Grant to NHAH and pursuant to which an amount of ₹ 321.30 crore has been paid as at March 31, 2013 (March 31, 2012: ₹ 297.58 crore) and the balance amount of ₹ 186.66 crore (March 31, 2012: ₹ 210.38 crore) has been disclosed as 'negative grant' under note 5 - 'Long term borrowings' in these consolidated financial statements of the Group (refer note 5).

(₹ in crore)

Name of the subsidiary	Date of Concession Agreement	Total negative grant	Repayment details	Payable as at March 31, 2013	Payable as at March 31, 2012
GACEPL	November 16, 2005	174.75	Unequal yearly installments over next 5 years	66.41	83.88
GJEPL	February 20, 2006	82.70	Not Applicable	-	-
GUEPL	April 19, 2006	250.51	Unequal yearly installments over next 6 years	120.25	126.50
Total		507.96		186.66	210.38

(iii) Utilisation fees

Pursuant to the implementation agreement between Undersecretariat for Defense Industries (Administration) and consortium consisting of Limak Insaat Sanayi Ve Ticaret A.S., the Company and MAHB, utilisation fee of Euro 193.20 crore 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 totaling approximately Euro 24.40 crore, which is accounted as below:

- (i) Utilisation fees is charged as per units of usage method, based on revenue projections with a corresponding credit to utilisation fees liability.
- (ii) Prepaid utilisation fees as at March 31, 2013 amounts to ₹ 225.79 crore (March 31, 2012: ₹ 139.62 crore), which has been included in current prepaid expenses in note 13.

(iv) Trade receivables

- a. 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 ('the Electricity Act') and directed GEL to supply power to the State Grid during the period January 01, 2009 to May 31, 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 a 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

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 ₹ 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 05, 2009 has been made, on a prudent basis, as per the rate specified in the Order.

The Hon'ble High Court of Karnataka, in its order dated March 26, 2010, has dismissed the petition of GEL challenging the Order by invoking section 11(1) of the Electricity Act with a direction that if the Order has any adverse financial impact on the Group, then a remedy is provided to GEL to approach the appropriate commission under the Electricity Act empowered to offset the adverse financial impact in such manner as it considers appropriate. GEL had filed a Special Leave Petition ('SLP') 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 ESCOMs to pay minimum rate prescribed by KERC. Additionally, GEL filed a petition before KERC to decide on the adverse financial impact suffered by GEL because of invoking of powers u/s 11(1), in reply to which the Government of Karnataka undertakings ('respondents') have filed their reply on April 26, 2012 contesting GEL's claim of ₹ 166.75 crore and have made a counter claim of ₹ 223.53 crore against GEL on account of adverse impact suffered by the respondents. In response to counter claim made by the respondent, GEL has filed an updated petition with KERC on September 6, 2012.

In reply to petition filed by GEL, KERC, vide their order dated November 30, 2012 through majority judgment directed for a tariff of ₹ 6.90/ Kwh for the entire period for which the order was in force to offset the adverse financial impact suffered by GEL. GEL has filed an appeal before the APTEL, New Delhi challenging the KERC's order to the limited extent that KERC has failed to fully offset the adverse financial impact suffered by GEL. Further, during the year, GEL has withdrawn its SLP filed before the Hon'ble Supreme Court of India.

In view of the order received from KERC, appeal filed with APTEL and legal opinion obtained, the management of the Group is confident that there will not be any adverse financial impact to GEL with regard to these transactions and no adjustment has been made in these consolidated financial statements pending final resolution of the matter.

- b. GEL had entered into a LOI with GETL, for sale of electricity on merchant basis at a monthly pre-determined rate for the period from June 01, 2012 to May 30, 2013. GETL, in turn sells the power purchased from GEL to Andhra Pradesh Central Power Distribution Company Limited (APCPDCL). On February 7, 2013, GETL received a letter from APCPDCL wherein APCPDCL has informed that APDISCOMs have already filed an application with Andhra Pradesh Electricity Regulatory Commission ('APERC') to determine tariff payable regarding power supplied by GETL for the aforesaid contract period and the same is pending decision by the APERC. Further, APCPDCL claimed that KG D-6 gas was allocated to GEL by Ministry of Petroleum and Natural Gas ('MoPNG'), Government of India ('GOI') at the rate approved by Empowered Group of Ministers, GOI. As per the directives, GEL is required to supply entire power to APDISCOMs at a regulated tariff of APERC. In light of the above, APCPDCL has proposed to recover the differential amount of unit rate paid from June 01, 2012, under the above LOI from the bench mark unit rate paid to the new power projects under long-term power purchase agreements subject to necessary adjustments, after tariff determination by APERC.

GEL and GETL have filed a writ petition in the Hon'ble High Court of Andhra Pradesh disputing the aforementioned claim. The matter is pending final settlement, however based on an internal assessment, the management of the group is confident that there will not be any adverse financial impact on the Group with regard to aforesaid matter and as such no adjustment has been made in these consolidated financial statements of the Group.

- c. As at March 31, 2013, the power segment companies have receivables (including unbilled revenue) from TNEB and TANGENDCO Limited ('TANGENDCO') aggregating to ₹ 722.56 crore (March 31, 2012: ₹ 850.76 crore). Based on an internal assessment and various discussions that the Group had with TNEB and TANGENDCO, the management of the Group is confident of recovery of such receivables and accordingly, no adjustment has been made in these consolidated financial statements of the Group.
- d. As at March 31, 2013, GVPGL has total receivables of ₹ 10.98 crore (March 31, 2012: ₹ 10.98 crore) towards MAT reimbursement claim recognised by GVPGL. MAT reimbursement claim has not been acknowledged by the customer of GVPGL. During the year ended March 31, 2013, Andhra Pradesh Electricity Regulatory Commission (APERC) has issued an order whereby APERC has directed the customer to pay the MAT reimbursement claim along with interest after validation of payment of MAT by GVPGL. GVPGL has submitted the copies of bank challans and based on its internal assessment is confident of recovery of such receivables and accordingly, no provision towards such receivables has been made in these consolidated financial statements of the Group.
- e. Considering the delays in realization of dues from Air India and its subsidiaries (collectively referred to as 'Air India') and the uncertainty over the timing of the ultimate collection involved, DIAL and GHIAL, as a measure of prudence, had decided to recognize the revenue from Air India w.e.f. October 1, 2011 only when such uncertainty of realization is removed as required by para 9.2 of AS - 9, 'Revenue Recognition'.

DIAL and GHIAL followed this practice till December 31, 2012 due to continued uncertainty. However, in view of substantial recoveries during the period January 1, 2013 to March 31, 2013 and other developments subsequent to the year end, the management of the Group believes that the reasonable certainty of realization has been established during the quarter ended March 31, 2013 and has accordingly recognized revenue from Air India amounting to ₹ 239.08 crore in these consolidated financial statements of the Group.

- f. As at March 31, 2013, GHIAL and DIAL have receivables from Kingfisher Airlines Limited ('KAL') aggregating to ₹ 16.73 crore (March 31, 2012: ₹ 24.09 crore). The management of the Group is of the view that the receivables are fully recoverable and DIAL and GHIAL have taken necessary steps to recover these amounts. As such, no adjustments have been made in these consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

(v) Passenger Service Fee (PSF)

- a. In case of DIAL and GHAL, the PSF charged from the departing passengers has two components, viz., Facilitation Component (FC) and Security Component (SC). Ministry of Civil Aviation ('MoCA') had issued a Standard Operating Procedure ('SOP') for accounting / auditing of PSF (SC) according to which, amounts collected towards PSF (SC) are held by the airport infrastructure companies in fiduciary capacity on behalf of the GoI and are deposited in an escrow account utilised for meeting the security related expenses of the airports. It is also stipulated in the escrow account agreement that MoCA will have supervening powers to direct the escrow bank on the issues regarding operations as well as withdrawal from the escrow account. The PSF (SC) accounts are required to be maintained separately in accordance with the procedures laid down in the SOP and are subject to audit by the Comptroller & Auditor General of India (C&AG).

Following are the details of PSF (SC) account balances, which have been audited by one of the joint auditors of DIAL and GHAL for the year ended March 31, 2012.

(₹ in crore)

Description	Year ended March 31, 2013 (Unaudited)		Year ended March 31, 2012 (Audited)	
PSF (SC) (net of collection charges)	273.92		297.23	
Interest and other income	1.10	275.02	7.29	304.52
Less: Expenses		348.86		314.15
Net Income (expenses)		(73.84)		(9.63)
Add: Surplus brought forward		189.01		198.64
Secured loan from Corporation bank		176.55		197.95
Total		291.72		386.96
Fixed assets (net) (including capital work in progress)		331.63		339.31
Receivables including trade receivables		41.65		91.51
Other assets*		116.27		116.71
Cash and bank balance in escrow account (including term deposits)		9.16		10.34
		498.71		557.87
Less: Other liabilities		206.99		170.91
Total		291.72		386.96

*Includes an amount of ₹ 33.31 crore and ₹ 33.23 crore (March 31, 2012: ₹ 33.31 crore and ₹ 33.23 crore) paid under protest for Assessment year 2007-08 and 2008-09 respectively, related to taxability of PSF (SC).

- b. MoCA issued a Circular No.AV 13028/001/2009-AS dated January 8, 2010, giving fresh guidelines regarding the expenditure which could be met out of the PSF(SC) and was subsequently clarified by MoCA vide order dated April 16, 2010. Based on the said circular, DIAL is not debiting aforesaid security expenditure to PSF (SC) escrow account. Further, vide circular No.AV 13024/43/2003-SS (AD) dated May 17, 2012, it was further directed that any such expenditure already debited was required to be credited back to PSF (SC) account. However, security expenditure amounting to ₹ 24.48 crore was already incurred prior to April 16, 2010 and debited to PSF (SC) account.

DIAL has filed a writ petition with the Hon'ble Delhi High Court challenging the applicability of the said circulars/letter issued by MoCA. The Hon'ble Delhi High Court vide its order dated December 21, 2012 has restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against DIAL and now the matter is posted on October 24, 2013. In a similar case the aforesaid MoCA circulars/ letters were challenged before the Hon'ble Andhra Pradesh High court and the court has passed an interim order dated July 13, 2012, holding that the MoCA circular dated April 16, 2010 was prospective in nature and therefore reversal of payment of any amount prior to the issuance of the circular did not arise. Based on an internal assessment and the aforesaid order of the Hon'ble Delhi High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

(vi) Preference shares issued by subsidiaries

- a. During the year ended March 31, 2010, GEL issued 0.0001% 200,000,000 non-cumulative redeemable preference shares of ₹ 10 each fully paid up amounting to ₹ 200.00 crore along with a securities premium of ₹ 100.00 crore to ICICI. 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 14.00% p.a for tranches subscribed prior to December 31, 2010 and for tranches subscribed on or after January 1, 2011 onwards, the applicable yield shall be 14.00% 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, 24th month and 36th month during the year ended March 31, 2011, March 31, 2012 and March 31, 2013 respectively.
- b. During the year ended March 31, 2011, GEL had issued following fully paid up CCCPS:

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Investor Company	No. of preference shares	Amount (₹ in crore)
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
Total		1,395.00

CCPCS are convertible upon the occurrence of 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 share subscription and shareholders agreement between the parties, investors have the right to require GIL to purchase the preference shares or if converted, the equity shares of GEL at an agreed upon IRR or exercise other rights as per the terms of the share subscription and shareholders agreement. The holders would be entitled to dividend, if dividend is paid to other class of preference shareholders. The preference shareholders have a right to attend General Meetings of GEL and vote on resolutions directly affecting their interest. In the event of winding up of GEL, GEL would repay the preference share capital in priority to the equity shares of GEL but it does not confer any further right to participate either in profits or assets of GEL.

- c. During the year ended March 31, 2011, GAL has issued 2,298,940 non-cumulative compulsory convertible non-participatory preference shares (CCPS1) bearing 0.0001% dividend on the face value of ₹ 1,000 each fully paid up amounting to ₹ 229.89 crore at a premium of ₹ 2,885.27 each totaling to ₹ 663.31 crore to Macquaire SBI Infrastructure Investments 1 Limited, ('Investor I') for funding and consolidation of airport related investments by the Group. Further, during the year ended March 31, 2012 GAL issued 1,432,528 non-cumulative compulsory convertible non-participatory preference shares (CCPS 2) bearing 0.0001% dividend on the face value of ₹ 1,000 each fully paid up amounting to ₹ 143.25 crore at a premium of ₹ 3,080.90 each totaling to ₹ 441.35 crore to Standard Chartered Private Equity (Mauritius) III Limited, JM Financial - Old Lane India Corporate Opportunities Fund I Limited, JM Financial Trustee Company Private Limited, JM Financial Products Limited and Build India Capital Advisors LLP ('Investors II'). GIL and GAL have provided Investor I and Investors II various conversion and exit options at an agreed IRR as per the terms of the Restructuring Options Agreements and Investment agreements executed between GIL, GAL, Investor I and Investors II.

(vii) Development Fund (DF) Order

- a. AERA DF Order No. 28/2011-12, 30/ 2012-13 and AERA tariff order No. 03/2012-13 on determination of Aeronautical Tariff; issued on November 14, 2011, April 24, 2012 and December 28, 2012 respectively

(i) DIAL has accrued DF amounting to ₹ 350.00 crore during the year ended March 31, 2013 (March 31, 2012: ₹ 1,238.35 crore) earmarked for construction of Air Traffic Control 'ATC' tower, currently under progress as at March 31, 2013. DF amounting to ₹ 164.40 crore has been adjusted against the expenditure on construction of ATC tower incurred till March 31, 2013 and balance DF amounting to ₹ 185.60 crore, pending utilization, has been disclosed under other current liabilities.

(ii) While calculating such additional DF amount:

- a) In accordance with the earlier Standard Operating Procedure 'SOP' approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, DIAL was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no. 28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; DIAL has reduced DF collection charges aggregating to ₹ 2.84 crore (As on March 2012 : ₹ 10.47 crore) from the DF grant, which was earlier adjusted against the DF receivable.
- b) The DF amount collected from airlines so far as considered by AERA for determination of additional DF has not been computed based on the principle of NPV as allowed earlier by MoCA in its order dated February 9, 2009. In its DF Order, issued on November 14, 2011, AERA had stated that the treatment of interest paid on debts raised by DIAL on securitization of DF and the liability would be considered at the stage of tariff determination. Further, based on submissions made by DIAL and other stakeholders, AERA in its order No. 03/2012-13 issued on April 24, 2012 considered the aforesaid interest amount aggregating to ₹ 350.50 crore for the period from March 1, 2009 till November 30, 2011 as an operating cost for the purpose of tariff determination and not to be adjusted against the DF receipts.

In view of the aforesaid order and the fact that DIAL has used DF loans obtained against DF receivable for the construction of the airport, DIAL has capitalized a portion of interest aggregating to ₹ Nil (March 31, 2012: ₹ 188.38 crore) till the date of commencement of operations of the domestic and international terminals at the airport and interest aggregating to ₹ Nil (March 31, 2012: ₹ 162.12 crore) subsequent to such commencement of operations is charged to the statement of profit and loss which is disclosed as an exceptional item during the year ended March 31, 2012.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

- c) AERA has passed an order vide Order No 30/2012-13 dated December 28, 2012 in respect of levy of development fee at Delhi airport. As per the said order, the rate of Airport Development Fee 'ADF' has been reduced from ₹ 200 to ₹ 100 and from ₹ 1,300 to ₹ 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016.
- b. The Central Government has framed Airport Authority of India (Major Airports) Development Fee Rules, 2011 (collectively referred as 'DF Rules') vide its notification dated August 2, 2011. The said rules prescribe the guidelines for operation and administration of DF being collected at major airports in India. As per DF Rules and Section 22A of the AAI Act, AAI may levy on / collect from the embarking passengers at an airport, the DF at the rates as may be prescribed by the relevant authority i.e. AERA. Further such DF amount shall be credited to AAI escrow account and will be regulated and utilised in accordance with DF SOP dated November 30, 2011 issued by the AAI. In view of AAI's rights under the DF rules, DIAL has been appointed by the AAI to collect DF on behalf of AAI at Delhi Airport and deposit the same to the designated AAI DF escrow account. In view of the provisions of the DF Rules and DF SOP, the management of the Group believes that DIAL's responsibility is restricted only to the billing on behalf of AAI. Accordingly, billing to Airlines is not recorded in these consolidated financial statements of the Group. The Group accounts the DF on receipt of the same from AAI escrow account based on the Group's application for release of the DF amounts for repayment of DF loan and interest in accordance with the drawdown schedule.

The Statement showing amounts billed to the Airlines, payable to AAI and balance in the escrow bank account in the name of AAI to the extent not reflected in the Group's accounts as at March 31, 2013 are as follows:

(₹ in crore)

Particulars	DF as per MoCA Order dated February 9, 2009		DF as per AERA Order No. 28/2011-12		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Assets :						
Receivable from airlines towards DF	30.20	97.06	102.36	108.33	132.56	205.39
Bank balances (AAI escrow)	-	-	12.01	15.27	12.01	15.27
Service tax	-	-	0.08	-	0.08	-
Total	30.20	97.06	114.45	123.60	144.65	220.66
Liabilities						
Payable to AAI towards DF	30.20	97.06	114.45	123.60	144.65	220.66
Total	30.20	97.06	114.45	123.60	144.65	220.66

(viii) Others

- a. DIAL received advance development costs of ₹ 653.13 crore (March 31, 2012: ₹ 620.13 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the terms of the agreement, DIAL will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreement. Further, 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, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2013, DIAL has incurred development expenditure of ₹ 276.66 crore (March 31, 2012: Rs 230.10 crore) which has been adjusted against the aforesaid advance and balance amount is disclosed in long term and current liabilities in these consolidated financial statements of the Group.
- b. During the year, DIAL has collected "Marketing Fund" at a specified percentage from various concessionaires as per respective concessionaire agreements, to be utilized towards sales promotional activities as defined in such agreements. During the year ended March 31, 2013, DIAL had billed ₹ 23.91 crore towards such Marketing Fund and has incurred expenditure amounting to ₹ 2.20 crore towards agency fees to various external advertising and marketing service providers from the amount so collected. The balance amount of ₹ 21.71 crore as at March 31, 2013 (March 31, 2012: ₹ Nil) pending utilization, against such sales promotion activities is included under "Other Liabilities" as specific fund to be used for the purposes for which the amounts are collected.
- c. During the year March 31, 2012, with a view to restructure the holdings in Indian and International airport business, the Company has transferred 612,500,000 equity shares and 238,139,998 equity shares of DIAL and GHIAL respectively held by it to GAL, a subsidiary of the Company, at cost. GAL is 97.15% subsidiary of the Company.
- d. As at March 31, 2013, DIAL has an accumulated losses of ₹ 1,380.69 crore (March 31, 2012 : ₹ 1,453.21 crore) thus resulting in substantial erosion of its net worth as at the year end. However, during the year ended March 31, 2013, DIAL has earned a net profit of ₹ 72.52 crore (March 31, 2012: net loss of ₹ 1,085.40 crore) and has met all its obligations as at March 31, 2013. AERA vide its powers conferred under section 13(1) (a) of AERA Act, 2008 passed an Aeronautical tariff hike Order No.03/2012-13 issued on April 24, 2012. The aforesaid Order increased the Aeronautical tariffs to be levied at Delhi airport for the fourth and fifth tariff year (i.e. 2012-13 and 2013-14) of the first five year control period (i.e. 2009-10 to 2013-14) which is effective from May 15, 2012 and April 1, 2013 respectively. AERA has also approved the rates of UDF in terms of the provisions of section 13 (1) (b) of the AERA Act, 2008 read with Rule 89 of the Aircraft Rules 1937.

Based on the Order received and DIAL's business plan, the management of the Group is confident that DIAL will be able to generate sufficient profits in future years and would meet its financial obligations as they arise.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

- e. As at March 31, 2013, GHRL has accumulated losses of ₹ 85.03 crore (March 31, 2012: ₹ 61.18 crore). The accumulated losses at the year ended March 31, 2013 are more than fifty percent of the net-worth of GHRL. Also, GHRL has incurred cash loss during the year ended March 31, 2013. The management of the Group expects that there will be significant increase in the operations of GHRL that will lead to improved cash flows and long term sustainability. GHIAL has undertaken to provide such financial support as necessary, to enable GHRL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these consolidated financial statements of the Group do not include any adjustments relating to the recoverability and classification of carrying amounts of assets or the amounts and classification of liabilities that may be necessary if GHRL is unable to continue as a going concern.
- f. During the year ended March 31, 2013, HDFRL has incurred a net loss of ₹ 1.55 crore (March 31, 2012: ₹ 0.94 crore) and has accumulated losses of ₹ 5.82 crore (March 31, 2012: ₹ 4.27 crore) against equity of ₹ 9.95 crore (March 31, 2012: ₹ 4.95 crore). These conditions indicate the existence of material uncertainty that may cast significant doubt about HDFRL's ability to continue as a going concern. Based on business plans, the management expects that there will be significant increase in the operations of HDFRL that will lead to improved cash flows and long term profitability. GHIAL has undertaken to provide such financial support as necessary, to enable HDFRL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these consolidated financial statements of the Group do not include any adjustments relating to the recoverability and classification of carrying amounts of assets or the amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.
- g. The Company along with its subsidiary has an investment of ₹ 484.45 crore in its joint venture ISG as at March 31, 2013 (March 31, 2012: ₹ 376.47 crore). The Group's share of ISG's accumulated losses / negative reserves amounts to ₹ 436.42 crore (March 31, 2012: ₹ 306.09 crore), thereby resulting in substantial erosion of net worth of ISG as at March 31, 2013. Based on ISG's business plan, the management of the Group is confident that ISG will be able to generate sufficient profits in future years and would meet its financial obligations as they arise.
- h. The Group has an investment of ₹ 341.56 crore (including loans of ₹ 104.97 crore, share application money pending allotment of ₹ 20.00 crore and investment in equity and preference shares of ₹ 216.59 crore as at March 31, 2013) [March 31, 2012: ₹ 307.86 crore (including loans of ₹ 91.27 crore and investments in equity and preference shares of ₹ 216.59 crore)]. As at March 31, 2013 GACEPL has been incurring losses since the commencement of commercial operations. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads. The matter is currently under arbitration. Based on an internal assessment and a legal opinion, the management of the Group 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 of the Group is of the view that the carrying value of net assets of ₹ 238.35 crore (after providing for losses till date of ₹ 103.21 crore) [March 31, 2012: ₹ 227.79 crore (after providing for losses till date of ₹ 80.07 crore)] as regards investment in GACEPL as at March 31, 2013 is appropriate.
- i. The consolidated financial statements of PTDSU and its subsidiaries (PTDSI and PTBSL) have accumulated deficit of ₹ 21.92 crore (USD 0.40 crore) (March 31, 2012: ₹ 18.04 crore (USD 0.35 crore)). PTBSL, a coal property Company remains in the exploration phase and is consistently in need of capital injection for its exploration costs. The management of the Group has committed to provide funding through stockholder loan in the form of Mandatory Convertible Bond until PTBSL commences commercial operations and generates income on its own. The management of the Group is not aware of any material uncertainties that may cast significant doubt upon these entities ability to continue as a going concern and hence these consolidated financial statements of the Group do not include any adjustments relating to the recoverability and classification of carrying amounts of assets or the amounts and classification of liabilities.
- j. 1. The Group is engaged in the business of generation and sale of electrical energy from its two gas based power plants of 220MW and 387.63MW situated at Kakinada and Vemagiri respectively. Further, the Group has investments in GREL which is constructing a gas based power plant. In view of lower supplies / availability of natural gas to the power generating companies in India, the Group is facing shortage of natural gas supply and delays in securing gas linkages. During the year ended March 31, 2013, GEL and GVPGL have incurred losses, thereby resulting in erosion of networth of these gas based power generating companies and GREL has not commenced commercial operations pending linkages of natural gas supply. The Group is actively pursuing / making representations with various government authorities to secure the natural gas linkage / supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. The Group, for its 768 MW gas based power plant, which is under construction at Rajahmundry, has applied for allocation of gas and MoPNG is yet to allocate the gas linkage. The consortium of lenders have approved the reschedulement of Commercial Operation Date ('COD') of the plant under construction to April 1, 2014 and repayment of project loans. The Group and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management of the Group is confident that the GoI would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Based on business plan and valuation assessment, the management of the Group is confident that GEL and GVPGL will be able to generate sufficient profits in future years, GREL will achieve the COD as stated aforesaid and these gas based power generating companies would meet their financial obligations as they arise and hence considers that the carrying value of the net assets of the above entities as at March 31, 2013 is appropriate. Despite the aforementioned loss, these consolidated financial statements of the Group do not include any adjustments that might result from the outcome of this uncertainty.
2. In respect of plant under construction at Rajahmundry, pending securing supply of requisite natural gas, the Group has put on hold the active construction work of the plant. The management of the Group believes that the indirect expenditure attributable to the construction of the project and borrowing costs incurred during the period of uncertainty around securing gas supplies qualifies for capitalisation under paragraphs 9.3 and 9.4 of AS -10 and paragraphs 18 and 19 of AS -16. The subsidiary company setting up the plant has approached the MCA seeking

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

clarification / relaxation on applicability of the aforementioned paragraphs to the gas availability situation referred in 35 (viii)(j)(1) above. The management of the Group is confident of obtaining necessary clarification / relaxation allowing such capitalisation. Pending receipt of requisite clarification / relaxation, the Group has capitalised aforesaid expenses amounting to ₹ 282.39 crore for the period July 1, 2012 to March 31, 2013 towards cost of the plant under construction.

- k. GPCL approached Tamil Nadu Electricity Regulatory Commission ('TNERC') to resolve the claims / counterclaims arising out of the PPA and Land Lease Agreement ('LLA') in respect of the dues recoverable from 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. GPCL had received a favourable Order from TNERC on April 16, 2010 and in pursuance of the Order, GPCL had filed its claim on April 30, 2010 amounting to ₹ 481.68 crore and recognised ₹ 79.55 crore as income in the books of account.

TNEB filed a petition against TNERC Order in Appellate Tribunal for Electricity ('APTEL'). In terms of an interim Order on November 19, 2010 from APTEL, TNEB deposited ₹ 537.00 crore including interest on delayed payment of the claim amount. APTEL vide its Order dated February 28, 2012, upheld the claim of GPCL and further directed GPCL to verify and pay counter claims of TNEB in respect of the benefits earned if any, by GPCL with regard to the delayed payment towards fuel supply that are not as per the terms of the FSA. GPCL has appealed to the Hon'ble Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by APTEL on credit period of Fuel Supplies in terms of the FSA.

GPCL is availing tax holiday under Section 80IA of the IT Act in respect of its income from power generation. Considering that the substantial amount, though under protest, has been received by GPCL, based on an expert opinion, GPCL has offered the claims upto March 31, 2012 as income in its tax returns and has claimed the deduction as available under Section 80IA of the IT Act.

However, in accordance with the Group's accounting policy, pending acceptance of claims by TNEB and pending adjudication of petition before the Hon'ble Supreme Court, the Group has not recognised such balance claim in the books of account.

In accordance with the above, the amount received towards the above mentioned claims after the date of Order is being disclosed as advance from the customer in these consolidated financial statements of the Group. Further, GPCL has been legally advised that in view of the appeal filed by TNEB against the Order of APTEL in Hon'ble Supreme Court, the entire matter is now subjudice and has not attained the finality.

- l. The Group has an investment of ₹ 1,237.47 crore (including investments in equity share capital of ₹ 822.87 crore and subordinate loan of ₹ 414.60 crore) in GCHEPL as at March 31, 2013 [March 31, 2012: ₹ 924.67 crore (including investments in equity share capital of ₹ 510.07 crore and subordinate loan of ₹ 414.60 crore)] and has also provided corporate/ bank guarantee towards loan taken by GCHEPL from the project lenders. GCHEPL is in advanced stage of construction of 1,370 MW coal based thermal power plant at Raipur district, Chhattisgarh and is awaiting linkage of domestic coal. GCHEPL has obtained provisional Mega Power status certificate from the GoI, Ministry of Power vide letter dated September 8, 2011. The management of the Group is confident of obtaining the linkage of domestic coal prior to the completion of construction of the plant and is of the view that the carrying value of its investment including subordinate loan in GCHEPL as at March 31, 2013 is appropriate.
- m. GADLIL is registered in the Republic of Maldives for upgrading of existing terminal and construction of new terminal at the Male International Airport. As per the work construction contract dated October 25, 2010 entered into with GMIAL, the expected substantial completion date of the construction was July 01, 2014, and GADLIL's registration in the Republic of Maldives is valid till December 31, 2016. However, pursuant to the takeover of Male airport by MACL, GMIAL has terminated the work construction contract with GADLIL on December 10, 2012. These conditions indicate the existence of a material uncertainty about the going concern of GADLIL. However, the financial statements of GADLIL as at and for the year ended March 31, 2013 have been prepared and accordingly consolidated on a going concern basis.
- n. GKUAEL had entered into a Concession Agreement with NHAI on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of mandatory 'conditions precedent' specified under the Concession Agreement within the due date, GKUAEL has issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. Further, NHAI in their letter dated January 17, 2013 to GKUAEL has also indicated of making good the alleged defaults of NHAI within the cure period of 90 days.
- The Company along with its subsidiary has made an investment of ₹ 700.00 crore in GKUAEL, which is primarily utilized towards payment of mobilization advance of Rs 590.00 crore to its EPC contractors and Rs 107.75 crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). The management of the Group is confident of recovering the aforesaid mobilisation advance and does not anticipate any compensation to be payable to NHAI in view of the aforesaid dispute and continue to carry such project expenses as capital work in progress pending satisfactory resolution of the matter.
- o. The Company has given an interest free loan of ₹ 115.00 crore to GWT during the year ended March 31, 2011 for the purpose of an employee benefit scheme. GWT has utilised the proceeds of the loan received from the Company in the following manner and the position as at March 31, 2013 is:

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Equity shares of GIL	101.55	101.55
Equity shares of GAL	11.28	11.28
Investment in mutual funds	2.17	2.17
Total	115.00	115.00

SEBI has issued Circular No. CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed entities from framing any employee benefit scheme involving acquisition of own securities from the secondary market. The management of the Group has submitted the details of the GWT to the stock

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

exchanges and is in the process of complying with the requirements of the circular within the prescribed timelines. SEBI has issued Circular No. CIR/CFD/DIL/7-2013 dated May 13, 2013 extending the date of compliance to December 31, 2013.

- p. As at March 31, 2013, the Group has an outstanding interest bearing inter corporate loan of ₹ 126.04 crore (USD 2.30 crore) receivable from a subsidiary of GHPL, the ultimate Holding Company of the Group. Subsequent to March 31, 2013, an amount of ₹ 98.64 crore (USD 1.80 crore) has been repaid and the management of the Group is confident of the recovery of the balance outstanding loan in the immediate future.
- q. As at March 31, 2013, GICL has fixed deposits of ₹ 747.20 crore with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. The management is of the view that inspite of such economic difficulties the amount held as fixed deposit with Eurobank is good for recovery though withdrawal of the amount from the Republic of Cyprus would be subject to restriction as may be imposed by the Central Bank of Cyprus. Accordingly, the amount of deposit has been considered as restrictive bank balance and disclosed under "Other Non Current Assets" in these consolidated financial statements of the Group.
- r. KSPL is undertaking development of a port based multi-product SEZ at Kakinada. The approvals from the Ministry of Commerce and Industry for the SEZ development were valid till June 26, 2012. Pending completion of the development of the SEZ, KSPL has applied for extension of the validity period which is pending approval from the Board of Approval of the Ministry of Commerce & Industry. The management is confident of obtaining the necessary approvals in the foreseeable future and continues with the active development of the SEZ.
- s. KSPL, has acquired land for development of Special Economic Zone and initiated various rehabilitation and resettlement initiatives thereafter for relocating the inhabitants residing on the land acquired. The amount of expenditure incurred by KSPL towards rehabilitation and resettlement initiatives amounting to ₹ 60.63 crore (March 31, 2012: 55.94 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.
- t. As per CERC guidelines, maximum rate that can be received by GKEL for Infirm Power exported prior to COD with the prior permission of regional load dispatch center is at ₹ 1.65 rate per unit for power generated with domestic coal. GKEL on prudent basis has estimated trial run income at ₹ 1.35 rate per unit for Infirm Power exported amounting to ₹ 3.13 crore.
- u. Certified emission reductions :

Particulars	March 31, 2013	March 31, 2012
Number of certified emission reductions held as inventories	-	-
Number of certified emission reductions under certification	321,755	-
Number of certified emission reductions sold during the year	111,677	-
Depreciation and operating and maintenance costs of Emission reduction equipments expensed during the year	-	-

- v. A search under Section 132 of the IT Act was carried out at the premises of the Company and certain entities of the Group by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates during the year ended March 31, 2013, to check the compliance with the provisions of the IT Act. The Income Tax Department has subsequently sought certain information / clarifications. The Group has not received any demand from the Income Tax Authorities. The management of the Group believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.
- w. The C&AG has conducted the performance audit of Public Private Partnership (PPP) project of AAI at Delhi airport for the period 2006 to 2012. C&AG has presented its report before Rajya Sabha on August 17, 2012 wherein they have made certain observations on DIAL. The management is of the opinion that the observations in the C&AG report do not have any financial impact on these consolidated financial statements of the Group.

NOTE 36 | DERIVATIVE INSTRUMENTS:

(i) IRS outstanding as at the balance sheet date:

- a. In case of DIAL, as per the conditions precedent to disbursement of External Commercial Borrowing (ECB) loan, DIAL has entered into an IRS agreements from floating rate of interest to fixed rate of interest against its foreign currency loan of USD 34.13 crore (March 31, 2012: USD 35.00 crore). Since the critical terms of the IRS and the principal terms of the loan are same, based on the internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.

Particulars of Derivatives	Purpose			
	March 31, 2013 ECB Amount (USD in crore)	March 31, 2012 ECB Amount (USD in crore)	March 31, 2013 Interest Rate	March 31, 2012 Interest Rate
Interest rate swap outstanding as at balance sheet date: USD 34.13 crore (March 2012: USD 35.00 crore)	Hedge of variable interest outflow on External Commercial Borrowing. Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 months' LIBOR:			
	9.75	10.00	4.99%	4.99%
	7.31	7.50	2.76%	2.76%
	7.32	2.50	0.87%	1.98%
	9.75	15.00	0.86%	1.96%

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

- b. GAPL has entered into an IRS contract with Axis Bank Limited from floating rate of interest to fixed rate of interest against its foreign currency loan amounting to USD 1.77 crore (March 31, 2012 : USD 1.47 crore) covering the period from October 12, 2010 to October 06, 2017. Based on the internal assessment carried out by the management of the Group, 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 adjustment has been made in these consolidated financial statements of the Group.
- c. In case of GHIAL, as per the conditions precedent to disbursement of foreign currency loan, of USD 12.50 crore (March 31, 2012 : USD 12.50 crore), 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 the same, based on the internal assessment carried out by the management of the Group, 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 adjustment has been made in these consolidated financial statements of the Group.
- d. ISG has entered into an IRS agreement with Royal Bank of Scotland for swapping floating rate of interest to fixed rate of interest for its loan of Euro 33.60 crore covering the period June 30, 2008 to June 29, 2018. Based on the internal assessment carried out by the management of the Group, 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 adjustment has been made in these consolidated financial statements of the Group in this regard.
- e. GIML had 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 7.65 crore covering the period August 17, 2009 to August 11, 2011. During the year ended March 31, 2012, the agreement has expired and appropriate adjustment has been made in these consolidated financial statements of the Group towards closure of the IRS during the year ended March 31, 2012. During the year ended March 31, 2013, GIML did not have any swap agreements.
- f. During the year ended March 31, 2013, GKEL has entered into an IRS contract with a bank from floating rate of interest to fixed rate of interest against its foreign currency loan amounting to USD 0.50 crore and USD 1.00 crore covering the period from January 04, 2013 to December 01, 2017 and January 22, 2013 to December 01, 2017 respectively. Based on the internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net gain/ loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.
- g. During the year ended March 31, 2013, ATSCCL has entered into an IRS contract with ICICI Bank Limited from floating rate of interest to fixed rate of interest against its foreign currency loan amounting to USD 1.66 crore covering the period from December 7, 2012 to December 7, 2017. Based on an internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net gain/loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.
- h. GMIAL has entered into IRS agreement with Axis Bank Limited for swapping floating rate of interest to fixed rate of interest against the loan of USD 9.00 crore covering the period December 31, 2011 to December 31, 2015.

Since the critical terms of the IRS and the underlying foreign currency loan are the same, based on the internal assessment carried out by the management of the Group, 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 adjustment has been made in these consolidated financial statements of the Group.

(ii) Un-hedged foreign currency exposure for monetary items is as follows:

Currency	Cash and balance with banks	Fixed assets non - current investments and current investments	Trade receivables, Inventory, Long term and Short term advances and other non-current and current assets	Trade payables, other long term and current liabilities and Long term and short term provisions	Long-term borrowings, short term borrowings and current maturities of long term borrowings
Canadian Dollar (in crore)	0.41	2.87	0.16	0.79	-
	(0.63)	(5.22)	(1.53)	(0.85)	-
Swiss Franc (in crore)	-	-	0.00	-	-
	-	-	(0.00)	(0.00)	-
Chinese Yuan (in crore)	0.08	-	0.01	-	-
	(0.08)	-	(0.00)	-	-
Danish Krone (in crore)	-	-	-	-	-
	-	-	-	(0.00)	-
Euro (in crore)	0.97	13.00	5.88	4.85	15.62
	(1.54)	(13.86)	(3.86)	(3.97)	(15.75)
Great British Pound (in crore)	0.06	0.15	0.24	0.07	4.64
	(0.06)	(0.16)	(0.20)	(0.13)	(4.78)
Indonesian Rupiah (in crore)	25,854.79	24,497.84	32,835.00	6,232.89	-
	(56,473.53)	(21,720.99)	(21,189.22)	(10,643.01)	(646.40)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Currency	Cash and balance with banks	Fixed assets non-current investments and current investments	Trade receivables, Inventory, Long term and Short term advances and other non-current and current assets	Trade payables, other long term and current liabilities and Long term and short term provisions	Long-term borrowings, short term borrowings and current maturities of long term borrowings
Malaysian Ringgit (in crore)	-	-	-	-	-
	-	-	-	(0.01)	-
Nepalese Rupee (in crore)	2.22	107.30	0.25	1.70	-
	(2.87)	(90.85)	(2.61)	(2.05)	-
Singapore Dollar (in crore)	-	(0.05)	0.08	1.21	23.49
	(8.43)	(47.01)	(5.64)	(0.72)	(41.32)
Turkish Lira (in crore)	0.06	-	0.11	0.00	-
	(0.09)	-	-	-	-
United States Dollar (in crore)	31.99	52.02	23.27	38.16	170.94
	(22.16)	(65.34)	(9.11)	(30.26)	(168.49)
Amount (₹ in crore)	1,998.01	4,230.21	1,903.29	2,567.99	11,862.34
	(1,958.10)	(6,765.48)	(1,180.95)	(1,977.42)	(11,816.61)

Note: Previous year figures are mentioned in brackets

Forward contract outstanding as at balance sheet date:

GEL	USD Nil (March 31, 2012: USD 0.75 crore), ₹ Nil (March 31, 2012: ₹ 38.65 crore)	Hedge of payables with respect to fuel purchase
GKEL	CNY Nil (March 31, 2012: CNY 72.88 crore), ₹ Nil (March 31, 2012: ₹ 503.36 crore)	Forward contract against payment for offshore supplies and discounted letter of credit
	USD Nil (March 31, 2012: USD 2.42 crore), ₹ Nil (March 31, 2012: ₹ 124.70 crore)	
GKEL	USD 1.50 crore (March 31, 2012: USD Nil), ₹ 82.20 crore (March 31, 2012: ₹ Nil)	Forward cover for hedging of loan availed
GIML	GBP 4.64 crore (March 31, 2012: GBP 2.50 crore), ₹ 381.79 crore (March 31, 2012: ₹ 203.64 crore)	Forward cover for hedging of loan availed
EMCO	USD Nil (March 31, 2012: USD 0.10 crore), ₹ Nil (March 31, 2012: ₹ 5.15 crore)	Forward contract for hedging of highly probable future cash outflows
GAPL	USD Nil (March 31, 2012: USD 0.13 crore), ₹ Nil (March 31, 2012: ₹ 6.70 crore)	Forward contract for hedging the supplier credit
ATSC	USD 1.66 crore (March 31, 2012: USD Nil), ₹ 90.00 crore (March 31, 2012: ₹ Nil)	Forward cover for hedging of loan availed

Note: Previous year figures are mentioned in brackets.

NOTE 37 EMPLOYEE BENEFITS

a) Defined contribution plan

Contribution to provident and other funds under included in Capital work in progress (note 32(a)), Intangible assets under development (note 32(b)) and employee benefits expenses (note 25) are as under:

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Contribution to provident fund	14.10	15.98
Contribution to superannuation fund	12.03	9.99
	26.13	25.97

b) Defined benefit plan

Provident Fund

Contribution to provident funds under included in capital work in progress (note 32(a)) and employee benefits expenses (note 25) are as under:

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Contribution to provident fund	5.48	4.27
	5.48	4.27

DIAL contributed ₹ 5.48 crore (March 31, 2012: ₹ 4.27 crore) towards provident fund during the year ended March 31, 2013.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

The Guidance on implementing of AS-15 'Employee benefits (Revised 2005)' issued by Accounting Standard Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. Based on the actuarial valuation and on the assumptions provided below there is a shortfall of ₹ 0.97 crore (March 31, 2012: ₹ 0.66 crore) which has been provided in the financial statements and is included in other current liabilities (note 9).

The details of the fund and plan asset position are as follows:

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Plan assets at the year end, at fair value	56.45	48.86
Present value of benefit obligation at year end	55.48	49.52
Net (liability) recognized in the balance sheet	(0.97)	(0.66)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	March 31, 2013	March 31, 2012
Discount Rate	8.10%	8.50%
Fund Rate	8.60%	8.60%
EPFO Rate	8.60%	8.60%
Withdrawal Rate	5.00%	5.00%
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Gratuity Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Statement of profit and loss

Net employee benefits expenses

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Current service cost	6.02	4.42
Interest cost on benefit obligation	1.73	1.08
Expected return on plan assets	(2.15)	(1.43)
Net actuarial (gain) / loss recognised	0.92	2.26
Net benefit expense	6.52	6.33

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Actual return on plan assets	2.24	1.81

Balance Sheet

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Defined benefit obligation	28.30	21.08
Fair value of plan assets	27.01	16.36
Plan asset / (liability)	(1.29)	(4.72)

Changes in the present value of the defined benefit obligation

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Opening defined benefit obligation	21.08	13.48
Interest cost	1.73	1.08
Current service cost	6.02	4.42
Benefits paid	(1.54)	(0.54)
Actuarial (gains) / losses on obligation	1.01	2.64
Closing defined benefit obligation	28.30	21.08

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Changes in the fair value of plan assets are as follows

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Opening fair value of plan assets	16.36	12.91
Expected return on plan assets	2.15	1.43
Contributions by employer	9.95	2.18
Benefits paid	(1.54)	(0.54)
Actuarial gains / (losses) on plan assets	0.09	0.38
Closing fair value of plan assets	27.01	16.36

The Group expects to contribute ₹ 9.04 crore (March 31, 2012: ₹ 3.21 crore) towards gratuity fund in next year.

The major category of plan assets as a percentage of the fair value of total plan assets are as follows

Particulars	March 31, 2013	March 31, 2012
	%	%
Investments with insurer managed funds	100	100

The principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2013 %	March 31, 2012 %
Discount rate	8.10	8.50
Expected rate of return on assets	9.40	9.40
Expected rate of salary increase	6.00	6.00
Employee turnover	5.00	5.00
Mortality Rate	Refer note 3 below	Refer note 3 below

Notes :

- The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.
- The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- As per Indian Assured Lives Mortality (2006-08) (modified) Ult. (2012- LIC (94-96) Ultimate Mortality Table.)

Amounts for the current and previous four years are as follows:

Particulars	Gratuity				
	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)	March 31, 2011 (₹ in crore)	March 31, 2010 (₹ in crore)	March 31, 2009 (₹ in crore)
Defined benefit obligation	28.30	21.08	13.48	8.48	4.25
Plan assets	27.01	16.36	12.91	8.38	5.58
Surplus / (deficit)	(1.29)	(4.72)	(0.57)	(0.10)	1.33
Experience adjustments on plan liabilities	1.01	2.64	(0.37)	(0.46)	(0.51)
Experience adjustments on plan assets	0.09	0.38	0.09	0.07	0.02

Other defined post employment benefit:

Certain entities in the group located outside India have defined unfunded post employment benefits, for its employees.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Current service cost	2.53	-
Interest cost on benefit obligation	0.45	-
Net actuarial (gain) / loss recognised	(1.22)	-
Net benefit expense	1.76	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Opening defined benefit obligation	5.44	-
Interest cost	0.45	-
Current service cost	2.53	-
Benefits paid	(0.02)	-
Acquisitions during the year	-	5.44
Actuarial (gains) / losses on obligation	(1.22)	-
Closing defined benefit obligation	7.18	5.44

NOTE 38 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.

(₹ in crore)

Particulars	Minimum lease payment	Present value of minimum lease	Minimum lease payment	Present value of minimum lease
	As at March 31, 2013		As at March 31, 2012	
(i) Payable not later than 1 year	0.89	0.77	0.88	0.79
(ii) Payable later than 1 year and not later than 5 years	0.76	0.60	0.95	0.76
(iii) Payable later than 5 years	-	-	-	-
Total - (i)+(ii)+(iii) = (iv)	1.65	1.37	1.83	1.55
Less: Future finance charges (v)	0.28	-	0.28	-
Present value of minimum lease payments [(iv) - (v)]	1.37	-	1.55	-

Lease payment made during the year ₹ 0.88 crore (March 31, 2012: ₹ 1.03 crore).

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 note 32(a), note 32(b) and note 25) and the maximum obligation on the long term non-cancellable operating lease payable as per the agreements are as follows:

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Payment		
Lease rentals under cancellable leases and non-cancellable leases	141.52	118.66
Receipt		
Lease rentals under cancellable leases	2.94	0.89
Obligations on non-cancellable leases:		
Not later than one year	13.47	26.50
Later than one year and not later than five years	41.27	111.32
Later than five years	32.23	99.14

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE | 39 | DEFERRED TAX

Deferred tax (liability) / asset comprises mainly of the following:

Sl.No.	Particulars	March 31, 2013		March 31, 2012	
		Deferred tax asset (₹ in crore)	Deferred tax liability (₹ in crore)	Deferred tax asset (₹ in crore)	Deferred tax liability (₹ in crore)
	Deferred tax liability :				
1	Depreciation	-	1,046.13	-	811.71
2	Carry forward losses	115.12	-	85.51	-
3	Carry forward depreciation	789.41	-	580.11	-
4	Intangibles (Airport concession rights)	80.68	-	84.32	-
5	Others	5.53	-	24.11	-
	Sub - total (A)	990.74	1,046.13	774.05	811.71
	Deferred tax liability (net)		55.39		37.66
	Deferred tax asset:				
1	Depreciation	-	211.92	-	334.43
2	Carry forward losses	3.50	-	20.06	-
3	Carry forward depreciation	231.85	-	442.01	-
4	Others	34.68	-	8.25	-
	Sub - total (B)	270.03	211.92	470.32	334.43
	Deferred tax asset (net)	58.11		135.89	
	Total (A+B)	1,260.77	1,258.05	1,244.37	1,146.14
	Deferred tax asset / (Deferred tax liability) (net)	2.72		98.23	
	Change for the year		95.51		53.19
	Foreign currency translation reserve		(0.22)		0.03
	Deferred tax asset/(liability) on account of acquisition during the year		-		1.84
	Charge/(credit) during the year		95.29		55.06

- i. In case of GPCL, GTAEP and GTTEPL, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the IT Act, deferred tax has not been recognised by these Companies.
- ii. 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 IT Act with regard to income from airport operations. Considering that GHIAL had brought forward losses of ₹ Nil (March 31, 2012: ₹ 57.60 crore), unabsorbed depreciation of ₹ 674.35 crore (March 31, 2012: ₹ 740.31 crore), and other items of ₹ 16.12 crore (March 31, 2012: ₹ 14.77 crore) as at March 31, 2013 under IT Act, the management of the Group, based on the projected future taxable income, expects to avail such tax holiday from the assessment year 2018-19.

GHIAL has continued recognition of deferred tax asset (net) amounting to ₹ 30.60 crore (March 31, 2012: ₹ 83.80 crore) on carry forward business loss, unabsorbed depreciation and other items available for set-off from future taxable income before commencement of the expected tax holiday period. The management of the Group, based on an 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 along with Order Nos. 13 and 14/2010-11 and Direction 5/2010-11 of AERA 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, 2013 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period.

- iii. 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.
- iv. During the year ended March 31, 2010, based on an expert opinion, GVPGL had recognised deferred tax asset amounting to ₹ 147.00 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 believed that there was 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 APDISCOMS for supply of 370 MW out of the total capacity of 387 MW, as amended, for a period of 23 years set to expire in 2029 and the agreement entered into by the Group with Reliance Industries Limited, Niko (Neco) Limited and BP Exploration (Alpha) Limited for the supply of natural gas for a period till March 31, 2014 pursuant to allocation of natural gas from KG D-6 being made available to the

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Group under firm allocation basis by the MoPNG, GoI, vide their letter dated November 18, 2009.

The management had recognized deferred tax / liability in respect of all the timing differences which had originated up to March 31, 2012 and were expected to reverse either before the commencement of the expected tax holiday period or after the expiry of such tax holiday period.

During the year ended March 31, 2013, the natural gas supplies from KG D-6 basin have dropped significantly. In the absence of virtual certainty supported by convincing evidence of future taxable profits to the Group, for set off of unabsorbed depreciation and carry forward losses, the management has written down the carrying amount of deferred tax asset in the financial statements of the Group for the year ended March 31, 2013.

NOTE 40 PROVISIONS

Particulars	As at April 1, 2012 (₹ in crore)	Provision made during the year (₹ in crore)	Amount written back during the year (₹ in crore)	Amount used during the year (₹ in crore)	As at March 31, 2013 (₹ in crore)
Provision for operations and maintenance	44.79 (24.95)	39.51 (24.62)	3.29 (4.08)	- (0.70)	81.01 (44.79)
Provision for voluntary retirement compensation	127.93 (138.21)	- (37.94)	- (-)	19.37 (48.22)	108.56 (127.93)

Note: Previous year figures are mentioned in brackets.

DIAL has provided ₹ 288.82 crore (March 31, 2012: ₹ 288.82 crore) towards reimbursement of voluntary retirement compensation payable to AAI on expiry of the initial operational support period as per the terms and conditions of OMDA. It has been recognised and amortised over the initial and extended period of OMDA.

NOTE 41 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, 2013	March 31, 2012
ISG	Turkey	40.00%	40.00%
SGH	Turkey	29.00%	29.00%
CJV	Turkey	50.00%	50.00%
LGM	Turkey	40.00%	40.00%
RCMEPL	India	17.03%	17.03%
TVS GMR	India	29.99%	29.99%
MGATL	India	30.60%	30.60%
MGAECL	India	30.60%	30.60%
TFS	India	21.13%	21.13%
DAFF	India	13.73%	13.73%
TIM	India	26.36%	26.36%
DASPL	India	26.41%	26.41%
DFSPL	India	21.13%	21.13%
DSSHPL	India	21.13%	21.13%
DDFS	India	26.36%	26.36%
WAISL	India	13.73%	13.73%
CDCTM	India	13.73%	13.73%
DCSCPL	India	13.73%	13.73%
DAPSL	India	26.36%	26.36%
NML	South Africa	27.34%	27.34%
TMR	South Africa	27.34%	27.34%
Laqshya	India	29.99%	29.99%
APFT*	India	24.51%	-
PTGEMS	Indonesia	29.40%	29.40%
RCI	Indonesia	29.11%	29.11%
BIB	Indonesia	28.84%	28.84%
KIM	Indonesia	29.40%	29.40%
KCP	Indonesia	29.40%	29.40%

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Name of the joint venture	Country of incorporation	Percentage of effective ownership (directly or indirectly) as on	
		March 31, 2013	March 31, 2012
BBU	Indonesia	29.40%	29.40%
BHBA	Indonesia	29.40%	29.40%
BNP	Indonesia	29.40%	29.40%
TBBU	Indonesia	29.34%	29.34%
TKS	Indonesia	20.58%	20.58%
MAL**	Indonesia	-	29.40%
NIP**	Indonesia	-	29.40%
GEMSCR***	Indonesia	29.40%	-

* APFT was a subsidiary as at March 31, 2012 and has become a jointly controlled entity pursuant to infusion of capital by the minority shareholders during the year ended March 31, 2013.

** Disposed during the year

** *Incorporated during the 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 of the Group are as follows:

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Non-current assets		
Fixed assets	1,557.08	1,468.72
Capital work-in-progress and Intangible assets under development	99.66	78.53
Non-current investments	0.04	-
Deferred tax asset (net)	6.48	3.56
Long term loans and advances	109.45	33.59
Trade receivables	-	0.97
Other non-current assets	56.54	3.61
Current assets		
Current investments	-	1.86
Inventories	67.42	70.46
Trade receivables	175.35	111.20
Cash, cash equivalents and other bank balances	208.57	491.07
Short term loans and advances	282.60	284.26
Other current assets	6.76	2.28
Non-current liabilities		
Long term borrowings	1,411.88	1,428.62
Trade payables	46.70	-
Deferred tax liabilities (net)	7.91	5.54
Other long term liabilities	111.89	130.95
Long term provisions	17.50	4.24
Current liabilities		
Short term borrowings	38.78	120.74
Trade payables	121.10	166.69
Other current liabilities	310.68	129.42
Short term provisions	26.40	25.51
Income		
Sales and operating income	1,824.14	1,105.74
Other income	39.01	14.18
Expenses		
Sub-contracting expenses	531.35	42.41
Raw materials consumed	7.10	16.24
Purchase of traded goods	523.93	504.05
(Increase) or Decrease in stock in trade	9.44	(3.58)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Employee benefit expenses	120.92	93.72
Other expenses	337.09	204.86
Utilization fee	130.87	98.71
Finance cost	180.65	154.53
Depreciation and amortisation expenses	121.33	92.80
Tax expenses	27.84	15.04
Other matters		
Capital commitments	28.27	23.01
Contingent liabilities	31.35	-
Reserves as at April 1,	(105.86)	(7.00)
Add: Group's share of (loss) /profit for the year	(127.37)	(98.86)
Reserves as at March 31,	(233.23)	(105.86)

NOTE 42 SEGMENT REPORTING

- 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).
- For the purpose of reporting, business segments are primary segments and the geographical segment is a secondary segment.
- 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

- Geographical segment is categorised as 'India' and 'Outside India' and is based on the domicile of the customers.
- Various business segments comprise of the following companies:

Power Segment	
GEL	CPL
GPCL	FCH
GVPGL	WIL
GBHPL	FCK
BHPL	MMPL
GMEL	GMAEL
GKEL	GBEPL
HHPPL	GUPEPL
GEML	GHOEL
GLEL	GGSPPL
GUKPL	KTCPPL
GETL	MTCPL
GCSPPL	GINELL
GCEPL	GINPCL
GBHHPL	GREEL
GLHPPL	ATSCPL
GKEPL	MTSCPL
RCMEPL	GEPML
GCHEPL	GESPL
GECL	GSSPL
GENBV	GISPL
PTDSU	GPIL

Airport Segment	
GHIAL	DAPL
GFIAL	DASPL
HMACPL	TFS
HASSL	DFSPL
GHARML	DSSHPL
HAPL	DDFS
GHASL	DAFF
GHMSL	CDCTM
MGAECL	DCSCPL
TVS GMR	DAPSL
HDFRL	TIM
MGATL	GAL
GAHSCPL	ISG
APFT	SGH
Laqshya	GMIAL
DIAL	GAGL
GMRPL	GHAPDL
GMRAML	

Others Segment	
GHRL	GEGL
WAISL	LGM

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Power Segment	
PTDSI	EDWPCPL
PTBSL	GCRPL
GREL	PTGEMS
SJK	RCI
PT	BIB
EMCO	KIM
HEGL	KCP
HEC	BBU
HMES	BHBA
HESW	BNP
HMEB	TBBU
HCM	TKS
NML	MAL
TMR	NIP
GEMSCR	

Roads Segment	
GTTEPL	GMRHL
GTAEPL	GHVEPL
GACEPL	GCORRPL
GJEPL	GOSEHHHPL
GPEPL	GHPPL
GUEPL	GKUAEL

Others Segment	
GAPL	GIOL
GKSEZ	GIL - Others Segment
APPL	PUPPL
AKPPL	SPPL
AMPPL	SRPPL
BPPL	GSPHPL
BOPPL	GCAPL
CPPL	DSPL
DPPL	KSPL
EPPL	PRPPL
GPL	RPPL
LPPPL	GBPSPL
HPPL	GIML
IPPL	GICL
KPPL	GIOSL
LAPPL	GIUL
NPPL	LPPL
PAPPL	GIGL
PPPL	AREPL

EPC Segment	
GADL	CJV
GADLIL	GIL - EPC Segment
GADML	

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

f. The details of segment information is given below

Business segment Particulars	Power		Roads		Airports		EPC		Others		Discontinuing Operations		Inter-Segment and Inter-Operations		Unallocated		Total			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
Revenue																				
Revenue from customers	2,322.08	2,233.55	453.14	346.85	5,122.06	3,131.84	655.16	970.89	175.14	187.30	1,144.29	1,449.68	-	-	-	-	-	9,871.87	8,320.11	
Other operating revenue	4.37	-	-	-	-	-	-	-	98.62	152.92	-	-	-	-	-	-	-	-	102.99	152.92
Inter segment revenue	-	-	-	-	22.84	24.09	798.56	263.67	267.58	236.80	-	-	(1,088.98)	(524.56)	-	-	-	-	-	-
Total revenue (a)	2,326.45	2,233.55	453.14	346.85	5,144.90	3,155.93	1,453.72	1,234.56	541.34	577.02	1,144.29	1,449.68	(1,088.98)	(524.56)	-	-	-	9,974.86	8,473.03	
Other income (excluding interest income) (b)	5.67	48.94	3.95	4.80	70.96	34.10	6.90	1.43	44.90	23.85	14.09	14.79	(12.87)	(2.92)	-	-	-	133.60	124.99	
Expenditure																				
Revenue share paid/ payable to concessionaire grantors	-	-	21.11	-	1,562.63	728.99	-	-	-	-	85.81	102.08	(0.07)	(0.10)	-	-	-	1,669.48	830.97	
Consumption of fuel	1,020.40	1,434.45	-	-	-	-	-	-	14.06	16.13	-	-	(2.61)	(4.13)	-	-	-	1,031.85	1,446.45	
Cost of materials consumed	-	-	-	-	7.71	9.02	289.25	334.62	10.82	11.37	-	-	(105.88)	(55.98)	-	-	-	201.90	299.03	
Purchase of traded goods and increase/decrease in stock in trade	235.36	92.98	-	-	548.49	512.70	-	-	-	-	467.65	694.34	-	-	-	-	-	1,251.50	1,300.02	
Sub-contracting expenses	566.02	112.70	51.29	23.20	-	-	753.59	640.61	-	-	100.64	104.42	(508.39)	(58.29)	-	-	-	963.15	722.64	
Employee benefits expenses	61.45	42.32	14.66	8.57	292.97	331.63	103.31	90.07	81.39	110.88	110.24	136.04	(52.09)	(31.68)	-	-	-	611.93	687.83	
Other expenses	302.50	264.24	34.44	20.08	948.28	826.99	141.12	143.69	150.10	112.13	281.40	277.59	(220.83)	(216.86)	-	-	-	1,637.01	1,427.86	
Utilisation fees	-	-	-	-	130.87	98.71	-	-	-	-	-	-	-	-	-	-	-	-	130.87	98.71
Depreciation/amortisation	178.59	136.92	130.33	77.10	647.14	643.22	8.65	6.91	40.87	40.76	40.50	37.36	(6.30)	(6.46)	-	-	-	1,039.78	935.81	
Total expenditure (c)	2,364.32	2,083.61	251.83	128.95	4,138.09	3,151.26	1,295.92	1,215.90	297.24	291.27	1,086.24	1,351.83	(896.17)	(473.50)	-	-	-	8,537.47	7,949.32	
Segment results (a)-(c)	(32.20)	198.88	205.26	222.70	1,077.77	38.77	164.70	20.09	289.00	309.60	72.14	112.64	(205.68)	(53.98)	-	-	-	1,570.99	848.70	
Unallocated income/(expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,099.00)	(1,653.13)	-	(2,099.00)	(1,653.13)	
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	143.59	118.43	-	143.59	118.43	
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,955.41)	(1,534.70)	-	(1,955.41)	(1,534.70)	
Interest expenses(net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
a. Profit on sale of a subsidiary (refer note 30(c))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
b. Loss on impairment of assets in a subsidiary (refer note 30(b))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
c. Assets write off in a subsidiary (refer note 30(a))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
d. Interest on loans against development fee receipts (refer note 35(vii)(a)(i)(b))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Segment result/profit/(loss) before tax expenses and minority interest	(32.20)	198.88	205.26	222.70	1,077.77	38.77	164.70	20.09	289.00	309.60	849.41	112.64	(205.68)	(53.98)	(1,955.41)	(1,696.82)	-	392.85	(848.12)	
Tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257.44	210.72	-	257.44	210.72	
Segment result/profit/(loss) for the year before minority interest	(32.20)	198.88	205.26	222.70	1,077.77	38.77	164.70	20.09	289.00	309.60	849.41	112.64	(205.68)	(53.98)	(2,212.85)	(1,907.54)	-	135.41	(1,058.84)	
Other information	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Segment assets	32,427.03	23,521.48	7,917.59	6,432.07	17,667.22	17,695.36	933.30	1,223.11	13,567.55	10,710.69	1,994.80	4,163.24	(11,520.04)	(8,275.74)	-	-	-	62,987.45	55,470.21	
Unallocated segment assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	829.54	758.00	-	829.54	758.00	
Total Assets	32,427.03	23,521.48	7,917.59	6,432.07	17,667.22	17,695.36	933.30	1,223.11	13,567.55	10,710.69	1,994.80	4,163.24	(11,520.04)	(8,275.74)	829.54	758.00	-	63,816.99	56,228.21	
Segment liabilities	7,969.83	5,458.45	1,520.18	1,064.03	2,884.24	2,548.99	780.65	967.55	1,508.25	412.00	159.91	302.25	(6,596.25)	(3,801.08)	-	-	-	8,226.81	6,952.19	
Unallocated segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,620.90	37,966.39	-	44,620.90	37,966.39	
Total Liabilities	7,969.83	5,458.45	1,520.18	1,064.03	2,884.24	2,548.99	780.65	967.55	1,508.25	412.00	159.91	302.25	(6,596.25)	(3,801.08)	44,620.90	37,966.39	-	52,847.71	44,918.58	
Capital expenditure	6,649.50	10,174.73	1,740.77	1,809.13	453.15	(664.32)	8.85	27.19	168.99	75.15	2,183.78	2,075.96	-	-	-	-	-	11,195.04	13,497.84	
Depreciation/amortisation	178.59	136.92	130.33	77.10	647.14	643.20	8.65	6.91	40.87	40.76	40.50	37.36	(6.30)	(6.44)	-	-	-	1,039.78	935.81	
Other non cash expenses	130.05	20.68	1.49	-	48.56	22.35	-	-	6.21	6.68	515.07	16.42	-	-	-	-	-	701.38	661.13	
The group has two geographical segments: India and outside India																				
Geographical segments																				
Particulars	Revenue		Assets		Capital expenditure				Discontinuing operations		Power		Roads		Airports		Total			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
Continuing Operations:																				
India	7,245.67	6,240.29	52,728.71	45,981.70	8,748.53	9,199.93	103.04	141.44	64.23	58.79	977.02	1,249.45	1,144.29	1,449.68	1,449.68	1,449.68	1,449.68			
Outside India	1,584.90	785.06	9,078.58	6,022.32	237.63	2,221.67	7.88	7.28	1.92	1.06	4.29	6.45	14.09	14.79	14.09	14.79	14.09			
Discontinuing Operations:																				
India	67.60	64.41	510.06	496.71	25.10	0.28	218.23	251.51	27.28	15.55	840.73	1,084.77	1,086.24	1,351.83	1,086.24	1,351.83	1,086.24			
Outside India	1,076.69	1,385.27	1,499.64	3,727.48	2,183.78	2,075.96	(107.31)	(102.79)	38.87	44.30	140.58	171.13	72.14	112.64	140.58	171.13	72.14			
Total	9,974.86	8,473.03	63,816.99	56,228.21	11,195.04	13,497.84	43.46	62.05	23.43	1.55	93.02	238.65	159.91	302.25	93.02	238.65	159.91			

The segment wise details of revenue, expenses, results, assets and liabilities of the discontinuing operations disclosed above are as below:

(₹ in crore)

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 43 | DISCLOSURE IN TERMS OF ACCOUNTING STANDARDS 7 - CONSTRUCTION CONTRACTS

Sl. No.	Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
1	Contract revenue recognised during the year	655.16	970.89
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	1,993.40	1,347.17
3	Amount of customer advances outstanding for contracts in progress	265.27	167.63
4	Retention money due from customers for contracts in progress	131.71	79.54
5	Gross amount due from customers for contract works as an asset	132.19	87.55
6	Gross amount due to customers for contract works as a liability	1.67	144.96

NOTE 44 | ACQUISITIONS AND DISPOSALS DURING THE YEAR

a. The Group has the acquired following subsidiaries / joint venture during the year ended March 31, 2013:

o LPPL	o AREPL
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b. The Group had acquired following subsidiaries / joint ventures during the year ended March 31, 2012:

o GAGL	o KCP
o Laqshya	o BBU
o PTGEMS	o BHBA
o GIOL	o BNP
o PRPPL	o TBBU
o RCI	o TKS
o BIB	o MAL
o KIM	o NIP
o RPPL	

c. The effect of the acquisition of subsidiaries / joint ventures on the financial position for the respective years at the reporting date and the results for the reporting period.

Particulars	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Reserves and surplus	(0.01)	4.13
Long term borrowings	-	14.68
Short term borrowings	-	3.54
Other long term liabilities	-	1.23
Long term provisions	-	18.95
Short term provisions	-	0.00
Trade payables	0.01	24.90
Other current liabilities	0.32	18.17
Goodwill on consolidation	-	2,142.15
Tangible assets	6.88	42.72
Intangible assets	-	48.97
Capital work-in-progress	0.69	51.33
Non-current investments	-	0.22
Deferred tax asset (net)	-	2.34
Long term loans and advances	3.33	17.57
Inventories	-	16.58
Trade receivables - current	-	45.11
Cash and cash equivalents	5.03	339.73
Short term loans and advances	0.19	6.39
Other current assets	0.11	44.73
Sales and operating income	-	69.67
Other income	-	4.12
Other expenses	0.01	60.56
Employee benefit expenses	-	5.39
Finance cost	-	2.37
Depreciation of tangible assets	-	1.36
Profit / (loss) before tax	(0.01)	4.11
Provision for taxation	-	(0.02)
Profit / (loss) after tax	(0.01)	4.13

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

d. The Group has sold its entire equity shareholding of GESPL and its subsidiary GECPL during the year ended March 31, 2013. The financial position as at the date of sale of GESPL and its subsidiary GECPL and the results for the reporting period from April 1, 2012 to March 28, 2013 were as follows:

Particulars	March 31, 2013 (₹ in crore)
Long term borrowings	3,675.46
Other current liabilities	76.76
Minority interest	173.78
Total	3,926.00
Capital work-in-progress	3,865.55
Goodwill on consolidation	44.62
Unamortised Finance charges	182.15
Inventories	23.57
Cash and cash equivalents	201.51
Other current assets	41.79
Total	4,359.19
Sales and operating income	-
Other income	7.73
Other expenses	0.50
Profit/(loss) before tax	7.23
Provision for taxation	1.08
Profit/(loss) after tax	6.15

NOTE 45 EMPLOYEE STOCK OPTIONS:

HEGL, an overseas subsidiary of the Group has provided various share-based payment schemes to its employees as well as non-employees. During the period ended December 31, 2012, the following Stock option scheme was in operation:

Particulars	Scheme 1	Scheme 2
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 summarised below:

Particulars	December 31, 2012		December 31, 2011	
	Number of options	Weighted average exercise price (CAD)	Number of options	Weighted average exercise price (CAD)
Outstanding at the beginning of the period	3,600,000	0.13	4,250,000	0.13
Forfeited during the period	-	-	650,000	0.13
Outstanding at the end of the period	3,600,000	0.13	3,600,000	0.13
Exercisable at the end of the period	3,600,000	0.13	3,600,000	0.13

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, 2012

Exercise price per share	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (CAD)
0.20	640,000	1 year and 2 months	0.12
(0.20)	(640,000)	(2 years and 2 months)	(0.12)
0.12	2,960,000	1 year and 11 months	0.05
(0.12)	(2,960,000)	(2 years and 11 months)	(0.05)

Previous year numbers are in bracket.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Stock options granted

The weighted average fair value of stock options granted during the period was CAD Nil (December 31, 2011: CAD Nil). The BlackScholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	December 31, 2012	December 31, 2011
Weighted average share price (in CAD)	0.07	0.07
Exercise price (in CAD)	0.13	0.13
Expected volatility (%)	133%	133%
Expected life	1	2
Average risk-free interest rate (%)	0.97%	0.97%

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the HEGL life; HEGL 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.

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 46 RELATED PARTY TRANSACTIONS

a. Names of the related parties and description of relationship:

Sl. No.	Relationship	Name of the parties
(i)	Holding company	GHPL
(ii)	Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures	AAI African Spirit Trading 307 (Proprietary) Limited Arcelormittal India Limited (AIL) Asia Pacific Flight Training Sdn Bhd (APFTSB) Bharat Petroleum Corporation Limited (BPCL) Brindaban Man Pradhang BWWFSIPL CAPL Cargo Service Center India Private Limited (CSCIPL) CELEBI GHDPL CHSAS Classic Number Trading 87 (Pty) Limited (CNTL) DIL FAG GoAP Greenwich Investments Limited (GRIL) Homeland Energy Management Limited IDFS Trading Private Limited (IDFSTPL) IEISL IL & FS Financials Services limited (IL&FS) IL & FS Renewable Energy Limited (ILFS Renw) IL&FS Urban Infrastructure Services Limited (IUISL) India Development Fund (IDF) India Infrastructure Fund (IIF) Indian Oil Corporation Limited (IOCL) Infrastructure Development Finance Company Limited (IDFC) Kakinada Infrastructure Holdings Private Limited (KIHPL) Kakinada Refinery& Petrochemicals Private Limited (KRPPPL) Lanco Group Limited (LGL) LGM Guvenik (LGMG) Limak Insaat San.Ve Tic. A.S. (LISVT) Limak Yatrim (LY) LMPL M/S G.S.Atwal & Co. MAHB Malaysia Airports (Mauritius) Private Limited (MAMPL) Malaysian Aerospace Engineering Sdn. Bhd. (MAE) Malaysian Airline System Bhd. (MAS) Mehment Senk Aipsoy (MSA) 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) NAPC Limited (NAPC) Navabharat Power Private Limited (NBPPL) Nepal Electricity Authority (NEA) Odean Limited (OL) Oriental Tollways Private Limited (OTPL) OSEPL

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

Sl. No.	Relationship	Name of the parties
		Petronas International Corporation Limited (PICL)
		PT Dian Swastatika Sentosa Tbk (PT Dian)
		Reliance Infrastructure Limited (RIL)
		Riverside Park Trading 164 (Pty) Limited (RPTL)
		Rushil Construction (India) Private Limited (RCIPL)
		Somerset India Fund (SIF)
		SSP Catering India Private Limited (SSPCIPL)
		Sterlite Energy Limited (SEL)
		Tenega Parking Services (India) Private Limited (TPSIPL)
		Times Innovative Media Limited (TIML)
		Tottenham Finance Limited (TFL)
		Track India Private Limited (TIPL)
		Travel Foods Services (Delhi) Private Limited (TFSDPL)
		TVS Communications Solutions Limited (TVSCSL)
		TVS Logistics Services Limited (TVLSL)
		UEDIPL
		Veda Infra-Holdings (India) Private Limited (VIHIPL)
		Wipro Limited (WL)
		Yalorvin Limited (YL)
(iii)	Enterprises where key management personnel and their relatives exercise significant influence (where transactions have taken place)	CISL
		GFFT
		GMR Enterprises Private Limited (GEPL)
		GMR Infra Ventures LLP (GIVLLP)
		GMR Varalakshmi Foundation (GVF)
		GREPL
		GWT
		Rajam Enterprises Private Limited (REPL)
(iv)	Fellow subsidiary companies (where transactions have taken place)	GBPPL
		CIL
		Delhi Golf Link Properties Private Limited (DGLPPL)
		GHML
		GHTPL
		GMR Holdings (Overseas) Limited (GHOL)
		GMR Infrastructure Malta Limited (GIMTL)
		GMR International FZE (GIFZE)
		GPPL
		GSPL
		RSSL
(v)	Key management personnel and their relatives	Mr. G.M.Rao (Chairman)
		Mrs. G.Varalakshmi
		Mr. G.B.S.Raju (Director)
		Mr. Kiran Kumar Grandhi (Director)
		Mr. Srinivas Bommidala (Director) (Resigned as Managing Director w.e.f. October 1, 2011)
		Mr. B.V.Nageswara Rao (Managing Director) (Managing Director w.e.f. October 1, 2011)
		Mr. O Bangaru Raju (Director)

Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain companies.
- Certain Key management personnel have extended personal guarantees as security towards borrowings of the Group and other body corporates. Similarly, GHPL and certain fellow subsidiaries have pledged certain shares held in the Company as security towards the borrowings of the Group.
- 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

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
Purchase of investments		
- Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	0.03	-
Sale of investments in equity shares		
- Enterprises where key management personnel and their relatives exercise significant influence		
REPL	0.39	-
Allotment of equity shares		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
BWWFSIPL	-	2.08
CAPL	-	2.08
CELBI GHDP	-	2.08
DIL	1.27	-
GRIL	0.60	-
ILFS Renw	-	30.48
LMPL	-	4.99
MAE	20.85	8.95
TIML	-	4.99
TPSIPL	0.15	-
Redemption of investments in preference shares		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
RCIPL	46.73	-
Refund of share application money received		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
TIML	0.80	0.57
Share application money received		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
TVSLSL	-	0.50
TPSIPL	0.15	-
DIL	-	1.27
MAE	0.01	8.95
Loans/ advances repaid by		
- Fellow Subsidiary companies		
GHML	26.91	26.12
GPPL	1.25	-
- Enterprises where key management personnel and their relatives exercise significant influence		
REPL	14.00	-
Loans/ advances given to		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
IEISL	-	29.93
GPPL	1.25	-
AAI	-	1.33
- Enterprises where key management personnel and their relatives exercise significant influence		
REPL	14.00	-
GVF	15.62	12.89

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

b. Summary of transactions with the above related parties are as follows: (Contd.)

Nature of Transaction	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
- Fellow Subsidiary companies		
RSSL	0.10	-
GHML	153.98	26.12
Loans taken from		
- Holding company		
GHPL	12.77	
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
IL&FS	24.44	64.55
DIL	-	0.56
CHSAS	5.66	-
ILFS Renw	19.50	-
CSCIPL	5.10	-
- Fellow Subsidiary companies		
GPPL	92.80	95.00
Loans repaid		
- Holding company		
GHPL	7.37	-
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
MAIPL	0.10	0.10
- Fellow Subsidiary companies		
GPPL	187.80	-
Investment in cumulative convertible debentures (CCDs)		
- Fellow Subsidiary companies		
GHML	-	0.22
Redemption of Investments in CCDs		
- Fellow Subsidiary companies		
GHML	99.12	875.52
Purchase of fixed assets		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
BPCL	-	0.42
DIL	0.46	-
APFTSB	0.15	-
WL	1.71	1.64
- Fellow Subsidiary companies		
RSSL	0.23	0.06
GPPL	-	4.19
Repayment of Subordinate Debt		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
UEDIPL	26.00	-
Deposits given		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
APFTSB	0.59	-
- Fellow Subsidiary companies		
RSSL (₹ 5,000 (March 31, 2012: ₹ 4.95 crore))	0.00	4.95
GHTPL	-	-
GPPL	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

b. Summary of transactions with the above related parties are as follows: (Contd.)

Nature of Transaction	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	0.98	28.57
Deposit refund received		
- Fellow Subsidiary companies		
DGLPPL	-	1.00
GBPPL	-	19.59
- Key management personnel		
Mr. B.V. Nageswara Rao	-	0.01
Equity dividend declared by the Company		
- Holding company		
GHPL	27.36	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GIVLLP	0.30	-
GWT	0.05	-
GEPL	0.18	-
- Key management personnel and their relatives		
Mr. G.M.Rao	0.01	-
Mrs. G.Varalakshmi	0.01	-
Mr. G.B.S.Raju	0.01	-
Mr. Kiran Kumar Grandhi	0.01	-
Mr. Srinivas Bommidala (₹ 45,166, March 31, 2012: ₹ Nil)	0.00	-
Equity dividend declared by subsidiaries / jointly controlled entities		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
IDFSTPL	1.09	-
YL	2.11	-
MACHL	5.75	2.50
Preference dividend declared by subsidiaries		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
MACHL	2.15	2.15
Revenue		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
LGMG	0.11	0.43
MAHB	0.65	-
LMPL	0.96	0.66
TIML	0.36	0.43
Income from management and other services		
- Fellow Subsidiary companies		
GSPL	0.03	0.49
Income from Operations		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	2.70	2.70
Fees received for services rendered		
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	-	0.11
GFFT	-	0.08
LISVT	2.41	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

b. Summary of transactions with the above related parties are as follows: (Contd.)

Nature of Transaction	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
CELEBI GHDPL	2.95	-
BWWFSIPL	2.94	-
GMRIT [Amounting to ₹ 45,000 (March 31, 2012 : ₹ Nil)]	0.00	-
TVSLSL	0.02	-
CAPL	7.16	5.24
- Fellow Subsidiary companies		
GSPL	-	0.21
Fee paid for services received		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
WL	9.71	8.06
TVSCSL	3.87	5.01
TVSLSL	0.09	0.30
AAI	0.10	0.28
CELBI GHDPL	0.19	0.82
BWWFSIPL	-	2.27
APFTSB	0.02	
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	0.17	-
GEPL	-	0.01
Interest income		
- Enterprises where key management personnel and their relatives exercise significant influence		
REPL	0.02	-
- Fellow Subsidiary companies		
GHML	1.15	0.10
CIL	0.85	-
GPPL	0.60	0.60
Airport operator fees		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
FAG	45.92	38.29
Intangible assets under development - Reversal of success fees		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
MAHB	-	13.45
Provision for doubtful loans and advances		
- Fellow Subsidiary companies		
CIL	49.32	-
Loans and advances / receivables write off		
- Fellow Subsidiary companies		
GHOL	0.55	-
GIMTL	0.01	-
Sub-contracting expenses		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
UEDIPL	1.95	14.95
Advance paid towards sub-contracting expenses		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

b. Summary of transactions with the above related parties are as follows: (Contd.)

Nature of Transaction	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
UEDIPL	-	1.91
Revenue share paid/payable to concessionaire grantors		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	1,533.16	704.08
Rent Paid		
- Fellow Subsidiary companies		
GBPPL	-	12.51
DGLPPL	-	0.22
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.01	-
GFFT	19.97	5.77
Managerial remuneration to		
- Key management personnel and their relatives		
Mr. G.M. Rao	4.33	7.53
Mr. G.B.S.Raju	4.91	-
Mr. Srinivas Bommidala	3.48	4.17
Mr. B.V. Nageswara Rao	2.20	2.31
Mr. Kiran Kumar Grandhi	1.56	3.15
Mr. O Bangaru Raju	2.20	0.83
Logo fee paid/payable to		
- Fellow Subsidiary companies		
GHPL	14.76	14.63
Technical and consultancy fee		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	0.42	0.04
FAG	9.81	10.80
LY	4.61	0.98
DIL	0.21	0.08
MAHB	5.30	2.98
TIML	-	1.32
MAPUK	4.76	4.77
- Fellow Subsidiary		
RSSL	0.22	1.19
GPPL	0.13	1.72
Other expenses - others		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	-	0.09
TPSIPL	1.01	0.40
LISVT	1.80	0.03
MAHB	1.16	0.58
BPCL	0.01	0.02
DIL	0.50	0.32
CSCIPL	-	0.26
IOCL [Amounting to ₹ 26,520 (March 31, 2012: ₹ 15,600)]	0.00	0.00
LMPL	0.43	0.40
LGMG	3.85	15.04
BWWFSIPL	0.65	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

b. Summary of transactions with the above related parties are as follows: (Contd.)

Nature of Transaction	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
- Fellow Subsidiary		
RSSL	63.13	45.02
- Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	-	0.75
Reimbursement of expenses incurred on behalf of the Group		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
MAS	-	0.16
MAE	-	0.18
CHSAS	0.11	0.55
CSCIPL	0.26	1.52
LMPL	0.03	0.08
YL	0.82	0.76
IDFSTPL	-	0.01
CELBI GHDPL (₹ 40,634 (March 31, 2012: ₹ 0.04 crore))	0.00	0.04
TFSDPL	-	-
APFTSB	0.01	-
- Fellow Subsidiary		
GSPL	0.93	-
RSSL	0.18	0.01
GPPL [Amounting to ₹ 16,253 (March 31, 2012: ₹ Nil)]	0.00	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	-	0.09
GVF	0.80	0.87
Expenses incurred by the Group on behalf of		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	11.32	1.72
CELBI GHDPL	0.09	0.28
TIML	0.19	0.06
KRPPL	1.69	-
CHSAS	0.02	-
WL	0.01	-
- Fellow Subsidiary companies		
RSSL	0.05	0.01
GSPL	-	0.01
GBPPL	0.37	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	0.01	-
Donations		
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	8.88	6.35
Voluntary retirement compensation scheme		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	-	37.94
Personnel Expenses		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	4.33	10.73

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

b. Summary of transactions with the above related parties are as follows: (Contd.)

Nature of Transaction	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
DIL	0.05	0.07
Rent received		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	0.42	-
CELBI GHDPL	0.12	0.12
IOCL [Amounting to ₹ 27,060 (March 31, 2012: ₹ Nil)]	0.00	-
BPCL	0.02	-
Ground handling commission paid		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
CELBI GHDPL	0.32	0.06
BWWFSIPL	0.21	0.13
CAPL	-	0.28
Construction cost paid to (including advances)		
- Fellow Subsidiary companies		
GPPL	474.10	140.00
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
OSEPL	263.28	378.79
IEISL	-	42.86
IL&FS	-	0.70
IUISL	-	0.14
ILFS Renw	1.21	-
Interest paid		
- Holding Company		
GHPL	0.04	-
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	18.62	0.68
UEDIPL	0.10	0.26
BPCL	-	0.29
CHSAS	0.18	-
LY	0.44	-
- Fellow Subsidiary companies		
GPPL	1.08	0.06
Balance Payable/ (Receivable)		
- Holding Company		
GHPL	15.52	3.46
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and jointly controlled entities		
AAI	364.56	158.10
FAG	41.36	28.85
APFTSB	(0.61)	-
MAE	2.16	1.92
LGMG	-	0.97
LISVT	(3.13)	-
MAHB	2.74	0.23
MAS	-	3.20
IOCL [Amounting to ₹ 1,560 (March 31, 2012: ₹ 14,020)]	0.00	0.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

b. Summary of transactions with the above related parties are as follows: (Contd.)

Nature of Transaction	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)
BPCL	-	0.66
UEDIPL	0.01	37.41
DIL	0.09	0.73
TIML	(0.07)	1.88
TIPL	-	(0.10)
IEISL	-	(15.53)
IUISL	-	0.01
CSCIPL	5.09	1.62
WL	5.50	3.52
LMPL	14.09	14.06
OSEPL	28.37	24.25
MAIPL	1.10	1.20
MAPUK	0.45	0.95
GoAP	315.05	315.05
CHSAS	6.67	(0.19)
TPSIPL	0.21	0.10
TFSDPL	-	-
CELBI GHDPL	(0.57)	(0.28)
BWWFSIPL	(1.21)	(1.96)
CAPL	(3.60)	(2.99)
YL	0.45	0.77
IDFSTPL [Amounting to ₹ 5,440 (March 31, 2012: ₹ 0.10 crore)]	0.00	0.10
LY	6.61	0.46
TVSLSL	0.04	0.48
TVSCSL	0.27	-
GMRIT	(0.01)	-
ILFS Renw	20.71	-
IL&FS	54.44	30.52
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	(30.07)	(27.94)
GVF	(27.73)	(13.07)
CISL	(8.59)	(8.59)
GWT	(115.00)	(115.00)
- Fellow Subsidiary companies		
GPPL	(679.43)	(134.10)
CIL	(14.64)	(59.33)
GSPL	0.15	0.04
RSSL	3.57	(0.34)
GHTPL	(135.00)	(135.00)
GBPPL	(1.12)	(1.50)
GHML	(127.01)	(99.16)
- Key management personnel and their relatives		
Mr. G.M. Rao	4.00	1.86
Mr. Srinivas Bommidala	-	0.96

Notes to the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 47

The Board of Directors of the Company have recommended a dividend of ₹ 0.10 per equity share of ₹ 1 each for the year ended March 31, 2013.

NOTE 48

Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements of the Group have been rounded off or truncated as deemed appropriate by the management of the Group.

NOTE 49

Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to current year's classification.

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place: Bengaluru
Date : May 30, 2013

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderajan
Company Secretary

Place: Bengaluru
Date : May 30, 2013

Independent Auditors' Report on the Standalone Financial Statements of GMR Infrastructure Limited

To the Members of GMR Infrastructure Limited

Report on the financial statements

We have audited the accompanying financial statements of GMR Infrastructure Limited ("the Company"), which comprise the balance sheet as at March 31, 2013, and the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

As detailed in Note 43 to the accompanying financial statements for the year ended March 31, 2013, the Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made an investment of ₹ 126.58 Crore (USD 2.31 Crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL') and has given a corporate guarantee of Rs. 2,301.60 Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL. The Concession Agreement entered into between GMIAL, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT') for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and

MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the said agreement and pending resolution of the dispute, such investment has been carried at cost in the financial statements as at March 31, 2013 as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets including the claim recoverable of ₹ 919.16 Crore (USD 16.77 Crore). Further, GMIAL has executed work construction contracts with GADL International Limited ('GADL International'), a subsidiary of the Company and other service providers for rehabilitation, expansion, and modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADL International and these service providers and have received claims from GADL International and other service providers towards termination payments. However, such claims relating to the termination of contracts have not been recognised since the amounts payable are not certain as at March 31, 2013. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequent impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADL International.

Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on its impact on the carrying value of the investment pertaining to the aforesaid project and any other consequential impact that may arise in this regard on the financial statements for the year ended March 31, 2013.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- in the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- We draw attention to Note 30 to the accompanying financial statements for the year ended March 31, 2013 in connection with an investment of ₹ 341.56 Crore (including loans of ₹ 104.97 Crore, share application money pending allotment of ₹ 20.00 Crore and investment in equity / preference shares of ₹ 216.59 Crore made by the Company and its subsidiaries) in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Company. 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. Our opinion is not qualified in respect of this matter.

b) We draw attention to Note 44 to the accompanying financial statements for the year ended March 31, 2013, regarding (i) losses incurred by GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPG'), subsidiaries of the Company, and the consequent erosion of net worth resulting from unavailability of adequate supply of natural gas and (ii) rescheduling of the commercial operations date and the repayment of certain project loans by GMR Rajahmundry Energy Limited ('GREL'), a subsidiary company, pending linkage of natural gas supply. Based on business plans and valuation assessment, the management is of the view that the carrying value of the investments (including advances) as at March 31, 2013 made by the Company directly / through its subsidiaries in GEL, GVPG and GREL is appropriate. However, continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and as such the accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) *except for the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the balance sheet, the statement of profit and loss, and the cash flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act; and
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI firm registration number: 101049W

per Sunil Bhumralkar
Partner
Membership number: 35141
Place: Bengaluru
Date: May 30, 2013

Annexure referred to in clause 1 of paragraph on report on other legal and regulatory requirements of our report of even date

Re: GMR Infrastructure Limited

- (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 loan to one entity covered in the register maintained under section 301 of the Act. The maximum amount involved during the year (excluding interest) was ₹ 65.99 Crore and the year-end balance of loan (excluding interest) granted to such party was ₹ Nil.
 - (b) In our opinion and according to the information and explanations given to us and considering the economic interest of the Company in the above entity, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the Company.
 - (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
 - (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
 - (e) According to 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 Act. 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. In case of purchase of certain fixed assets and inventory, the management has

represented that because of the unique and specialized nature of the items involved, alternate quotations could not be obtained in certain cases. The activities of the Company do not involve sale of goods. 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 Act 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 Act 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, related to the construction activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, sales-tax, wealth-tax, service tax, customs duty, excise duty, investor education and protection fund, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there have been slight delays in few cases in remittance of profession tax and tax deducted at source under the Income tax Act, 1961.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, 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 records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period for which amount relates to	Forum where dispute is pending
Finance Act, 1994	Service Tax	29.09	October 2007 to March 2012	Commissioner of Service Tax

- (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 Order 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 Order are not applicable to the Company.
- (xv) *The Company has given a guarantee in respect of a loan taken by a group Company from a bank in respect of which it has not charged any commission nor was any adequate explanation provided to us of the benefit to the Company for giving such a guarantee.* In respect of other guarantees given by the Company for loans taken by others from banks or financial institutions, the terms and conditions, 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 Act.
- (xix) According to the information and explanations given to us, the Company has issued 6,500 secured debentures of ₹ 0.10 Crore each, during the period covered by our audit report. The outstanding amount as at March 31, 2013 in respect of these secured debentures is ₹ 987.50 Crore. The Company has created security in respect of debentures issued. Further, the Company has unsecured debentures of

₹ 350.00 Crore outstanding as at March 31, 2013 on which no security is required to be created.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based on 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 LLP
Chartered Accountants
ICAI firm registration number: 101049W

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 30, 2013

Balance Sheet as at March 31, 2013

Particulars	Notes	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Equity and liabilities			
Shareholders' funds			
Share capital	3	389.24	389.24
Reserves and surplus	4	6,796.49	6,838.03
		7,185.73	7,227.27
Non-current liabilities			
Long-term borrowings	5	3,015.83	1,904.63
Deferred tax liability (net)	6	-	3.90
Other long-term liabilities	7	-	14.89
Long-term provisions	8	0.89	0.39
		3,016.72	1,923.81
Current liabilities			
Short-term borrowings	9	751.20	852.00
Trade payables	10	162.55	172.26
Other current liabilities	10	966.22	592.06
Short-term provisions	8	67.72	22.88
		1,947.69	1,639.20
Total		12,150.14	10,790.28
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	105.94	99.31
Intangible assets	12	2.96	2.16
Capital work-in-progress		-	1.57
Non-current investments	13	6,845.88	6,692.26
Deferred tax assets (net)	6	18.32	-
Long-term loans and advances	14	2,982.03	1,683.09
Trade receivables	15.1	111.38	79.53
Other non-current assets	15.2	422.81	6.10
		10,489.32	8,564.02
Current assets			
Current investments	16	67.70	211.51
Inventories	17	87.22	31.71
Trade receivables	15.1	206.79	295.44
Cash and bank balances	18	205.36	525.15
Short-term loans and advances	14	746.74	904.74
Other current assets	15.2	347.01	257.71
		1,660.82	2,226.26
Total		12,150.14	10,790.28
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 30, 2013

Place: Bengaluru
Date : May 30, 2013

Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Notes	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Income			
Revenue from operations	19	1,432.79	1,381.87
Other income	20	28.58	48.41
Total (i)		1,461.37	1,430.28
Expenses			
Cost of materials consumed	21	289.25	334.62
Subcontracting expenses		622.72	544.81
Employee benefits expenses	22	72.47	89.31
Other expenses	23	87.57	115.76
Depreciation and amortisation expenses	24	8.31	7.58
Finance costs	25	374.43	197.35
Total (ii)		1,454.75	1,289.43
Profit before exceptional items and tax expenses [(i) - (ii)]		6.62	140.85
Exceptional items - Profit on sale of investment	26	75.83	-
Profit before tax		82.45	140.85
Tax expenses			
Current tax		45.54	36.71
Less: Minimum Alternate Tax ('MAT') credit entitlement		-	(17.38)
Reversal of current tax of earlier years		(4.71)	(1.40)
MAT credit written off	14 (1)	10.39	-
Deferred tax (credit)/charge		(22.22)	2.62
Total tax expenses		29.00	20.55
Profit for the year		53.45	120.30
Earnings per equity share [nominal value of share ₹ 1 each (March 31, 2012: ₹ 1)]			
Basic and diluted	27	0.14	0.31
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 30, 2013

Place: Bengaluru
Date : May 30, 2013

Cash flow statement for the year ended March 31, 2013

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	82.45	140.85
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	8.31	7.58
Adjustments to the carrying amount of current investments	0.12	0.94
Provisions no longer required, written back	(0.24)	-
Profit on sale of investments (net)	(104.03)	(40.45)
Loss/(profit) on sale of fixed assets (net)	0.01	(0.01)
Unrealised foreign exchange differences (net)	(2.52)	(44.03)
Dividend income [(₹ 7,067 (March 31, 2012: ₹ 3,540,000))]	(0.00)	(0.35)
Interest income	(255.66)	(237.52)
Finance costs	374.43	197.35
Operating profit before working capital changes	102.87	24.36
Movement in working capital:		
(Increase)/decrease in inventories	(55.51)	(21.14)
(Increase)/decrease in loans and advances	(92.65)	(18.32)
(Increase)/decrease in other assets	(30.98)	(8.90)
(Increase)/decrease in trade receivables	56.79	(258.35)
Increase/(decrease) in trade payables, other current liabilities and provisions	(39.61)	206.16
Cash generated (used in)/from operations	(59.09)	(76.19)
Direct taxes paid (net of refunds)	(55.38)	(44.18)
Net cash (used in)/from operating activities	(114.47)	(120.37)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	(10.80)	(22.46)
Proceeds from sale of fixed assets	0.15	0.01
Purchase of non-current investments (including share application money)	(1,247.54)	(483.94)
Proceeds from sale of non-current investments (including refund of share application money)	1,173.32	996.66
Purchase/sale of current investments (net)	161.69	(196.74)
Loans given to subsidiary companies	(3,279.16)	(1,938.29)
Loans repaid by subsidiary companies	2,183.33	1,088.59
Interest received	208.39	152.02
Dividend received [₹ 7,067 (March 31, 2012: ₹ 3,540,000)]	0.00	0.35
Net cash (used in)/from investing activities	(810.62)	(403.80)

Cash flow statement for the year ended March 31, 2013 (Contd.)

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	1,589.50	409.00
Repayment of long-term borrowings	(211.63)	(75.88)
Proceeds from short-term borrowings	594.00	977.00
Repayment of short-term borrowings	(694.80)	(726.08)
Payment of debenture redemption premium	(58.06)	(61.03)
Financial costs paid	(296.05)	(196.54)
Net cash from/(used in) financing activities	922.96	326.47
Net increase/(decrease) in cash and cash equivalents	(2.13)	(197.70)
Cash and cash equivalents at the beginning of the year	205.94	403.64
Cash and cash equivalents at the end of the year	203.81	205.94
Components of cash and cash equivalents		
Cash on hand	0.02	0.03
Balances with scheduled banks		
- On current accounts	203.79	108.85
- On deposit accounts	-	79.89
Cheques on hand	-	17.17
Total cash and cash equivalents (note 18)	203.81	205.94

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. The above cash flow statement has been compiled from and is based on the balance sheet as at March 31, 2013 and the related statement of profit and loss for the year ended on that date.
3. Previous year's figures have been regrouped and reclassified, wherever necessary to conform to those of the current year's classification. Refer Note 51.

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place: Bengaluru
Date : May 30, 2013

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

G. M. Rao
Executive Chairman

Place: Bengaluru
Date : May 30, 2013

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2013

1. CORPORATE INFORMATION

GMR Infrastructure Limited ('GIL' or 'the Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ('the Act'). Its stocks are listed on two stock exchanges in India. The Company carries its business in the following verticals:

a) Engineering Procurement Construction (EPC)

The Company is engaged in handling EPC solutions in the infrastructure sector.

b) Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Act. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 2.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible fixed assets, including day to day repairs and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Gains or losses arising from derecognition of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the tangible fixed assets and are recognised in the statement of profit and loss when the tangible fixed asset is derecognised.

c) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Act, whichever is higher. The Company has used the following rates to provide depreciation on its tangible fixed assets.

Assets	Rates (SLM)
Plant and equipments	4.75%
Office equipments	4.75%
Furniture and fixtures	6.33%
Vehicles	9.50%
Computers	16.21%

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Asset individually costing Indian Rupees (₹) 5,000 or less, are fully depreciated in the year of acquisition.

d) Intangible assets

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

Computer software is amortised based on the useful life of 6 years on a straight line basis as estimated by the management.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the intangible assets and are recognised in the statement of profit and loss when the intangible asset is derecognised.

e) Impairment of tangible/ intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

f) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Act, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Act.

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 statement of profit and loss on a straight-line basis over the lease term.

g) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories

Raw materials, components, stores and spares are valued at 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 of raw materials, components and stores and spares is determined on a weighted average basis.

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 is valued at lower of cost and net realisable value.

j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from construction activity

Construction revenue and costs are recognised 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 recognised 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 recognises 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. Variations in contract work, claims and incentive payments are recognised to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Income from management/ technical services

Income from management/ technical services is recognised as per the terms of the agreement on the basis of services rendered.

Interest

Interest on investments and bank deposits are recognised on a time proportion basis taking into account the amounts invested and the rate applicable.

k) Foreign currency translation

Foreign currency transactions and balances.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.
3. All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of (iii)(1) and (iii)(2) above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of twelve months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

I) Retirement and other employee benefits

(i) Defined contribution plans

Retirement benefit in the form of provident fund, superannuation fund and pension fund are defined contribution schemes. The Company has no obligation, other than the contributions payable to the provident fund, pension fund and superannuation fund. The Company recognises contribution payable to the provident fund, pension fund and superannuation fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided on the basis of 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 in full in the period in which they occur in the statement of profit and loss as an income or expense.

(iii) Other long-term employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(iv) Short-term employee benefits

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

m) 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 number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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 potential dilutive equity shares.

n) Income taxes

Tax expense comprises 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 (the 'IT Act') enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier year. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences 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 reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset 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 realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of 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 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.

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 same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for credit available in respect of MAT under the IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

o) Segment reporting

Identification of segments

The Company'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 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.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statement of the Company as a whole.

p) Shares/debentures issue expenses and premium redemption

Equity shares issue expenses incurred are expensed in the year of issue and preference share/debenture issue expenses and redemption premium payable on preference shares/ debentures are expensed over the term of preference shares/debentures. These are adjusted to the securities premium account as permitted by Section 78(2) of the Act to the extent of balance available in such securities premium account.

q) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

r) Contingent liabilities

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

s) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash/ cheques/ drafts on hand and short-term investments with an original maturity of three months or less.

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Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 3 | SHARE CAPITAL

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Authorised shares		
7,500,000,000 (March 31, 2012: 7,500,000,000) equity shares of ₹ 1 each	750.00	750.00
Issued, subscribed and fully paid-up shares		
3,892,430,282 (March 31, 2012: 3,892,430,282) equity shares of ₹ 1 each	389.24	389.24
Issued, subscribed but not fully paid-up shares		
4,500 (March 31, 2012: 4,500) equity shares of Re. 1 each not fully paid up [₹ 2,250 (March 31, 2012: ₹ 2,250)]	0.00	0.00
Total issued, subscribed and paid-up share capital	389.24	389.24

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

Equity Shares	March 31, 2013		March 31, 2012	
	Number	₹ in Crore	Number	₹ in Crore
At the beginning of the year	3,892,434,782	389.24	3,892,434,782	389.24
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	3,892,434,782	389.24	3,892,434,782	389.24

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Every member holding equity shares there in shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(c) Shares held by Holding/ultimate Holding Company and/or their subsidiaries/ associates

Out of equity shares issued by the Company, shares held by its Holding Company, ultimate Holding Company and their subsidiaries/associates are as below:

Particulars	March 31, 2013 Number	March 31, 2012 Number
GMR Holdings Private Limited ('GHPL'), the Holding Company		
Equity shares of ₹ 1 each fully paid-up	2,736,221,862	2,736,221,862
Rajam Enterprises Private Limited ('REPL'), an associate of the Holding Company		
Equity shares of ₹ 1 each fully paid-up	-	5,170,000
GMR Infra Ventures LLP ('GIVLLP'), an associate of the Holding Company		
Equity shares of ₹ 1 each fully paid-up	30,000,000	30,000,000
GMR Enterprises Private Limited ('GEPL'), an associate of the Holding Company		
Equity shares of ₹ 1 each fully paid-up	17,100,000	4,830,000
Welfare Trust of GMR Infra Employees ('GWT'), an associate of the Company		
Equity shares of ₹ 1 each fully paid-up	17,999,800	17,999,800

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Equity shares allotted as fully paid-up for consideration other than cash ¹	2.60	2.60

- During the year ended March 31, 2010, 46,800,000 equity shares of ₹ 10 each of Delhi International Airport Private Limited ('DIAL') were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund for a consideration of ₹ 149.72 Crore, which was discharged by allotment of 26,038,216 equity shares of the Company of ₹ 1 each at an issue price of ₹ 57.50 per equity share (including ₹ 56.50 per equity share towards securities premium).

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 3 SHARE CAPITAL (Contd.)

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2013		March 31, 2012	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 1 each fully paid				
GHPL	2,736,221,862	70.30%	2,736,221,862	70.30%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

NOTE 4 RESERVES AND SURPLUS

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
(a) Securities premium account		
Balance as per the last financial statements	6,378.10	6,440.71
Less: utilised towards provision for debenture redemption premium (net of taxes and MAT credit)	49.76	62.61
Closing balance	6,328.34	6,378.10
(b) Debenture redemption reserve		
Balance as per the last financial statements	58.60	40.99
Add: amount transferred from surplus balance in the statement of profit and loss	81.53	36.57
Less: amount transferred to general reserve	21.66	18.96
Closing balance	118.47	58.60
(c) General reserve		
Balance as per the last financial statements	18.96	-
Add: amount transferred from debenture redemption reserve	21.66	18.96
Closing balance	40.62	18.96
(d) Surplus in the statement of profit and loss		
Balance as per last financial statements	382.37	298.64
Profit for the year	53.45	120.30
Less: Appropriations		
Proposed final equity dividend ¹	38.92	-
Tax on proposed equity dividend	6.31	-
Transfer to debenture redemption reserve	81.53	36.57
Net surplus in the statement of profit and loss	309.06	382.37
Total reserves and surplus	6,796.49	6,838.03

1. The Board of Directors of the Company have recommended a dividend of ₹ 0.10 per equity share of ₹ 1 each for the year ended March 31, 2013.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 5 | LONG-TERM BORROWINGS

Particulars	Non-current portion		Current maturities	
	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Debentures				
10,000 (March 31, 2012: 3,500) 0% secured, redeemable and non-convertible debentures of ₹ 987,500 each ¹	977.50	345.63	10.00	3.50
5,000 (March 31, 2012: 5,000) 0% unsecured, redeemable and non-convertible debentures of ₹ 700,000 each ²	175.00	350.00	175.00	75.00
Term loans				
Indian rupee term loan from a financial institution (unsecured) ^{3,4}	983.33	1,175.00	191.67	100.00
Indian rupee term loan from a bank (secured) ^{5,6,7}	430.00	34.00	93.50	25.00
Indian rupee term loan from a bank (unsecured) ^{8,9}	450.00	-	-	-
	3,015.83	1,904.63	470.17	203.50
The above amount includes				
Secured borrowings	1,407.50	379.63	103.50	28.50
Unsecured borrowings	1,608.33	1,525.00	366.67	175.00
Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(470.17)	(203.50)
Net amount	3,015.83	1,904.63	-	-

- During the year ended March 31, 2012, the Company had entered into an agreement to issue 7,000 secured, redeemable, non-convertible debentures of ₹ 1,000,000 each to ICICI Bank Limited ('ICICI') ('Tranche 1'). During the year ended March 31, 2013, the Company has entered into an agreement with ICICI to issue 3,000 secured, redeemable, non convertible debentures of ₹ 1,000,000 each ('Tranche 2'). These debentures are secured by way of first ranking: (a) pari passu charge on the fixed assets of GMR Vemagiri Power Generation Limited ('GVPGL'), a subsidiary Company; (b) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GMR Energy Limited ('GEL') held by GMR Renewable Energy Limited ('GREEL'); (c) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GVPGL held by GEL; (d) pari passu charge over GVPGL excess cash flow account, as defined in the subscription agreement executed between the Company and ICICI; and (e) exclusive charge over Debt Service and Reserve Account ('DSRA') maintained by the Company with ICICI. These debentures are redeemable at a premium yielding 14.50% p.a. till March 25, 2013 and after March 25, 2013 with a yield of base rate of ICICI plus 4.50% p.a. The Tranche 1 is redeemable in thirty seven quarterly unequal installments commencing from March 25, 2012 and Tranche 2 is redeemable in thirty six quarterly unequal installments commencing from June 25, 2012. As at March 31, 2013, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 987,500 (March 31, 2012: ₹ 997,500) per debenture.
- During the year ended March 31, 2010, the Company had issued 5,000 unsecured redeemable, non-convertible debentures of ₹ 1,000,000 each to ICICI which are redeemable at a premium yielding 14.00% p.a. (March 31, 2012 : 14.00% p.a.) and are repayable in 5 annual unequal installments commencing from April 2011. As at March 31, 2013, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 700,000 (March 31, 2012: ₹ 850,000) per debenture.
- Indian rupee term loan from the Life Insurance Corporation of India ('LIC') of ₹ 275 Crore carries periodic rates of interest as agreed with the lenders and is payable on a yearly basis. The loan is repayable in 3 equated annual installments commencing from August 2013. The loan is secured by way of a corporate guarantee issued by GHPL and pledge of 269,238,300 (March 31, 2012: 169,178,714) equity shares of Re. 1 each of the Company, held by GHPL.
- Indian rupee term loan from LIC of ₹ 900 Crore (March 31, 2012: ₹ 1,000 Crore) carries interest @ 11.75% p.a. (March 31, 2012 : 11.75% p.a.) and is payable on a half yearly basis. The loan is repayable in 10 equated annual installments commencing from December 2012. The loan is secured by exclusive first charge on barge mounted plant of a subsidiary Company and pledge of 115,103,532 (March 31, 2012: 102,669,405) equity shares of ₹ 1 each of the Company, held by GHPL.
- Indian rupee term loan from a bank of ₹ 43.50 Crore (March 31, 2012: ₹ 59.00 Crore) carries interest @ BBR plus 2.50% p.a. (March 31, 2012 : BBR plus 2.50% p.a.) and is payable on a monthly basis. The loan is repayable in 3 equal installments at the end of 12th, 18th and 24th month from the date of first disbursement i.e. February 16, 2012. The loan is secured by an exclusive first charge on assets acquired out of the proceeds of the loan and second charge on the current assets of EPC division of the Company.
- Indian rupee term loan from a bank of ₹ 300 Crore (March 31, 2012: ₹ Nil) carries interest @ base rate of lender plus spread of 1.50% p.a. (March 31, 2012: Nil) and is payable on a monthly basis. The loan is secured by i) 10% of cash margin on the outstanding amount in the form of lien on fixed deposit in favour of the lender; and ii) exclusive charge on loans and advances provided by the Company out of this loan facility. The loan is repayable in 6 equal quarterly installments commencing from March 31, 2014.
- The Company has been sanctioned an Indian rupee term loan from a bank of ₹ 200 Crore (March 31, 2012: ₹ Nil) which carries interest @ base rate of lender plus spread of 1.50% p.a. (March 31, 2012 : Nil) and is payable on a monthly basis. The loan is secured by a first charge over the immovable properties of ₹ 20 Crore, aircrafts of ₹ 50 Crore and exclusive charge on loans and advances provided by the Company out of this loan facility, charge over 30% shares of GHPL in GMR Sports Private Limited ('GSPL') and non-disposable undertaking with regard to 19% of shareholding of GHPL in GSPL. The loan is repayable in 8 equal quarterly installments commencing from June 26, 2016. Of the above ₹ 200 Crore, the Company has availed ₹ 180 Crore as at March 31, 2013.

Notes to the Financial Statements for the year ended March 31, 2013

8. The Company has been sanctioned an Indian rupee term loan from a bank of ₹ 500 Crore (March 31, 2012: ₹ Nil) which carries interest @ base rate of lender plus applicable spread of 3.25% p.a. (March 31, 2012: Nil) and is payable on a monthly basis. The loan is secured by exclusive first mortgage and charge on i) movable fixed assets and immovable properties of GMR Power Corporation Limited ('GPCL'); ii) non-agricultural lands of GMR Hebbal Towers Private Limited ('GHTPL') and Mr. G. M. Rao; iii) certain immovable properties of Boyance Infrastructure Private Limited ('BIPL') in Mamidipally, Ranga Reddy district; iv) commercial apartment owned by Honey Flower Estates Private Limited ('HFEPL'); and v) an irrevocable and unconditional guarantee of GHPL, BIPL and HFEPL and demand promissory note equal to principal amount of the loan and interest payable on the loan. The loan is repayable in 16 quarterly installments commencing from October 1, 2014. Of the above ₹ 500 Crore, the Company has availed ₹ 200 Crore as at March 31, 2013.
9. Indian rupee term loan from a bank of ₹ 250 Crore (March 31, 2012: ₹ Nil) carries interest @ base rate of lender plus 1.50% p.a. (March 31, 2012: Nil) and is payable on a monthly basis. This loan is secured by exclusive first mortgage and charge on i) non-agricultural lands of BIPL, Namitha Real Estates Private Limited ('NREPL'), Sri Varalakshmi Jute Twine Mills Private Limited ('SVJTMPL') and Neozone Properties Private Limited ('NPPL'). The loan is repayable in 5 equated monthly installments commencing from November 30, 2014.

NOTE 6 DEFERRED TAX (ASSET)/ LIABILITY (NET)

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	8.75	6.31
Gross deferred tax liability	8.75	6.31
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	27.07	2.41
Gross deferred tax asset	27.07	2.41
Net deferred tax (asset)/liability	(18.32)	3.90

NOTE 7 OTHER LONG-TERM LIABILITIES

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Retention money ¹	-	14.89
	-	14.89

1. Retention money is payable on the completion of the contracts or after the completion of the defect liability period as defined in the respective contracts.

NOTE 8 PROVISIONS

Particulars	Long-term		Short-term	
	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Provision for employee benefits				
Provision for gratuity (refer Note 28)	0.89	0.39	0.41	0.12
Provision for leave benefits	-	-	5.43	4.72
Provision for other employee benefits	-	-	10.28	12.34
	0.89	0.39	16.12	17.18
Other provision				
Proposed equity dividend (refer Note 4(d)1)	-	-	38.92	-
Provision for tax on proposed equity dividend (refer Note 4(d))	-	-	6.31	-
Provision for debenture redemption premium	-	-	6.37	5.70
	-	-	51.60	5.70
	0.89	0.39	67.72	22.88

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 9 | SHORT-TERM BORROWINGS

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Bank overdraft (secured) ¹	201.20	-
Short-term loans from banks (unsecured) ²	150.00	500.00
Intercompany deposits from related parties repayable on demand (unsecured) ³	150.00	102.00
Debentures		
2,500 (March 31, 2012: 2,500) 0.01% unsecured, non-convertible debentures of ₹ 1,000,000 each ⁴	250.00	250.00
	751.20	852.00
The above amount includes		
Secured borrowings	201.20	-
Unsecured borrowings	550.00	852.00
	751.20	852.00

- Bank overdraft is secured by a first charge on current assets of the EPC division of the Company and carries an interest @ 13.75% p.a. (March 31, 2012: 13.75% p.a.).
- Short-term loan from banks represents loan taken from various banks which are repayable by way of a bullet payment within one year from the date of disbursement and carry interest rate ranging from 12% to 12.80%. (March 31, 2012: 12% to 12.50%).
- During the year ended March 31, 2013, the Company has accepted intercompany deposit of ₹ 150 Crore from its subsidiary, GMR Airports Limited ('GAL') which is repayable within 6 months from the date of first disbursement of deposit and carries an interest @ 11.75% p.a. (March 31, 2012: Nil) payable on a monthly basis. During the year ended March 31, 2012, the Company had accepted intercompany deposit of ₹ 7.00 Crore from its subsidiary, GMR Airport Developers Limited ('GADL') which was repayable within 90 days from the date of such deposit and carried interest @ 9.5% p.a. payable monthly and ₹ 95.00 Crore from its fellow subsidiary, GMR Projects Private Limited ('GPPL'), which was repayable on demand and carried interest @ 11% p.a. payable on a monthly basis.
- During the year ended March 31, 2012, the Company had issued 0.01% non-convertible, unsecured debentures of ₹ 1,000,000 each to GAL. These debentures are redeemable at par on or before 5 years at the option of the subscriber or the Company from the date of allotment, viz., January 6, 2012.

NOTE 10 | OTHER CURRENT LIABILITIES

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Trade payable (refer Note 33) ¹	162.55	172.26
	(A) 162.55	172.26
Other liabilities		
Current maturities of long-term borrowings (refer Note 5)	470.17	203.50
Interest accrued but not due on borrowings	137.82	15.88
Unearned revenue	1.67	144.99
Share application money refund ²	0.05	0.05
Advances from customers (refer Note 33)	270.28	172.64
Retention money	69.68	28.01
Non-trade payable (refer Note 33)	9.77	21.12
TDS payable	5.75	4.91
Other statutory dues	1.03	0.96
	(B) 966.22	592.06
Total (A + B)	1,128.77	764.32

- Refer note 39 for details of dues to micro and small enterprises.
- There is no amount due and outstanding to be credited to Investor education and protection fund.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 11 | TANGIBLE ASSETS

Particulars							(₹ in Crore)
	Freehold Land	Office Equipments	Computer Equipments	Plant and Equipments	Furniture and Fixtures	Vehicles	Total
Gross block (at cost)							
As at April 1, 2011	0.08	5.55	6.48	68.32	1.78	4.10	86.31
Additions	-	1.08	1.51	20.34	0.99	2.30	26.22
Disposals	-	-	-	-	-	0.09	0.09
As at March 31, 2012	0.08	6.63	7.99	88.66	2.77	6.31	112.44
Additions	-	1.51	0.89	12.25	0.19	0.15	14.99
Disposals	-	-	0.01	-	-	0.29	0.30
As at March 31, 2013	0.08	8.14	8.87	100.91	2.96	6.17	127.13
Depreciation							
As at April 1, 2011	-	0.52	1.67	2.84	0.59	0.50	6.12
Charge for the year	-	0.33	1.12	4.78	0.36	0.51	7.10
Disposals	-	-	-	-	-	0.09	0.09
As at March 31, 2012	-	0.85	2.79	7.62	0.95	0.92	13.13
Charge for the year	-	0.36	1.71	5.22	0.20	0.62	8.11
Disposals	-	-	-	-	-	0.05	0.05
As at March 31, 2013	-	1.21	4.50	12.84	1.15	1.49	21.19
Net block							
As at March 31, 2012	0.08	5.78	5.20	81.04	1.82	5.39	99.31
As at March 31, 2013	0.08	6.93	4.37	88.07	1.81	4.68	105.94

NOTE 12 | INTANGIBLE ASSETS

Particulars			(₹ in Crore)
	Computer software		Total
Gross block (at cost)			
As at April 1, 2011		2.11	2.11
Additions		1.00	1.00
Disposals		-	-
As at March 31, 2012		3.11	3.11
Additions		1.00	1.00
Disposals		-	-
As at March 31, 2013		4.11	4.11
Amortisation			
As at April 1, 2011		0.47	0.47
Charge for the year		0.48	0.48
Disposals		-	-
As at March 31, 2012		0.95	0.95
Charge for the year		0.20	0.20
Disposals		-	-
As at March 31, 2013		1.15	1.15
Net block			
As at March 31, 2012		2.16	2.16
As at March 31, 2013		2.96	2.96

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 13 | NON-CURRENT INVESTMENTS

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
A. In Subsidiary Companies		
- Domestic Companies		
GMR Hyderabad International Airport Limited ('GHIAL')	0.00	0.00
[1,000 (March 31, 2012: 1,000) equity shares of ₹ 10 each] [₹ 10,000 (March 31, 2012: ₹ 10,000)]		
GMR Pochanpalli Expressways Limited ('GPEPL')	1.38	57.13
[1,380,000 (March 31, 2012: 57,132,000) equity shares of ₹ 10 each]		
GMR Jadcherla Expressways Limited ('GJEL') (Formerly GMR Jadcherla Expressways Private Limited)	1.18	48.78
[1,178,250 (March 31, 2012: 48,779,550) equity shares of ₹ 10 each]		
GMR Ambala Chandigarh Expressways Private Limited ('GACEPL')*	23.27	23.27
[23,272,687 (March 31, 2012: 23,272,687) equity shares of ₹ 10 each]		
DIAL ^{1*}	245.00	245.00
[245,000,000 (March 31, 2012: 245,000,000) equity shares of ₹ 10 each]		
GMR Ulundurpet Expressways Private Limited ('GUEPL')	1.99	82.28
[1,987,500 (March 31, 2012: 82,282,500) equity shares of ₹ 10 each]		
GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL')	0.00	0.00
[4,900 (March 31, 2012: 4,900) equity shares of ₹ 10 each] [₹ 49,000 (March 31, 2012: ₹ 49,000)]		
GAL	679.83	679.83
[340,869,304 (March 31, 2012: 340,869,304) equity shares ₹ 10 each]		
GMR Aviation Private Limited ('GAPL')	86.44	86.44
[86,440,000 (March 31, 2012: 86,440,000) equity shares of ₹ 10 each]		
Gateways for India Airports Private Limited ('GFIAL')	0.01	0.01
[8,649 (March 31, 2012: 8,649) equity shares of ₹ 10 each]		
GMR Krishnagiri SEZ Limited ('GKSEZ')	117.50	117.50
[117,500,000 (March 31, 2012: 117,500,000) equity shares of ₹ 10 each]		
GMR SEZ & Port Holdings Private Limited ('GSPHPL')	47.99	47.99
[47,989,999 (March 31, 2012: 47,989,999) equity shares of ₹ 10 each]		
GMR Highways Limited ('GMRHL')*	20.00	20.00
[20,000,000 (March 31, 2012: 20,000,000) equity shares of ₹ 10 each]		
GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL')	2.05	2.05
[2,050,000 (March 31, 2012: 2,050,000) equity shares of ₹ 10 each]		
GMR Corporate Affairs Private Limited ('GCAPL')	5.00	5.00
[4,999,900 (March 31, 2012: 4,999,900) equity shares of ₹ 10 each]		
GMR Chennai Outer Ring Road Private Limited ('GCORRPL')*	9.30	9.30
[9,300,000 (March 31, 2012: 9,300,000) equity shares of ₹ 10 each]		
GMR Energy Trading Limited ('GETL')	50.22	42.12
[50,219,897 (March 31, 2012: 42,119,897) equity shares of ₹ 10 each]		
Dhruvi Securities Private Limited ('DSPL')	199.70	39.70
[168,059,694 (March 31, 2012: 8,059,694) equity shares of ₹ 10 each]		
GMR OSE Hungund Hospet Highways Private Limited ('GOSEHHHPL')*	59.80	59.80
[59,801,692 (March 31, 2012: 59,801,692) equity shares of ₹ 10 each]		
GREEL	0.50	0.50
[500,000 (March 31, 2012: 500,000) equity shares of ₹ 10 each]		
GMR Power Infra Limited ('GPIL')	0.85	0.85
[849,490 (March 31, 2012: 849,490) equity shares of ₹ 10 each]		
GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL')	5.05	0.05
[5,050,000 (March 31, 2012: 50,000) equity shares of ₹ 10 each]		

Notes to the Financial Statements for the year ended March 31, 2013

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
- Body Corporates		
GMR Energy (Mauritius) Limited ('GEML') [₹ 202 (March 31, 2012: ₹ 202)] [5 (March 31, 2012: 5) equity share of USD 1 each]	0.00	0.00
GMR Infrastructure (Mauritius) Limited ('GIML') (refer Note 43) [320,550,001 (March 31, 2012: 320,550,001) equity share of USD 1 each]	1,477.99	1,477.99
GMR Energy (Singapore) Pte Limited ('GESPL') (Formerly Island Power Company Pte Limited) [Nil (March 31, 2012: 4,059,436) equity share of SGD 1 each]	-	10.41
GMR Coal Resources Pte Limited ('GCRPL') (Formerly GMR Infrastructure Investments (Singapore) Pte Limited) [30,000 (March 31, 2012: 30,000) equity share of SGD 1 each]	0.11	0.11
GMR Male International Airport Private Limited ('GMIAL') [₹ 4,917 (March 31, 2012: ₹ 4,917)] [154 (March 31, 2012: 154) equity shares of Mrf 10 each]	0.00	0.00
B. In Joint Venture		
Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi ('ISG')* [109,629,660 (March 31, 2012: 86,984,800) equity shares of YTL 1 each]	334.62	266.76
(i)	3,369.78	3,322.87
1. The Company has filed an application with the Airport Authority of India ('AAI') for transfer of the Company's shareholding in DIAL to GAL. Pending receipt of approval from the AAI, the Company continues to carry the investment in DIAL as long term investment.		
Unquoted preference shares		
C. In Subsidiary Companies		
GEL [215,109,146 (March 31, 2012: 121,359,147) 1% non-cumulative redeemable preference shares of ₹ 10 each]	346.36	121.36
GEL [280,493,375 (March 31, 2012: 280,493,375) 1% cumulative redeemable preference shares of ₹ 10 each]	280.49	280.49
GPEPL [4,450,000 (March 31, 2012: 4,450,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]	44.50	44.50
GACEPL [66,000 (March 31, 2012: 66,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]	0.66	0.66
GUEPL [2,002,000 (March 31, 2012: 10,002,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]	20.02	100.02
GMRHL [70,654,000 (March 31, 2012: 62,654,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]	706.54	626.54
GCORRPL [2,192,500 (March 31, 2012: 2,192,500) 6% non-cumulative redeemable convertible preference shares of ₹ 100 each]	21.93	21.93
GCAPL [15,000,000 (March 31, 2012: 15,000,000) 8% non-cumulative redeemable preference shares of ₹ 10 each]	15.00	15.00
DSPL [42,000,000 (March 31, 2012: 202,000,000) 8% compulsory convertible preference shares of ₹ 10 each]	210.00	1,010.00
GHVEPL [7,682,740 (March 31, 2012: 428,740) 6% non-cumulative redeemable convertible preference shares of ₹ 100 each]	76.83	4.29
GKUAEL [195,000 (March 31, 2012 : Nil) .1% non-cumulative redeemable convertible preference shares of ₹ 100 each]	1.95	-
GAL [10,731,700 (March 31, 2012: 10,731,700) class B compulsorily convertible preference shares of ₹ 1000 each] ¹	-	-
GJEPL [5,310,000 (March 31, 2012: 5,310,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]	53.10	53.10
Less: Current portion of non-current investments ² (refer note 16)	(53.10)	-
(ii)	1,724.28	2,277.89

- GAL has allotted these shares as bonus shares in their allotment and transfer committee meeting held on August 04, 2011.
- The Company along with its subsidiaries GEL and GMRHL have entered into definitive sale agreements with private equity investors for divestment of its stake in GJEPL. Subsequent to the year end, these preference shares has been redeemed.

Notes to the Financial Statements for the year ended March 31, 2013

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Unquoted debentures		
D. In Subsidiary Companies		
GKSEZ	135.00	135.00
[135 (March 31, 2012: 135) 12% unsecured optionally convertible cumulative debentures of ₹ 10,000,000 each]		
GKSEZ	47.20	22.80
[472 (March 31, 2012: 228) 12% optionally convertible cumulative debentures of ₹ 1,000,000 each]		
GAPL	185.65	185.65
[18,565 (March 31, 2012: 18,565) 12.50% (March 31, 2012: 2%) unsecured optionally convertible debentures of ₹ 100,000 each]		
GSPHPL	100.00	100.00
[100 (March 31, 2012: 100) 1% unsecured optionally convertible cumulative debentures of ₹ 10,000,000 each]		
GSPHPL	129.00	128.85
[12,900 (March 31, 2012: 12,885) 0.1% unsecured convertible cumulative debentures of ₹ 100,000 each]		
GSPHPL	15.70	-
[1,570 (March 31, 2012: Nil) 12% unsecured optionally convertible cumulative debentures of ₹ 100,000 each]		
GCAPL	15.00	15.00
[1,500,000 (March 31, 2012: 1,500,000) 5% unsecured non-convertible redeemable debentures of ₹ 100 each]		
GCAPL	135.00	135.00
[13,500,000 (March 31, 2012: 13,500,000) 1% unsecured non-convertible redeemable debentures of ₹ 100 each]		
Deepesh Properties Private Limited ('DPPL')	3.00	10.00
[300 (March 31, 2012: 1,000) 0.1% unsecured optionally convertible cumulative debentures of ₹ 100,000 each]		
Padmapriya Properties Private Limited ('PAPPL')	7.50	12.30
[750 (March 31, 2012: 1,230) 0.1% unsecured optionally convertible cumulative debentures of ₹ 100,000 each]		
GEL	987.50	349.13
[10,000 (March 31, 2012: 3,500) 14.50% unsecured non-convertible redeemable debentures of ₹ 987,500 each]		
Less: Current portion of non-current investments (refer note 16)	(10.00)	(3.50)
	(iii)	1,090.23
Unquoted equity shares		
E. - In other Body Corporates		
GMR Infrastructure (Overseas) Limited ('GIOL') (Formerly GMR Holdings (Overseas) Investments Limited) [₹ 4,903 (March 31, 2012: ₹ 4,903)]	0.00	0.00
[100 (March 31, 2012: 100) equity shares of USD 1 each]		
GMR Holdings (Malta) Limited ('GHML')* [₹ 3,924 (March 31, 2012: ₹ 3,924)]	0.00	0.00
[58 (March 31, 2012: 58) equity shares of EURO 1 each]		
Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri Anonim Sirketi ('SGH')*	1.27	1.27
[4,300 (March 31, 2012: 4,300) equity shares of YTL 100 each]		
	(iv)	1.27
	Total (i)+(ii)+(iii)+(iv)	6,692.26
Aggregate amount of unquoted investments	6,845.88	6,692.26

* Details of investments pledged as security in respect of the loans availed by the Company and the investee Companies.

Notes to the Financial Statements for the year ended March 31, 2013

The following unquoted investments included above have been pledged as security in respect of the borrowings of the Company or the investee Companies:

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
GMRHL	5.20	-
[5,200,000 (March 31, 2012: Nil) equity shares of ₹ 10 each fully paid-up]		
GACEPL	23.27	23.27
[23,272,687 (March 31, 2012: 23,272,687) equity shares of ₹ 10 each fully paid-up]		
DIAL	99.32	99.32
[99,324,324 (March 31, 2012: 99,324,324) equity shares of ₹ 10 each fully paid-up]		
GCORRPL	2.42	2.42
[2,418,000 (March 31, 2012: 2,418,000) equity shares of ₹ 10 each fully paid-up]		
GOSEHHHPL	7.99	7.99
[7,988,993 (March 31, 2012: 7,988,993) equity shares of ₹ 10 each fully paid-up]		
GHML [₹ 3,924 (March 31, 2012: ₹ 3,924)]	0.00	0.00
[58 (March 31, 2012: 58) equity shares of Euro 1 each fully paid-up]		
ISG	266.76	266.76
[86,984,800 (March 31, 2012: 86,984,800) equity shares of YTL 1 each fully paid-up]		
SGH	1.27	1.27
[4,300 (March 31, 2012: 4,300) equity shares of YTL 100 each fully paid up]		

NOTE 14 | LOANS AND ADVANCES

Particulars	Non-current		Current	
	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Capital advances				
Unsecured, considered good	1.71	5.33	-	-
(A)	1.71	5.33	-	-
Security deposit				
Unsecured, considered good (refer Note 33)	8.07	7.86	-	-
(B)	8.07	7.86	-	-
Loan and advances to related parties				
Unsecured, considered good (refer Note 33)	2,747.49	1,472.80	700.51	771.07
(C)	2,747.49	1,472.80	700.51	771.07
Advances recoverable in cash or kind				
Unsecured, considered good	-	0.42	43.43	130.17
(D)	-	0.42	43.43	130.17
Other loans and advances (unsecured, considered good)				
Advance income-tax (net of provision for taxation)	55.54	28.48	-	-
MAT credit entitlement ¹	27.58	41.50	-	-
Prepaid expenses	0.46	-	1.66	2.42
Loan to others ²	115.00	115.00	-	-
Loans to employees	0.56	0.41	1.14	1.08
Balances with statutory/government authorities	25.62	11.29	-	-
(E)	224.76	196.68	2.80	3.50
Total (A+B+C+D+E)	2,982.03	1,683.09	746.74	904.74

- During the year ended March 31, 2013, the Company has utilised MAT credit of ₹ 3.53 Crore. Further the Company has reversed MAT credit of ₹ 10.39 Crore during the current year based on an intimation under Section 143 (1) of the IT Act.
- The Company has given an interest free loan of ₹ 115.00 Crore (March 31, 2012: ₹ 115.00 Crore) to GWT. Based on the confirmation received from GWT, the trust has utilised the proceeds of the loan received from the Company in the following manner:

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Investment in equity shares of the Company	101.55	101.55
Investment in equity shares of GAL	11.28	11.28
Bank balance	2.17	2.17
	115.00	115.00

Securities and Exchange Board of India ('SEBI') has issued Circular No. CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed entities from framing any employee benefit scheme involving acquisition of own securities from the secondary market. The management of the Company has submitted the details of the GWT to the stock exchanges and is in the process of complying with the requirements of the circular within the prescribed timelines. SEBI has issued Circular No. CIR/CFD/DIL/7-2013 dated May 13, 2013 extending the date of compliance to December 31, 2013.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 15 | TRADE RECEIVABLES AND OTHER ASSETS

15.1 Trade receivables

Particulars	Non-current		Current	
	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Unsecured, considered good				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	1.99	25.60
(A)	-	-	1.99	25.60
Other receivables				
Unsecured, considered good ¹	111.38	79.53	204.80	269.84
(B)	111.38	79.53	204.80	269.84
Total (A+B)	111.38	79.53	206.79	295.44

1. Includes retention money of ₹ 158.28 Crore (March 31, 2012: ₹ 112.00 Crore)

15.2 Other assets

Particulars	Non-current		Current	
	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer Note18)	384.19	-	-	-
(A)	384.19	-	-	-
Unamortised expenditure				
Ancillary cost of arranging the borrowings	30.98	-	12.58	-
(B)	30.98	-	12.58	-
Others				
Interest accrued on fixed deposits	-	-	3.56	5.51
Interest accrued on loans and debentures to subsidiaries (refer note 33)	-	-	185.55	136.32
Unbilled revenue (refer Note 33)	7.64	6.10	145.32	115.88
(C)	7.64	6.10	334.43	257.71
Total (A+B+C)	422.81	6.10	347.01	257.71

NOTE | 16 | CURRENT INVESTMENTS

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
A. Current portion of Long term investments (valued at cost, unquoted)		
Unquoted debentures		
GEL (refer Note 13)	10.00	3.50
Unquoted preference shares		
GJEPL (refer Note 13)	53.10	-
(i)	63.10	3.50
B. Investments in Mutual Funds		
Birla Sunlife Infrastructure Fund - Plan - Dividend - Payout # [4,720,000 (March 31, 2012: 4,720,000) units of ₹ 10 each]	4.60	4.72
ICICI Prudential Liquid Super Institutional Plan - Growth [Nil (March 31, 2012: 11,941,917) units of ₹ 100 each]	-	189.14
Union KBC Liquid Fund Growth [Nil (March 31, 2012: 80,162) units of ₹ 1000 each]	-	8.60
HDFC Liquid Fund - Premium Plan - Growth [Nil (March 31, 2012: 1,411,001) units of ₹ 10 each]	-	3.03
UTI Liquid Cash Plan Institutional - Growth Option [Nil (March 31, 2012: 14,322) units of ₹ 1000 each]	-	2.52
(ii)	4.60	208.01
Total (i)+(ii)	67.70	211.51
Aggregate amount of unquoted investments	67.70	211.51
# Aggregate provision for diminution in value of investments	1.30	1.18

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 17 | INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Raw materials	16.06	27.89
Contract work-in-progress	71.16	3.82
	87.22	31.71

NOTE | 18 | CASH AND BANK BALANCES

Particulars	Non-current		Current	
	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	203.79	108.85
- Deposits with original maturity of less than or equal to three months	-	-	-	79.89
Cheques on hand	-	-	-	17.17
Cash on hand	-	-	0.02	0.03
	-	-	203.81	205.94
Other bank balances				
- On current accounts ¹	-	-	0.05	0.05
- Deposits with original maturity for more than 3 months but less than or equal to 12 months ^{2, 3, 5, 6, 7}	354.15	-	1.50	319.16
- Deposits with original maturity for more than 12 months ⁴	30.04	-	-	-
	384.19	-	1.55	319.21
Amount disclosed under non-current assets (refer Note 15.2)	(384.19)	-	-	-
	-	-	205.36	525.15

- Includes share application money pending refund.
- A charge has been created over the deposits of ₹ Nil (March 31, 2012: ₹ 13.65 Crore) towards DSRA maintained by the Company with ICICI on issue of debentures to ICICI (refer note 5 (1)).
- A charge has been created over the deposits of ₹ 20.55 Crore (March 31, 2012: ₹ 21.05 Crore) for working capital facility availed by the Company.
- A charge has been created over the deposits of ₹ 30.04 Crore (March 31, 2012 : ₹ Nil) for loan availed by the Company from Yes Bank Limited . (refer Note 5 (6)).
- A charge has been created over the deposits of ₹ 1.83 Crore (March 31, 2012: ₹ Nil) towards DSRA maintained by the Company with Yes Bank Limited.
- A charge has been created over the deposits of ₹ 2.77 Crore (March 31, 2012: ₹ Nil) towards DSRA maintained by the Company with ING Vysya Bank Limited for loan against deposits availed by GMRHL.
- A charge has been created over the deposits of ₹ 329.00 Crore (March 31, 2012: ₹ 246.44 Crore) for loan against deposits availed by Kakinada SEZ Private Limited ('KSPL').

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Notes to the Financial Statements for the year ended March 31, 2013

NOTE 19 REVENUE FROM OPERATIONS

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Sale of services		
EPC:		
Construction revenue	1,142.17	1,091.04
	1,142.17	1,091.04
Other operating revenue		
Others:		
Income from management and other services	6.74	12.52
Dividend income on current investments (other than trade) (gross) [₹ 7,037 (March 31, 2012: ₹ 3,540,000)]	0.00	0.35
Interest income (gross)		
- Bank deposits	37.46	40.54
- Long term investments (refer Note 33)	218.11	182.65
- Current investments	0.09	14.32
Profit on sale of current investments (others)	28.22	40.45
	290.62	290.83
	1,432.79	1,381.87

NOTE 20 OTHER INCOME

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Gain on account of foreign exchange fluctuations (net)	26.27	46.41
Provisions no longer required, written back	0.24	-
Other non-operating income [net of expenses directly attributable to such income of ₹ Nil (March 31, 2012: ₹ Nil)]	2.07	2.00
	28.58	48.41

NOTE 21 COST OF MATERIALS CONSUMED

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Inventory at the beginning of the year	27.89	10.32
Add: Purchases	277.42	352.19
	305.31	362.51
Less: inventory at the end of the year	16.06	27.89
Cost of materials consumed	289.25	334.62
Detail of materials consumed		
Steel	76.43	70.24
Bitumen	29.48	59.43
High speed diesel	34.46	47.37
Cement	43.42	37.78
Aggregates	22.72	33.20
Granular	5.86	23.47
Sand	19.67	8.15
Boulders	14.65	7.00
Others	42.56	47.98
	289.25	334.62

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 22 | EMPLOYEE BENEFIT EXPENSES

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Salaries, wages and bonus	60.76	78.08
Contribution to provident and other funds	4.93	4.47
Gratuity expense (refer Note 28)	0.95	(0.14)
Staff welfare expenses	5.83	6.90
	72.47	89.31

NOTE 23 | OTHER EXPENSES

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Bidding charges	0.45	0.93
Lease rental and equipment hire charges	35.04	32.25
Rates and taxes	5.50	6.47
Insurance	0.79	0.69
Repairs and maintenance		
Others	9.15	5.86
Advertising and sales promotion	0.49	4.30
Freight	7.49	13.42
Travelling and conveyance	3.13	9.91
Communication costs	0.67	0.94
Printing and stationery	1.78	2.26
Logo Fees (refer Note 33)	4.39	4.15
Legal and professional fees	11.80	24.43
Payment to auditors (refer details below)	2.25	3.34
Directors' sitting fees	0.13	0.13
Adjustments to the carrying amount of current investments	0.12	0.94
Meetings and seminars	0.09	0.17
Security expenses	2.82	1.82
Donation	0.18	0.82
Loss on sale of fixed assets (net)	0.01	-
Miscellaneous expenses	1.29	2.93
	87.57	115.76

Payment to auditors*

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
As auditors:		
Audit fee (including fee for consolidated financial statements of the Company and quarterly limited reviews)	2.03	2.12
Tax audit fee	0.04	0.03
Audit services in connection with bond issues	-	0.35
Other services (including certification fees)	0.03	0.67
Reimbursement of expenses	0.15	0.17
	2.25	3.34

* Excludes service tax and are net off fee for other services amounting to ₹ Nil (March 31, 2012: ₹ 0.45 Crore) cross charged to other group Companies.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	March 31, 2013	March 31, 2012
	₹ in Crore	₹ in Crore
Depreciation of tangible assets	8.11	7.10
Amortisation of intangible assets	0.20	0.48
	8.31	7.58

NOTE 25 FINANCE COSTS

Particulars	March 31, 2013	March 31, 2012
	₹ in Crore	₹ in Crore
Interest	361.89	194.96
Bank and other finance charges	8.11	2.39
Amortisation of ancillary borrowing costs	4.43	-
	374.43	197.35

NOTE 26 EXCEPTIONAL ITEMS

Particulars	March 31, 2013	March 31, 2012
	₹ in Crore	₹ in Crore
Profit on sale of non-current investment ¹	75.83	-
	75.83	-

1. During the year ended March 31, 2013, the Company and GMR Infrastructure (Singapore) Pte Limited ('GISPL'), a subsidiary of the Company have sold their share holding in GESPL. The profit on such sale amounting to ₹ 75.83 Crore has been disclosed as an exceptional item in the statement of profit and loss. The Company has provided a guarantee of SGD 38.00 Crore towards warranties as specified in the share purchase agreement ('SPA') and other SPA transaction documents for a period till September 30, 2014 and in respect of tax claims, if any, the guarantee period is up to March 31, 2018.

NOTE 27 EARNINGS PER SHARE (EPS)

Calculation of EPS - (Basic and Diluted)

Particulars	Year ended	
	March 31, 2013	March 31, 2012
Nominal value of equity shares (₹ per share)	1	1
Weighted average number of equity shares outstanding during the year	3,892,432,532	3,892,432,532
Net profit after tax for the purpose of EPS (₹ in Crore)	53.45	120.30
EPS - Basic and Diluted (₹)	0.14	0.31

Notes:

- (i) ₹ 2,250 (March 31, 2012: ₹ 2,250) are receivable towards equity shares and for the computation of weighted average number of equity shares outstanding during the year, these have been considered as partly paid-up shares.
- (ii) The Company does not have any dilutive securities.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 28 | 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 statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Statement of profit and loss

Net employee benefit expense (as recognised in the employee cost)

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Current service cost	0.96	0.70
Interest cost on defined benefit obligation	0.27	0.25
Expected return on plan assets	(0.25)	(0.23)
Net actuarial (gain) / loss recognised in the year	(0.03)	(0.86)
Net benefit expense	0.95	(0.14)

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Actual return on plan assets	0.25	0.23

Balance Sheet

Benefit asset/liability

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Present value of defined benefit obligation	4.08	3.20
Fair value of plan assets	2.79	2.69
Plan asset/(liability)	(1.29)	(0.51)

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

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Opening defined benefit obligation	3.20	3.19
Interest cost	0.27	0.25
Current service cost	0.96	0.70
Benefits paid	(0.16)	(0.08)
Acquisitions cost	(0.16)	-
Actuarial (gains)/ losses on obligation	(0.03)	(0.86)
Closing defined benefit obligation	4.08	3.20

Changes in the fair value of plan assets as follows:

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
Opening fair value of plan assets	2.69	2.53
Expected return	0.25	0.23
Contributions by employer	0.01	0.01
Benefits paid	(0.16)	(0.08)
Actuarial gains/ (losses) on plan assets ₹ 10,935 (March 31, 2012: ₹ 1,646)	0.00	0.00
Closing fair value of plan assets	2.79	2.69

The Company expects to contribute ₹ 0.41 Crore (March 31, 2012: ₹ 0.12 Crore) towards gratuity fund in 2013-14.

Notes to the Financial Statements for the year ended March 31, 2013

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2013	March 31, 2012
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	March 31, 2013	March 31, 2012
Discount rate	8.10%	8.50%
Expected rate of return on assets	9.40%	9.40%
Expected rate of salary increase	6.00%	6.00%
Employee turnover	5.00%	5.00%
Mortality rate	Refer Note 4 below	Refer Note 4 below

Notes :

- Plan assets are fully represented by balance with Life Insurance Corporation of India.
- 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.
- The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- As per Indian Assured Lives Mortality (2006-08) (modified) Ultimate [March 31, 2012- LIC (1994-96) Ultimate Mortality Table.]

Amounts for the current and previous four years are as follows:

Particulars	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)	March 31, 2011 (₹ in Crore)	March 31, 2010 (₹ in Crore)	March 31, 2009 (₹ in Crore)
Defined benefit obligation	4.08	3.20	3.19	2.22	0.06
Plan assets	2.79	2.69	2.53	2.22	0.07
Surplus/(deficit)	(1.29)	(0.51)	(0.66)	0.00	0.01
Experience adjustments on plan liabilities	0.16	(0.86)	(0.02)	(0.01)	0.00
Experience adjustments on plan assets	0.00	0.00	0.03	0.06	0.00

NOTE 29 LEASES

Office premises and equipments taken by the Company are obtained on operating lease. The lease rental and equipment hire charges paid during the year is ₹ 35.04 Crore (March 31, 2012: ₹ 32.25 Crore). 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.

NOTE 30

The Company has an investment of ₹ 341.56 Crore (March 31, 2012: ₹ 307.86 Crore) [including loans of ₹ 104.97 Crore (March 31, 2012: ₹ 91.27 Crore), share application money pending allotment of ₹ 20.00 Crore (March 31, 2012: ₹ Nil) and investment in equity/preference shares of ₹ 216.59 Crore (March 31, 2012: ₹ 216.59 Crore) made by the Company and its subsidiaries] in GACEPL as at March 31, 2013. 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. The matter is currently under arbitration however, based on management's 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 investment in GACEPL has been carried at cost.

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Notes to the Financial Statements for the year ended March 31, 2013

NOTE 31 | INFORMATION ON JOINT VENTURE AS PER ACCOUNTING STANDARD-27

The Company directly holds 27.55% (March 31, 2012: 35%) of the equity shares of ISG and 12.45% (March 31, 2012: 5%) of the equity shares of ISG through its subsidiary company. ISG is incorporated in Turkey and is involved in development and operation of airport infrastructure.

The Company's ownership and voting power of ISG along with its share in the assets, liabilities, income, expense, contingent liabilities and commitment is as follows:

Particulars	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore
(1) Share in ownership and voting power of the Company	27.55%	35.00%
(2) Country of incorporation	Turkey	Turkey
(3) Contingent liabilities - Company has incurred in relation to joint venture	1,842.12	1,798.98
(4) Company's share of contingent liabilities of joint venture	-	-
(5) Company's share of capital commitments of the joint venture	-	-
(6) Aggregate amount of Company's share in each of the following:		
(a) Current assets	238.33	229.43
(b) Non-current assets	736.21	969.18
(c) Current liabilities	165.07	183.41
(d) Non-current liabilities	767.84	1,010.24
Equity (a+b-c-d)	41.63	4.96
(e) Income		
1. Revenue	524.43	596.73
2. Other income	1.07	2.14
(i) Total revenue	525.50	598.87
(f) Expenses		
1. Purchase of traded goods	276.25	360.25
2. Increase/ (decrease) in traded goods	9.70	(2.70)
3. Employee benefits expenses	20.52	21.53
4. Other expenses	92.23	87.84
5. Utilisation fees	90.14	86.28
6. Depreciation and amortisation expenses	41.10	48.94
7. Finance costs	80.51	89.60
(ii) Total expenses	610.45	691.74
(g) Loss before tax [(i)-(ii)]	(84.95)	(92.87)
8. Income tax expenses	-	-
(h) Loss after tax	(84.95)	(92.87)

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, 2013.

The Company along with its subsidiary has made an investment of ₹ 484.45 Crore (March 31, 2012: ₹ 376.47 Crore including loans of ₹ 70.74 Crore and investment in equity shares of ₹ 305.73 Crore) in ISG as at March 31, 2013. The Company and its subsidiary's share of ISG's accumulated losses/negative reserves amounts to ₹ 436.42 Crore (March 31, 2012: ₹ 306.09 Crore). This has resulted in substantial erosion in net worth of ISG as at March 31, 2013. Based on ISG's business plan, the management of the Company is confident that ISG will be able to generate sufficient profits in future years and would meet its financial obligations as they arise, accordingly, the investment in ISG continues to be carried at cost as at the year end.

NOTE 32 | SEGMENT INFORMATION

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. The primary segment reporting format is determined to be business segment as the Company's risk and rates of return are affected predominantly by difference in the services provided. Secondary information is reported geographically.

The business segments of the Company comprise of the following:

Segment	Description of Activity
EPC	Handling of engineering, procurement and construction activities in infrastructure sector.
Others	Investment activity and corporate support to various infrastructure SPVs.

Notes to the Financial Statements for the year ended March 31, 2013

Business segment

Particulars	EPC		Others		Unallocated		Inter Segment		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Revenue										
Revenue	1,142.17	1,091.04	290.62	290.83	-	-	-	-	1,432.79	1,381.87
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
Segment Revenue	1,142.17	1,091.04	290.62	290.83	-	-	-	-	1,432.79	1,381.87
Other income	1.29	0.79	27.29	47.62	-	-	-	-	28.58	48.41
Total income	1,143.46	1,091.83	317.91	338.45	-	-	-	-	1,461.37	1,430.28
Expenses										
Cost of materials consumed	289.25	334.62	-	-	-	-	-	-	289.25	334.62
Subcontracting expenses	622.72	544.81	-	-	-	-	-	-	622.72	544.81
Employee benefits expenses	68.15	69.27	4.32	20.04	-	-	-	-	72.47	89.31
Other expenses	71.49	81.73	16.08	34.03	-	-	-	-	87.57	115.76
Depreciation and amortisation expenses	6.54	6.04	1.77	1.54	-	-	-	-	8.31	7.58
Segment result	85.31	55.36	295.74	282.84	-	-	-	-	381.05	338.20
Finance costs	-	-	-	-	374.43	197.35	-	-	374.43	197.35
Exceptional items (refer Note 26)	-	-	75.83	-	-	-	-	-	75.83	-
Profit/(Loss) before tax	85.31	55.36	371.57	282.84	-	-	-	-	82.45	140.85
Tax expenses										
Current tax	-	-	-	-	45.54	36.71	-	-	45.54	36.71
Less: MAT credit entitlement	-	-	-	-	-	(17.38)	-	-	-	(17.38)
Charge/(reversal) of current tax of earlier years	-	-	-	-	(4.71)	(1.40)	-	-	(4.71)	(1.40)
MAT credit written off	-	-	-	-	10.39	-	-	-	10.39	-
Deferred tax	-	-	-	-	(22.22)	2.62	-	-	(22.22)	2.62
Profit after tax	85.31	55.36	371.57	282.84	-	-	-	-	53.45	120.30
Other information										
Segment assets	720.40	845.59	11,284.75	9,897.36	144.99	69.98	-	(22.65)	12,150.14	10,790.28
Capital expenditure	8.80	21.03	1.99	3.35	-	-	-	-	10.79	24.38
Depreciation and amortisation expenses	6.54	6.04	1.77	1.54	-	-	-	-	8.31	7.58
Other non-cash expenses	-	-	0.12	0.94	-	-	-	-	0.12	0.94
Segment liabilities	487.12	563.48	50.67	36.58	4,426.62	2,985.60	-	(22.65)	4,964.41	3,563.01
Geographical segment										

The following table represents revenue and certain assets information regarding the Company's geographical segment:

Particulars	Segment revenue	Segment assets	Addition to fixed assets
India	1,416.12	10,196.91	10.79
	(1,343.90)	(8,572.35)	(24.38)
Outside India	92.50	1,953.23	-
	(37.97)	(2,217.93)	(-)

Note: Previous year figures are mentioned in brackets.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 33 RELATED PARTIES

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Holding Company	GHPL
Subsidiary Companies	GREEL
	GEL
	GPCL
	GVPGL
	GETL
	GBHPL
	Badrinath Hydro Power Generation Private Limited (BHPL) ⁵
	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 Bajoli Holi Hydropower Private Limited (GBHHPL)
	GMR Chhattisgarh Energy Limited (GCHEPL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	GMR Kakinada Energy Private Limited (GKEPL)
	EMCO Energy Limited (EMCO)
	DIAL
	Delhi Aerotropolis Private Limited (DAPL)
	East Delhi Waste Processing Company Private Limited (EDWPCPL)
	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 (HAPL)
	GMR Hyderabad Aviation SEZ Limited (GHASL)
	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)
	GMR Hotels and Resorts Limited (GHRL)
	GFIAL
	GMRHL
	GMR Tuni Anakapalli Expressways Private Limited (GTAEPL)
	GMR Highways Projects Private Limited (GHPPL) ⁴
	GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL)
	GACEPL
	GJEL
	GPEPL
	GUEPL
	GHVEPL
	GCORRPL
	GOSEHHHPL
	GKUAEL
	GKSEZ
	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 (GPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)

Notes to the Financial Statements for the year ended March 31, 2013

Description of relationship	Name of the related parties
	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)
	Bougainvillea Properties Private Limited (BOPPL)
	GMR Gujarat Solar Power Private Limited (GGSPPL)
	GAL
	GCAPL
	GSPHPL
	GAPL
	GMR Business Process and Services Private Limited (GBPSPL) ⁴
	DSPL
	Himtal Hydro Power Company Private Limited (HHPPL)
	GMR Upper Karnali Hydro Power Limited (GUKPL)
	GEML
	GMR Lion Energy Limited (GLEL)
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) BV (GENBV)
	PT Unsoco (PT)
	PT Dwikarya Sejati Utama (PTDSU)
	PT Duta Sarana Internusa (PTDSI)
	PT Barasentosa Lestari (PTBSL)
	GIML
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas Sociedad Limitada (GIOSL)
	GMR Infrastructure (UK) Limited (GIUL)
	GMR Airports (Malta) Limited (GMRAML) (Formerly known as GMR International (Malta) Limited (GMRIML))
	GMR Infrastructure (Global) Limited (GIGL)
	GISPL
	GMR Energy (Global) Limited (G EGL)
	GESPL ⁵
	GMR Supply Singapore Pte Limited (GSSPL) (Formerly Island Power Supply Pte Limited)
	Homeland Energy Group limited (HEGL)
	Homeland Energy Corp. (HEC)
	Homeland Mining & Energy SA (Pty) Limited (HMES)
	Homeland Energy (Swaziland) Pty Limited (HESW) ⁵
	Homeland Mining & Energy (Botswana) (Pty) Limited (HMEB) ⁵
	Homeland Coal Mining (Pty) Limited (HCM)
	Ferret Coal Holdings (Pty) Limited (FCH) ⁵
	Wizard Investments (Pty) Limited (WIL) ⁵
	Ferret Coal (Kendal) (Pty) Limited (FCK)
	Manoka Mining (Pty) Limited (MMPL) ⁵
	Corpco 331 (Pty) Limited (CPL)
	GMR Maharashtra Energy Limited (GMAEL)
	GMR Bundelkhand Energy Private Limited (GBEPL)
	GMR Uttar Pradesh Energy Private Limited (GUPEPL)
	GMR Hosur Energy Limited (GHOEL)
	Karnali Transmission Company Private Limited (KTCPL)
	Marsyangdi Transmission Company Private Limited (MTCPL)
	GMR Indo-Nepal Energy Links Limited (GINELL)
	GMR Indo-Nepal Power Corridors Limited (GINPCL)
	Aravali Transmission Service Company Limited (ATSCL)
	Maru Transmission Service Company Limited (MTSCL)
	GMR Energy Projects (Mauritius) Limited (GEPML)

Notes to the Financial Statements for the year ended March 31, 2013

Description of relationship	Name of the related parties
	Hyderabad Duty Free Retail Limited (HDFRL)
	GMR Airport Developers Limited (GADL)
	GADL International Limited (GADLIL)
	GADL (Mauritius) Limited (GADLML)
	DPPL
	Larkspur Properties Private Limited (LAPPL)
	PAPPL
	Radha Priya Properties Private Limited (RPPL) ⁴
	Pranesh Properties Private Limited (PRPPL) ⁴
	KSPL
	GPIL
	GMIAL
	GMR Male Retail Private Limited (GMRPL) ⁴
	GCRPL
	GMR Airport Handling Services Company Limited (GAHSCL)
	GMR Airport Global Limited (GAGL) ⁴
	Lantana Properties Private Limited (LPPL) ⁶
	GMR Holdings Overseas Spain SLU (GHOSS) ¹
	Asteria Properties Private Limited (AREPL) ⁶
	GIOL ⁴
	GMR Hyderabad Airport Power Distribution Limited (GHAPDL) ⁶
Enterprises where significant influence exists	SGH
	Rampia Coal Mine and Energy Private Limited (RCMEPL)
	MAS GMR Aerospace Engineering Company Private Limited (MGAECL)
	TVS GMR Aviation Logistics Limited (TVS GMR)
	Limak GMR Construction JV (CJV)
	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)
	Delhi Cargo Service Centre Private Limited (DCSCPL)
	Delhi Aviation Services Private Limited (DASPL)
	Travel Food Services (Delhi Terminal ³) Private Limited (TFS)
	Devyani Food Street Private Limited (DFSPL)
	Delhi Select Services Hospitality Private Limited (DSSHPL)
	Wipro Airport IT Services Limited (WAISL)
	TIM Delhi Airport Advertisement Private Limited (TIM)
	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)
	Delhi Airport Parking Services Private Limited (DAPSL)
	MAS GMR Aero Technic Limited (MGATL)
	Tshedza Mining Resource (Pty) Limited (TMR)
	Nhalalala Mining (Pty) Ltd (NML)
	PT Golden Energy Mines Tbk (PTGEMS) ²
	PT Tanjung Belit Bara Utama (TBBU) ³
	PT Roundhill Capital Indonesia (RCI) ³
	PT Kuansing Inti Makmur (KIM) ³
	PT Trisula Kencana Sakti (TKS) ³
	PT Manggala Alam Lestari (MAL) ³
	PT Citra Alam Indah (CAI) ⁸
	PT Borneo Indobara (BIB) ³
	PT Karya Cemerlang Persada (KCP) ³
	PT Bungo Bara Utama (BBU) ³
	PT Bara Harmonis Batang Asam (BHBA) ³
	PT Berkat Nusantara Permai (BNP) ³
	PT Nusa Indah Permai (NIP) ³
	GEMS Coal Resources Pte Limited (GEMS GCRPL) ⁷
	Delhi Duty Free Services Private Limited (DDFS)
	Delhi Aviation Fuel Facility Private Limited (DAFF)
	Laqshya Hyderabad Airport Media Private Limited (Laqshya) ²
	Asia Pacific Flight Training Academy Limited (APFT) ⁵

Notes to the Financial Statements for the year ended March 31, 2013

Description of relationship	Name of the related parties
Enterprises where key managerial personnel or their relatives exercise significant influence	GWT
	GMR Varalaxmi Foundation (GVF)
	GMR Family Fund Trust (GFFT)
	REPL
	GIVLLP
	GEPL
	Grandhi Enterprises Private Limited (GREPL)
Joint ventures	ISG
Fellow Subsidiaries (Where transactions have taken place)	Raxa Security Services Limited (RSSL)
	GPPL
	GHML
	GHTPL
	GMR Bannerghatta Properties Private Limited (GBPPL)
	Ideaspace Solutions Limited (ISL)
	GMR Holdings (Overseas) Limited (GHOL)
Key management personnel and their relatives	Mr. G.M. Rao (Executive Chairman)
	Mrs. G Varalakshmi (Relative)
	Mr. G.B.S. Raju (Director)
	Mr. Kiran Kumar Grandhi (Director)
	Mr. O.B. Raju (Director)
	Mr. Srinivas Bommidala (Managing Director) (Resigned w.e.f. October 1, 2011)
	Mr. B.V. Nageswara Rao (Managing Director) (Managing Director w.e.f. October 1, 2011)

Notes:

1. Ceased to be a subsidiary during the previous year.
2. Joint venture acquired during the previous year.
3. Became joint venture consequent to acquisition of PTGEMS during the previous year.
4. Became subsidiaries during the previous year.
5. Ceased to be a subsidiary during the current year.
6. Became subsidiaries during the current year.
7. Subsidiary of PT GEMS incorporated during the year.
8. Ceased to be a subsidiary of PTGEMS during the current year.
9. The information disclosed is based on the names of the parties as identified by the management.

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
i) Interest Income - Gross		
Subsidiary Companies		
- GEL	110.50	99.57
- GMRHL	9.57	15.79
- DSPL	43.51	1.95
- DIAL	-	0.41
- GIML	5.93	36.88
- GPIL	0.39	0.20
- GHIAL	-	1.21
- GBPSPL	0.50	0.05
- GKSEZ	19.82	18.58
- GAPL	16.47	3.82
- GSPHPL	1.94	1.00
- GHVEPL	0.01	-
- SJK	0.02	-
- GBHHPL	2.58	-
- GTAEPL	0.03	-
- GTTEPL	0.06	-
- KSPL	0.49	-
- DPPL [₹ 84,466 (March 31, 2012: ₹ 7,104)]	0.01	0.00
- PAPPL [₹ 110,507 (March 31, 2012: ₹ 8,738)]	0.01	0.00
- GCAPL	2.10	2.10
Joint venture		
- ISG	4.17	1.09
ii) Construction revenue		
Subsidiary Companies		
- EMCO	73.20	128.67
- GEL	-	0.22
- GKEL	29.75	-
- GHVEPL	-	2.50
iii) Income from management and other services		
Subsidiary Company		
- GIML	6.58	-
iv) Dividend income on current investments		
Subsidiary Company		
- GAL [₹ 7,037 (March 31, 2012: ₹ Nil)]	0.00	-
v) Subcontracting expenses		
Subsidiary Companies		
- GCSPL	0.14	0.14
- GEL	0.56	-
- GHIAL	0.02	-
Fellow subsidiary		
- RSSL	-	0.79
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	0.16	-
Fellow subsidiary		
- GPPL	0.13	-
vi) Finance costs		
Subsidiary Companies		
- GAL	2.05	1.16
- GADL	0.09	0.05

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Fellow subsidiary		
- GPPL	1.08	0.06
vii) Legal and professional fees		
Subsidiary Companies		
- GCSPL	0.14	0.02
- GCAPL	21.28	26.54
- GBPSPL	6.26	-
viii) Lease rental and equipment hire charges		
Subsidiary Company		
- GHIAL	0.35	0.76
Fellow subsidiary		
- GREPL	-	0.75
ix) Security expenses		
Subsidiary Company		
- GHIAL	0.02	-
Fellow subsidiary		
- RSSL	1.31	0.75
x) Advertising and sales promotion		
Fellow subsidiary		
- GSPL	-	2.93
xi) Travelling and conveyance		
Subsidiary Companies		
- GHIAL [₹ 10,860 (March 31, 2012: ₹ Nil)]	0.00	-
- GHVEPL [₹ 51,931 (March 31, 2012: ₹ Nil)]	0.00	-
- GAPL	0.51	2.83
- GKSEZ [₹ 17,898 (March 31, 2012: ₹ Nil)]	0.00	-
Fellow subsidiary		
- GPPL [₹ 3,530 (March 31, 2012: ₹ Nil)]	0.00	-
xii) Repairs and maintenance		
Subsidiary Companies		
- GHRL	-	0.01
- GCAPL	0.55	0.32
- GHIAL	0.01	-
Fellow Subsidiary		
- GPPL [₹ 10,967 (March 31, 2012: ₹ Nil)]	0.00	-
xiii) Expenses incurred by GIL on behalf of others - Cross charges		
a) Cross charges during the year		
Subsidiary Companies		
- GMIAL	1.12	-
- GADL	-	0.34
- EMCO	18.11	18.37
- GCHEPL	10.33	13.30
- GREL	4.54	23.39
- GKUAEL	6.36	14.00
- GUEPL	2.16	-
- GGSPPPL	0.81	3.72
- DIAL (including cross charges recovered for earlier year's)	46.48	0.82
- GCORRPL	-	0.18
- GEL	1.52	11.71
- GETL	-	0.71
- GHIAL (including cross charges recovered for earlier year's)	13.82	0.63
- GKSEZ	0.66	0.13

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
- GESPL	-	2.92
- KSPL	1.95	0.18
- GPCL	0.33	-
- GSPHPL	0.22	-
- GTTEPL	1.06	-
- GACEPL	0.19	-
- GAPL	0.86	-
- GMRHL	3.38	-
- GHVEPL	2.52	-
- GJEL	0.62	-
- GTAEPL	0.97	-
- GVPGL	1.78	-
- GKEL [(₹ 27,271 (March 31, 2012: ₹ Nil))]	0.00	-
Fellow subsidiary		
- GPPL	-	0.03
- RSSL	0.18	-
b) Cross charges of earlier year reversed during the year		
Subsidiary Companies		
- EMCO	10.39	-
- GCHEPL	7.52	-
- GREL	13.24	-
xiv) Logo fee		
Holding Company		
- GHPL	4.39	4.15
xv) Security deposit given		
Fellow subsidiary		
- RSSL	-	0.28
xvi) Security deposit refunded		
Subsidiary Company		
- GCAPL	-	1.02
xvii) Purchase of fixed assets		
Fellow subsidiary		
- GPPL	-	4.19
xviii) Investment in equity shares of		
Subsidiary Companies (refer note (c) below)		
- GPIL	-	0.75
- GOSEHHHPL	-	44.13
- GCRPL	-	0.11
- GETL	8.10	-
- DSPL	160.00	-
- GKUAEL	5.00	0.05
- GHPPL	-	0.01
- GMIAL [(₹ Nil (March 31, 2012: ₹ 4,917))]	-	0.00
- GIOL [(₹ Nil (March 31, 2012: ₹ 4,669))]	-	0.00
xix) Investment in preference shares of		
Subsidiary Companies (refer Note (c) below)		
- GKUAEL	1.95	-
- GEL	225.00	15.00
- GHVEPL	72.54	4.29
- DSPL	-	10.00
- GMRHL	80.00	235.54

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction		March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
xx)	Investment in debentures of		
	Subsidiary Companies (refer Note (c) below)		
	- GKSEZ	24.40	22.80
	- DPPL	-	10.00
	- PAPPL	-	12.30
	- GEL	650.00	350.00
	- GSPHPL	15.85	128.85
xxi)	Redemption of preference shares of		
	Subsidiary Company		
	- DSPL	800.00	-
xxii)	Redemption of debentures of		
	Subsidiary Companies		
	- GEL	11.63	0.88
	- GKSEZ	-	50.00
	- DPPL	7.00	-
	- PAPPL	4.80	-
xxiii)	Issue of debentures to		
	Subsidiary Company		
	- GAL	-	250.00
xxiv)	Sale of investments		
	Subsidiary Companies		
	- GAL	-	904.81
	- GTTEPL	47.98	-
	- GTAEPL	32.02	-
	- GMRHL	183.65	0.01
xxv)	Equity share application money invested in		
	Subsidiary Companies		
	- GMRHL	-	2.70
	- GSPHPL	-	17.91
	- GKSEZ	-	35.97
	- GPIL	-	0.75
	- GETL	8.10	-
	- GKUAEL	5.00	0.05
	- GHPPL	-	0.01
	- DSPL	160.00	-
xxvi)	Preference share application money invested in		
	Subsidiary Companies		
	- GEL	225.00	-
	- DSPL	-	10.00
	- GHVEPL	77.24	-
	- GKUAEL	1.95	-
	- GMRHL	80.00	-
xxvii)	Debenture application money invested in		
	Subsidiary Companies		
	- GSPHPL	15.85	-
	- GKSEZ	24.40	-
xxviii)	Refund of equity share application money received		
	Subsidiary Companies		
	- GSPHPL	-	24.09
	- GMRHL	-	2.70
	- GKSEZ	-	13.17

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction		March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
xxix)	Refund of preference share application money received		
	Subsidiary Company		
	- DSPL	-	1.00
xxx)	Loans given		
	Subsidiary Companies		
	- GAPL	16.75	10.88
	- GHIAL	-	442.00
	- GIML	-	84.96
	- GEL	931.59	774.00
	- GMRHL	719.23	122.63
	- DSPL	1,109.75	199.35
	- GPIL	-	3.80
	- DIAL	-	38.10
	- GBPSPL	5.84	2.25
	- GBHHPL	43.00	-
	- GOSEHHHPL	20.00	-
	- GTAEPL	3.00	-
	- GTTEPL	7.00	-
	- KSPL	258.00	-
	- SJK	51.00	-
	- GKUAEL	-	197.50
	- GHVEPL	114.00	-
	Joint venture		
	- ISG	-	62.80
xxxii)	Loans converted into equity shares		
	Joint venture		
	- ISG	67.86	-
xxxiii)	Loans repaid by		
	Subsidiary Companies		
	- GHIAL	-	442.00
	- GIML	360.71	-
	- DIAL	-	38.10
	- GBPSPL	2.45	-
	- GHVEPL	53.54	-
	- GMRHL	46.80	384.13
	- DSPL	775.20	199.35
	- GKUAEL	197.50	-
	- SJK	51.00	-
	- GEL	696.13	25.00
xxxiii)	Loans received from		
	Subsidiary Companies		
	- GADL	-	7.00
	- GAL	150.00	125.00
	Fellow subsidiary		
	- GPPL	92.80	95.00
xxxiv)	Loans repaid to		
	Subsidiary Companies		
	- GAL	-	125.00
	- GADL	7.00	-
	Fellow subsidiary		
	- GPPL	187.80	-

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
xxxv) Guarantees given to		
Subsidiary Companies		
- GESPL	-	1,030.60
- GEL	800.00	800.00
- GHIAL	292.00	540.00
- KSPL	250.00	-
- GCRPL	-	2,912.92
- GISPL	1,705.20	1,179.92
- GIML	849.40	40.73
- HEGL	-	154.59
- DIAL	2,518.08	2,456.00
- GMRHL	625.00	200.00
- GVPGL	50.00	50.00
- GADL	-	379.24
- GGSPPL	25.00	-
- GTAEP L	45.00	-
- GTTEPL	105.00	-
Fellow subsidiary		
- GHML	-	175.20
xxxvi) Guarantees extinguished		
Subsidiary Companies		
- GEL	-	150.00
- GESPL	1,030.60	790.70
- GOSEHHHPL	-	48.00
- KSPL	215.00	-
- GHVEPL	-	87.00
- GMRHL	375.00	-
- GIML	40.73	-
- GADL	379.24	-
- GISPL	289.41	-
- DIAL	4,694.08	-
- GCRPL	-	248.82
- GHIAL	350.00	-
- GIOL	-	993.08
Fellow subsidiary		
- GHML	-	4,107.74
Joint venture		
- ISG	-	130.80
xxxvii) Managerial remuneration to		
Key management personnel		
- Mr. G.M. Rao	3.94	7.54
- Mr. Srinivas Bommidala	-	2.26
xxxviii) Proposed final equity dividend		
Holding Company		
- GHPL	27.36	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GIVLLP	0.30	-
- GEPL	0.17	-
- GWT	0.18	-
Key management personnel and their relatives	0.05	-

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
xxxix) Outstanding balances as at the year end		
a) Loans receivable - Non-Current		
Subsidiary Companies		
- GEL	1,644.96	1,469.00
- DSPL	144.50	-
- GHVEPL	60.46	-
- GPIL	3.80	3.80
- KSPL	258.00	-
- GMRHL	615.43	-
- GTAEPL	3.00	-
- GTTEPL	7.00	-
- GBPSPL	5.64	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GWT	115.00	115.00
b) Loans receivable - Current		
Subsidiary Companies		
- GEL	139.50	80.00
- GAPL	27.63	10.88
- GMRHL	95.50	38.50
- GIML	-	360.71
- GBPSPL	-	2.25
- DSPL	190.05	-
- GKUAEL	-	197.50
- GBHHPL	43.00	-
- GOSEHHHPL	20.00	-
Joint venture		
- ISG	-	61.76
c) Loans payables - Current		
Subsidiary Companies		
- GAL (including debentures)	400.00	250.00
- GADL	-	7.00
Fellow subsidiary		
- GPPL	-	95.00
d) Investment in share application money		
Subsidiary Company		
- GHVEPL	4.70	-
e) Trade receivables- Current		
Subsidiary Companies		
- EMCO	55.06	48.56
- GIML	6.58	-
f) Unbilled revenue		
Subsidiary Companies		
- EMCO	34.99	42.13
- GKEL	23.59	-
g) Accrued interest on loan receivables		
Subsidiary Companies		
- GEL	51.64	97.27
- GIML	46.42	37.97
- GPIL	-	0.13
- GMRHL	9.04	-
- GAPL	15.04	-
- DSPL	40.59	-

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
- GHVEPL (₹ 47,432 (March 31, 2012: ₹ Nil))	0.00	-
- GBHHPL	2.32	-
- GTAEPL	0.02	-
- GTTEPL	0.05	-
- KSPL	0.45	-
- GKSEZ	18.17	-
- GSPHPL	1.78	-
- DPPL	0.01	-
- PAPPL	0.01	-
Joint venture		
- ISG (₹ 9,093 (March 31, 2012: ₹ 9,500,000))	0.00	0.95
h) Accrued interest on loan payables		
Subsidiary Companies		
- GAL	1.37	0.01
- GADL	-	0.05
Fellow subsidiary		
- GPPL	0.03	0.06
i) Other advances		
Subsidiary Companies		
- GEL	17.28	0.13
- GKSEZ	0.78	0.03
- GHVEPL	0.88	0.11
- GMIAL	-	0.02
- EMCO	13.47	6.00
- GCHEPL	9.36	7.67
- DIAL	36.36	0.22
- GHIAL	3.40	0.24
- GGSPPPL	0.35	4.11
- KSPL	1.04	0.16
- GETL	-	0.56
- GADL	-	0.17
- GISPL	-	0.06
- GAPL	0.39	-
- GJEL	0.22	-
- GKUAEL	5.41	-
- GTTEPL	0.67	-
- GTAEPL	0.61	-
- GUEPL	1.77	-
- GVPGL	1.88	-
- GPCL	0.15	-
- GMRHL	4.03	-
- GACEPL	0.19	-
- GKEL (₹ 27,271 (March 31, 2012: ₹ Nil))	0.00	-
- GISPL	86.24	-
Fellow subsidiaries		
- RSSL	0.60	-
- GPPL	0.15	0.02
Joint venture		
- ISG	0.12	-
j) Security deposit		
Subsidiary Companies		
- GCAPL	1.76	1.76

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
- GHIAL	0.02	0.02
Fellow subsidiary		
- RSSL	0.43	0.43
k) Trade payables - Current		
Holding Company		
- GHPL	4.12	0.13
Subsidiary Companies		
- GMRHL	0.19	-
- GAPL	2.66	2.37
- GHIAL	0.05	-
- GAL	0.25	-
- GCAPL	11.56	-
- GKUAEL	0.01	-
- GBPSPL	1.58	-
- DIAL	0.99	-
Fellow Subsidiary		
- RSSL	0.12	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	0.01	0.01
Key Management Personnel		
- Mr. G.M.Rao	3.77	1.86
- Mr. Srinivas Bommidala	-	0.96
l) Non-trade payables - Current		
Subsidiary Companies		
- GREL	9.77	-
- GEL	-	11.49
- GCAPL	-	7.85
- GHIAL	-	0.03
Fellow subsidiary		
- RSSL	-	0.01
m) Advance from customers - Current		
Subsidiary Companies		
- GMRHL	0.18	-
- GOSEHHHPL	-	-
- GKEL	20.36	-
- GTTEPL	1.14	-
- EMCO	42.43	11.28
Fellow subsidiary		
- GPPL	56.85	-
n) Guarantees given to		
Subsidiary Companies		
- DIAL	280.00	2,456.00
- GADL	-	379.24
- GAPL	190.00	182.30
- GCORRPL	787.67	787.67
- GCRPL	2,833.16	2,664.10
- GEL	1,600.00	800.00
- GENBV	263.04	247.34
- GESPL	-	1,030.60
- GHIAL	542.00	600.00
- GHVEPL	1,690.00	1,690.00
- GIML	1,343.49	504.50

Notes to the Financial Statements for the year ended March 31, 2013

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

Nature of Transaction	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
- GISPL	3,872.64	2,313.58
- GJEL	353.48	353.48
- GMIAL	2,301.60	2,164.26
- GMRHL	450.00	200.00
- GOSEHHHPL	1,080.00	1,080.00
- GPEPL	8.00	8.00
- GUEPL	596.25	596.25
- GVPGL	100.00	50.00
- HEGL	164.40	154.59
- KSPL	250.00	215.00
- GGSPPPL	25.00	-
- GTTEPL	105.00	-
- GTAEPL	45.00	-
Fellow subsidiaries		
- GHML	186.32	175.20
Joint venture		
- ISG	1,842.12	1,798.98
Enterprises where significant influence exists		
- LGM	47.26	46.15
o) Provision for proposed final equity dividend		
Holding Company		
- GHPL	27.36	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GIVLLP	0.30	-
- GEPL	0.17	-
- GWT	0.18	-
Key management personnel and their relatives	0.05	-

Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain Companies (refer Note 13).
- The Holding Company has pledged certain shares held in the Company as security towards the borrowings of the Company [refer Note 5(3) and 5(4)].
- Includes allotment of equity/preference shares and debentures out of application money received in earlier years.
- A charge has been created over the deposits of ₹ 329.00 Crore (March 31, 2012: 246.44 Crore) for loan against deposits availed by KSPL.
- A charge has been created over the deposits of ₹ 2.77 Crore (March 31, 2012: ₹ Nil) for the purpose of DSRA maintained by the Company with ING Vysya Bank Limited for loan against deposits availed by GMRHL.
- Also refer note 13 on non-current investments and note 16 on current investments.

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 34 CAPITAL AND OTHER COMMITMENTS

Capital commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances ₹ 0.13 Crore (March 31, 2012: ₹ 4.08 Crore).

Other commitments

- The Company has committed to provide financial assistance as tabulated below:

Nature of relationship	Outstanding commitment for financial assistance	
	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Subsidiaries	2,634.41	5,747.88
Joint Venture	18.01	85.87
Total	2,652.42	5,833.75

- The Company has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of the following subsidiaries, to the extent as defined in the agreements executed with the respective lenders:

March 31, 2013	March 31, 2012
· GMIAL	· GMIAL
	· GESPL

- The Company has extended comfort letters to provide continued financial support to the following subsidiaries, to ensure that these subsidiaries are able to meet their debts and liabilities as they fall due and they continue as going concerns:

March 31, 2013	March 31, 2012
· GIOL	· GIOL
· GEGL	· GEGL
· GIGL	· GIGL
· GICL	· GICL

- The Company has entered into agreements with the lenders of the following subsidiary Companies wherein it has committed to hold directly or indirectly at all times at least 51% of the equity share capital of the below mentioned subsidiary Companies and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders:

March 31, 2013	March 31, 2012
· GIML	· GIML
· GCRPL	· GCRPL
· GISPL	· GESPL
· GENBV	· GISPL
· HEGL	· GENBV
· GMIAL	· HEGL
· GEL	· GMIAL
· GAL	· GEL
· DIAL	· GAL
· GMRHL	· DIAL
	· GMRHL

- For commitments relating to purchase of equity/preference shares (refer Note 35(a) and (b)).
- For commitment relating to lease arrangements (refer Note 29).
- The Company has certain long term unquoted investments which have been pledged as security towards loan facilities sanctioned to the Company and the investee Companies (refer Note 13).

Notes to the Financial Statements for the year ended March 31, 2013

NOTE 35 CONTINGENT LIABILITIES

- a) Guarantees issued on behalf of subsidiaries and other Companies is ₹ 21,254.64 Crore (March 31, 2012: ₹ 20,797.24 Crore). The liability outstanding as at March 31, 2013 is ₹ 16,357.66 Crore (March 31, 2012: ₹ 12,561.17 Crore).
- b) Matters relating to indirect taxes under dispute ₹ 29.09 Crores (March 31, 2012 : Nil)
- c) GEL has issued following fully paid-up Compulsorily Convertible Cumulative Preference Shares ("CCCPS"):

Investors	No. of CCCPS	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Claymore Investments (Mauritius) Pte Limited	9,300,000	930.00	930.00
IDFC Private Equity Fund III	2,500,000	250.00	250.00
Infrastructure Development Finance Company Limited	500,000	50.00	50.00
IDFC Investment Advisors Limited	500,000	50.00	50.00
Ascent Capital Advisors India Private Limited	500,000	50.00	50.00
Argonaut Ventures	650,000	65.00	65.00
Total	13,950,000	1,395	1,395

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 ended March 31, 2011, GAL has issued 2,298,940 non-cumulative compulsory convertible non-participatory preference shares (CCPS1) bearing 0.0001% dividend on the face value of ₹ 1,000 each fully paid-up amounting to ₹ 229.89 Crore at a premium of ₹ 2,885.27 each totalling to ₹ 663.31 Crore to Macquaire SBI Infrastructure Investments 1 Limited, ("Investor I") for funding and consolidation of airport related investments by the Group. Further, during the previous year, GAL issued 1,432,528 non-cumulative compulsory convertible non-participatory preference shares (CCPS 2) bearing 0.0001% dividend on the face value of ₹ 1,000 each fully paid up amounting to ₹ 143.25 Crore at a premium of ₹ 3,080.90 each totaling to ₹ 441.35 Crore to Standard Chartered Private Equity (Mauritius) III Limited, JM Financial - Old Lane India Corporate Opportunities Fund I Limited, JM Financial Trustee Company Private Limited, JM Financial Products Limited and Build India Capital Advisors LLP ("Investors II"). The Company and GAL have provided Investor I and Investors II various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreements and Investment agreements executed between the Company, GAL, Investor I and Investors II.

NOTE 36 (a) EARNINGS IN FOREIGN CURRENCY

Particulars	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Interest income	10.09	37.97
Profit on sale of investments (refer note 26)	75.83	-
Income from management and other services	6.58	-
Total	92.50	37.97

(b) Imported and indigenous materials consumed

Particulars	Value (₹ in Crore) March 31, 2013	% of total consumption March 31, 2013	Value (₹ in Crore) March 31, 2012	% of total consumption March 31, 2012
Raw materials				
Imported	0.10	0.03%	6.43	1.92%
Indigenously obtained	289.15	99.97%	328.19	98.08%
Total	289.25	100.00%	334.62	100.00%

Notes to the Financial Statements for the year ended March 31, 2013

NOTE | 37 |

Disclosure as per clause 32 of the Listing agreement of the loans and advances (including share/debenture application money), granted to subsidiaries, fellow subsidiaries, joint ventures, associates and other Companies in which the directors are interested.

(₹ in Crore)

Name of the entity	Amount outstanding as at March 31,		Maximum amount outstanding during the year		Interest rate during the year		Investment by loanee in the Company/ subsidiary Companies Shares
	2013	2012	2013	2012	2013	2012	
Loans given/debentures subscribed							
- GEL ^{1*}	1,784.46	1,549.00	1,846.76	1,549.00	0% to 16.50%	0% to 11.75%	Refer note 1
- GMRHL ^{1*}	710.93	38.50	718.73	340.00	0% to 12%	6%	Refer note 2
- GKSEZ ^{2*}	182.20	157.80	182.20	185.00	12%	12%	Nil
- GAPL ^{2*}	185.65	185.65	185.65	185.65	2% to 12.5%	2% to 12.5%	Nil
- GHIAL ^{1*}	-	-	-	442.00	-	12.50%	Refer note 8
- GSPHPL ^{2*}	244.70	228.85	244.70	228.85	0.10% to 12%	0.10% to 1%	Refer note 7
- GWT ^{1*}	115.00	115.00	115.00	115.00	0%	0%	Refer Note 14(2) on loans and advances
- DSPL ^{1*}	334.55	-	874.25	109.35	8.50% to 13%	8.50%	Refer note 3
- DIAL ^{1*}	-	-	-	38.10	-	12.75%	Refer note 4
- GAPL ^{1*}	27.63	10.88	27.63	10.88	12.50%	12.50%	Nil
- GBPSPL ^{1*}	5.64	2.25	6.74	2.25	8.50% to 12%	8.50%	Nil
- GEL ^{2*}	987.50	349.13	999.13	350.00	14.50%	14.50%	Refer note 1
- DPPL ^{2*}	3.00	10.00	10.00	10.00	0.10%	0.10%	Nil
- PAPPL ^{2*}	7.50	12.30	12.30	12.30	0.10%	0.10%	Nil
- GPIL ^{1*}	3.80	3.80	3.80	3.80	10%	10%	Nil
- ISG ^{1*}	-	61.76	65.99	62.80	5.32% to 6.95%	6.66% to 6.95%	Nil
- GKUAEL ^{1*}	-	197.50	197.50	197.50	0%	0%	Nil
- GIML ^{1*}	-	360.71	360.71	375.34	11.75%	11.75%	Refer note 6
- GCAPL ^{2*}	150.00	150.00	150.00	150.00	1% to 5%	1% to 5%	Refer note 5
-GTAEPL ^{1*}	3.00	-	3.00	-	12%	-	Refer note 9
-GTTEPL ^{1*}	7.00	-	7.00	-	12%	-	Refer note 10
-GOSEHHPL ^{1*}	20.00	-	20.00	-	0%	-	Nil
-KSPL ^{1*}	258.00	-	258.00	-	14%	-	Nil
-SJK ^{1*}	-	-	51.00	-	12%	-	Nil
-GHVEPL ^{1*}	60.46	-	110.00	-	0% to 12%	-	Nil
-GBHHPPL ^{1*}	43.00	-	43.00	-	12%	-	Nil

1. Loans given

2. Debentures subscribed

^ Excludes interest accrued.

(₹ in Crore)

Name of the entity	Amount outstanding as at March 31,		Maximum amount outstanding during the year		Investment by loanee in the Company/ subsidiary Companies Shares (Nos)
	2013	2012	2013	2012	
Investment in share/debenture application money					
- GMRHL	-	-	80.00	235.54	Refer note 2
- GHVEPL	4.70	-	72.54	4.29	Nil
- GEL	-	-	225.00	15.00	Refer note 1
- DSPL	-	-	160.00	10.00	Refer note 3
- GPIL	-	-	-	0.75	Nil
- GHPPPL	-	-	-	0.01	Nil
- GKUAEL	-	-	6.95	0.05	Nil
- GSPHPL	-	-	15.85	140.46	Refer note 7
- GKSEZ	-	-	24.40	22.82	Nil
- GETL	-	-	8.10	-	Nil

Notes to the Financial Statements for the year ended March 31, 2013

Note:

1. GEL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Equity Shares		
GVPGL	295.90	295.90
GPCL	164.98	164.98
GMEL	0.05	0.04
GBHPL	5.00	5.00
GKEL	1,096.17	496.96
GCSPL	0.01	0.01
GBHHPL	161.61	0.01
GKEPL	0.01	0.01
GCEPL	0.01	0.01
GLHPPL	0.01	0.01
BHPL	0.01	0.01
EMCO	563.75	563.75
GCHEPL	822.87	510.07
GREL	520.00	520.00
SJK	65.00	65.00
GMAEL	0.05	0.05
GUPEPL	0.01	0.01
GGSPPL	73.60	46.00
GBEPL	0.01	0.01
GHOEL	0.05	0.05
ATSCL	5.48	5.45
MTSCL	9.39	9.25
GINELL	0.05	0.05
GINPCL	0.05	0.05
GEML [₹ 3,954 (March 31, 2012: ₹ 3,954)]	0.00	0.00
HHPPL	31.79	15.60
GCRPL	32.28	2.10
GETL	11.78	9.88
HEGL	167.94	167.94
GJEL	0.59	5.42
GPEPL	0.69	6.35
DIAL	245.00	245.00
GUEPL	0.99	9.14
GCORRPL	3.00	3.00
GACEPL	24.22	24.22
Preference Shares		
GEML	353.44	301.51
GCORRPL	12.00	12.00

Notes to the Financial Statements for the year ended March 31, 2013

2. GMRHL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Equity shares		
GJEL	116.06	63.63
GPEPL	135.93	74.52
GUEPL	195.77	107.33
GACEPL	45.63	45.63
GKUAEL	134.95	-
GTAEPL	23.76	0.47
GTTEPL	30.25	0.47
GHVEPL	2.45	2.45
GCORRPL	14.70	14.70
GOSEHHHPL	57.50	57.50
GHPPL	0.01	0.01
Preference shares		
GACEPL	0.80	0.80
GHVEPL	216.00	200.00
GCORRPL	74.08	74.08
GJEL	1.08	1.08
GKUAEL	558.05	-
GUEPL	0.40	0.40

3. DSPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Preference shares		
GREEL	1,013.44	1,013.44

4. DIAL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Equity shares		
DAPL	0.10	0.10
EDWPCPL	0.01	0.01

5. GCAPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Equity shares		
GBPSPL	0.01	0.01

6. GIML has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (USD in Crore)	March 31, 2012 (USD in Crore)
Equity shares		
GICL	1.06	1.06
GIUL	0.90	0.90
GHOSS [USD 4,702 (March 31, 2012: USD 4,702)]	0.00	0.00
GISPL	4.80	4.80
GMRIML [USD Nil (March 31, 2012: USD 1,809)]	-	0.00
GMIAL	2.31	2.31

Notes to the Financial Statements for the year ended March 31, 2013

7. GSPHPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Equity shares		
APPL	1.00	1.00
AKPPL	1.00	1.00
AMPPL	1.00	1.00
BPPL	1.00	1.00
BOPPL	1.00	1.00
CPPL	1.00	1.00
DPPL	1.00	1.00
DSPL [₹ 5,000 (March 31, 2012: ₹ 5,000)]	0.00	0.00
EPPL	1.00	1.00
GPL	1.00	1.00
LPPPL	1.00	1.00
LAPPL	1.00	1.00
HPPL	1.00	1.00
IPPL	1.00	1.00
KSPL	47.94	47.94
KPPL	1.00	1.00
NPPL	1.00	1.00
PPPL	1.00	1.00
PUPPL	1.00	1.00
PAPPL	1.00	1.00
SPPL	1.00	1.00
PRPPL	1.00	1.00
RPPL	1.00	1.00
AREPL	0.03	-
SRPPL	1.00	1.00
LPPL	0.01	-

8. GHIAL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Equity shares		
HMACPL	0.52	0.52
HAPL	23.63	2.18
GHARML	0.05	0.05
HASSL	12.50	12.50
GHASL	30.00	25.00
GHMSL	0.05	0.05
GHRL	109.66	109.66
HDFRL	9.95	4.95
GAHSCL	0.05	0.05
APFT	-	1.97
GHAPDL	0.05	-
Preference shares		
HMACPL	0.02	0.02

Notes to the Financial Statements for the year ended March 31, 2013

9. GTAEPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Preference shares		
GACEPL	53.51	53.51
GJEL	12.50	12.50
GUEPL	50.00	17.99

10. GTTEPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Preference shares		
GACEPL	68.49	68.49
GJEL	12.50	12.50
GUEPL	75.00	27.01

NOTE 38 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Amount
Loans and advances	- ₹ Nil (USD Nil) [March 31, 2012: ₹ 360.71 Crore (USD 7.00 Crore)]
	- ₹ Nil (EURO Nil) [March 31, 2012: ₹ 61.76 Crore (EURO 0.91 Crore)]
	- ₹ 86.24 Crore (SGD 1.97 Crore) [March 31, 2012: ₹ Nil (SGD Nil)]
Investments	- ₹ 1477.99 Crore (USD 32.06 Crore) [March 31, 2012: ₹ 1477.99 Crore (USD 32.06 Crore)]
	- ₹ 0.11 Crore (SGD 0.00 Crore) [March 31, 2012: ₹ 10.52 Crore (SGD 0.30 Crore)]
	- ₹ 335.89 Crore (YTL 11.01 Crore) [March 31, 2012: ₹ 268.03 Crore (YTL 8.74 Crore)]
Payables	- ₹ Nil (USD Nil) [March 31, 2012: ₹ 1.18 Crore (USD 0.02 Crore)]
Trade receivables	- ₹ 6.58 Crore (USD 0.12 Crore) [March 31, 2012: ₹ Nil (USD Nil)]
Other current assets	- ₹ 46.42 Crore (USD 0.85 Crore) [March 31, 2012: ₹ 37.97 Crore (USD 0.74 Crore)]
	- ₹ Nil (EURO Nil) [March 31, 2012: ₹ 0.95 Crore (EURO 0.01 Crore)]

Note: Previous year figures are mentioned in brackets.

NOTE 39

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, 2013.

NOTE 40 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Capital goods	1.49	2.28
Raw materials	0.10	6.74
Total	1.59	9.02

NOTE 41 | DISCLOSURE IN TERMS OF ACCOUNTING STANDARD 7 - CONSTRUCTION CONTRACTS

Sl. No.	Particulars	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
1.	Contract revenue recognised during the year	1,142.17	1,091.04
2.	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	2,667.96	1,525.79
3.	Amount of customer advances outstanding	270.28	172.64
4.	Retention money due from customers for contracts in progress	158.28	112.00
5.	Gross amount due from customers for contract works as an asset	152.96	121.98
6.	Gross amount due to customers for contract works as a liability	1.67	144.96

NOTE 42 |

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 been approved by the Board of Directors of both the Companies. During the current year, GEL has disposed off certain of its investments in GJEL, GPEPL and GUEPL at par to GMRHL.

Name of the subsidiaries	March 31, 2013 (₹ in Crore)	March 31, 2012 (₹ in Crore)
Equity Shares		
GJEL [589,125 (March 31, 2012: 5,419,949) equity shares of ₹ 10 each fully paid-up]	0.59	5.42
GPEPL [690,000 (March 31, 2012: 6,348,000) equity shares of ₹ 10 each fully paid-up]	0.69	6.35
DIAL [245,000,000 (March 31, 2012: 245,000,000) equity shares of ₹ 10 each fully paid-up]	245.00	245.00
GUEPL [993,750 (March 31, 2012: 9,142,500) equity shares of ₹ 10 each fully paid-up]	0.99	9.14
GCORRPL [3,000,000 (March 31, 2012: 3,000,000) equity shares of ₹ 10 each fully paid-up]	3.00	3.00
GACEPL [24,222,593 (March 31, 2012: 24,222,593) equity shares of ₹ 10 each fully paid-up]	24.22	24.22
Preference Shares		
GCORRPL [1,200,000 (March 31, 2012: 1,200,000) preference shares of ₹ 100 each fully paid-up]	12.00	12.00

NOTE 43 |

The Company through its subsidiary GIML has made an investment of ₹ 126.58 Crore (USD 2.31 Crore) towards 77% holding in GMIAL and GIML has pledged deposits of Rs 789.12 Crore (USD 14.40 Crore) towards loan taken by GMIAL from its lenders Further the Company has given a guarantee of ₹ 2,301.60 Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL.

GMIAL entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and does not anticipate counter claims if any. The outcome of the arbitration is uncertain as at March 31, 2013. In view of the aforesaid matter, GMIAL continues to reflect assets including the claim recoverable of ₹ 919.16 Crore (USD 16.77 Crore) at their carrying values as at March 31, 2013, net of assets written off of ₹ 202.61 Crore. GMIAL's ability to continue its future business operations and consequential impact on investments made/ guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and/or a negotiated settlement.

Further, GMIAL has executed work construction contracts with GADLIL, a subsidiary of the Company and other service providers for rehabilitation, expansion, and modernisation of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the

termination of contracts have been recognised in the financial statements of GMIAL as at March 31, 2013 since the amounts payable are not certain. The takeover of MIA by MACL, indicate the existence of a material uncertainty about the going concern of GMIAL and GADLIL.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident of proving that the concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the concession agreement and accordingly these financial statements of the Company do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 44

The Company's subsidiaries GEL and GVPGL are engaged in the business of generation and sale of electrical energy from their two gas based power plants of 220MW and 387.63MW situated at Kakinada and Vemagiri respectively. Further, GREL, a subsidiary, is constructing a gas based power plant. In view of lower supplies/availability of natural gas to the power generating companies in India, these subsidiaries are facing shortage of natural gas supply and delays in securing gas linkages. During the year ended March 31, 2013, GEL and GVPGL have incurred losses resulting in erosion of networth of these gas based power generating companies and GREL has not commenced commercial operations pending linkages of natural gas supply. Further, GREL for its 768 MW gas based power plant, which is under construction at Rajahmundry, has applied for allocation of gas and Ministry of Petroleum and Natural Gas (MoPNG) is yet to allocate the gas linkage.

The consortium of lenders have approved the reschedulement of Commercial Operation Date ('COD') of the plant under construction to April 1, 2014 and repayment of project loans. GEL along with its subsidiaries is actively pursuing/ making representations with various government authorities to secure the natural gas linkage/supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. The Group and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches/alternatives to deal with the situation and the management is confident that the Government of India would take necessary steps/initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Based on business plan and valuation assessment, the management is confident that GEL and GVPGL will be able to generate sufficient profits in future years, GREL will achieve the COD as stated aforesaid and these gas based power generating companies would meet their financial obligations as they arise and hence the carrying value of investments (including advances) made by the Company directly or through its subsidiaries ('investments') in above entities as at March 31, 2013 is appropriate.

NOTE 45

During the year ended March 31, 2012, with a view to restructure the holdings in Indian and International airport business, the Company had transferred 612,500,000 equity shares and 238,139,998 equity shares of DIAL and GHIAL respectively held by it to GAL at cost. GAL is a 97.15% subsidiary of the Company.

NOTE 46

During the year ended March 31, 2011, pursuant to restructuring, to facilitate expansion of the energy business both in India as well as globally, the Company had transferred its entire shareholding in GEL to GREEL, a subsidiary of the Company, at cost.

NOTE 47

During the year ended March 31, 2013 with a view to restructure the equity holdings in road business, the Company had transferred 55,752,000 equity shares, 47,601,300 equity shares and 80,295,000 equity shares held in GPEPL, GJEL and GUEPL respectively to GMRHL at cost. GMRHL is a 100.00% subsidiary of the Company.

Further the Company has transferred 4,798,600 8% non-cumulative redeemable preference shares and 3,201,400 8% non-cumulative redeemable preference shares held in GUEPL to GTTEPL and GTAEPPL at cost.

NOTE 48

A search under Section 132 of the IT Act was carried out at the premises of the Company by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates thereafter, to check the compliance with the provisions of the IT Act. The Income Tax Department has subsequently sought certain information/clarifications. The Company has not received any show cause notice/demand from the Income Tax Authorities. The management of the Company believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

NOTE 49

As per the transfer pricing rules prescribed under the IT Act, the Company is examining domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustments with regard to the transaction involved.

NOTE 50

Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

NOTE 51

Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm Registration No.: 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
GMR Infrastructure Limited

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 30, 2013

Place: Bengaluru
Date : May 30, 2013



GMR Infrastructure Limited

Regd. Office: Skip House, 25/1, Museum Road, Bengaluru - 560 025, Karnataka, India

Notice

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of GMR Infrastructure Limited will be held on Tuesday, September 17, 2013 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, 2013 and Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a director in place of Mr. G. B. S. Raju, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. B. V. N. Rao, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint M/s. S. R. Batliboi & Associates LLP, 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 LLP, 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:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT the vacancy caused by the retirement of Mr. K. R. Ramamoorthy, Director, who retires by rotation at this Annual General Meeting and who has not offered himself for reappointment, in view of the retirement policy, be not filled up.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. S. Sandilya, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. S. Rajagopal, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. K. V. V. Rao, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. V. Santhana Raman, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT Mr. C. R. Muralidharan, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
12. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:
“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 316 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) 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 to the re-appointment of Mr. G.M. Rao, as Executive Chairman of the Company for a period of five (5) years, with effect from October 18, 2012 with a remuneration as detailed below:
 - 1) Basic Salary: ₹ 23,00,000 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 ₹ 11,50,000 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 ₹ 25,000 per annum.

vi. Personal Accident Insurance

Personal Accident Insurance premium not exceeding ₹ 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, 1961.

RESOLVED FURTHER THAT Mr. G.M. Rao, Executive Chairman be and is hereby entitled in addition to the remuneration specified above, a Commission on the net profits as approved by the Board of Directors for each financial year, subject to the total remuneration including Salary, Perquisites and Commission be within the overall limit of 5% 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 the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee of the Board be and is hereby authorized to vary, modify and / or to re-fix the aforesaid remuneration to Mr. G. M. Rao, Executive Chairman of the Company within the limits as aforesaid.

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 Executive Chairman 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, things as may be deemed fit for the purpose of giving effect to the above resolutions."

13. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 316 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII (including any statutory modification(s) or re-enactment thereof) 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 to the appointment of Mr. Kiran Kumar Grandhi, as Managing Director of the Company for a period of five (5) years, with effect from July 28, 2013 with a remuneration as detailed below:

- 1) Basic Salary: ₹ 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 ₹ 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. Medclaim Insurance

Mediclaime insurance cover for self and family, the premium not exceeding ₹ 25,000 per annum.

vi. Personal Accident Insurance

Personal Accident Insurance premium not exceeding ₹ 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, 1961.

RESOLVED FURTHER THAT Mr. Kiran Kumar Grandhi, Managing Director shall be entitled in addition to the remuneration specified above, a Commission on the net profits as approved by the Board of Directors for each financial year, 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 the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee of the Board be and is hereby authorized to vary, modify and / or to re-fix the aforesaid remuneration to Mr. Kiran Kumar Grandhi, Managing Director of the Company within the limits as aforesaid.

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, 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

C. P. Sounderarajan
Company Secretary & Compliance Officer

Place: Bengaluru
Date: July 27, 2013

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "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. 6 to 13 and the information required to be provided under the Listing Agreement entered into with stock exchanges relating to item No. 3, 4, 7, 8, 9, 10, 11, 12 and 13 are annexed hereto.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 10, 2013 to Tuesday, September 17, 2013 (both days inclusive) for the purpose of determining the shareholders entitled to the payment of dividend declared at the Annual General Meeting on September 17, 2013 for the year ended March 31, 2013. Dividend on shares, when declared, will be paid only to those members whose names are registered as such in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company, on or before September 9, 2013 and to the Beneficial Holders as per the Beneficiary List as on September 9, 2013 provided by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

5. M/s. Karvy Computershare Private Limited is the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for Shares held in physical and electronic form.
6. Members holding shares in physical form are requested to dematerialize their shares. They are further 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.
7. 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.
8. 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.
9. Members or Proxies should bring the attendance slip duly filled in for attending the Meeting.
10. As a measure of austerity, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
11. No compliment or gift of any nature will be distributed at the Meeting.

Important Communication to Members

Green Initiative in the Corporate Governance

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.

Usage of electronic payment modes for making cash payments to the investors

Securities and Exchange Board of India (SEBI) vide Circular Number CIR/MRD/DP/10/2013 dated March 21, 2013 issued to all Companies whose securities are listed on Stock Exchanges, all Registrars to an Issue and Share Transfer Agents (RTI & STA), all Depositories and all Stock Exchanges, has specified that for making cash payments to the investors, Companies whose securities are listed on Stock Exchanges shall use approved electronic mode of payment viz., ECS, NEFT etc.

In view of the above, members who have not registered, their Bank Account No. along with 9 digit MICR No. are requested to update their Bank Account details to comply with the aforesaid SEBI Circular:

- 1) If shares are held in electronic mode, please approach your Depository Participant (D.P.) and update your Bank Account No. along with 9 digit MICR Code No. to facilitate payments, if any, in electronic mode.
- 2) If shares are held in physical mode, please send a request to our Registrar and Share Transfer Agent viz., Karvy Computershare Pvt. Ltd., Unit: GMR Infrastructure Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081 with the following documents:
 - a) A request letter for updating Bank Account No. along with 9 digit MICR No.
 - b) Attested copy of your PAN Card.
 - c) Photocopy of your cheque leaf (to capture correct bank account no., IFSC Code and 9 digit MICR Code).

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. K. R. Ramamoorthy retires by rotation at this Annual General Meeting. He has expressed his desire not to offer himself for reappointment, as per the retirement policy for the Independent Directors, approved by the Board of Directors of the Company. The Company does not propose to fill the vacancy at this Meeting. As required under Section 256 of the Companies Act, 1956, resolution is proposed not to fill up the vacancy caused by the retirement of Mr. K. R. Ramamoorthy at this Meeting.

None of the directors, except Mr. K. R. Ramamoorthy is interested or concerned in this resolution.

The Board commends the resolution for approval of the members.

Item No. 7

The Board of Directors of the Company, at its meeting held on September 11, 2012, appointed Mr. S. Sandilya, as an Additional Director of the Company with effect from September 11, 2012, pursuant to section 260 of the Companies Act, 1956, read with Article 119 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. S. Sandilya will hold office up to the date of this Annual General Meeting. Under the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member along with requisite deposit proposing the appointment of Mr. S. Sandilya as a Director of the Company. Mr. S. Sandilya, when appointed, shall be a non-executive independent director.

None of the directors, except Mr. S. Sandilya is interested or concerned in the resolution.

The Board commends the resolution for approval of the members.

Item No. 8

The Board of Directors of the Company, at its meeting held on November 12, 2012, appointed Mr. S. Rajagopal, as an Additional Director of the Company with effect from November 12, 2012, pursuant to section 260 of the Companies Act, 1956, read with Article 119 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. S. Rajagopal will hold office up to the date of this Annual General Meeting. Under the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member along with requisite deposit proposing the appointment of Mr. S. Rajagopal as a Director of the Company. Mr. S. Rajagopal, when appointed, shall be a non-executive independent director.

None of the directors, except Mr. S. Rajagopal is interested or concerned in the resolution.

The Board commends the resolution for approval of the members.

Item No. 9

The Board of Directors of the Company, at its meeting held on November 12, 2012, appointed Mr. K. V. V. Rao, as an Additional Director of the Company with effect from November 12, 2012, pursuant to section 260 of the Companies Act, 1956, read with Article 119 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. K. V. V. Rao will hold office up to the date of this Annual General Meeting. Under the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member along with requisite deposit proposing the appointment of Mr. K. V. V. Rao as a Director of the Company. Mr. K. V. V. Rao, when appointed, shall be a non-executive non-independent director.

None of the directors, except Mr. K. V. V. Rao is interested or concerned in the resolution.

The Board commends the resolution for approval of the members.

Item No. 10

Pursuant to the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member along with requisite deposit proposing the appointment of Mr. V. Santhana Raman as a Director of the Company. Mr. V. Santhana Raman, when appointed, shall be a non-executive independent director.

None of the directors is interested or concerned in the resolution.

The Board commends the resolution for approval of the members.

Item No. 11

Pursuant to the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member along with requisite deposit proposing the appointment of Mr. C. R. Muralidharan as a Director of the Company. Mr. C. R. Muralidharan, when appointed, shall be a non-executive independent director.

None of the directors is interested or concerned in the resolution.

The Board commends the resolution for approval of the members.

Item No. 12

The Board of Directors in its meeting held on September 11, 2012 reappointed Mr. G. M. Rao as Executive Chairman for a period of five years with effect from October 18, 2012 subject to the approval of members of the Company.

The Board of Directors in its meeting held on May 30, 2013 decided the remuneration payable to Executive Chairman based on the recommendation of the Nomination and Remuneration Committee as provided in the resolution with effect from October 18, 2012 for a period of five years.

The Board of Directors of the Company commends the resolution for approval of the shareholders as a Special Resolution for his appointment on the terms detailed in the resolution, with effect from October 18, 2012 in terms of Section 269 of the Companies Act, 1956 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

The above may be treated as an abstract of the terms of appointment of Mr. G. M. Rao under section 302 of the Companies Act, 1956.

Mr. G. M. Rao (himself), Mr. G. B. S. Raju, Mr. Kiran Kumar Grandhi (his sons) and Mr. Srinivas Bommidala (his son-in-law) are deemed to be interested or concerned in the resolution.

None of the other directors is interested or concerned in any way, in the resolution.

Item No. 13

The Board of Directors in its meeting held on July 27, 2013, as per the recommendation of the Nomination and Remuneration Committee at its Meeting held on July 27, 2013, appointed Mr. Kiran Kumar Grandhi as Managing Director in place of Mr. B. V. N. Rao and fixed his remuneration for a period of five years with effect from July 28, 2013 subject to the approval of members of the Company.

The Board of Directors of the Company commends the resolution for approval of the shareholders as a Special Resolution for his appointment and remuneration on the terms detailed in the resolution, with effect from July 28, 2013 in terms of Section 269 of the Companies Act, 1956 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

The above may be treated as an abstract of the terms of appointment of Mr. Kiran Kumar Grandhi under section 302 of the Companies Act, 1956.

Mr. Kiran Kumar Grandhi (himself), Mr. G. M. Rao (his father), Mr. G. B. S. Raju (his brother), and Mr. Srinivas Bommidala (his brother-in-law) are deemed to be interested or concerned in the resolution.

None of the other directors is interested or concerned in any way, in the resolution.

By order of the Board of Directors
For GMR Infrastructure Limited

Place: Bengaluru
Date: July 27, 2013

C. P. Sounderarajan
Company Secretary & Compliance Officer

Profile of Directors seeking appointment / reappointment at the Annual General Meeting to be held on September 17, 2013, pursuant to Clause 49 of the Listing Agreement.

Mr. G. B. S. Raju, 38, is the elder 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 Vivekananda College, University of Madras, Chennai, in 1995. He began his career as the Managing Director of GMR Energy Limited and was responsible for setting up the 220 MW barge-mounted power plant. He steered the Company's involvement in the roads sector, led Corporate Services including fund raising initiatives and spearheaded Company's foray into international business. He also heads energy, resources and other allied businesses.

He holds 544160 equity shares of the Company as on March 31, 2013.

Mr. G. B. S. Raju is the son of Mr. G. M. Rao, Brother of Mr. Kiran Kumar Grandhi and Brother-in-law of Mr. Srinivas Bommidala.

Details of Mr. G. B. S. Raju's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1.	GMR Infrastructure Limited	Member - Shareholders Transfer & Grievance Committee Member - Management Committee Member - Debenture Allotment Committee
2.	GMR Holdings Private Limited	Nil
3.	Delhi Aerotropolis Private Limited	Nil
4.	GMR Varalakshmi Foundation (section 25 Company)	Nil
5.	Delhi International Airport Private Limited	Member - Audit Committee
6.	Kakinada Refinery and Petrochemicals Private Limited	Member - Share Transfer and Allotment Committee
7.	GMR Energy Limited	Member - IPO Committee Member - Executive Committee Member - Securities Allotment Committee Member - Shareholders Transfer and Grievance Committee
8.	GBS Holdings Private Limited	Nil
9.	GMR Aviation Private Limited	Member - Remuneration Committee
10.	GMR Kamalanga Energy Limited	Nil
11.	GMR Infrastructure (UK) Limited*	Nil
12.	GMR Infrastructure (Singapore) PTE Limited*	Nil
13.	GADL (Mauritius) Limited*	Nil
14.	Limak-GMR Adi-Oratakli (Limak-GMR Joint Venture)*	Nil
15.	GADL International Limited*	Nil

*Companies incorporated outside India.

Mr. B. V. N. Rao, 59, has been associated with the Group since 1989 and is one of the first Directors of the Company. He is a graduate in Electrical Engineering from Andhra University. During his tenure with Andhra Bank before joining the Group, he gained extensive experience in the Banking Sector with specific focus in Industrial Finance. He was also on the Board of Vysya Bank (now known as ING Vysya Bank Limited) for eight years. He has held various senior responsibilities in the Group. He heads Urban Infrastructure & Highways with responsibilities for Highways, EPC Division, SEZ and

GMR Varalakshmi Foundation, Corporate Relations, Legal and Procurement. He is a Director on the Board of other companies. He holds 150000 equity shares of the Company as on March 31, 2013. Mr. B. V. N. Rao is not related to any Director of the Company.

Details of Mr. B. V. N. Rao's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1	GMR Infrastructure Limited	Member - Shareholders Transfer & Grievance Committee Member - Management Committee Member - Nomination and Remuneration Committee Member - Debenture Allotment Committee
2	GMR Kamalanga Energy Limited	Chairman - Securities Allotment Committee
3	GMR Varalakshmi Foundation	NIL
4	GMR Holdings Private Limited	NIL
5	GMR Energy Limited	Member - Securities Allotment Committee Member - Executive Committee Chairman - IPO Committee
6	Kakinada Refinery And Petrochemicals Private Limited	NIL
7	Kakinada SEZ Private Limited	NIL

Mr. S. Sandilya, 65, Independent Director, is a Commerce Graduate from Chennai University and an MBA from the Indian Institute of Management, Ahmedabad. He is the current President of Society of Indian Automobile Manufacturers (SIAM) and a National Council member of the Confederation of Indian Industries (CII). He is also the current President of the International Motorcycle Manufacturers Association, Geneva. He is the Chairman of Lean Management Institute of India and a member of the Board of Lean Global Network, USA. He is on the Board of other companies. He is also currently the President of SOS Children's Villages of India, a Not-for-Profit Organization taking care of children in need.

He holds 5000 equity shares of the Company as on March 31, 2013.

Mr. S. Sandilya is not related to any Director of the Company.

Details of Mr. S. Sandilya's Directorships and Committee memberships are as follows:

Sl No.	Name of the Company (Directorship)	Committee Chairmanship/Membership
1.	GMR Infrastructure Limited	Nil
2.	Eicher Motors Limited	Member - Audit Committee Member - Shareholder Grievance Committee Member - Compensation Committee
3.	Tube Investments of India Limited	Chairman - Audit Committee Member - Compensation and Nomination Committee
4.	Lean Management Institute of India (section 25 Company)	Nil
5.	Rane Brake Linings Limited	Chairman - Audit Committee Chairman - Remuneration Committee
6.	Association of Indian Automobiles Manufacturers (Section-25 Company)	Nil
7.	Mastek Limited	Chairman- Audit Committee Chairman- Nomination Committee
8.	Mastek UK Limited*	Nil

*Company incorporated outside India.

Mr. S. Rajagopal, 73, Independent Director, holds Masters' Degree in Economics, Degrees in Commerce and Law from Gujarat University, besides Professional Qualification from Indian Institute of Banking & Finance. Having been on Boards of various Corporates and Development funds in India and abroad, Mr. S. Rajagopal has in-depth knowledge of Commerce, Industry, Finance and Insurance. He has 36 years of experience in the field of Banking Industry. He was earlier Chairman & Managing Director of Bank of India, Chairman & Managing Director of Indian Bank, and Chairman of Banking Services Recruitment Board. He is also an Advocate with specialization in company matters. He is closely associated with Academics. As the Chairman of Indian Banks' Association, he conducted Studies on Tyre, Sugar, Granite, Electronics and Film Industry among others. He was a Member of Governing Body of Madras School of Economics and Court of Banaras Hindu University.

He holds 22000 equity shares of the Company as on March 31, 2013.

Mr. S. Rajagopal is not related to any Director of the Company.

Details of Mr. S. Rajagopal's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship /Membership
1.	GMR Energy Limited	Member- Audit Committee
2.	SREI Infrastructure Finance Limited	Member- Audit Committee
3.	GMR Tuni-Anakapalli Expressways Private Limited	Chairman- Audit Committee
4.	GMR Tambaram Tindivanam Expressways Private Limited	Chairman- Audit Committee
5.	National Trust Housing Finance Limited	Nil
6.	SREI Alternative Investment Managers Limited	Nil
7.	Wisdomleaf Technologies Private Limited	Nil
8.	GMR Kamalanga Energy Limited	Member- Audit Committee
9.	GMR Chhattisgarh Energy Limited	Member- Audit Committee
10.	Careercubicle Technologies Private Limited	Nil
11.	Vivek Limited	Member- Audit Committee
12.	GMR Hyderabad Vijayawada Expressways Private Limited	Chairman- Audit Committee
13.	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	Chairman- Audit Committee

Mr. K. V. V. Rao, 62, is an Engineering graduate, holds a post graduate diploma in environmental sciences from Andhra University. He has a first class competency certificate issued by Ministry of Shipping, Government of India and a certificate of proficiency in boiler operations issued by Government of Maharashtra. He has an experience of over 36 years in the field of engineering and has a rich experience of about 25 years in the field of power and management. He has been involved in the development of five Greenfield projects - two power projects, two cement projects and one Ferro alloy project. He is also a Director on the Board of other companies.

He holds 182700 equity shares of the Company as on March 31, 2013.

Mr. K. V. V. Rao is not related to any Director of the Company.

Details of Mr. K. V. V. Rao's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship/Membership
1.	GMR Infrastructure Limited	Nil
2.	GMR Projects Private Limited	Nil
3.	GMR Kamalanga Energy Limited	Member - Securities Allotment committee
4.	GMR Energy Limited	Member - Executive Committee Member - Securities Allotment Committee Member - IPO Committee
5.	Rampia Coal Mine And Energy Private Limited	Nil
6.	GMR Chhattisgarh Energy Limited	Nil

Mr. V. Santhana Raman, 63, was an Executive Director (ED), Bank of Baroda from October 2006, a post he held up to retirement in August 2009. His experience as a Banker spreads over a period of 39 years. Starting his banking career as an officer in 1970 in a Nationalised Bank, he handled various levels of responsibilities in officer and executive level positions. He has gained a thorough, practical and professional knowledge and skills over wide range of banking functions in Indian Bank and Bank of Baroda. As ED of Bank of Baroda, he led the Corporate Banking, Treasury, Risk Management, Balance Sheet Management, Information Technology, Inspection and Audit & Corporate Planning activities of the Bank. During his tenure, the business of the Bank (deposit and advances) almost doubled. He also was the Chairman of the Bank's international subsidiaries in Kenya, Tanzania and Uganda.

He holds NIL equity shares of the Company as on March 31, 2013.

Mr. V. Santhana Raman is not related to any Director of the Company.

Details of Mr. V. Santhana Raman's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship /Membership
1.	DQ Entertainment (International) Limited	Nil
2.	DQ Entertainment PLC*	Nil

*Company incorporated outside India

Mr. C. R. Muralidharan, 65, has an impressive career spanning nearly four decades in supervision and regulation of the Banking and Insurance sectors - two significant segments of the Indian financial sector. A unique blend of experience, in both operational and executive capacities, in both sectors involving their opening to greater competition, aligning their regulatory and supervisory frameworks to international standards, and consolidation, requiring careful sequencing and coordinating with the overall financial sector and economic reform process. He has served as an Executive at senior levels in the Reserve Bank of India (RBI) with Central banking and Bank supervisory responsibilities and later at the Board level in the Insurance Regulatory and Development Authority (IRDA) for close to four decades. Significant professional expertise on bank regulation and supervision and headed the Bank regulation Division in RBI before moving to Insurance Regulation for adding insights on another arm of Financial Sector. He also served as a Whole time Member, a Board level position, in IRDA, Hyderabad for about 5 years between 2005-09. The major responsibilities included oversight of regulatory initiatives to align with international standards, involving significant liaison with the Government, other domestic financial regulators (RBI and SEBI) and the International Association of Insurance Supervisors (IAIS).

He actively participated and contributed to the work of the IAIS and represented India on its various Sub Committees on Accounting, Insurance Laws, Systems and Practices, Corporate Governance, Insurance Core Principles and Conglomerate Supervision. He was member of Joint Forum committee on Principles of Conglomerate Supervision.

He holds NIL equity shares of the Company as on March 31, 2013.

Mr. C. R. Muralidharan is not related to any Director of the Company.

Details of Mr. C. R. Muralidharan's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship/Membership
1.	PTC India Financial Services Limited	Member - Audit Committee, Asset-Liability Committee, Risk Management Committee
2.	City Union Bank Limited	Member - Audit Committee, Risk Management Committee, IT Strategy Committee
3.	ICICI Prudential Asset Management Company Limited	Nil
4.	Universal Sompo General Insurance Company Limited	Member - Audit Committee

Mr. G.M. Rao, 63, is the Promoter and one of the first directors of the Company. He is an industrialist and the founder and Chairman of the GMR Group and GMR Varalakshmi Foundation, the corporate social responsibility (CSR) arm of the Group. He is a graduate in mechanical engineering from Andhra University. He was awarded the Doctorate in Philosophy in 2005 by the Jawaharlal Nehru Technological University, Hyderabad in recognition of his services to industry. He was a director on the Board of Vysya Bank for several years and also served as a non-executive chairman of ING Vysya Bank between October 2002 and January 2006. Currently, he is involved in Group-level decisions and external relations, senior leader development and organization building initiatives.

He holds 12,31,330 equity shares of the Company as on March 31, 2013.

Mr. G. M. Rao is the father of Mr. G.B.S. Raju and Mr. Kiran Kumar Grandhi, father-in-law of Mr. Srinivas Bommidala.

Details of Mr. G. M. Rao's Directorships and Committee Memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship/Membership
1.	GMR Infrastructure Limited	Chairman - Management Committee
2.	GMR Holdings Private Limited	Nil
3.	GMR Airports Limited	Nil
4.	Delhi Aerotropolis Private Limited	Nil
5.	GMR Hyderabad Aerotropolis Limited	Nil
6.	Delhi International Airport Private Limited	Nil
7.	GMR Hyderabad International Airport Limited	Nil
8.	AMG Healthcare Destination Private Limited	Nil
9.	Kakinada Refinery and Petrochemicals Private Limited	Nil
10.	GMR Varalakshmi Foundation (Section 25 Company)	Nil
11.	GMR Infra Ventures LLP	Nil
12.	LGM Havalimani İşletmeleri Ticaret ve Turizm Anonim Sirketi *	Nil
13.	Istanbul Sabiha Gökçen Uluslararası Havalimani Yatırım Yapım ve İşletme A.ş. (Sabiha Gokcen International Airport)*	Nil
14.	GMR Male International Airport Private Ltd.*	Nil

*Companies incorporated outside India.

Mr. Kiran Kumar Grandhi, 37, a Graduate in Commerce, is the younger son of Mr. G.M. Rao and has been on the Company's Board since 1999. He has successfully spearheaded the setting up of the Greenfield Hyderabad International Airport and the development and modernization of Delhi International Airport, a major public-private partnership project. Earlier he headed the GMR Group's Finance function and the Shared Services. Subsequently led Highways, Construction, SEZs and allied businesses (excluding Airports SEZ). He is overseeing Group Finance and Corporate Strategic Planning Department (CSPD) functions.

He holds 8,72,160 equity shares of the Company as on March 31, 2013.

Mr. Kiran Kumar Grandhi is the younger son of Mr. G. M. Rao, brother of Mr. G.B.S. Raju and brother-in-law of Mr. Srinivas Bommidala.

Details of Mr. Kiran Kumar Grandhi's Directorships and Committee Memberships are as follows:

Sl. No.	Name of the Company (Directorship)	Committee Chairmanship/Membership
1.	GMR Infrastructure Limited	Member- Management Committee
2.	GMR Sports Private Limited	NIL
3.	GMR Hyderabad International Airport Limited	NIL
4.	GMR Varalakshmi Foundation	NIL
5.	Delhi International Airport Private limited	NIL
6.	GMR Holdings Private Limited	NIL
7.	GKR Holdings Private Limited	NIL
8.	GMR Airports Limited	Member- Audit Committee
9.	Kakinada SEZ Private Limited	Chairman - Audit Committee
10.	GMR SEZ & Port Holdings Private Limited	Member- Audit Committee
11.	TVS GMR Aviation Logistics Limited	NIL
12.	GMR Highways Limited	Member - Audit Committee Chairman - Remuneration Committee Member - Securities Issue Allotment and Transfers Committee
13.	GMR Krishnagiri SEZ Limited	Member- Audit Committee
14.	GMR Male International Airport Pvt. Ltd.*	NIL

* Company incorporated outside India



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 17th Annual General Meeting of the members of the Company to be held on Tuesday, September 17, 2013 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, 2013 and Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors' and Auditors' thereon		
2.	Declaration of dividend		
3.	Reappointment of Mr. G. B. S. Raju as Director		
4.	Reappointment of Mr. B.V.N. Rao as Director		
5.	Appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company		
6.	Retirement of Mr. K. R. Ramamoorthy as Director		
7.	Appointment of Mr. S. Sandilya as Director		
8.	Appointment of Mr. S. Rajagopal as Director		
9.	Appointment of Mr. K.V.V. Rao as Director		
10.	Appointment of Mr. V. Santhana Raman as Director		
11.	Appointment of Mr. C. R. Muralidharan as Director		
12.	Re-appointment of Mr. G.M. Rao, as Executive Chairman and fixing his remuneration		
13.	Appointment of Mr. Kiran Kumar Grandhi, as Managing Director and fixing his remuneration		

Signed this day of 2013.

NOTES:

- Revenue stamps of not less than 15 paise must be affixed on the form.
- The form should be signed across the stamp as per specimen signature registered with the Company.
- The proxy form should be deposited at least 48 hours before the commencement of the meeting at the registered office of the Company.
- A proxy need not be a member of the Company.
- 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.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
- 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.



Signature of Member



GMR Infrastructure Limited

Regd. Office: Skip House, 25/1, Museum Road, Bengaluru - 560 025, Karnataka, India

Attendance Slip

(17th Annual General Meeting to be held on Tuesday, September 17, 2013)

Name of the Shareholder : *DP ID No. :

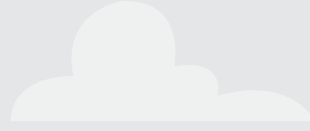
Regd. Folio No.: *Client ID No. :

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 INFRASTRUCTURE LIMITED

Registered Office:

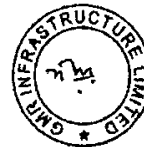
Skip House, 25/1, Museum Road,

Bengaluru 560 025

www.gmrgroup.in

FORM B

1	Name of the company	GMR Infrastructure Limited ('the Company')
2	Annual financial statements for the year ended	Consolidated financial statements for the year ended March 31, 2013
3(a)	Type of Audit qualification	Except for.....
4(a)	Frequency of qualification	First year of qualification
5(a)	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Qualification Reference - Page No. 74 of the Annual Report Note Reference - Note 35(viii)(i)(2), Page No. 134 of the Annual Report
	Qualification:	GMR Rajahmundry Energy Limited ('GREL'), a subsidiary of the Company has capitalised Rs. 282.39 crore for the period July 1, 2012 to March 31, 2013 towards indirect expenditure and borrowing costs incurred on a plant under construction where active construction work has been put on hold pending securing supply of requisite natural gas and has approached the Ministry of Corporate Affairs ('MCA') for clarification on the applicability of / relaxation from the provisions of Accounting Standard ('AS') -10 and AS -16 to the aforesaid capitalisation. However, in the opinion of the independent auditors, the capitalisation of such expenses is not in accordance with the relevant Accounting Standards. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended March 31, 2013 would have been lower by Rs. 276.49 crore.
	Management Response:	GREL is constructing a gas based power plant in Rajahmundry. In view of lower supplies / availability of natural gas to the power generating companies in India, the Group is facing delays in securing gas linkages. Pending securing supply of requisite natural gas, the Group has put on hold the active construction work of the plant. The management of the Group believes that the indirect expenditure attributable to the construction of the project and borrowing costs incurred during the period of uncertainty around securing gas supplies qualifies for capitalisation under paragraphs 9.3 and 9.4 of AS -10 and paragraphs 18 and 19 of AS -16. The subsidiary company setting up the plant has approached the MCA seeking clarification / relaxation on applicability of the aforementioned paragraphs to the gas availability. The management of the Group is confident of obtaining necessary clarification / relaxation allowing such capitalisation. Pending receipt of requisite clarification / relaxation, the Group has capitalised aforesaid expenses amounting to Rs. 282.39 crore for the period July 1, 2012 to March 31, 2013 towards cost of the plant under construction.
6(a)	Additional comments from the board/audit committee chair:	The Group is actively pursuing with MCA seeking clarification / relaxation to paragraphs 9.3 and 9.4 of AS -10 and paragraphs 18 and 19 of AS -16.
3(b)	Type of Audit qualification	Except for.....
4(b)	Frequency of qualification	First year of qualification
5(b)	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Qualification Reference - Page No. 74 of the Annual Report Note Reference - Note 35(viii)(n), Page No. 135 of the Annual Report
	Qualification	GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAE'), a subsidiary of the Company has issued a notice of intention to terminate the Concession Agreement with National



	<p>Highways Authority of India ('NHAI') which has been disputed by NHAI. As at March 31, 2013, GKUAEL has incurred and capitalised indirect expenditure towards project and borrowing costs of Rs. 107.75 crore and has given capital advances of Rs.590.00 crore. In the opinion of the independent auditors, the aforesaid capitalisation of Rs 107.75 crore is not in accordance with the relevant Accounting Standards and such expenses should have been charged off in the consolidated financial statements. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended March 31, 2013 would have been lower by Rs. 107.75 crore. Further, having regard to the uncertainty in view of the dispute, the independent auditors are also unable to comment on the final outcome of the matter and any other consequential impact that may arise in this regard, on the consolidated financial statements for the year ended March 31, 2013.</p>	
	<p>Management Response GKUAEL had entered into a Concession Agreement with NHAI on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of mandatory 'conditions precedent' specified under the Concession Agreement within the due date, GKUAEL has issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. Further, NHAI in their letter dated January 17, 2013 to GKUAEL has also indicated of making good the alleged defaults of NHAI within the cure period of 90 days.</p> <p>The Company along with its subsidiary has made an investment of Rs. 700.00 crore in GKUAEL, which is primarily utilized towards payment of mobilization advance of Rs. 590.00 crore to its EPC contractors and Rs 107.75 crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). The management of the Group is confident of recovering the aforesaid mobilisation advance and does not anticipate any compensation to be payable to NHAI in view of the aforesaid dispute and continue to carry such project expenses as capital work in progress pending satisfactory resolution of the matter.</p>	
6(b)	Additional comments from the board/audit committee chair:	GKUAEL has submitted a revised proposal to NHAI. Board of NHAI has recommended the proposal for settlement and forwarded it to the Ministry of Road Transport & Highways (MoRT) for approval.
3(c)	Type of Audit qualification	Except for.....
4(c)	Frequency of qualification	First year of qualification
5(c)	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Qualification Reference - Page No. 74 of the Annual Report Note Reference - Note 30(a) and 35(viii)(m), Page No. 122 and 135 respectively of the Annual Report
	<p>Qualification The Concession Agreement entered into between GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT') for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated arbitration process to seek remedies under the said agreement and pending resolution of the dispute, continues to recognise the assets at their carrying values as at March 31, 2013 including the claim recoverable of Rs. 919.16 crore (USD 16.77 crore) as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets.</p> <p>Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation.</p>	



Expansion and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and has received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the consolidated financial statements as at March 31, 2013.

The takeover of MIA by MACL, indicate the existence of a material uncertainty about the going concern of GMIAL and GADLIL. However, the financial statements of GMIAL and GADLIL as at and for the year ended March 31, 2013 continue to be prepared on a going concern basis.

Having regard to the uncertainty in view of the dispute and the final outcome of the matter, the independent auditors are unable to comment on its impact on the carrying value of the assets of GMIAL and GADLIL and any other consequential impact that may arise in this regard on the consolidated financial statements for the year ended March 31, 2013.

Management Response

GMIAL entered into an agreement on June 28, 2010 with MACL, MoFT and Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of MIA for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter.

Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and does not anticipate counter claims if any. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs. 1,295.80 crore (USD 23.65 crore) including claim recoverable Rs. 919.16 crore (USD 16.77 crore) at their carrying values as at March 31, 2013, net of assets written off of Rs. 202.61 crore. Such assets written off are disclosed as an exceptional item in the consolidated financial statements. The outcome of the arbitration is uncertain as at March 31, 2013. GMIAL's ability to continue its future business operations is solely dependent on the outcome of arbitration and / or a negotiated settlement. However financial statements of GMIAL as at and for the year ended March 31, 2013 have been prepared and accordingly consolidated on a going concern basis in the consolidated financial statements.

Further, GMIAL has executed work construction contracts with GADLIL and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore during the year ended March 31, 2013 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised in the consolidated financial statements as at March 31, 2013 since the amounts payable are not certain.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Group is confident of proving that the concession agreement was not void ab initio and that the Group would be entitled for compensation under the concession agreement.

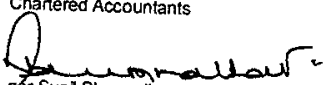
GADLIL is registered in the Republic of Maldives for upgrading of existing terminal and construction of new terminal at the MIA. As per the work construction contract dated October 25, 2010 entered into with GMIAL, the expected substantial completion date of the construction was July 01, 2014, and GADLIL's registration in the Republic of Maldives is valid till December 31,



	2016. However, pursuant to the takeover of Male airport by MACL, GMIAL has terminated the work construction contract with GADLIL on December 10, 2012. These conditions indicate the existence of a material uncertainty about the going concern of GADLIL. However, the financial statements of GADLIL as at and for the year ended March 31, 2013 have been prepared and accordingly consolidated on a going concern basis.	
6(c)	Additional comments from the board/audit committee chair:	The matter is currently before the Arbitration Tribunal in Singapore.

Refer Form A for matters to which the independent auditors have given emphasis of matter in their auditors' report on the consolidated financial statements and management responses for the same.


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



per Sunil Bhumralkar
Partner
Membership Number: 35141



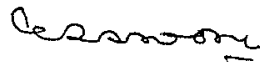
Place: Bengaluru
Date: August 19, 2013

For GMR Infrastructure Limited

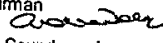

Kiran Kumar Grandhi
Managing Director

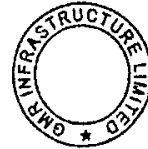

Madhva Bhimacharya Terdal
Group CEO

Place: Bengaluru
Date: August 19, 2013



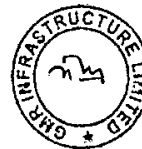
K. R. Ramamoorthy
Independent Director
and Audit Committee
Chairman


C.P. Sounderajan
Company Secretary



FORM A

1	Name of the company	GMR Infrastructure Limited ('the Company')
2	Annual financial statements for the year ended	Standalone financial statements for the year ended March 31, 2013
3(a)	Type of Audit observation	Emphasis of Matter ('EoM')
4(a)	Draw attention to relevant notes in the annual financial statements	EoM Reference - Page No. 162 of the Annual Report Note Reference - Note 30, Page No.192 of the Annual Report
	Emphasis of Matter The independent auditors have drawn attention to Note 30 to the standalone financial statements for the year ended March 31, 2013 in connection with an investment of Rs. 341.56 Crore (including loans of Rs. 104.97 Crore, share application money pending allotment of Rs. 20.00 Crore and investment in equity / preference shares of Rs. 216.59 Crore made by the Company and its subsidiaries) in GMR Ambala Chandigarh Expressways Private Limited (GACEPL), a subsidiary of the Company. 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.	
	Management Response: The Company has an investment of Rs. 341.56 Crore (including loans of Rs. 104.97 Crore, share application money pending allotment of Rs. 20.00 Crore and investment in equity / preference shares of Rs. 216.59 Crore made by the Company and its subsidiaries) in GACEPL as at March 31, 2013. 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. The matter is currently under arbitration. However, based on management's 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 investment in GACEPL has been carried at cost.	
5(a)	Frequency of observation	The independent auditors had given emphasis of matter in their auditors' report for the years ended March 31, 2011 and 2012.
3(b)	Type of Audit observation	Emphasis of Matter
4(b)	Draw attention to relevant notes in the annual financial statements	EoM Reference - Page No. 163 of the Annual Report Note Reference - Note 44, Page No. 217 of the Annual Report
	Emphasis of Matter The independent auditors have drawn attention to Note 44 to the standalone financial statements for the year ended March 31, 2013, regarding (i) losses incurred by GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPG'), subsidiaries of the Company, and the consequent erosion of net worth resulting from unavailability of adequate supply of natural gas and (ii) rescheduling of the Commercial Operations Date ('COD') and the repayment of certain project loans by GMR Rajahmundry Energy Limited ('GREL'), a	



	<p>subsidiary company, pending linkage of natural gas supply.</p> <p>Based on business plans and valuation assessment, the management is of the view that the carrying value of the investments (including advances) as at March 31, 2013 made by the Company directly / through its subsidiaries in GEL, GVPGL and GREL is appropriate. However, continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and as such the standalone financial statements do not include any adjustments that might result from the outcome of this uncertainty.</p>		
	<p>Management Response:</p> <p>The Company's subsidiaries GEL and GVPGL are engaged in the business of generation and sale of electrical energy from their two gas based power plants of 220MW and 387.63MW situated at Kakinada and Vemagiri respectively. Further, GREL, a subsidiary, is constructing a gas based power plant. In view of lower supplies/ availability of natural gas to the power generating companies in India, these subsidiaries are facing shortage of natural gas supply and delays in securing gas linkages. During the year ended March 31, 2013, GEL and GVPGL have incurred losses resulting in erosion of networth of these gas based power generating companies and GREL has not commenced commercial operations pending linkages of natural gas supply.</p> <p>Further, GREL for its 768 MW gas based power plant, which is under construction at Rajahmundry, has applied for allocation of gas and Ministry of Petroleum and Natural Gas ('MoPNG') is yet to allocate the gas linkage. The consortium of lenders have approved the reschedulement of Commercial Operations Date ('COD') of the plant under construction to April 1, 2014 and repayment of project loans. GEL along with its subsidiaries ('the Group') is actively pursuing / making representations with various government authorities to secure the natural gas linkage / supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. The Group and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management is confident that the Government of India would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Based on business plan and valuation assessment, the management is confident that GEL and GVPGL will be able to generate sufficient profits in future years, GREL will achieve the COD as stated aforesaid and these gas based power generating companies would meet their financial obligations as they arise and hence the carrying value of investments (including advances) made by the Company directly or through its subsidiaries in above entities as at March 31, 2013 is appropriate.</p>		
5(b)	<table border="1"> <tr> <td data-bbox="381 1207 787 1249">Frequency of observation</td> <td data-bbox="787 1207 1161 1249">First year of Emphasis of Matter</td> </tr> </table>	Frequency of observation	First year of Emphasis of Matter
Frequency of observation	First year of Emphasis of Matter		



Refer Form B for the qualification in the auditors' report and management responses for the same.

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI firm registration number: 101049W
Chartered Accountants

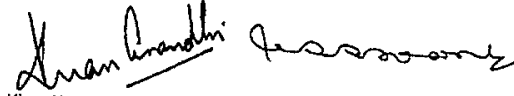


per Sunil Bhumraikar
Partner
Membership number: 35141




Place: Bengaluru
Date: August 19, 2013

For GMR Infrastructure Limited

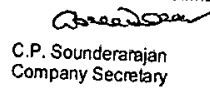


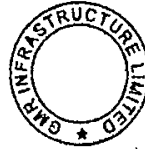
Kiran Kumar Grandhi
Managing Director


Madhva Bhimacharya Teral
Group CFO

Place: Bengaluru
Date: August 19, 2013

K. R. Ramamoorthy
Independent Director and
Audit Committee Chairman


C.P. Sounderarajan
Company Secretary



FORM B

1	Name of the company	GMR Infrastructure Limited ('the Company')
2	Annual financial statements for the year ended	Standalone financial statements for the year ended March 31, 2013
3	Type of Audit qualification	Except for.....
4	Frequency of qualification	First year of qualification
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Qualification Reference - Page No. 162 of the Annual Report Note Reference - Note 43, Page No. 216 of the Annual Report
	Qualification:	As detailed in note 43 to the Standalone financial statements for the year ended March 31, 2013, the Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made an investment of Rs. 126.58 Crore (USD 2.31 Crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL') and has given a corporate guarantee of Rs. 2,301.60 Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL. The Concession Agreement entered into between GMIAL, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT') for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the said agreement and pending resolution of the dispute, such investment has been carried at cost in the standalone financial statements as at March 31, 2013 as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets including the claim recoverable of Rs. 919.16 Crore (USD 16.77 Crore). Further, GMIAL has executed work construction contracts with GADL International Limited ('GADL International'), a subsidiary of the Company and other service providers for rehabilitation, expansion, and modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADL International and other service providers and have received claims from GADL International and other service providers towards termination payments. However, such claims relating to the termination of contracts have not been recognised since the amounts payable are not certain as at March 31, 2013. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequent impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADL International.
	Having regard to the uncertainty in view of the dispute and the final outcome of the matter, the independent auditors are unable to comment on its impact on the carrying value of investment pertaining to the aforesaid project and any other consequential impact that may arise in this regard on the standalone financial statements for the year ended March 31, 2013.	
	Management Response	The Company through its subsidiary GIML has made an investment of Rs. 126.58 Crore (USD 2.31 Crore) towards 77% holding in GMIAL and GIML has pledged deposits of Rs. 789.12 Crore (USD 14.40 Crore) towards loan taken by GMIAL from its lenders. Further, the Company has given a guarantee of Rs 2,301.60 Crore (USD



42.00 Crore) to the lenders in connection with the borrowings made by GMIAL.

GMIAL entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years ('the Concession Agreement'). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and does not anticipate counter claims if any. The outcome of the arbitration is uncertain as at March 31, 2013. In view of the aforesaid matter, GMIAL continues to reflect assets including the claim recoverable of Rs. 919.16 Crore (USD 16.77 Crore) at their carrying values as at March 31, 2013, net of assets written off of Rs. 202.61 Crore. GMIAL's ability to continue its future business operations and consequential impact on investments made/ guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement.

Further, GMIAL has executed work construction contracts with GADL International, a subsidiary of the Company and other service providers for rehabilitation, expansion, and modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADL International and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims from GADL International and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the standalone financial statements of GMIAL as at March 31, 2013 since the amounts payable are not certain. The takeover of MIA by MACL, indicate the existence of a material uncertainty about the going concern of GMIAL and GADL International.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident of proving that the concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the concession agreement and accordingly the standalone financial statements of the Company do not include any adjustments that might result from the outcome of this uncertainty.

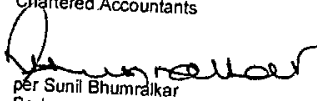
6 Additional comments from the board/audit committee chair:

The matter is currently before the Arbitration Tribunal in Singapore



Refer Form A for matters to which the independent auditors have given emphasis of matter in their auditors' report on the standalone financial statements and management responses for the same.

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI firm registration number: 101049W
Chartered Accountants


per Sunil Bhumralkar
Partner

Membership number: 35141




Place: Bengaluru
Date: August 19, 2013

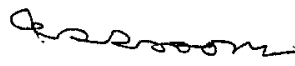
For GMR Infrastructure Limited




Kiran Kumar Grandhi
Managing Director

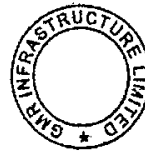

Madhva Bhimacharya Terdal
Group CFO

Place: Bengaluru
Date: August 19, 2013



K. R. Ramamoorthy
Independent Director and
Audit Committee Chairman


C.P. Sounderarajan
Company Secretary



FORM A

1	Name of the company	GMR Infrastructure Limited ('the Company')
2	Annual financial statements for the year ended	Consolidated financial statements for the year ended March 31, 2013
3(a)	Type of Audit observation	Emphasis of Matter ('EoM')
4(a)	Draw attention to relevant notes in the annual financial statements	EoM Reference - Page No. 75 of the Annual Report Note Reference - Note 35(viii)(h), Page No. 134 of the Annual Report
	Emphasis of Matter The independent auditors have drawn attention to Note 35(viii)(h) to the consolidated financial statements for the year ended March 31, 2013 in connection with the carrying value of net assets of Rs 238.35 crore (after providing for losses till date of Rs. 103.21 crore) as regards investment in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Company. 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 of the Group 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. Accordingly, no adjustments have been made in the consolidated financial statements.	
	Management Response The Group has an investment of Rs. 341.56 crore (including loans of Rs. 104.97 crore, share application money pending allotment of Rs. 20.00 crore and investment in equity / preference shares of Rs. 216.59 crore made by the Company and its subsidiaries) in GACEPL as at March 31, 2013. GACEPL has been incurring losses since the commencement of commercial operations. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads. The matter is currently under arbitration. Based on an internal assessment and a legal opinion, the management of the Group 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 of the Group is of the view that the carrying value of net assets of Rs. 238.35 crore (after providing for losses till date of Rs. 103.21 crore) as regards investment in GACEPL as at March 31, 2013 is appropriate.	
5(a)	Frequency of observation	The independent auditors had given emphasis of matter in their auditors' report for the years ended March 31, 2011 and March 31, 2012.
3(b)	Type of Audit observation	Emphasis of Matter ('EoM')
4(b)	Draw attention to relevant notes in the annual financial statements	EoM Reference - Page No. 75 of the Annual Report Note Reference - Note 35(viii)(r), Page No. 136 of the Annual Report
	Emphasis of Matter The independent auditors have drawn attention to Note 35(viii)(r) to the consolidated	



	financial statements for the year ended March 31, 2013 in connection with the approval pending from the Board of Approval of the Ministry of Commerce & Industry for the extension of the validity period for development of a port based multi-product SEZ by Kakinada SEZ Private Limited ('KSPL'), a subsidiary of the Company. The management of the Group is confident of obtaining the necessary approval in the foreseeable future.	
	Management Response KSPL is undertaking development of a port based multi-product SEZ at Kakinada. The approvals from the Ministry of Commerce & Industry for the SEZ development were valid till June 26, 2012. Pending completion of the development of the SEZ, KSPL has applied for extension of the validity period which is pending approval from the Board of Approval of the Ministry of Commerce & Industry. The management is confident of obtaining the necessary approvals in the foreseeable future and continues with the active development of the SEZ.	
5(b)	Frequency of observation	First year of Emphasis of Matter
3(c)	Type of Audit observation	Emphasis of Matter ('EoM')
4(c)	Draw attention to relevant notes in the annual financial statements	EoM Reference - Page No. 75 of the Annual Report Note Reference - Note 35(iv)(f), Page No. 130 of the Annual Report
	Emphasis of Matter The independent auditors have drawn attention to Note 35(iv)(f) to the consolidated financial statements for the year ended March 31, 2013 regarding outstanding dues in GMR Hyderabad International Airport Limited ('GHIAL') and Delhi International Airport Private Limited ('DIAL'), subsidiaries of the Company, from Kingfisher Airlines Limited ('KAL') aggregating to Rs 16.73 crore. The Group's management has represented that they have taken steps to recover the amounts and are of the opinion that the receivables are fully recoverable. Accordingly, no adjustments have been made in the consolidated financial statements.	
	Management Response As at March 31, 2013, GHIAL and DIAL have receivables from KAL aggregating to Rs. 16.73 crore. The management of the Group is of the view that the receivables are fully recoverable and DIAL and GHIAL have taken necessary steps to recover these amounts. As such, no adjustments have been made in the consolidated financial statements for the year ended March 31, 2013.	
5(c)	Frequency of observation	The independent auditors had given emphasis of matter in their auditors' report for the year ended March 31, 2012.
3(d)	Type of Audit observation	Emphasis of Matter ('EoM')
4(d)	Draw attention to relevant notes in the annual financial statements	EoM Reference - Page No. 75 of the Annual Report Note Reference - Note 35(viii)(k), Page No. 135 of the Annual Report
	Emphasis of Matter The independent auditors have drawn attention to Note 35(viii)(k) to the consolidated financial statements for the year ended March 31, 2013 which indicate that the entire matter relating to claims / counter claim arising out of the Power Purchase Agreement ('PPA') and Land Lease Agreement ('LLA'), filed by GMR Power Corporation Limited ('GPCL'), a subsidiary of the Company, and Tamil Nadu Electricity Board ('TNEB'), is sub-judice before the Hon'ble Supreme Court of India and has not attained finality.	



	<p>However, pending the resolution of matter, no adjustments have been made in the consolidated financial statements. Considering that substantial amount, though under protest, has been received, GPCL, based on an expert opinion, has offered the amount of claims received upto March 31, 2012 as income in its income tax returns and has claimed the deduction under Section 80IA of the Income Tax Act, 1961.</p>	
	<p>Management Response GPCL approached Tamil Nadu Electricity Regulatory Commission (TNERC) to resolve the claims / counterclaims arising out of the PPA and LLA in respect of the dues recoverable from TNEB on account of sale of energy including reimbursement towards interest on working capital, Minimum Alternate Tax (MAT), rebate, start/ stop charges and payment of land lease rentals to TNEB. GPCL had received a favourable Order from TNERC on April 16, 2010 and in pursuance of the Order, GPCL had filed its claim on April 30, 2010 amounting to Rs. 481.68 crore and recognised Rs. 79.55 crore as income in the books of account.</p> <p>TNEB filed a petition against TNERC Order in Appellate Tribunal for Electricity (APTEL). In terms of an interim Order on November 19, 2010 from APTEL, TNEB deposited Rs. 537.00 crore including interest on delayed payment of the claim amount. APTEL vide its Order dated February 28, 2012, upheld the claim of GPCL and further directed GPCL to verify and pay counter claims of TNEB in respect of the benefits earned if any, by GPCL with regard to the delayed payment towards fuel supply that are not as per the terms of the Fuel Supply Agreement (FSA). GPCL has appealed to the Hon'ble Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by APTEL on credit period of Fuel Supplies in terms of the FSA.</p> <p>GPCL is availing tax holiday under Section 80IA of the Income tax act, 1961 ('IT Act') in respect of its income from power generation. Considering that the substantial amount, though under protest, has been received by GPCL, based on an expert opinion, GPCL has offered the claims upto March 31, 2012 as income in its tax returns and has claimed the deduction as available under Section 80IA of the IT Act.</p> <p>However, in accordance with the Group's accounting policy, pending acceptance of claims by TNEB and pending adjudication of petition before the Honorable Supreme Court, the Group has not recognised such balance claim in the books of account.</p> <p>In accordance with the above, the amount received towards the above mentioned claims after the date of Order is being disclosed as advance from the customer in the consolidated financial statements. Further, GPCL has been legally advised that in view of the appeal filed by TNEB against the Order of APTEL in Honorable Supreme Court, the entire matter is now subjudice and has not attained the finality.</p>	
5(d)	Frequency of observation	The independent auditors had given emphasis of matter in their auditors' report for the year ended March 31, 2012.
3(e)	Type of Audit observation	Emphasis of Matter ('EoM')
4(e)	Draw attention to relevant notes in the annual financial statements	EoM Reference - Page No. 75 of the Annual Report Note Reference - Note 35(viii)(j)(1), Page No. 134 of the Annual Report
	<p>Emphasis of Matter The independent auditors have drawn attention to Note 35(viii)(j)(1) to the consolidated financial statements for the year ended March 31, 2013 regarding (i) losses incurred by GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL'), subsidiaries of the Company, and the consequent erosion of net worth resulting from</p>	

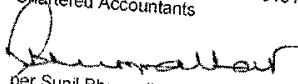


	<p>the unavailability of adequate supply of natural gas and (ii) rescheduling of the commercial operations date and the repayment of certain project loans by GMR Rajahmundry Energy Limited ("GREL") pending linkage of natural gas supply. Based on business plans and valuation assessment, the management of the Group is of the view that the carrying value of the net assets in GEL, GVPGL and GREL as at March 31, 2013 is appropriate. However, continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and as such the consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.</p>		
	<p>Management Response</p> <p>The Group is engaged in the business of generation and sale of electrical energy from its two gas based power plants of 220MW and 387.63MW situated at Kakinada and Vemagiri respectively. Further, the Group has investments in GREL which is constructing a gas based power plant. In view of lower supplies / availability of natural gas to the power generating companies in India, the Group is facing shortage of natural gas supply and delays in securing gas linkages. During the year ended March 31, 2013, GEL and GVPGL have incurred losses, thereby resulting in erosion of networth of these gas based power generating companies and GREL has not commenced commercial operations pending linkages of natural gas supply. The Group is actively pursuing / making representations with various government authorities to secure the natural gas linkage / supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. The Group, for its 768 MW gas based power plant, which is under construction at Rajahmundry, has applied for allocation of gas and Ministry of petroleum and Natural Gas (MoPNG) is yet to allocate the gas linkage. The consortium of lenders have approved the rescheduling of Commercial Operation Date ("COD") of the plant under construction to April 1, 2014 and repayment of project loans. The Group and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management of the Group is confident that the Government of India would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Based on business plan and valuation assessment, the management of the Group is confident that GEL and GVPGL will be able to generate sufficient profits in future years, GREL will achieve the COD as stated aforesaid and these gas based power generating companies would meet their financial obligations as they arise and hence considers that the carrying value of the net assets of the above entities as at March 31, 2013 is appropriate. Despite the aforementioned loss, the consolidated financial statements of the Group do not include any adjustments that might result from the outcome of this uncertainty..</p>		
5(e)	<table border="1"> <tr> <td data-bbox="391 1255 743 1306">Frequency of observation</td> <td data-bbox="743 1255 1149 1306">First year of Emphasis of Matter</td> </tr> </table>	Frequency of observation	First year of Emphasis of Matter
Frequency of observation	First year of Emphasis of Matter		



Refer Form B for the qualification in the auditors' report and management responses for the same

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI firm registration number: 101049W
Chartered Accountants

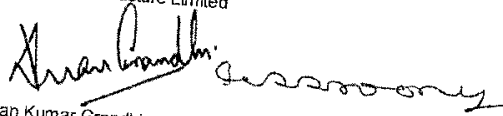


per Sunil Bhumralkar
Partner
Membership number: 35141

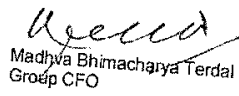


Place: Bengaluru
Date: August 19, 2013

For GMR Infrastructure Limited



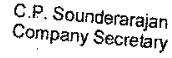
Kiran Kumar Grandhi
Managing Director



Madhya Bhimacharya Terdal
Group CFO

Place: Bengaluru
Date: August 19, 2013

K. R. Ramamoorthy
Independent Director and
Audit Committee Chairman



C.P. Sounderarajan
Company Secretary

