Creating tomorrow today

Building a robust organisation

GMR Infrastructure Limited

13th Annual Report 2008-09

Contents

Building a robust organisation

"Some men see things as they are and say, "Why?" I dream of things that never were and say, "Why not?"

– George Bernard Shaw

The GMR Group is a Bangalore headquartered global infrastructure major with interests in Infrastructure and Agri-business. Founded in 1978, the Group is well diversified and professionally managed.

Over time the Group has built a distinct identity for itself by emphasising on growth through innovation, entrepreneurship and value based practices across all its transactions with its diverse stakeholders.

Having proven its credentials as a leading infrastructure conglomerate in India, the Group is expanding its operations globally. Towards this, it has formed a separate division - GMR International headquartered in London, to manage its overseas operations.

The underlying philosophy of the Group is captured in its vision statement – "To build entrepreneurial organisations that make a difference to society through creation of value."

It is this fusion of vision, values and philosophy that translates into a tangible delivery for the benefit to the Group's multiple stakeholders within and outside the country.

Of particular relevance is the Group's emphasis on inclusive growth where special attention is given to communities which need attention and care such as the marginalised and weaker sections of society.

General Information

Board of Directors

G M Rao
Executive Chairman

G B S Raju
Managing Director

Srinivas Bommidala
Group Director

Kiran Kumar Grandhi
Group Director

B V Nageswara Rao
Group Director

O Bangaru Raju
Director

Arun K Thiagarajan
Independent Director

K R Ramamoorthy
Independent Director

Dr. Prakash G Apte
Independent Director

R S S L N Bhaskarudu
Independent Director

Udaya Holla
Independent Director

Uday M Chitale
Independent Director

Company Secretary & Compliance Officer

C. P. Sounderarajan

Audit Committee

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

Shareholders' Transfer & Grievance Committee

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

Bankers

Central Bank of India
ICICI Bank Limited
ING Vysya Bank Limited
United Bank of India

Statutory Auditors

Price Waterhouse
Chartered Accountants
8-2-293/82/A/1131A, Road No. 36,
Jubilee Hills, Hyderabad - 500 034.

Registered Office

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

Registrar and Share Transfer Agent

Karvy Computershare Private Limited
No. 17-24, Vittalrao Nagar, Madhapur
Hyderabad - 500 081

Values and Beliefs

"I don't think much of a man who is not wiser today than he was yesterday."

– Abraham Lincoln

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

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

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

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 - 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.

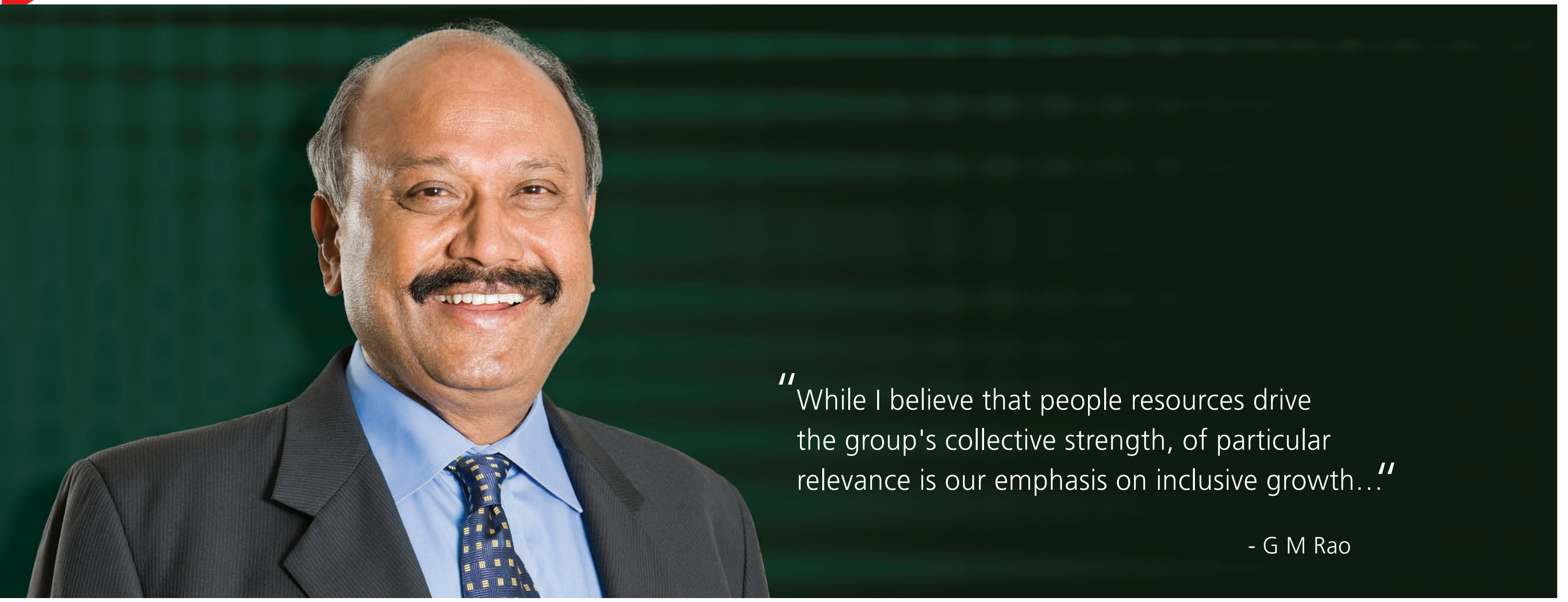
Social responsibility

Anticipating and meeting relevant and emerging needs of society.

Respect for individual

We will treat others with dignity, sensitivity and honour.

Chairman's letter to the shareholders



Dear Shareholders,

The last fiscal has seen an economic cataclysm, not witnessed in several decades. The credit crisis in the U.S. has triggered an economic recession with global ramifications characterised by liquidity crunch, instability of key businesses, mounting fiscal deficit and decline in consumer wealth and economic activity. Consequentially, every sector of the economy including real estate, aviation, hospitality, infrastructure to name a few, has been adversely impacted.

We however share the optimism of India's billion plus populace that is buoyed by a stable and strong political leadership at the centre committed to reforms; a renewed thrust on infrastructure sector and signs of global economic recovery.

We continue to operate with the underlying conviction that every challenge presents a unique opportunity. The economic contagion has reinvigorated our focus on achieving performance excellence through elimination of wastage and unproductive practices.

Towards this objective, we have introduced the "Value for Money" (VFM) initiatives across the organisation – seeking to achieve the highest order of efficiencies in processes and excellence in execution. To this effect, we have decided to review the short term growth plans of all our businesses to align our strategy with market realities.

Our business model is based on enduring relationships with our partners and diverse stakeholders. Our success in garnering funds for projects through banks and other financial institutions demonstrates the faith reposed by our stakeholders in us. This has enabled us to achieve significant project milestones in the previous year, despite the global meltdown.

Business Developments and Financials

Our vision to give Delhi a world-class airport received a leg up with the inauguration of the new domestic departure terminal (T1D) on February 26, 2009. Earlier, on August 21, 2008, the third runway was inaugurated at the Indira Gandhi International Airport (IGIA). The Delhi International Airport Private Limited (DIAL) also successfully completed the modernisation of the existing international terminal at IGIA in June, 2008.

During this period, we leased out plots for commercial property development at the IGIA. It was heartening to note that DIAL received 60 bids for the development of the hospitality district despite the current economic depression. This reflects the value potential and economic opportunity offered by the Aero-city project. The construction of the new integrated terminal at IGIA, Terminal 3 (T3), is proceeding in full swing to meet the launch deadline in 2010. We are confident that T3 will meet the high expectations of all our stakeholders.

Rajiv Gandhi International Airport (RGIA) at Hyderabad has also completed one year of successful operations.

Our energy business continued to fuel our growth. GMR Power Corporation Private Limited successfully completed a decade of operations achieving its best ever performance in terms of plant load factor and heat rate. GMR Energy Limited (GEL) performed successful merchant operations since November 2008 while the Vemagiri Power Generation Limited (VPGL) resumed operations in December 2008. We also won the license for power trading and have traded approximately 630 Mn units of power during the year. Additionally, in the current fiscal, the 1050 MW Kamalanga Thermal Power Project in the Dhenkanal district of Orissa has achieved financial closure. The funding for this Rs. 4,540 Crore project is being met through a combination of debt and equity in the ratio of 3:1. Debt of Rs. 3,405 Crore has been tied up with 13 banks to fund Rs. 4540 Crore project. The project is scheduled to commence commercial operations by 2012. It has also secured coal supply for the entire capacity via a tapering linkage and coal block allocation from Rampia and Dip Side Rampia coal block in Orissa. The coal block would be developed simultaneously.

Further, we are engaged in the development of the thermal power project in Chhattisgarh and the hydel projects in Uttaranchal, Himachal Pradesh and Nepal. In order to secure fuel supply, we have acquired a 100% stake in the Indonesian coal mine PT Barasentosa Lestari, having mine life of approximately 25 years. Additionally, the Group has acquired 33.34% stake in Homeland Energy Group (HEG). HEG through its subsidiaries in South Africa owns controlling interests in the Kendel mines, an operating resource besides the Eloff mines and other exploration areas with total minable reserves of 300 Mn MT.

The economic slowdown not withstanding, we continued to expand our asset base in the Highways business. We have also completed three highway projects – 35 Km stretch between Ambala and Chandigarh, 103 Km stretch on NH-7 between Adloor Yellareddy and Gundla Pochanpalli, and 58 Km stretch on NH7 between Thondapalli and Jadcherla. The 73 Km between Tindivanam and Ulundurpet on NH45 is slated to begin operations shortly. We have won the 181 Km Hyderabad – Vijayawada highway (NH9) project from NHAI at an estimated cost of Rs. 2,200 Crore and the 29.65 Km Chennai Outer Ring Road Project from the State Government at an estimated cost of Rs. 1,100 Crore. Going forward, we will actively participate in the National Highway Development Programme and select state road projects in an endeavour to maintain a sustainable and robust portfolio that offers significant value to all stakeholders.

We are actively expanding our presence in the global marketplace through our International Business Division (IBD), GMR International, headquartered in London. During the last fiscal year we took over the operations of the Sabiha Gokcen International Airport, Istanbul, Turkey in May 2008. The construction of new passenger terminal and related facilities at the airport has commenced and the project is scheduled for completion on October 29, 2009. Once completed, the airport will be spread over 1.9 Mn sq. ft. covered space and will be equipped with all the modern amenities including additional facilities such as the hotels, viaduct, apron and car parking.

Our Group acquired 50% stake in InterGen N.V., a leading global power generation company on October 9, 2008. InterGen has approximately 7700 MW of installed capacity spread across four continents and is in the process of developing various other power projects aggregating to approximately 2800 MW capacity. For our landmark achievement under testing economic conditions, we won the Infrastructure Acquisition of the Year award by Infrastructure Journal. GMR International has also acquired 100% stake in the Island Power project, Singapore in May 2009. On completion, the gas based project will have a capacity of 800 MW.

We have made significant strides in our SEZ business. The 3300 acre Krishnagiri SEZ, Tamil Nadu, located on NH7, is focused on sunrise sectors such as solar and Photo Voltaic, along with other sectors such as biotechnology, IT and ITES. In Hyderabad, we have plans to develop 250 acre aviation SEZ, where we aspire to develop the first aviation cluster of India. This would serve as the hub of aviation related activities such as MROs, aviation academy, etc. We have signed agreements with MAS Aerospace Engineering (MAE), a wholly owned subsidiary of Malaysia Airlines, for setting up Maintenance, Repairs & Overhaul (MRO) facility at RGIA. Additionally we have also inked an agreement with CFM International for developing a maintenance training facility. Another multi-product SEZ spanning 250 acres is proposed to be developed into a logistic hub.

The company is presently engaged in completing various ground works for airport-led commercial property development at RGIA and IGIA. DIAL is developing an integrated hospitality district on the piece of land adjoining IGIA. Of the available 45 acres parcel of land, approximately 21.8 acres of land has already been leased out to developers. The remaining land would be leased out during the current financial year. GMR Hyderabad International Airport Limited (GHIAL) envisages development of property around RGIA by creating a first of its kind destination for retail, entertainment and health care.

We have been able to achieve robust growth during these challenging times. Despite global slowdown, which affected our market-sensitive assets, especially airports and highways, the revenue and profitability growth for the year are quite satisfactory.

Successful merchant operations at GEL and restart of the Vemagiri power plant were key positive developments. The Gross Revenues for the year have increased by 66% from Rs. 2,698 Crore to Rs. 4,476 Crore, Net Revenues registered a growth of 75% from Rs. 2,295 Crore to Rs. 4,019 Crore and Net profit has increased by 6% from Rs.263 Crore to Rs. 277 Crore

With more projects being commissioned in the present financial year, i.e. one highway and Sabiha Gokcen Istanbul airport, along with the year-round operations of Vemagiri power plant, we would witness even greater revenue and profitability contributions.

However, the GEL plant may not be operational for a full year in view of its relocation and conversion into gas-fired plant to improve its future profitability.

Our long term growth projections remain unaffected. After achieving financial closure for Kamalanga project, we are working relentlessly on other projects, especially the Chhattisgarh power project, expansion of VPGL, relocation & conversion of GEL plant and the development of Island Power project in Singapore.

Organisation Development

We firmly believe in the dictum that people resources drive the collective strength of its diverse business demands. A special emphasis is therefore given to nurturing and developing talent, so as to create a strong team of committed and empowered professionals who steer the Group's diverse business needs.

A comprehensive employee development programme supported with progressive policies which cover issues related to gender amity, talent mapping, employee well being has been formulated. Senior Leadership Team (SLT), a forum of senior management executives and next in level to Group Holding Board, has been institutionalised to review and take decisions on critical issues.

We have created a Central Procurement Department to centralize the procurement process and a Project Management Task Force to ensure effective project execution. We have also upgraded our technology platform to enhance the efficiency of our business and administrative operations. SAP has been implemented across the Group's business locations. We have taken various initiatives to strengthen our governance standards which also include the formation of Corporate Governance Committee of Board.

Corporate Social Responsibility

Of particular relevance is the Group's emphasis on inclusive growth where special attention is given to community which needs care such as the marginalised and the weaker sections of the society.

Our sustained efforts in the area of 'social entrepreneurship' have won us several awards and accolades. These include the prestigious TERI CSR Award from the President of India on June 5, 2009, the World Environment Day and ORBIS Awards in Routes Airport conference in Kuala Lumpur.

Acknowledgments

I express my sincere gratitude to our shareholders, investors, joint venture partners, lenders, banks, financial institutions, SEBI, NSE, BSE, RBI, NHAI, TIDCO, the Airport Authority of India, the Central & State Government and other regulatory authorities/agencies for providing continuous support. I wish to express my appreciation to my colleagues on the Board and our employees for their thought leadership, unalloyed dedication and unswerving commitment.

I express my sincere appreciation to the Board of Directors and the employees of the subsidiaries for their continued support. I am grateful to you for your cooperation and the trust that you have reposed in us.

Best Regards,

G. M. Rao
Executive Chairman

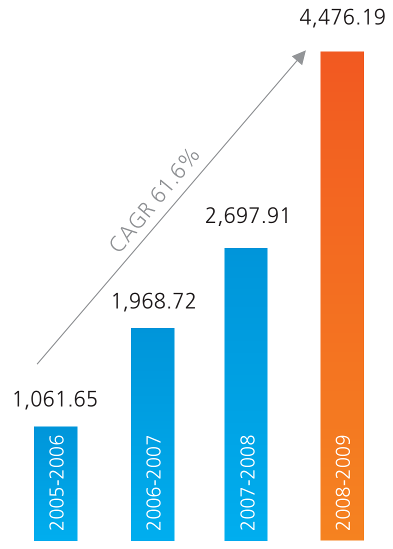
Highlights of 2008-09

Consolidated Financials

- Gross Revenues up by 65.91% from Rs. 2,697.91 Crore to Rs. 4,476.19 Crore
- Net Revenues up by 75.15% from Rs. 2,294.78 Crore to Rs. 4,019.22 Crore
- EBITDA up by 78.24% from Rs. 598.50 Crore to Rs. 1,066.79 Crore
- PAT (before minority interest) increased by 5.51% from Rs. 262.65 Crore to Rs. 277.11 Crore
- PAT (after minority interest) increased by 33.02% from Rs. 210.08 Crore to Rs.279.45 Crore
- Cash Profit (PAT before Minority plus depreciation plus deferred tax) increased by 37.21% from Rs. 469.20 Crore to Rs. 643.82 Crore
- Total assets increased by 33.80% from Rs. 16,660.14 Crore to Rs. 22,291.74 Crore.
- Net Worth increased by 14.49% from Rs. 7,229.80 Crore to Rs. 8,277.24 Crore

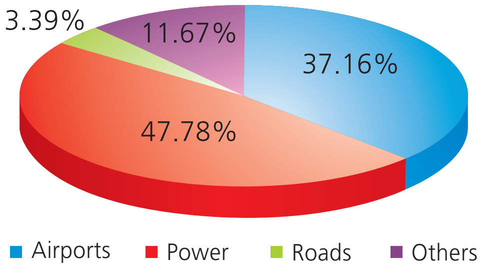
Business Developments/ Operation

- GMR Kamalanga Energy Ltd has achieved Financial Closure for the 1050 MW plant set up in Dhenkanal District in state of Orissa. The Debt component of Rs. 3,405 Crore has been tied up with 13 banks.
- Vemagiri Power Generation Limited (VPGL) has resumed operation in December 2008.
- GMR Power Corporation Private Limited has achieved best ever operating performance in terms of plant load factor (80.31%) and heat rate (1,856 Kcal/ kWh).
- Acquired 100% ownership in Island Power Project, a Singapore based power utility currently developing an 800 MW Combined- cycle power facility in Jurong Island, Singapore.
- The construction work for Terminal-3 at Indira Gandhi International Airport (IGIA), Delhi is proceeding as per schedule. An overall progress of 71.60% has been recorded till June 30, 2009.
- Novotel hotel, a 305 room hotel at RGIA has commenced operations during Oct'08. The hotel is operated and managed by Accor Hotels a renowned international hotel chain.
- GHIAL has entered into an agreement with MAS Aerospace Engineering for setting up a 50:50 joint venture Maintenance, Repair and Overhaul (MRO) company in Hyderabad.
- Taking over of operations and development of Istanbul Sabiha Gokcen International Airport (ISGIA) in May 2008. The overall construction progress of 78.20% has been recorded till June 30, 2009.
- The Company has recently won bid for the 181 Km Hyderabad - Vijayawada NHAI project and has emerged as the lowest bidder for the 29.65 km Chennai Outer Ring Road project.



Consolidated Gross Revenue (Rs. In Crore)

"Our Consolidated Revenues have increased more than 4 times between FY 2006 and FY 2009"

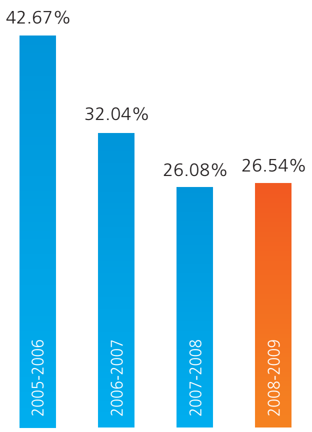


Sector wise gross revenue in 2008-09

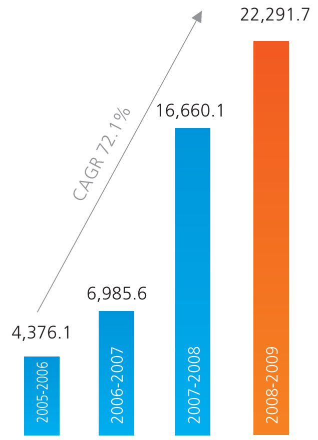
Consolidated Financial Performance : (Rs. in Crore except per share data)

Year End	Net Revenue	EBITDA	PAT	Basic & Diluted EPS	EPS Growth (%)	Cash & Cash Equivalent*	Cash & Cash Equivalent / Total Assets	Current Ratio
FY 2009	4,019.22	1,066.79	277.11	1.53	24.4%	2781.18	12.48%	2.31
FY 2008	2,294.78	598.50	262.65	1.23	10.8%	5779.28	34.69%	1.39
FY 2007	1,696.74	543.68	241.77	1.11	108.0%	1562.32	22.36%	2.57
FY 2006	1,061.65	453.04	93.62	0.53	–	931.44	21.28%	2.77

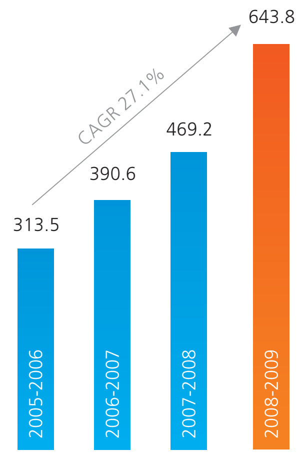
*Cash+ mutual funds +bonds+ government securities+ certificate of deposit + investments in quoted equity shares



EBITDA Margin



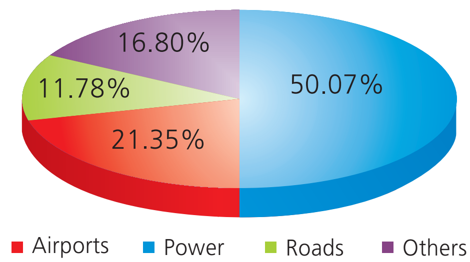
Total Assets (Rs. in Crore)



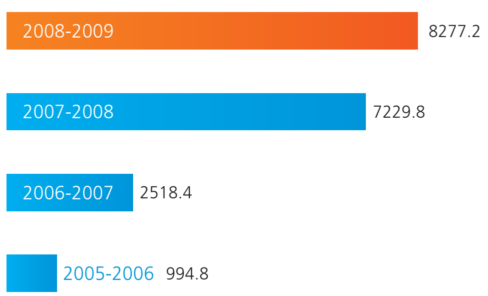
Cash Profit [(1)] (Rs. in Crore)

[(1)] PAT + Depreciation + Deferred Taxes

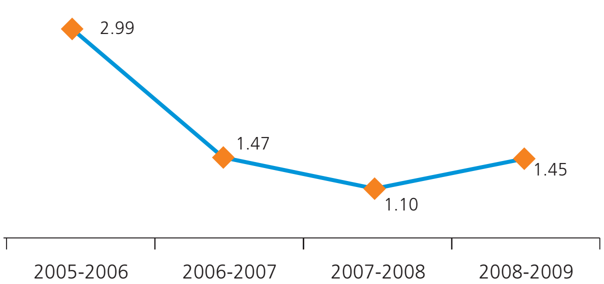
"Our Total assets have recorded a five fold growth between FY 2006 and FY2009"



Sector wise contribution in EBITDA in 2008-09



Net worth (Rs. in Crore)



Debt Equity Ratio

Airports

The GMR Group ventured into airport development when the Government invited bids for constructing a world class Greenfield airport at Hyderabad in a Public-Private partnership model. Subsequently the Group was awarded the contract to modernize, restructure, operate and manage the Delhi airport, one of India's busiest international airports. Hyderabad and Delhi airports together account for about 27% percent of India's airline passenger traffic. Along with its partners the Airports Authority of India, Malaysia Airports Holding Berhad, Fraport and the Govt. of Andhra Pradesh, the GMR Group has redefined the standards and quality of infrastructure, services and customer deliverables at key Indian airports.

Rajiv Gandhi International Airport, Hyderabad

The Rajiv Gandhi International Airport in Shamshabad (Hyderabad) is India's first Greenfield airport developed through the PPP model and global competitive bidding process. The airport has been developed by GMR Hyderabad International Airport Limited (GHIAL), a joint venture promoted by the GMR Group (63% share), Malaysia Airports Holding Berhad (11%), Government of Andhra Pradesh (13%) and the Airports Authority of India (13%). The airport commenced operations on March 23, 2008.

Key features

- Capability to handle 12 million passengers per annum (mppa) and 100,000 tonnes of cargo per annum in the initial phase. The Ultimate capacity of the airport would be 40 mppa and 1 million tonnes of cargo per annum.
- Integrated Passenger terminal building spread over an area of 117,000 sq.mt of floor space ensuring rapid transit between domestic and international concourses
- Airbus A-380 compatible runway.
- Among the longest runways in India measuring 4,260 mts.
- 42 aircraft parking stands (12 contact stands+ 30 remote stands) and five dedicated stands for freighter aircraft.
- 142 Common User Terminal Equipment (CUTE) check-in desks of which 16 are self check-in
- 46 immigration counters.
- Modular terminal building equipped with state-of-the-art IT technology.
- A contemporary Hotel under Novotel brand equipped with a spa, business conference facilities, restaurants and bars
- Car park facility for 3700 cars.
- 17 bed Apollo hospital in the Passenger Terminal Building
- Fuel farm with open access to all oil companies; currently utilised by five companies
- First Airport in India to get LEED (Leadership in Energy & Environmental Design) 'Silver' rating.
- Awarded the Routes Airport Marketing Award for the Indian subcontinent at the Routes Asia 2009 conference held in India for the first time at Hyderabad.

The airport is strategically located providing excellent opportunity to develop it as a hub for domestic and international passenger and cargo traffic. The futuristic airport reflects the long term vision of its developers to build it as a major domestic and international hub.

Indira Gandhi International Airport, Delhi

The Brownfield development of Indira Gandhi International Airport in Delhi commenced in January 2006. This PPP project initiated by Delhi International Airport Private Ltd. (DIAL) is being driven by a joint venture company comprising the GMR Group (54%), the Airports Authority of India (26%), Fraport AG (10%) and Malaysia Airports (Mauritius) Private Limited (10%). The Group entered into a long-term agreement to operate, manage and develop the Delhi airport following a competitive bidding process.

The airport is being developed in 5 phases. After the completion of Phase I by 2010, the airport will be capable of handling 60 million passengers per annum (mppa), with an ultimate capacity of 100 mppa and a cargo capacity of 3.6 million tons by end of phase V.

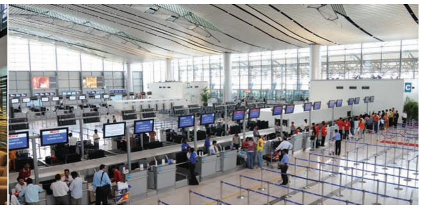
DIAL has successfully commissioned the Third runway measuring 4,430 meters in length. Amongst the longest in Asia, capable of handling A380 sized aircraft and CAT III B compliant.

The integrated terminal building (T3) being developed will be a state-of-the-art complex and will commission by March 2010.

T3 features include:

- The two tier terminal building would feature the departure complex on the upper level and the arrivals on the lower level. The roof of the building will have stylised incisions to allow daylight, but will be angled to protect the interior from direct sunlight. The effect would create a calm environment and maximize the sense of volume, space and light inside. The use of natural light would reduce the dependency on artificial light during day-time.
- The arrival hall will feature both standard and wide-body baggage reclaim belts. Passengers will emerge from bag reclaim into the Internal Landside Arrivals Concourse from where transit passengers would use elevators to proceed to the Departures level. 4 piers will provide access to the aircraft from the terminal.
- Access to the new terminal would be via a 6 lane approach road.
- 75 aerobridges & 34 security channels (screening machines)
- 168 Common User Terminal Equipment (CUTE) check-in counters.
- Advanced in-line baggage handling system with CTX machines for greater efficiency and security.
- 49 departure and 46 arrival immigration counters.
- 12 baggage reclaim belts.
- High speed rail link connecting the city centre with city side check-in counters
- Multi-level car parking facility for 4300 cars.
- Passenger facilities such as restaurants, shopping, duty free complexes, modern communication equipments and executive lounges.





Energy

The GMR Group is a prominent contributor to the Indian power sector through various projects across various fuel types (hydro, thermal and natural gas). The Company capitalized on the private investment policy of the Government in constructing, developing and managing power plants. The Group has established three operational power plants and is currently developing eight power projects.

Existing Power Projects

GMR Energy Limited

Installed capacity: 220MW

Location: Mangalore, India

Year of commissioning: November, 2001

Fuel Type : Naphtha based

Key features

- An environmental friendly, naphtha-based plant.
- India's first and the world's largest combined cycle power plant on a single barge.
- Ability to achieve maximum thermal efficiency.
- US technology for aero-derivative gas turbines from GE.
- Certifications for internationally benchmarked environmental standards- ISO 14001 and OHSAS 18001 from Det Norske Veritas.
- ISO 9001 certified for its quality.

GMR Power Corporation Pvt. Ltd.

Installed capacity: 200 MW

Location: Chennai, India

Year of commissioning: November 1999

Fuel type: LSHS based

Key features

- Tamil Nadu's first independent power producer
- Entire power off take by Tamil Nadu State Electricity Board under a 15-year PPA valid till 2014.
- German technology for two-stroke diesel engine from MAN B&W.
- Established a unique sophisticated sewage treatment unit that treats 7200 cubic meters of raw sewage per day from Chennai Metropolitan & Sewerage Board to produce 5400 cubic meters of clean water for its own use.
- Incorporation of reverse-osmosis technology for the final stage of purification to neutralize harmful pollutants.
- Achieved ISO 14001 and OHSAS 18001 certifications from Det Norske Veritas for its eco-friendly initiatives.
- Awarded The M.S. Swaminathan Award for Environment Protection.

Vemagiri Power Generation Limited

Installed capacity: 388.5 MW

Location: Rajahmundry, India

Year of commissioning: September, 2006

Fuel type: Natural Gas

Key features

- India's most cost-effective independent power producer and the group's largest power generation plant.
- Project awarded on the basis of international competitive bidding.
- Advanced gas turbines from GE.
- Gas supply agreement with GAIL/ Reliance.

Project under implementation

GMR Kamalanga Energy Limited, Orissa

The 1050 MW coal based, thermal power project is being set up in the Dhenkanal district of Orissa. It has achieved financial closure and is expected to be commissioned by 2012.

Our Coal Assets

With the aim to secure fuel supply for energy business, the Group has acquired 100% stake in a coal mine, PT BSL, Indonesia which has mine life of approximately 25 years. The group has also acquired 33.34% stake in Homeland Energy Group (HEG) a Canadian listed entity, which through its subsidiaries in South Africa owns controlling interest in already operational Kendel mines, fully explored Eloff Mines and also other exploration areas with total mineable reserves of around 300 Mn MT.

Details of projects under implementation

Project / Location	Capacity	Fuel	Type of Concession	Expected CoD
Kamalanga, Orissa	1050 MW	Coal	Build Own & Operate	2012
Chhattisgarh	1200 MW	Coal	Build Own & Operate	2013
Vemagiri Phase II, Andhra Pradesh	750 MW	Natural Gas	Build Own & Operate	2012
Alaknanda, Himachal Pradesh	300 MW	Hydro	BOOT for 45 years from implementation agreement	2014
Talong, Arunachal Pradesh	160 MW	Hydro	Run of River on BOOT basis for a concession period of 40 years from CoD	2014
Bajoli Holi, Himachal Pradesh	180 MW	Hydro	Run of River on BOOT basis for a concession period of 40 years from CoD	2015
Upper Karnali, Nepal	300 MW	Hydro	Build, Own, Operate & Transfer – 30 years from generation license	2015
Upper Marsyangdi, Nepal	250 MW	Hydro	Build, Own, Operate & Transfer – 30 years from generation license	2015



Highways & Urban Infrastructure

Highways

GMR Group is a leading developer and operator of highways business in India and holds concessions for six highway projects measuring a total length of around 421 km. These projects are a diversified mix of three annuity (around 255 km) and three toll-based projects (166 km) and were awarded by the National Highways Authority of India (NHAI) under National Highways Development Programme (NHDP). The Group has recently won two road projects, the 181 km Hyderabad - Vijayawada project in Andhra Pradesh on toll basis and 29 km Chennai Outer Ring Road state project in Tamil Nadu on annuity basis. Both the projects will be built on BOT basis. Going forward, GMR Group will participate in six-laning and other corridor projects of the NHDP in India and is also exploring opportunities in Turkey, East Europe and Africa.

Quality of Construction and Operational safety is of utmost priority at GMR Group and highways are being constructed taking into consideration all safety aspects. Safety measures adopted by the Group comprise the construction of pedestrian fencing along service roads, installation of appropriate caution and safety boards, provision of exclusive bus bays, installation of reflective road delineators at sharp curves etc. The Group also provided state-of-the-art illumination, with special high-mast lighting at all major junctions and fly overs. A 24-hour highway patrol and first-aid facilities provide assistance to travellers.

Key features

- The Tambaram-Tindivanam road development project in Tamil Nadu was completed 29 days ahead of schedule, earning a bonus from NHAI. The project includes two major ridges, three railway over-bridges, two toll plazas, four fly overs and one trumpet interchange.
- The Tuni- Anakapalli project in Andhra Pradesh was completed on schedule. This was achieved inspite of facing constraints related to land acquisition issues, which was resolved by strategic co-ordination with National Highways Authority of India
- The Ambala-Chandigarh project is the Group's first highways project in North India. Completed as per schedule, it involved construction of two crucial fly overs, totalling more than 4 km of elevated carriageway. A state of the art, 12 lane toll plaza is also operational.
- Thondapalli - Jadcherla and Adloor- Gundla Pochanpalli were won through international competitive bid from NHAI in October, 2005 and have been completed on schedule. Four laning of these roads is expected to ease traffic congestion and provide a tremendous boost to trade and commerce in the region. The roads have been built to world-class standards and will provide travelers a safe and fast means to commute.
- The Tindivanam-Ulundurpet project measuring 73 km has been built on a BOT basis to world-class standards. The project was completed on schedule and is awaiting clearance to begin commercial operation.
- The Hyderabad – Vijayawada project measuring over 181 km is the seventh and the longest highway project of the Group. The Group won the project through an international competitive bidding process involving several national and international consortia. The project will connect the two major economic hubs of Andhra Pradesh namely Vijayawada and Hyderabad which are witnessing multi-fold growth. Additionally, it will also serve as a vital link in facilitating the movement of traffic between Kolkata and Bangalore.
- The Chennai Outer Ring Road measuring 29.65 km is the Group's first state highway project. The Group emerged as the lowest bidder in an international competitive bid for the project in Tamil Nadu. It will be built for a total cost of around Rs. 1,100 Crore.

Urban Infrastructure

The interests of the GMR Group as part of the Urban Infrastructure division lie primarily in Special Economic Zones (SEZs) and property development around Group's infrastructure assets

The current focus of property development is to develop an aerotropolis around the Delhi and Hyderabad International Airports.

Delhi International Airport Property Development:

- We aim to create an alternate Central Business District for Delhi centered around the airport, through development of commercial, hospitality and retail property offerings
- 45 acres of land has been earmarked for development of a hospitality district with a healthy mix of commercial and hospitality offerings
- Out of these 45 acres, 21.8 acres has already been leased out to developers through a process of bidding. The remaining land will be leased out in the second round of bidding in October 2009

Hyderabad International Airport Property Development:

- We envisage development of a 250 acre Aviation SEZ which will serve as a 'first of its kind' aviation cluster in India.
- Towards this, a joint venture agreement has been signed with Malaysian airlines (MAE-MAS Aerospace Engineering) to develop a world class MRO facility.
- Agreement has also been signed with CFM, a French multinational, to setup a world class aviation training school as part of this SEZ
- We also plan to develop a 250 acre multiproduct SEZ to create a logistics hub for India by tapping on the locational advantages and world class infrastructure at the Hyderabad International Airport
- For the remaining land, property development is focused around creating a unique first of its kind destination for retail, entertainment and health care.

SEZ Development

The GMR Group has entered into an MOU with Tamil Nadu Industrial Development Corporation (TIDCO) for the development of a multi-product special economic zone (SEZ) in Krishnagiri district (Tamil Nadu).

Key features

- A 3300 acre SEZ envisaged as the first green SEZ in the country on account of its eco-friendly construction (green corridors, ecological efficiency, quality and social infrastructure).
- Focus on sunrise sectors like solar and PV with additional possibilities including bio-technology, IT, ITeS, traditional electronics and engineering industries.
- Intended to benefit over 300,000 people through direct and indirect employment.
- Will lead to physical and social infrastructure development in the region through its multiplier effect.
- Excellent road and rail connectivity is expected to bolster demand for the asset

Details of Highway Projects

	Tambaram – Tindivanam	Tuni – Anakapalli	Ambala – Chandigarh	Thondapalli – Jadcherla	Adloor – Gundla Pochanpalli	Tindivanam – Ulundurpet*	Hyderabad – Vijayawada**	Chennai Outer Ring Road (ORR)**
Location	NH-45, Tamil Nadu	NH-5, Andhra Pradesh	NH-22,21, Haryana, Punjab	NH-7, Andhra Pradesh	NH-7, Andhra Pradesh	NH-45, Tamil Nadu	NH-9, Andhra Pradesh	Tamil Nadu
Length	93 kms	59 kms	35 kms	58 kms	103 kms	73 kms	181.6 Kms	29.65 Kms
Type of Concession	Build, Own, Transfer (BOT) Annuity Scheme	Build, Own, Transfer (BOT) Annuity Scheme	Build, Own, Transfer (BOT) Toll project	Build, Own, Transfer (BOT) Toll project	Build, Own, Transfer (BOT) Annuity Scheme	Build, Own, Transfer (BOT) Toll project	Build, Own, Transfer (BOT) Toll project	Build, Own, Transfer (BOT) Annuity project
Concession period	17.5 years incl. Construction Period: 2.5 years	17.5 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	25 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years
Year of completion	2004	2004	2008	2009	2009	2009	Expected: 2012	Expected: 2012

*Project completed awaiting COD **Under Development

International Business

The GMR Group set up GMR International, a dedicated division for international business, to expand its presence in the global market place especially in Energy and Airport sectors. GMR International is pursuing a region-based strategy with a focus on building strong local relationships with strategic partners, investors, financial institutions and governmental bodies. Competing globally, the Group will capitalize on new business opportunities in emerging markets, access global talent, raise capital from international market at competitive rates, diversify the portfolio and strengthen the GMR brand globally.

The division, headquartered in London, will leverage the Group's bidding, financing, project management, and partnership development skills to develop, own and operate assets abroad. GMR International will focus on a few 'hot spot' regions characterized by high growth, high demand - supply gap and openness to Indian investment. The regions of interest for growing GMR's footprint are Middle East and North Africa (MENA), South East Asia (ASEAN) and the Former Soviet Union (FSU). GMR will build on its strengths to meet global standards of entrepreneurship, flexibility and effectiveness.

To date, GMR International has opened two regional offices in Turkey and Singapore to target opportunities in MENA and ASEAN regions respectively.

The Sabiha Gokcen International Airport

The division made its first foray into global infrastructure market when it won the bid for development and management of Istanbul Sabiha Gokcen International Airport (ISGIA), Turkey for a 20-year concession period for a concession fee of Euro 1.93bn. GMR holds 40% stake in a consortium with Limak Insaat Sanayi Ve Tic A.S. (40%) and Malaysia Airports Holdings Berhad (20%). The consortium has already started the construction of a new international terminal with an estimated total project cost of Euro 451mn. The terminal will be completed in October 2009.

InterGen N.V.

The Group extended its global presence further through the acquisition of 50% stake in InterGen, a leading global power generation company. InterGen N.V., has 7700 MW of gross operating capacity across five countries and an additional 2800 MW capacity under development. The balance 50% equity stake is held by Ontario Teachers' Pension Plan, the largest single profession pension plan in Canada with $108.5 billion in net assets.

This acquisition is the largest ever acquisition of a global energy utility by an Indian Company. With this acquisition GMR Group has graduated as one of the largest private independent power producers in India. This will provide GMR with a global platform for growth and will propel it from an energy provider in its domestic market of India to one of the world's leading Independent Power Producers (IPPs) targeting multiple opportunities in the rapidly growing energy sector across the world.

Island Power Corporation

GMR Group has acquired 100% ownership stake in Island Power Singapore – a gas based 800 MW private power utility, once operational.

GMR Varalakshmi Foundation

Shareholder value is unidimensional; community value is true wealth.

GMR Group believes that its commitment goes beyond business gains. This translates to a deep sense of ownership and practice of the concept' Social Entrepreneurship'. Adopting a 'bottoms- up' approach, the Group ensures that the peripheral community that it influences remains vibrant.

The GMR Varalakshmi Foundation, (GMRVF), the Corporate Social Responsibility wing of the Group, devotes its time, energy and resources in evolving innovative projects that span the areas of Education, Health, Hygiene and Sanitation, Empowerment and Livelihoods and Community-Welfare programmes.

The Group encourages and empowers all employees to contribute their personal time and effort for community development and social causes.

The Foundation's initiatives are spread nationally and effectively across Arunachal Pradesh, Bangalore, Chennai, Chandigarh, Chhattisgarh, Delhi, Hyderabad, Haliyal, Mangalore, Orissa, Rajahmundry, Rajam and Uttarakhand.

Education

- Provides quality education to the under-served areas and communities. It is closely involved with six educational institutions, namely GMR Institute of Technology (GMRIT), Sri GCSR College, GMR Varalakshmi DAV School, Seethamahalakshmi DAV Public School (SMLDAV), St. Ann's Varalakshmi Vidyashram and GMR Chinmaya Vidyalaya.
- Supports about 125 government schools in the areas of its presence to improve quality of education by providing additional teachers, supplementing infrastructure, providing teaching-learning material, conducting exposure visits and excursion trips for students, etc.
- Provides pre-school education to 1200 children in the 3-5 year age group through Bala Badis; These Bala Badis motivate parents to send their children to schools, indirectly eliminating child labour.
- Supports the education of deserving students through the Gifted Children Scheme and through scholarships and interest-free loans for professional courses.
- Provides mid-day meals to children at schools.

Health, Hygiene and Sanitation

- Provides ambulance service in geographically remote areas.
- Its mobile medical units provide regular support in villages, catering to over 3000 senior patients (age 60+) by delivering doorstep healthcare.
- Has initiated health clinics in areas lacking in health facilities.
- Conducts various health awareness sessions (including AIDS awareness), health camps, health rallies and skits at various locations for different age groups.
- Has initiated nutrition centres for pregnant and lactating women in Hyderabad. Pregnant women are provided with a diet supplement prepared in consultation with the National Institute of Nutrition.
- Has facilitated public sanitation for the disadvantaged through running 14 public toilets used by about 4,000 people a day.

Empowerment and livelihoods

- Runs several institutes to provide skill training and entrepreneurship development for dropout youths in a variety of skills. Following training, the institutes also help the youth in getting jobs or setting up micro-enterprises. About 4000 youth are trained every year.
- Works with 80 self-help groups (SHGs), providing facilitation, capacity building, motivation support and training in empowering women financially.

Community development

- Has encouraged the formation of youth and children clubs to enhance youth awareness and participation in community development programmes.
- Has established community libraries in villages to reinforce the reading habit and help communities bond better.
- Promotes women literacy through adult literacy programmes.

GMR Group

Holding Company	
GMR Holdings Private Limited	
Subsidiaries of GMR Infrastructure Limited	
GMR Energy Ltd	
GMR Power Corporation Private Limited	
Vemagiri Power Generation Limited	
GMR Mining and Energy Private Limited	
GMR (Badrinath) Hydro Power Generation Private Limited	
GMR Kamalanga Energy Limited	
Himtal Hydro Power Co. Private Limited	
GMR Energy Trading Limited	
GMR Consulting Engineers Private Limited	
GMR Oil and Natural Gas Private Limited	
GMR Tuni Anakapalli Expressways Private Limited	
GMR Tambaram Tindivanam Expressways Private Limited	
GMR Ambala Chandigarh Expressways Private Limited	
GMR Jadcherla Expressways Private Limited	
GMR Pochanpalli Expressways Private Limited	
GMR Ulundurpet Expressways Private Limited	
Delhi International Airport Private Limited	
Delhi Aerotropolis Private Limited	
DIAL Cargo Private Limited	
GMR Hyderabad International Airport Limited	
Hyderabad Menzies Air Cargo Private Limited	
Hyderabad Airport Security Services Limited	
GMR Hyderabad Airport Resource Management Limited	
GMR Hyderabad Aerotropolis Limited	
GMR Hyderabad Aviation SEZ Limited	
GMR Hyderabad Multiproduct SEZ Limited	
Gateways for India Airports Private Limited	
GMR Krishnagiri SEZ Limited	
GMR Infrastructure (Mauritius) Limited	
GMR Infrastructure (Cyprus) Limited	
GMR Infrastructure Overseas Sociedad Limitada	
GMR Infrastructure (UK) Limited	
GMR Energy (Mauritius) Limited	
GMR Corporate Center Limited	
GMR Aviation Private Limited	

* New name of the companies after change in the name of the company during June 2009

GVL Investments Private Limited
GMR Infrastructure (Global) Limited
GMR Energy (Global) Limited
GMR Upper Karnali Hydro Power Public Limited
GMR Lion Energy Limited
GMR Coastal Energy Private Limited
GMR Airport Handling Services Limited
GMR Energy (Cyprus) Ltd
GMR Energy (Netherlands) BV
GMR Highways Private Limited
GMR Bajoli Holi Hydropower Private Limited
GMR Londa Hydropower Private Limited
East Delhi Waste Processing Co. Private Limited
Advika Properties Private Ltd*
Aklima Properties Private Ltd*
Amartya Properties Private Ltd*
Baruni Properties Private Ltd*
Camelia Properties Private Ltd*
Eila Properties Private Ltd*
Gerbera Properties Private Ltd*
Lakshmi Priya Properties Private Ltd*
Honeysuckle Properties Private Ltd
Idika Properties Private Ltd*
Krishnapriya Properties Private Ltd*
Nadira Properties Private Ltd*
Prakalpa Properties Private Ltd
Purnachandra Properties Private Ltd*
Shreyadita Properties Private Ltd*
Sreepa Properties Private Ltd*
Londa Hydro Power Private Limited
GMR Infrastructure (Singapore) PTE. Limited
Badrinath Hydro Power Generation Private Limited
PT Dwikarya Sejati Utma
PT Duta Sarana Internusa
PT Barasentosa Lestari
GMR International (Malta) Ltd
Island Power Intermediary PTE. Limited
Island Power Company PTE. Limited
Island Power Supply PTE. Limited

GMR Group

Other Subsidiaries of the Holding Company

- GMR Industries Limited
- GMR Ferro Alloys & Industries Limited
- GMR Corporate Affairs Private Limited
- Ideaspace Solutions Limited
- Raxa Security Services Limited
- GMR Estates Private Limited
- GMR Bannerghatta Properties Private Limited
- GMR Projects Private Limited
- Saci Sports Private Limited
- Alagwadi Bireshwar Sugars Private Limited
- Rajam Enterprises Private Limited
- Grandhi Enterprises Private Limited
- GMR Sports Private Limited
- GMR League Games Private Limited
- GMR Holdings (Mauritius) Limited
- Lobelia Properties Private Limited
- Asteria Real Estates Private Limited
- Salvia Real Estates Private Limited
- Dandelion Properties Private Limited
- MAS GMR Aerospace Engineering Company Private Limited
- Fabcity Properties Private Limited
- Kondampeta Properties Private Limited
- Delhi Golf Link Properties Private Limited
- Larkspur Properties Private Limited
- Hyderabad Jabilli Properties Private Limited
- Bougainvillea Properties Private Limited
- GMR Infra Ventures Private Limited
- Ganasatya Real Estates Private Limited
- Nirasree Real Estates Private Limited
- Rajeswara Real Estates Private Limited
- Sreejaya Properties Private Limited
- Vijaya Nivas Real Estates Private Limited
- Crossridge Investments Limited
- GMR Holding (Malta) Limited
- GMR Infrastructure (Malta) Limited
- GMR Headquarters Private Limited
- Master Globe Limited
- GMR Holdings (Overseas) Limited
- Toridon Enterprises Limited
- GMR Chhattisgarh Energy Private Limited
- GMR Campus Private Limited
- Kirthi Timbers Private Limited
- Corporate Infrastructure Services Private Limited
- GMR International FZE
- Kakinada Refinery & Petrochemicals Private Limited

Other Group Companies

- GMR Varalakshmi Foundation
- Sri Varalakshmi Jute Twine Mills Private Limited
- GMR Enterprises Private Limited
- GMR Ventures (Mauritius) Limited
- GBS Holdings Private Limited
- BSR Holdings Private Limited
- GKR Holdings Private Limited
- GMR Airport Developers Limited
- GMR Hyderabad Vijayawada Expressways Private Limited
- InterGen N.V.

Joint Ventures

- Istanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve Isletme Anonim Sirketi
- Istanbul Sabiha Gökçen Uluslararası Havalimanı Yer Hizmetleri Anonim Sirketi
- LGM Havalimani Isletmeleri Ticaret ve Turizm Anonim Sirketi
- Limak GMR Adi Ortak Ligi
- LGM Guvenlik Hizmetleri Anonim Sirketi
- Homeland Energy Group Limited

Promoters

- GMR Holdings Private Limited
- Mr. G M Rao
- Mr. G B S Raju
- Mr. Srinivas Bommidala
- Mr. Kiran Kumar Grandhi
- Ms. Varalakshmi
- Ms. B Ramadevi
- Ms. Smitha Raju
- Ms. Ragini Kiran

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 13th Annual Report together with the audited accounts of your Company for the year ended March 31, 2009.

Financial Results

Your Company operates in four different business sectors – energy, airports, highways and urban infrastructure through various subsidiaries / associate companies. Your Company, as a holding company and as a standalone entity, does not have any independent revenue except interest / dividend from investments. Hence, the company's revenue, expenditure and results of operations are presented through consolidated financial statements and the details given below capture both the consolidated and standalone financial results.

Your Company commenced the construction business as a separate operating division on April 1, 2009. The construction division primarily handles the projects of the Company implemented through its subsidiaries. This strategy is expected to progressively lead to the backward integration of the company's infrastructure projects, the construction component whereof have so far been outsourced to various construction companies. This will also help improved risk management processes of the Company, better cost management of the Company's projects besides enhancing the synergies and operational advantages thereof.

Presented below are the consolidated financial results of the Company:

(Rs. in Crore)

Particulars	March 31, 2009	March 31, 2008
Gross revenue	4476.19	2697.91
Fee paid to Airports Authority of India	456.97	403.13
Net revenue	4019.22	2294.78
Operating and administrative expenditure	2952.43	1696.28
EBITDA	1066.79	598.50
Other Income	21.37	69.75
Interest & finance charges	368.20	168.71
Depreciation / Amortisation	389.83	178.51
Profit before tax	330.13	321.03
Provisions for taxation (including deferred tax and fringe benefit tax)	53.02	58.38
Profit after tax	277.11	262.65
Minority interest	(2.34)	52.57
Surplus brought forward from previous year	524.21	308.61
Amount available for appropriation after minority interest	803.66	518.69
Appropriations / Adjustments	25.30	(5.52)
Available surplus carried to Balance Sheet	778.36	524.21
Earnings per share (Rs.) (Face value of Rs. 2/- each) – Basic and Diluted	1.53	1.23

Consolidated gross revenue grew by 65.91% from Rs. 2,697.91 Crore to Rs. 4,476.19 Crore and net revenue by 75.15% from Rs. 2,294.78 Crore to Rs. 4,019.22 Crore. Revenue streams from the Airports and Energy operations were the key contributions to this growth. EBITDA and PAT have grown respectively by 78.24% and 5.51% over the previous year.

Presented below are the standalone financial results of the Company:

(Rs. in Crore)

Particulars	March 31, 2009	March 31, 2008
Gross revenue	159.20	102.77
Operating and administrative expenditure	37.13	21.16
EBITDA	122.07	81.61
Other Income	5.82	9.43
Interest & finance charges	23.79	25.37
Depreciation	0.11	0.13
Profit before tax	103.99	65.54
Provisions for taxation (including deferred tax and fringe benefit tax)	6.32	2.84
Profit after tax	97.67	62.70
Surplus brought forward from previous year	149.62	81.78
Amount available for appropriation	247.29	144.48
Appropriations		
Debenture redemption reserve	(3.75)	(5.14)
Surplus carried to balance sheet	251.04	149.62
Earnings per share (Rs.) – Basic and Diluted	0.54	0.37

The revenues of your Company on standalone basis have gone up by 54.91% from Rs. 102.77 Crore to Rs. 159.20 Crore primarily due to treasury income on surplus funds available with the Company out of the proceeds of Qualified Institutional Placements (QIP) made by the Company in the year 2007. The increase in operating and administrative expenditure from Rs. 21.16 Crore to Rs. 37.13 Crore is mainly due to Rs. 6.25 Crore on account of expenditure incurred in connection with bidding for new projects, Rs. 6.00 Crore on account of provision for doubtful advances and the reduction in interest expenditure from Rs. 25.37 Crore to Rs 23.79 Crore on account of repayment of debentures / loans to the extent of Rs. 25.00 Crore during the year.

Dividend

The strength of your company lies in identification, execution and successful implementation of the projects in the infrastructure space. To strengthen the long-term prospects and ensuring sustainable growth in assets and revenue, it is important for your company to evaluate various opportunities in the different business verticals in which your company operates. Your company currently has several projects under implementation and continues to explore newer opportunities, both domestic and international. Your Board of Directors considers this to be in the strategic interest of the Company and believe that this will greatly enhance the long term shareholders' value. In order to fund these projects in its development, expansion and implementation stages, conservation of funds is of vital importance. Therefore, your Directors have not recommended any dividend for the financial year 2008-09.

Subsidiary companies

As stated earlier, your Company carries its business operations through several subsidiary and associate companies which are formed either directly or as step-down subsidiaries or in certain cases by acquisition of a majority stake in existing enterprises, mainly due to the requirement of concession agreements.

As on March 31, 2009, your Company has total 71 Subsidiary Companies and other joint ventures / associate companies.

The total list of subsidiary companies as on March 31, 2009 is provided as annexure 'C' to this report.

Review of Operations / Projects of Subsidiary Companies

The detailed review of the 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 and associates.

Airport Sector

Airports business of the Company consists of two airports at Delhi and Hyderabad in India and one airport abroad i.e. in Istanbul in Turkey. Briefly presented below are the significant developments in these three assets during the year.

Delhi International Airport Private Limited

During the year under review, the Ministry of Civil Aviation, Govt. of India approved levy of Development Fee by Delhi International Airport Private Limited (DIAL) at Indira Gandhi International Airport (IGIA) at the rate of Rs. 200/- per departing domestic passenger and Rs. 1300/- per departing international passenger for a period of 36 months with effect from March 1, 2009 for an amount aggregating to Rs. 1,827 Crore (NPV as on March 1, 2009), as one of the means of financing for the project. Key milestones achieved during the year at DIAL are:

- The new Domestic Departure Terminal was completed and commercial operations successfully commenced in April, 2009.
- The Domestic Arrival terminal was renovated and expansion activity was completed in the month of November, 2008.
- The renovation work of the existing international terminal was completed in June, 2008.
- The third runway was completed 6 months ahead of schedule and inaugurated in the month of August, 2008.
- The construction work of the new integrated terminal, which is being built to international standards with the state of the art facilities, is progressing well to meet the scheduled completion by March, 2010.
- During the year, DIAL awarded two concessions in cargo business. A concession has been awarded to Celebi Hava Servisi, Turkey to modernize and operate the existing cargo terminal and the second concession is given to a consortium of Worldwide Flight Services & Bird Consultancy to design, construct and operate a Greenfield Cargo Terminal.
- In hospitality district, out of the 45 acres of land divided into 13 asset areas, envisaged to be developed in the first phase, the Company awarded 7 asset areas (21.8 acres) to successful bidders for commercial property development.

During the year, East Delhi Waste Processing Company Private Limited (EDWPCL) became subsidiary of DIAL. EDWPCL has been incorporated as a special purpose vehicle for establishment of 10 MW power project using 1300 tons of city garbage coming up at Ghazipur, National Capital Territory of Delhi. The project envisages supply of 1300 tons of city garbage at free of cost at the project site for power generation in the 10 MW capacity power plant on BOOT (Built, Own, Operate and Transfer) basis for a period of 25 years.

GMR Hyderabad International Airport Limited

The Rajiv Gandhi International Airport (RGIA) is being operated safely and to the best of international standards. In its first full year of operations, RGIA bagged first place in the Routes Airport Marketing Awards in the Indian Subcontinent category.

During the year, 26 airlines have operated from the airport, including 15 foreign airlines and 11 domestic airlines. Approximately 6.21 million passengers have travelled from / to the airport, during the year.

The Istanbul Airport

Your Company owns 40% of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme A.S.,(ISGIA), the company that is operating and expanding the Istanbul Sabiha Gokcen International Airport at Istanbul, Turkey for a concession period of 20 years. ISGIA took over the operations of the Istanbul airport in May 2008. The project involves building and operating a new international terminal and related complimentary facilities, as well as managing two existing terminals. The development work is progressing as per schedule and the project is scheduled for completion by end of October, 2009.

Energy Sector

Currently your company has three operating power plants. They are (i) 220 MW gross capacity naphtha-fired combined cycle Mangalore power plant in Mangalore in the state of Karnataka, (ii) 200 MW contracted capacity LSHS-fired Chennai power plant in Chennai in the state of Tamil Nadu and (iii) 388.5 MW gross capacity gas-fired combined cycle power plant in Vemagiri in the state of Andhra Pradesh. Vemagiri power plant capacity is being expanded by additional planned capacity of 750 MW.

Your company's global energy business has been expanded with acquisition of Island Power Company in Singapore. With the aim of achieving fuel security, stakes in coals mines in Indonesia and South Africa were acquired in the year under review.

In India, two coal-based power projects are under development. They are (i) 1,050 MW coal-fired Kamalanga power plant in the Kamalanga, Dhenkanal district in the state of Orissa; and

(ii) 1200 MW coal-fired Chhattisgarh power project in the state of Chhattisgarh.

Five hydroelectric power projects are also under development. They are (i) 300 MW Alaknanda power project on the Alaknanda River in the state of Uttarakhand, (ii) 160 MW Talong power project in the East Kameng district in the state of Arunachal Pradesh, (iii) 180 MW Bajoli Holi power plant in the Chamba district in the state of Himachal Pradesh, (iv) 250 MW Upper Marsyangdi power project in Nepal; and (v) 300 MW Upper Karnali power project in Nepal.

Highways

The Highways Sector of the Company comprises of five operating road projects, of which three are annuity (Tambaram- Tindivanam, Tuni - Anakapalli and Adloor Yellareddy - Kalkallu) and two are toll based (Ambala - Chandigarh and Thondapalli - Jadcherla) projects. One toll based project (Tindivanam-Ulundurpet) is expected to achieve commercial operation in Q2 FY 2010. During the financial year under review, three projects, namely Ambala - Chandigarh, Thondapalli - Jadcherla and Adloor Yellareddy – Kalkallu were completed and commenced commercial operations as per schedule. The aggregate length of all six projects is 421 four lane kms. Due to the steep increase in the input costs, the total project costs of these newly completed projects exceeded initial estimates and the same is likely for the projects under construction.

In May 2009, the group won prestigious Highway project i.e. 4/6 laning of 181.6 kms - Hyderabad -Vijayawada section of NH-9 on Build, Own and Transfer (BOT) basis in the State of Andhra Pradesh, with project cost about Rs. 2,200 Crore.

In June 2009, the Group emerged as the lowest bidder in an International competitive bid for the Chennai Outer Ring Road project in Tamil Nadu, measuring 29.65 Kms, on a design, built, finance, operate and transfer (Annuity basis). The estimated total cost of the project is Rs. 1,100 Crore.

Urban Infrastructure

Krishnagiri SEZ.

Pursuant to a memorandum of understanding entered into with the state of Tamil Nadu, SEZ is being developed at Krishnagiri district in the state of Tamil Nadu, through a joint venture with Tamil Nadu Industrial Development Corporation. The Krishnagiri SEZ is expected to be dedicated to biotechnology, information technology, traditional electronics and engineering companies. The Krishnagiri SEZ is planned to be spread over 3,300 acres, approximately 50% of which has already been acquired. Commercial operation of the Krishnagiri SEZ is expected to commence in the year 2014.

Corporate & International Business

The Corporate business includes provision of common services, resources to all group businesses and Corporate Aviation. Corporate Aviation business of the company consists of chartering corporate jets both to the group companies as well as to third parties. The company's wholly owned subsidiary, GMR Aviation Pvt. Ltd. (GAPL) purchased a Hawker aircraft and a Bell helicopter during the year. To meet the growing demand in aircraft chartering by corporate houses, it has placed orders for three aircrafts. GAPL has purchased the aviation business division of GMR Industries Limited on slump sale basis by which one more aircraft has been added to its fleet.

International Business division (IBD) headquartered in London conducts its operations across the globe, exploring new business opportunities in infrastructure space. More information on your company's international operations is provided in other sections of this report.

Developments in Human Resources and Organisation Development

Your company has robust process of human resources development which is described in detail in Management Discussion and Analysis under the heading "Developments in human resources and organisation development at GMR Group".

Consolidated financial statements

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, balance sheet and profit and loss account of its subsidiary companies to its Annual Report. The Ministry of Corporate Affairs, Government of India (GoI) has granted exemption to your Company for not attaching the above documents of subsidiary companies with the Annual Report of the Company for the financial year 2008-09. Accordingly, this Annual Report does not contain the reports and other statements of the subsidiary companies. The Company will make available the annual audited accounts and related detailed information of the subsidiary companies to the investors of the company and its subsidiaries seeking such information at any point of time. These documents will also be available for inspection during business hours at the registered office of the Company and also at the registered offices of the subsidiary companies.

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

As required by Accounting Standard – 21 and Listing Agreement with stock exchanges, the audited consolidated financial statements of the Company and its subsidiaries are attached.

Changes in Share capital

Preferential Allotment

With the objective of consolidating the shareholding of the Company and its subsidiaries in Delhi International Airport Private Limited (DIAL), the company had obtained approval of the shareholders of the Company in the Extraordinary General Meeting held on June 9, 2009 for issue of upto 1,35,00,000 equity shares of Rs.2/- each fully paid up on preferential allotment basis for consideration other than cash to IDFC Infrastructure Fund - India Development Fund ('IDF') and consideration being (a) 4,68,00,000 equity shares of Rs.10/- each fully paid up of the DIAL held by IDF and (b) the amount of Rs. 48.75 Crore paid by IDF to DIAL as advance towards subscription of further equity shares of DIAL.

Management Committee of the Board of Directors of the Company at its meeting held on June 19, 2009 has allotted 1,30,19,108 fully paid-up Equity Shares of Rs.2/- each to IDF on preferential basis at Issue Price of Rs. 115/- per Equity Share (including Rs.113/- per equity share towards share premium). In accordance with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, shares allotted to IDF are locked in for a period of one year from the date of allotment i.e. upto June 18, 2010. Consequent upon the above said allotment to IDF, the issued share capital of the company increased to 1,83,36,77,196 equity shares of Rs. 2/- each. Further, upon acquisition of equity shares of DIAL held by IDF, the shareholdings of the Company and its subsidiaries in DIAL increased to 54%.

In order to facilitate and meet its capital expenditure needs of the ongoing projects of the Company / its subsidiaries and to meet any exigencies including pursuing new business opportunities, the company at their Extraordinary General Meeting held on June 9, 2009 have authorised the Board of Directors of the Company to issue securities including foreign currency convertible bonds for an amount not exceeding Rs. 5,000 Crore either through preferential issue and / or qualified institutional placement and / or private placement etc.

Directors

Reappointments

Mr. Uday M Chitale, Mr. Udaya Holla, Mr. Srinivas Bommidala and Mr. Kiran Kumar Grandhi, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

The Board recommends their reappointment for your approval.

The professional background of the above Directors is given under the section "Board of Directors" in the Report of Corporate Governance attached to the Annual Report.

Resignations

Mr. T.R. Prasad and Mr. K. Balasubramanian resigned as Directors from the Board with effect from January 13, 2009 and January 23, 2009 respectively. The Board places on record, its appreciation for the valuable contributions made by them during their tenure as Directors of the Company.

Directors' responsibility statement

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

1. That in the preparation of the annual accounts for the year ended March 31, 2009, the applicable Accounting Standards have been followed and proper explanations were provided for material departures, if any.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year.
3. That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the accounts for the financial year ended March 31, 2009, on a going concern basis.

Corporate Governance

Your Company has been practising the principles of good Corporate Governance over the years and it is a continuous and ongoing process. A detailed report on Corporate Governance practices followed by your Company, in terms of Clause 49 (VI) of the Listing agreement with Stock Exchanges, is provided separately in this Annual Report.

During the year, Corporate Governance Committee of the Board of Directors was constituted to adopt good corporate governance practices and for identifying and following best corporate governance practices.

Secretarial Audit

As per SEBI requirement, Secretarial audit is being carried out at specific periodicity by a practising Company Secretary. The findings of the audit have been satisfactory.

Awards and recognitions

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

- GMR Varalakshmi Foundation was awarded The TERI Corporate Award 2009 by The President of India for its outstanding efforts in the area of Corporate Social Responsibility.
- GMR Group won the prestigious Infrastructure Acquisition of the Year award at the annual Infrastructure Journal Award Ceremony held in London on March 12, 2009 for its US$1.1bn acquisition of a 50% stake in InterGen N.V.
- GMR Group was awarded the 2008 IAHV Ethics in Business Award as the Outstanding Corporation at the European Parliament, Brussels.
- GMR Group was awarded under the "Most Admired Company (Transport Developer)" category at the KPMG - Infrastructure Today Awards 2008.
- GMR Infrastructure Limited received the 'Infrastructure Excellence' award from CNBC TV 18 on March 25, 2009 for developing the greenfield Rajiv Gandhi International Airport.
- At the OAG Routes Airport Marketing Awards of the 14th World Route Development Forum that took place in Kuala Lumpur, Malaysia on October 13, 2008, GMR Group was adjudged the winner for Corporate Social Responsibility considering the work that GMR Varalakshmi Foundation (GMRVF) has undertaken in enhancing the quality of life in the communities living around the new Rajiv Gandhi International Airport in Hyderabad.

The Directors of your company are glad to inform you that Mr. G.M. Rao, Chairman of the Company has been conferred with the following awards:

- 'Sir. M. Visveswaraiah Award - 2008' instituted by the Federation of Karnataka Chamber of Commerce and Industry (FKCCI)
- 'Most Inspiring Entrepreneur of the Year – 2008' award by National Institute of Industrial Engineering (NITIE), Mumbai.

Management Discussion and Analysis (MDA)

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

Auditors and Auditors' Report

M/s. Price Waterhouse, Chartered Accountants, statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company and have expressed their willingness for appointment as joint statutory auditors and confirmed that their appointment, if made, will be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. Further, M/s. S.R. Batliboi & Associates, Chartered Accountants have also offered themselves for appointment as joint 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. Notice has also been received from a member proposing the appointment of the aforesaid auditors as joint statutory auditors of the Company for the financial year 2009-10.

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

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

Corporate Social Responsibility (CSR)

The GMR Group's social responsibility initiatives are implemented through GMR Varalakshmi Foundation (GMRVF), the CSR arm of the GMR Group. The Foundation is involved mainly in the areas of education, health and hygiene; community-based programmes; empowerment and entrepreneurship development. It reaches out with the objective of improving the quality of life of the economically deprived people in the places where the Group has a presence.

More details on the activities of GMRVF are given elsewhere in the Annual Report.

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 "A" included in this report.

Particulars of employees

The Particulars as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, are set out in the annexure "B" included in this report.

Fixed Deposits

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

Acknowledgments

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

For and on behalf of the Board

Sd/-

G. M. Rao
Executive Chairman

Place: Bangalore
Date : July 08, 2009

Annexure "A" 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, 2009.

1. Conservation of energy and technology absorption:

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

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

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

i. There were no Foreign Exchange earnings during the year.

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

(Rs. in Crore)

Particulars	Year ending March 31, 2009	Year ending March 31, 2008
Travelling expenses	1.71	0.16
Professional charges	1.51	1.97
Others	0.01	0.08

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

Place: Bangalore
Date : July 08, 2009

Annexure "B" to the Directors' Report

Information pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the year ended March 31, 2009.

(A) Employed throughout the year and were in receipt of remuneration aggregating not less than Rs. 24 lakhs per annum.

Name and age	Designation and Nature	Remuneration received (Rs. p.a.)	Qualification and experience (in years)	Date of joining	Particulars of last employment
Mr. G.M. Rao Age: 60 yrs.	Executive Chairman	5,19,94,494	B.E. Mechanical (36 years)	18-10-2007	Industrialist & Entrepreneur
Mr. G.B.S. Raju Age: 35 yrs.	Managing Director	3,11,96,696	B.Com (15 years)	18-10-2007	Industrialist & Entrepreneur

(B) Employed for part of the year under review and were in receipt of remuneration for any part of the year at a rate which in aggregate was not less than Rs. 2 lakhs per month.

Name and age	Designation and Nature	Remuneration received (Rs. p.a.)	Qualification and experience (in years)	Date of joining	Particulars of last employment
Mr. A.S. Cherukupalli Age: 56 yrs.	Company Secretary & Compliance Officer	28,00,187	FCS,FICWA, FCA, MBA (31 years)	20-11-2000	Director (Finance) & Company Secretary - ARM Ltd
Mr. C.P. Sounderarajan Age: 48 yrs.	Company Secretary & Compliance Officer	12,92,072	M.Com., FCS, MS (Mgt. Sys)., LL.B (24 years)	01-11-2008	Company Secretary of Delhi International Airport Private Limited

Notes:

1. Mr. G.B.S. Raju, Managing Director is related to Mr. G.M. Rao as his son.
2. The nature of employment is contractual.
3. None of the employees by themselves or along with their spouse and dependent children hold more than 2 per cent shares of the Company.

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

Place: Bangalore
Date : July 08, 2009

Annexure ‘C’ to the Directors’ Report

GMR Infrastructure Limited – Subsidiaries

Sector	Direct Subsidiaries	Subsidiaries to Subsidiaries										
Airports	Delhi International Airport Pvt Ltd (DIAL)	Subsidiaries of DIAL										
		DIAL Cargo Pvt Ltd	Delhi Aerotropolis Pvt Ltd	East Delhi Waste Processing Company Pvt Ltd								
	GMR Hyderabad International Airport Ltd (GHIAL)	Subsidiaries of GHIAL										
		GMR Hyderabad Aerotropolis Ltd	GMR Hyderabad Airport Resource Management Ltd	Hyderabad Airport Security Services Ltd	Hyderabad Menzies Air Cargo Pvt Ltd	GMR Hyderabad Aviation SEZ Ltd	GMR Hyderabad Multi Product SEZ Ltd	GMR Airport Handling Services Ltd				
Energy	GMR Energy Ltd (GEL)	Subsidiaries of GEL										
		Vemagiri Power Generation Ltd	GMR (Badrinath) Hydro Power Generation Pvt Ltd	GMR Mining & Energy Pvt Ltd	GMR Ambala – Chandigarh Expressways Pvt Ltd	GMR Kamalanga Energy Ltd	GMR Consulting Engineers Pvt Ltd	GMR Coastal Energy Pvt Ltd	GMR Bajoli Holi Hydropower Pvt Ltd	GMR Londa Hydropower Pvt Ltd	Londa Hydro Power Pvt Ltd	
		Subsidiaries of GEL				Subsidiaries of GEML		Subsidiary of GLEL	Subsidiary of GECL	Subsidiary of GENB	Subsidiary of PDSU	Subsidiary of PDSI
		Badrinath Hydro Power Generation Pvt Ltd	GMR Power Corporation Pvt Ltd	Himtal Hydro Power Co Pvt Ltd	GMR Energy (Mauritius) Ltd (GEML)	GMR Lion Energy Ltd (GLEL)	GMR Energy (Cyprus) Ltd (GECL)	GMR Upper Karnali Hydro Power Public Ltd	GMR Energy (Netherlands) BV (GENB)	PT Dwikarya Sejati Utama (PDSU)	PT Duta Sarana Internusa (PDSI)	PT Barasentosa Lestari
	GMR Energy Trading Ltd											
Highways	GMR Highways Pvt Ltd GMR Pochanpalli Expressways Pvt Ltd GMR Jadcherla Expressways Pvt Ltd GMR Tambaram Tindivanam Expressways Pvt Ltd GMR Tuni Anakapalli Expressways Pvt ltd GMR Ulundurpet Expressways Pvt Ltd											
Urban Infrastructure	GMR Krishnagiri SEZ Ltd (GKSL)	Subsidiaries of GKSL										
		Advika Properties Pvt Ltd*	Aklima Properties Pvt Ltd *	Amartya Properties Pvt Ltd*	Baruni Properties Pvt Ltd*	Camelia Properties Pvt Ltd*	Eila Properties Pvt Ltd*	Gerbera Properties Pvt Ltd*	Lakshmi Priya Properties Pvt Ltd*			
		Honeysuckle Properties Pvt Ltd	Idika Properties Pvt Ltd*	Krishnapriya Properties Pvt Ltd*	Nadira Properties Pvt Ltd*	Prakalpa Properties Pvt Ltd	Purnachandra Properties Pvt Ltd*	Shreyadita Properties Pvt Ltd*	Sreepa Properties Pvt Ltd*			
Corporate & International Business	GMR Infrastructure (Mauritius) Ltd (GIML) GMR Corporate Center Ltd GVL Investments Pvt Ltd GMR Aviation Pvt Ltd GMR Oil and Natural Gas Pvt Ltd Gateways for India Airports Pvt Ltd	Subsidiaries of GIML			Subsidiary of GIUL	Subsidiaries of GICL		Subsidiary of GIGL				
		GMR Infrastructure (UK) Ltd (GIUL)	GMR Infrastructure (Cyprus) Ltd (GICL)	GMR International (Malta) Ltd	GMR Infrastructure (Singapore) PTE Ltd	GMR Infrastructure Overseas Sociedad Limitada	GMR Infrastructure (Global) Ltd (GIGL)	GMR Energy (Global) Ltd				

* New name of the companies after change in the name of the company during June 2009.

Statement pursuant to approval of the Central Government under section 212(8) of the Companies Act, 1956, vide letter no. 47/214/2009-CL-III dated May 06, 2009 and July 08, 2009.

(Rs. in Crore)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend
	Indian Subsidiaries										
1	GMR Energy Limited	1,425.08	338.73	2,587.96	824.16	312.00	690.88	219.49	25.08	194.41	–
2	Vemagiri Power Generation Limited	274.50	(297.19)	1,064.95	1,087.64	3.70	133.95	(93.93)	0.05	(93.98)	–
3	GMR Power Corporation Private Limited	247.50	217.84	675.50	210.16	123.42	1,030.05	35.39	2.68	32.71	–
4	GMR Mining & Energy Private Limited	0.02	–	0.05	–	–	–	–	–	–	–
5	GMR Consulting Engineers Private Limited	0.01	–	0.02	0.01	–	–	–	–	–	–
6	GMR Energy Trading Limited	21.00	1.11	68.76	46.65	19.83	470.73	1.63	0.52	1.11	–
7	GMR Kamalanga Energy Limited	100.57	–	194.22	23.77	1.60	–	–	–	–	–
8	GMR (Badrinath) Hydro Power Generation Private Limited	5.00	–	178.18	173.18	–	–	–	–	–	–
9	Badrinath Hydro Power Generation Private Limited	0.01	–	0.01	–	–	–	–	–	–	–
10	GMR Coastal Energy Private Limited	0.01	–	0.05	0.04	–	–	–	–	–	–
11	GMR Bajoli Holi Hydropower Private Limited	0.01	–	45.12	45.11	–	–	–	–	–	–
12	GMR Londa Hydropower Private Limited	0.01	–	39.32	39.16	–	–	–	–	–	–
13	Londa Hydro Power Private Limited	0.01	–	0.01	–	–	–	–	–	–	–
14	GMR Ulundurpet Expressways Private Limited	198.75	–	978.35	779.60	4.66	–	–	–	–	–
15	GMR Pochanpalli Expressways Private Limited	138.00	0.16	740.44	602.27	18.80	1.78	0.21	0.05	0.16	–
16	GMR Jadcherla Expressways Private Limited	117.83	(1.51)	541.21	424.89	19.56	5.63	(1.47)	0.04	(1.51)	–
17	GMR Ambala Chandigarh Expressways Private Limited	93.13	(13.55)	614.85	512.55	2.28	4.89	(13.49)	0.06	(13.55)	–
18	GMR Tambaram–Tindivanam Expressways Private Limited	1.00	52.41	415.99	362.58	43.90	58.94	19.00	2.19	16.80	–
19	GMR Tuni–Anakapalli Expressways Private Limited.	1.00	75.95	560.40	483.45	56.10	80.67	27.99	3.22	24.78	–
20	GMR Highways Private Limited	2.00	(0.02)	19.71	1.88	–	0.43	(0.02)	0.01	(0.03)	–
21	GMR Hyderabad International Airport Limited	378.00	(74.87)	3,161.57	2,858.40	–	381.87	(118.11)	1.91	(120.02)	–
22	Hyderabad Airport Security Services Limited	12.50	0.26	140.54	127.79	–	–	0.37	0.11	0.26	–
23	GMR Hyderabad Airport Resource Management Limited	0.05	0.27	4.75	4.43	–	24.07	0.41	0.12	0.29	–
24	GMR Hyderabad Aerotropolis Limited	0.05	–	1.16	0.21	–	–	–	–	–	–
25	Hyderabad Menzies Air Cargo Private Limited	1.02	3.72	38.83	13.56	–	41.53	12.93	3.15	9.79	3.66
26	GMR Hyderabad Multiproduct SEZ Limited	0.05	–	0.06	0.01	–	–	–	–	–	–
27	GMR Hyderabad Aviation SEZ Limited	0.05	–	0.06	0.01	–	–	–	–	–	–
28	GMR Airport Handling Services Limited	0.05	–	0.06	0.01	–	–	–	–	–	–
29	Gateways For India Airports Private Limited	0.01	(0.01)	3.32	0.35	–	–	(0.03)	–	(0.03)	–
30	Delhi International Airport Private Limited	1,200.00	62.50	7,049.76	4,537.26	55.36	506.99	(34.23)	(10.74)	(23.49)	–
31	Delhi Aerotropolis Private Limited	0.10	–	10.52	5.62	–	–	–	–	–	–
32	DIAL Cargo Private Limited	0.10	–	0.10	–	–	–	–	–	–	–
33	East Delhi Waste Processing Company P Ltd	0.01	(0.03)	6.40	0.30	–	–	(0.03)	–	(0.03)	–
34	GVL Investments Private Limited	283.00	73.27	433.78	0.79	163.31	18.88	12.32	5.59	6.73	–
35	GMR Krishnagiri SEZ Limited	117.50	–	255.15	10.63	–	–	–	–	–	–
36	Advika Properties Private Limited**	0.01	–	7.01	0.01	–	–	–	–	–	–
37	Aklima Properties Private Limited**	0.01	–	4.19	0.05	–	–	–	–	–	–
38	Amartya Properties Private Limited**	0.01	–	8.25	0.03	–	–	–	–	–	–
39	Baruni Properties Private Limited**	0.01	–	6.36	0.01	–	–	–	–	–	–
40	Camelia Properties Private Limited**	0.01	–	5.96	–	–	–	–	–	–	–
41	Eila Properties Private Limited**	0.01	–	7.46	–	–	–	–	–	–	–
42	Gerbera Properties Private Limited**	0.01	–	6.59	0.04	–	–	–	–	–	–

Statement pursuant to approval of the Central Government under section 212(8) of the Companies Act, 1956, vide letter no. 47/214/2009-CL-III dated May 06, 2009 and July 08, 2009.

(Rs. in Crore)

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend
	Indian Subsidiaries										
43	Lakshmi Priya Properties Private Limited**	0.01	–	7.27	–	–	–	–	–	–	–
44	Honeysuckle Properties Private Limited	0.01	–	7.64	–	–	–	–	–	–	–
45	Idika Properties Private Limited**	0.01	–	6.37	0.02	–	–	–	–	–	–
46	Krishnapriya Properties Private Limited**	0.01	–	5.96	–	–	–	–	–	–	–
47	Nadira Properties Private Limited**	0.01	–	6.73	0.02	–	–	–	–	–	–
48	Prakalpa Properties Private Limited	0.01	–	6.78	0.02	–	–	–	–	–	–
49	Purnachandra Properties Private Limited**	0.01	–	6.84	–	–	–	–	–	–	–
50	Shreyadita Properties Private Limited**	0.01	–	1.24	0.01	–	–	–	–	–	–
51	Sreepa Properties Private Limited**	0.01	–	5.51	–	–	–	–	–	–	–
52	GMR Aviation Private Limited	86.44	(5.52)	367.34	186.94	–	48.05	(9.92)	(3.10)	(6.82)	–
53	GMR Oil and Natural Gas Private Limited	0.01	–	0.01	–	–	–	–	–	–	–
Foreign Subsidiaries (Reporting currency reference mentioned against each Subsidiary)											
54	Himtal Hydro Power Co. (P) Limited, Nepal (a)	1.63	–	11.00	0.65	–	–	–	–	–	–
55	GMR Upper Karnali Hydropower Public Limited (a)	0.94	–	10.49	5.77	–	–	–	–	–	–
56	GMR Energy (Mauritius) Limited (b)	43.22	(9.87)	226.38	193.03	1.74	–	0.48	0.01	0.47	–
57	GMR Lion Energy Limited (b)	4.81	(0.13)	4.73	0.05	–	–	(0.11)	–	(0.11)	–
58	GMR Energy (Netherlands) B.V. (b)	0.12	51.06	222.00	170.82	–	–	(2.22)	–	(2.22)	–
59	GMR Energy (Cyprus) Ltd (b)	0.02	53.80	53.84	0.02	–	–	(0.16)	–	(0.16)	–
60	GMR Energy (Global) Limited (b)	713.59	151.56	868.58	3.43	845.06	169.31	140.34	–	140.34	–
61	PT Barasentosa Lestari (b)	5.03	(4.45)	22.11	21.53	–	–	–	–	–	–
62	GMR Infrastructure (Global) Limited (b)	713.61	(0.14)	713.62	0.15	713.59	–	(0.13)	–	(0.13)	–
63	GMR Infrastructure (Mauritius) Limited (b)	805.45	(0.66)	804.87	0.08	0.03	–	(0.12)	–	(0.12)	–
64	PT Dwikarya Sejati Utama (c)	0.45	(12.21)	33.41	45.17	–	–	(1.18)	–	(1.18)	–
65	PT Duta Sarana Internusa (c)	0.45	(12.06)	21.90	33.51	–	–	(1.17)	–	(1.17)	–
66	GMR International (Malta) Limited (d)	0.01	(0.05)	0.02	0.06	–	–	(0.05)	–	(0.05)	–
67	GMR Infrastructure (Cyprus) Limited (d)	0.03	41.31	639.68	0.06	–	–	(0.17)	–	(0.17)	–
68	GMR Infrastructure Overseas Sociedad Limitada (Spain) (d)	0.02	(14.20)	111.36	125.54	23.04	–	–	–	–	–
69	GMR Infrastructure (UK) Limited (e)	0.07	(25.85)	47.86	19.79	–	19.79	(28.04)	–	(28.04)	–
70	GMR Infrastructure (Singapore) PTE Limited (f)	–	(1.21)	1.15	1.09	–	–	(1.18)	–	(1.18)	–

Notes:

1. The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the investors 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 investor in the head office of the company and that of the subsidiary companies concerned.
2. * Investments except investment in Subsidiaries.
3. ** New name of the companies after change in the name of the company during June 2009

Details of reporting currency and the rate used in the preparation of Consolidated Financials.

Reporting Currency Reference	For Conversion		
	Currency	Average Rate (in Rs.)	Closing Rate (in Rs.)
a	NPR	1.60	1.60
b	USD	45.54	51.45
c	IDR	0.0044	0.0045
d	Euro	65.16	67.48
e	GBP	79.02	72.86
f	Singapore Dollar	32.54	33.37

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

While we go beyond the legal provisions of Corporate governance, the statutory compliances in this regard are set forth below.

1. Board of Directors

a. Composition of the Board

As on March 31, 2009, the Board consists of twelve directors, including one Executive Chairman and one Managing Director. 10 Directors are Non-Executive Directors; out of them 6 are Independent Directors. The Independent Directors are professionals with high credentials, who actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

The Board comprises of the following Directors:

Sl. No.	Name of the Director	Director Identification Number (DIN)	Category	Number of other Directorships held in other Public Limited Companies as on 31-03-2009#		Number of committee Chairmanships / memberships held in other Public Limited Companies as on 31-03-2009*	
				Chairman	Director	Chairman	Member
1	Mr. G.M. Rao	00574243	Executive Chairman	4	1	–	–
2	Mr. G.B.S. Raju	00061686	Managing Director	–	5	–	1
3	Mr. Srinivas Bommidala	00061464	NEPD	9	4	1	5
4	Mr. Kiran Kumar Grandhi	00061669	NEPD	–	6	1	–
5	Mr. B.V. Nageswara Rao	00051167	NED	6	7	1	5
6	Mr. K. Balasubramanian**	00009132	NED	NA	NA	NA	NA
7	Mr. O. Bangaru Raju	00082228	NED	–	8	–	6
8	Mr. Arun K. Thiagarajan	00292757	NEID	–	11	1	5
9	Mr. K.R. Ramamoorthy	00058467	NEID	1	9	2	6
10	Dr. Prakash G. Apte	00045798	NEID	–	5	–	5
11	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	1	5	3	2
12	Mr. Udaya Holla	00245641	NEID	–	3	–	–
13	Mr. Uday M. Chitale	00043268	NEID	–	5	3	1
14	Mr. T.R. Prasad**	00084175	NEID	NA	NA	NA	NA

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

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

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

** Directors resigned during the year

Relationship 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. G. B. S. Raju	Son of Mr. G. M. Rao, brother of Mr. Kiran Kumar Grandhi, brother-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. 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:

Five Board Meetings were held during the financial year ended March 31, 2009. These meetings were held on May 20, 2008, July 29, 2008, October 27, 2008, January 29, 2009 and March 24, 2009. The maximum gap between two meetings was 93 days.

c. Directors' Attendance Record:

The attendance of Directors at the Board meetings held during the financial year ended March 31, 2009 and at the previous General Meetings was as under.

Name of the Director	Board Meetings during the period April 01, 2008 to March 31, 2009		Whether present at the previous AGM held on August 19, 2008	Whether present at the previous EGM held on June 9, 2009
	Held	Attended#		
Mr. G. M. Rao	5	5	Yes	Yes
Mr. G. B. S. Raju	5	5	Yes	No
Mr. Srinivas Bommidala	5	3	No	Yes
Mr. Kiran Kumar Grandhi	5	4	Yes	No
Mr. B. V. Nageswara Rao	5	4	No	Yes
Mr. K. Balasubramanian+	3	2	Yes	NA
Mr. O.Bangaru Raju	5	5	Yes	No
Mr. Arun K. Thiagarajan	5	4	Yes	No
Mr. K. R. Ramamoorthy	5	5	Yes	Yes
Dr. Prakash G Apte	5	4	No	No
Mr. R.S.S.L.N. Bhaskarudu	5	3	Yes	Yes
Mr. Udaya Holla	5	2	No	No
Mr. Uday M. Chitale	5	5	Yes	Yes
Mr. T.R. Prasad*	3	2	Yes	NA

+Resigned as Director with effect from January 23, 2009

*Resigned as Director with effect from January 13, 2009

#Attendance include participation through video conference

d. Profile of Directors being appointed in the ensuing Annual General Meeting to be held on August 31, 2009.

i) Mr. Uday M Chitale 59, Independent Director, has been on Company's Board since September, 2005. He is also a director on the Board of VPGL, a subsidiary of the Company. Mr. Chitale is a Chartered Accountant of over 35 years' standing in the profession and is the Senior Partner of M.P. Chitale & Co, Mumbai. He is / has been director of some prominent companies including ICICI Bank Limited, ICICI Securities Limited, JSW Steel Limited and National Commodity & Derivatives Exchange. He is currently a member of the global board of directors and Vice President – Asia Pacific of DFK International, a worldwide association of independent professional firms. Mr. Chitale has served on several expert committees set up by government and regulatory organizations including RBI, SEBI, IRDA and professional bodies such as the Institute of Chartered Accountants of India, Bombay Chartered Accountants Society and Indian Banks' Association. Apart from being a respected senior professional accountant and auditor, Mr. Chitale is acknowledged as a management and business advisor. His special interests include international business negotiations and commercial dispute resolution; he has received accreditation as 'Certified Mediator' from the Centre for Effective Dispute Resolution (CEDR), UK. Mr. Chitale is one of the pioneers who has contributed to the development of Alternative Dispute Resolution in India and is the founder Director of Indian Council for Dispute Resolution.

He holds 15000 equity shares of the Company under joint names as on March 31, 2009.

Details of Mr. Uday M Chitale's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Audit Committee, Corporate Governance Committee
DFK Consulting Services (India) Private Limited	–
DFK International (Incorporated in Netherlands)	–
Vemagiri Power Generation Limited	Member – Audit Committee
Indian Council for Dispute Resolution	–
ICICI Securities Limited	Chairman – Audit Committee
JSW Steel Limited	Chairman – Audit Committee Member – Share Allotment Committee
ICICI Brokerage Services Limited	–
GMR Industries Limited	Chairman – Audit Committee Member – Remuneration Committee
Janalakshmi Financial Services Private Limited	–
Del Val Flow Controls Private Limited	–

ii) Mr. Udaya Holla 58, Independent Director, has been on the Company's Board since September 2005. He is also a director on the Boards of some subsidiaries of the Company. He is a lawyer by profession and was previously the Advocate General of the State of Karnataka. His main areas of specialization include corporate laws, mergers and acquisitions, foreign collaborations and joint ventures, FEMA and other legal matters. He has been practising law for more than 36 years. Mr. Udaya Holla has been associated with GMR Group since 2003.

He holds nil equity shares of the Company as on March 31, 2009.

Details of Mr. Udaya Holla's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Chairman – Shareholders' Transfer and Grievance Committee Member – Remuneration Committee
Vemagiri Power Generation Limited	–
GMR Tambaram Tindivanam Expressways Private Limited	–
GMR Tuni Anakapalli Expressways Private Limited	–

iii) Mr. Srinivas Bommidala 46, Group Director, is the son-in-law of Mr. G. M. Rao and has been on the Company's Board since 1996. He has over twenty five years of experience in the infrastructure, agriculture, fast moving consumer goods and services sectors. Currently, he is the Business Chairman – Urban Infrastructure & Highways, a portfolio comprising of several businesses including Highways, Commercial Property developments at Delhi and Hyderabad Airports, development of world-class Aerotropolis, Construction & SEZ, Raxa Security and Aviation businesses.

Prior to this, Mr. Srinivas Bommidala headed the Delhi International Airport Pvt Ltd project (a Joint Venture of GMR Group, Airports Authority of India, Fraport, MANSB and IDF), the largest Public Private Partnership initiative till date in India and also led the Group's foray into the power sector with setting up of 200 MW power plant at Chennai and the gas based power project at Vemagiri in Andhra Pradesh.

He holds 225830 equity shares of the Company as on March 31, 2009.

Details of Mr. Srinivas Bommidala's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Management Committee, Debenture Allotment Committee
GMR Varalakshmi Foundation	–
GMR Tambaram Tindivanam Expressways Private Limited	Member – Audit Committee
GMR Tuni Anakapalli Expressways Private Limited	Member – Audit Committee
GMR Ambala Chandigarh Expressways Private Limited	Chairman – Management Committee
GMR Jadcherla Expressways Private Limited	Member – Project Management Committee, Chairman – Remuneration Committee, Management Committee
GMR Pochanpalli Expressways Private Limited	Member – Audit Committee, Project Management Committee, Chairman – Remuneration Committee, Management Committee.
GMR Ulundurpet Expressways Private Limited	Member – Project Management Committee, Chairman – Remuneration Committee, Management Committee
GMR Highways Private Limited	–
GMR Holdings Private Limited	–
Delhi International Airport Private Limited	Member – Share Allotment, Transfer and Grievance Committee
GMR Hyderabad International Airport Limited	Member – Shares Allotment and Shares transfer committee, Audit Committee
Delhi Aerotropolis Private Limited	–
GMR Hyderabad Aerotropolis Limited.	–
GMR Krishnagiri SEZ Limited.	–
BSR Infrastructure Private Limited	–
Bommidala Tobacco Exporters Private Limited	–
Bommidala Exports Private Limited	–
GMR Sports Private Limited	–
GMR League Games Private Limited	–
Kakinada Refinery and Petrochemicals Private Limited	–
Raxa Security Services Limited	Chairman – Audit Committee, Remuneration Committee.
BSR Holdings Private Limited	–
Hotel Shivam International Private Limited	–
Bommidala Exim Private Limited	–

iv) Mr. Kiran Kumar Grandhi, 34, Group Director, is the younger son of Mr. G.M. Rao and has been on the Company's Board since 1999. He completed his bachelors' degree in commerce from Badruka College, Osmania University, Hyderabad in 1996. He led the Company's foray into airport business and currently is the Managing Director of GHIAL and DIAL. He had spearheaded the implementation of the airport project at Hyderabad. He is also responsible for the development of new business in the airports sector. Before taking over the reins of GHIAL, he headed the Group's finance function and the shared services. Currently, he is the Business Chairman of the Airport sector.

He holds 225830 equity shares of the Company as on March 31, 2009.

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

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Management Committee
Ideaspace Solutions Limited	–
GMR Tambaram Tindivanam Expressways Private Limited	Member – Share allotment and Transfer Committee
GMR Tuni Anakapalli Expressways Private Limited	Member – Share allotment and Transfer Committee
GMR Hyderabad International Airport Limited	Chairman – Share allotment and Transfer Committee
GMR Varalakshmi Foundation	–
Gateways for India Airports Private Limited	–
Delhi International Airport Private Limited	Chairman – Share Allotment, Transfer and Grievance Committee
GMR Holdings Private Limited	–
Istanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve Isletme Anonim Sirketi (Sabiha Gokcen International Airport)	–
GKR Holdings Private Limited	–

e. Code of Conduct

As per requirement of Clause 49 of the Listing Agreement with the stock exchanges, the Board has laid down a code of conduct for all Board members, senior management personnel and designated employees of the Company. The code of conduct is posted on the website of GMR Group (www.gmrgroup.in). All Board members and senior management personnel affirm compliance with the code on an annual basis and the declaration to that effect by Mr. G. B. S. Raju, Managing Director, is attached to this report.

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

f. Whistleblower Policy

To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to voice concern in a responsible and effective manner about serious malpractice, impropriety, abuse or wrongdoing within the organisation, the Company has formulated a whistle blower policy applicable to the Company and its subsidiaries.

This mechanism has been communicated to all concerned and posted on the Groups intranet.

g. Risk Management

In a dynamic industry such as infrastructure, risk is an inherent aspect of business. The risk management function therefore is integral to the Company and its objectives include ensuring that the critical risks are identified continuously, monitored and managed effectively in order to protect the Company's businesses.

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. The framework includes risk bulletins for various sectors of businesses. Prudential norms at limiting exposures are an integral part of this framework. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of line managers so that the risks at the transactional level are identified and steps are taken towards mitigation in a decentralized fashion.

At the enterprise level, de-risking of the Company's business risk is sought to be achieved by a policy of undertaking diversified projects in different segments, geographies and revenue models. The Board of Directors is responsible for monitoring risk levels on various parameters and ensures implementation of mitigation measures, wherever required. The risk management framework is designed to address what the management believes can be largely quantified and mitigated. The framework classifies these risks as follows:

Business Risks: Client concentration, Contracts, Regulatory, Technological obsolescence

Financial Risks: Interest rates, Foreign exchange fluctuations, Liquidity management

Legal and Statutory Risks: Contractual liabilities, Statutory compliance, Fixed asset, Employee insurance

Organisational and Management Risks: Leadership development, Human resource management, Process maturity, Internal control systems

Political Risks

A process is set up to inform the Board/Audit Committee members about the risk assessment and minimisation procedures. These procedures are subjected to a periodical review to ensure that the management controls the risk through means of a properly defined framework.

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

h. Subsidiary Companies

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

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

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

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

2. Audit Committee

a. Constitution of Audit Committee:

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

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

* Resigned as member with effect from January 29, 2009

** Inducted as a member on January 29, 2009.

ii. Previous Annual General Meeting of the Company was held on August 19, 2008.

Mr. K.R. Ramamoorthy, Chairman of the Audit Committee has attended the meeting. The composition of the Audit Committee, consisting only Independent Directors', meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the stock exchanges.

During the year, Mr. Udaya Holla had expressed his desire to step down as a member of the Audit Committee and his request was accepted by the Board at its Meeting held on January 29, 2009. At the same meeting, Mr. R.S.S.L.N. Bhaskarudu was inducted as a member of the Audit Committee.

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

b. Meetings and attendance during the year:

During the financial year ended on March 31, 2009, seven Audit Committee meetings were held on April 11, 2008, May 20, 2008, July 29, 2008, September 22, 2008, October 27,2008, January 29, 2009 and March 24, 2009. The attendance of the Audit Committee members was as under:

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	7	7
Mr. Arun K. Thiagarajan	7	6
Mr. Udaya Holla*	6	2
Mr. Uday M. Chitale	7	7
Mr. R S S L N Bhaskarudu**	1	1

*Ceased to be a member with effect from January 29, 2009.

** Inducted as a member on January 29, 2009.

A special meeting of the Committee was held on April 11, 2008 exclusively to consider the issues relating to adequacy of internal control processes, performance of Auditors, Accounting Policies etc. The Committee at their meeting held on September 22, 2008 had also reviewed ERM initiatives at GMR group, benefits achieved through the four main outputs viz., Risk Policy, Risk Management Process, Risk Management Group and Risk Bulletin.

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

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

ii. Recommending the appointment and removal of external auditor, 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, external and internal auditors, the adequacy of internal control systems.

v. 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.

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

vii. 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.

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

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

x. 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.

xi. Reviewing, with the management, the statement of uses/ application funds raised through an issue (public issue, right's 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 right issue and making appropriate recommendation to the Board to take up steps in this matter.

3. Remuneration Committee

a. Constitution of Remuneration Committee:

The Remuneration Committee comprises of the following Directors as members:

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

* Ceased to be a member with effect from January 23,2009.

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

b. Attendance during the year:

During the financial year ended March 31, 2009, no meeting of the Committee was held.

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

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

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

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

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

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

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

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

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

d. Remuneration Policy

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

e. Details of remuneration paid during the financial year ended March 31, 2009 to the Directors are furnished here under.

Name	Salary & Commission (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	No. of shares held
Mr. G. M. Rao	51,705,265	289,229	–	51,994,494	126,665
Mr. G. B. S. Raju	31,025,145	171,551	–	31,196,696	225,830
Mr. Srinivas Bommidala	–	–	–	–	225,830
Mr. Kiran Kumar Grandhi	–	–	–	–	225,830
Mr. B. V. Nageswara Rao	–	–	–	–	75,000
Mr. K. Balasubramanian *	–	–	–	–	NA
Mr. O.Bangaru Raju	–	–	–	–	20,000
Mr. Arun K. Thiagarajan	–	–	210,000	210,000	18,000
Mr. K. R. Ramamoorthy	–	–	290,000	290,000	NIL
Dr. Prakash G Apte	–	–	90,000	90,000	15,000
Mr. R.S.S.L.N. Bhaskarudu	–	–	90,000	90,000	NIL
Mr. Udaya Holla	–	–	100,000	100,000	NIL
Mr. Uday M. Chitale	–	–	250,000	250,000	15,000
Mr. T. R. Prasad **	–	–	40,000	40,000	NA

*Resigned as director with effect from January 23, 2009

**Resigned as director with effect from January 13, 2009

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

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

4. Shareholders' Transfer and Grievance Committee

a. Constitution of the Committee:

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

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

The composition of the committee meets the requirement of Clause 49 of the Listing Agreement with the stock exchanges.

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2009, four meetings were held on May 20, 2008, July 29, 2008, October 27, 2008 and January 29, 2009. The attendance of the Shareholders' Transfer and Grievance Committee members is as under:

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

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

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

ii. Transfer, transposition and transmission of securities.

iii. Issuance of duplicate shares or other securities.

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

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

vi. To perform all functions relating to the interests of shareholders / investors of the Company as may be required by the provisions of the Companies Act, 1956, Listing Agreements with stock exchanges and guidelines issued by 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 2008-09 and the status of the same are as below:

Particulars	No. of Complaints received	No. of Complaints resolved	Pending Complaints
Non-Receipt of Annual Reports	11	11	0
Non-Receipt of Refund Orders	10	10	0
Non-Receipt of Electronic Credit	23	23	0
Non-Receipt of Share Certificates	11	11	0
Non- receipt of Dividend warrants	23	23	0
Total	78	78	0

5. Management Committee

a. Constitution of Management Committee:

The Management Committee comprises of the following Directors as members:

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

*Ceased to be a member of the Committee with effect from January 23, 2009.

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, 2009, five meetings of the Committee were held on June 13, 2008, July 11, 2008, July 21, 2008, December 22,2008 and March 13, 2009 and the attendance of members are as follows:

Names	No. of the Meetings	
	Held	Attended
Mr. G.M.Rao	5	5
Mr. Srinivas Bommidala	5	1
Mr. G.B.S. Raju	5	2
Mr. Kiran Kumar Grandhi	5	1
Mr. B.V.Nageswara Rao	5	3
Mr. K. Balasubramanian *	4	3

*Ceased to be a member of the Committee with effect from January 23, 2009.

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

i. Decision-making relating to operational matters like investments in new projects, financial matters, 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 IPO matters like quantum of issue, issue price, appointment of lead managers and other intermediaries, registrars to the issue, bankers to the issue, listing of shares, execution of all the documents pertaining to IPO, etc.

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

6. Debentures Allotment Committee

a. Constitution of Debentures Allotment Committee:

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

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

*Ceased to be a member of the Committee with effect from January 23, 2009.

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

b. Meetings and Attendance during the year:

No meeting of Debentures Allotment Committee was held during the financial year 2008-09.

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

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

7. Treasury Committee

a. Constitution of Treasury Committee:

The Board has constituted the Treasury Committee vide resolution dated January 9, 2008 and the committee comprises of the following members:

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. G.B.S.Raju	Member
Mr. K. Balasubramanian*	Member
Mr. A.Subba Rao	Member
Mr. R. Ram Mohan	Member
Dr. Prakash G Apte	Member

*Ceased to be a member of the Committee with effect from January 23, 2009.

b. Meetings and Attendance during the year:

During the financial year ended on March 31 2009, one Committee meeting was held on April 18, 2008 and the attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	1	1
Mr. G.B.S.Raju	1	0
Mr. K. Balasubramanian*	1	0
Mr. A. Subba Rao	1	1
Mr. R. Ram Mohan	1	1
Dr Prakash G Apte	1	1

*Ceased to be a member of the Committee with effect from January 23, 2009.

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

Formulate the policy for short-term deployment of funds, decide the type of instruments, manner and structure of investments or placement of funds.

The Board of Directors in their meeting held on March 24, 2009 dissolved the Treasury Committee.

8. Corporate Governance Committee

a. Constitution of Corporate Governance Committee:

The Board has constituted the Corporate governance Committee on January 29, 2009 comprising of the following members:

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

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31 2009, one Committee meeting was held on March 24, 2009 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	1	0
Mr. R S S L N Bhaskarudu	1	1
Mr. Uday M Chitale	1	1

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.

9. General Body Meetings

a. Annual General Meetings

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

Year	Venue	Date & Time	Special Resolutions passed
2007-08	Jnana Jyothi Auditorium, Central College Campus, Bangalore – 560 001	August 19, 2008, 2.30 p.m.	No Special Resolution was passed.
2006-07	Convention Centre, NIMHANS, Hosur Road, Bangalore – 560 029	August 30, 2007 10.30 a.m.	1. Under Section 163 of the Companies Act, 1956, approval for keeping of register of members etc. at the office of Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company, within the city of Bangalore. 2. Under Section 31 of the Companies Act, 1956, alteration of Article 82 of Articles of Association pertaining to the powers of the Board with regard to borrowing. 3. Under Section 81(1A) of the Companies Act, 1956, approval for issue of equity shares / convertible securities to any person. 4. Under Section 61 of the Companies Act, 1956, approval for variation in utilization of IPO proceeds.
2005-06	Chancery Hall, Taj West End Hotel, M G Road, Bangalore - 560 001	August 07, 2006 3.30 p.m.	No Special Resolution was passed.

b. Extraordinary General Meetings

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

Year	Venue	Date & Time	Special Resolutions Passed
2007-08	Dr. Ambedkar Bhavan, Millers Road, Vasanth Nagar, Bangalore – 560 052.	November 26, 2007 11:00 a.m.	Under Section 81 (1A) of the Companies Act, 1956, issue of securities through Qualified Institutional Placements (QIP)
2006-07	25/1, Skip House, Museum Road, Bangalore – 560 025	May 20, 2006 11:00 a.m.	No Special Resolution was passed.
	The Parliament Room, Hotel Taj Mahal, Mansingh Road, New Delhi - 110 001	April 25, 2006 12:00 Noon	1. Approval for preferential issue of equity shares to the ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund). 2. Under Section 31 of the Companies Act, 1956, replacing with new set of Articles of Association of the Company.
	25/1, Skip House, Museum Road, Bangalore – 560 025	April 19, 2006 11:00 a.m.	Approval for preferential issue of equity shares to the India Development Fund (IDF).
2005-06	25/1, Skip House, Museum Road, Bangalore – 560 025	February 28, 2006 11:00 a.m.	1. Under Sections 16 and 94 of the Companies Act, 1956, increase of authorized share capital of the Company and consequently alteration of Memorandum of Association. 2. Under Section 81(1A) of the Companies Act, 1956 approval for issue of equity shares or convertible securities or any other securities.
	25/1, Skip House, Museum Road, Bangalore – 560 025	September 29, 2005 11:00 a.m.	1. Under Sections 16 and 94 of the Companies Act, 1956, reclassifying preference shares to equity shares. Increase of authorized share capital of the Company and consequently alteration of Memorandum of Association. 2. Under Section 31 of the Companies Act, 1956, alteration of Article 95 of the Articles of Association pertaining to number of directors. 3. Issue of Bonus shares.

Note: During the year 2008-09, no Extraordinary General Meeting was held.

c. Special Resolutions passed through postal ballot:

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

10. 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. 123 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, strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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

11. Means of Communication

The Company has been sending Annual Reports, notices and other communications to each household of shareholders through 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 Standard' and 'Samyukta Karnataka' (a regional daily in Kannada language). The Company also publishes its consolidated financial statements in Economic Times, Business Line and Financial Express. 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.

12. Management Discussion and Analysis Report (MDA)

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

13. General Shareholder Information

a. Date, time and venue of the 13th AGM:

Monday, August 31, 2009 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bangalore - 560 029, Karnataka, India.

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, 2009	second fortnight of July 2009
Financial reporting for the quarter / half year ending September 30, 2009	second fortnight of October 2009
Financial reporting for the quarter / nine months ending December 31, 2009	second fortnight of January 2010
Financial reporting for the quarter / year ending March 31, 2010	second fortnight of May 2010
Annual General Meeting for the year ending March 31, 2010	August / September 2010

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Monday, August 24, 2009 to Monday, August 31, 2009 (both days inclusive) for the purpose of the 13th Annual General Meeting.

d. Dividend Payment Date:

In order to conserve funds for projects which are in development, expansion and implementation stages, the Board has not recommended any dividend for the financial year 2008-09.

e. Listing on Stock Exchanges:

(i) Equity Shares:

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

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

Annual listing fees for the year 2009-10 has been paid by the Company to both the Stock Exchanges.

(ii) Privately Placed Debt Instruments:

The Company's privately placed debt instruments are listed on the Bombay Stock Exchange Limited. The stock code is 934728, 934729, 934730 and 934751.

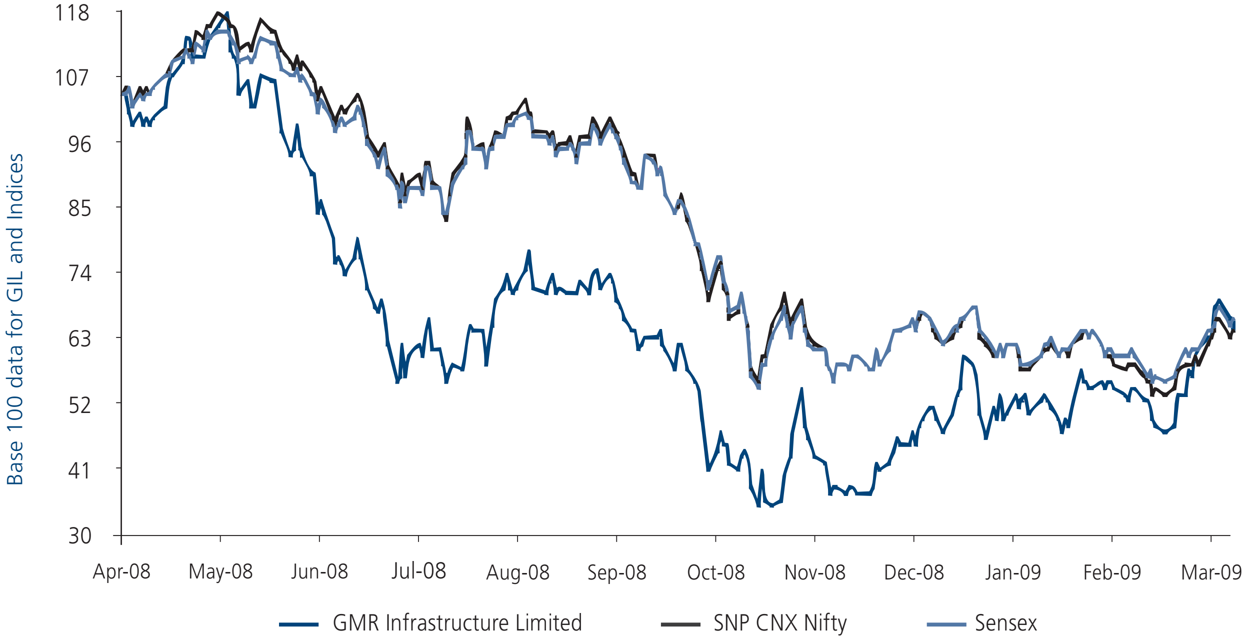
Annual listing fees for the year 2009-10 has been paid by the Company.

f. Stock Market Data relating to Shares Listed

(Amount in Rs.)

Month	NSE		BSE	
	High	Low	High	Low
April 2008	164.70	139.00	164.80	138.60
May 2008	169.90	132.00	169.90	132.00
June 2008	135.80	79.00	135.25	78.80
July 2008	96.70	76.40	96.80	76.50
August 2008	120.00	88.50	112.15	90.70
September 2008	109.00	77.60	107.95	77.00
October 2008	91.80	45.50	91.75	45.60
November 2008	79.05	49.30	79.90	49.00
December 2008	78.00	51.10	78.00	50.50
January 2009	86.95	62.10	86.95	62.00
February 2009	84.80	68.20	85.15	68.05
March 2009	102.80	67.00	103.10	67.10

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
Tel. : 040 2342 0819 to 24
Fax No. 040 2342 0814
Email : einward.ris@karvy.com

Branch Office:
Karvy Computershare Private Limited

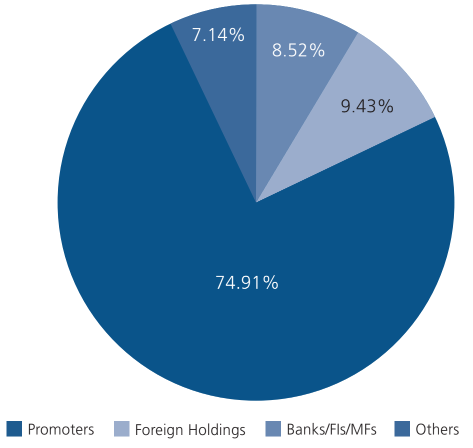
No. 51/2, TKN Complex, Vani Vilas Road, Opp. National College,
Basavanagudi, Bangalore - 560 004.
Tel. : 080 4120 4350
Fax : 080 2662 1169
Email : bangalore@karvy.com

h. Share Transfer procedure:

The share transfers which are received in physical form are processed and the share certificates are returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated powers of approving transfers and transmission of securities to the Shareholder's Transfer and Grievance Committee. The committee has authorised each member of the committee to approve the transfer of shares up to 20000 shares per transfer deed and Company Secretary and other specified executives of the Company to approve the transfer of shares up to 10000 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, 2009

Distribution by category



Distribution by Category

Description	No. of Shareholders	Total Shares	% Equity
Banks	40	81,165,599	4.46
Clearing Members	390	2,208,299	0.12
Foreign Institutional Investors	173	167,916,521	9.22
Indian Financial Institutions	16	62,982,034	3.46
Bodies Corporates	3,080	26,060,878	1.43
Mutual Funds	21	10,916,420	0.60
Non Resident Indians	4,198	3,769,976	0.21
Promoters Individuals	11	1,320,549	0.07
Promoters	5	1,362,523,238	74.84
Resident Individuals	452,598	101,630,901	5.58
Trusts	15	163,673	0.01
Total	460,547	1,820,658,088	100.00

Distribution by size

Range of equity shares held	March 31, 2009				March 31, 2008			
	No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1 – 500	426,682	92.65	50,393,009	2.77	394,487	92.28	45,962,224	2.53
501 – 1000	20,006	4.34	15,904,160	0.87	18,642	4.36	14,993,076	0.82
1001 – 2000	8,389	1.82	12,948,478	0.71	8,152	1.91	12,722,569	0.70
2001 – 3000	2,132	0.46	5,422,191	0.30	2,257	0.53	5,753,290	0.32
3001 – 4000	820	0.18	2,976,888	0.16	864	0.20	3,116,402	0.17
4001 – 5000	669	0.15	3,189,652	0.18	816	0.19	3,896,859	0.21
5001 – 10000	874	0.19	6,509,500	0.36	1,016	0.24	7,602,649	0.42
10001 and above	975	0.21	1,723,314,210	94.65	1,243	0.29	1,726,611,019	94.83
Total	460,547	100.00	1,820,658,088	100.00	427,477	100.00	1,820,658,088	100.00

j. Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization in both the Depositories i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.86 % of shares have been dematerialized as on March 31, 2009.

ISIN: INE776C01021 (Fully Paid Shares)
INS9776C01029 (Partly Paid Shares)

Description	No. of Shareholders	No. of Shares	% Equity
PHYSICAL	439	2,514,907	0.14
NSDL	316,455	1,790,237,932	98.33
CDSL	143,653	27,905,249	1.53
Total	460,547	1,820,658,088	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, Bangalore - 560 025
Telephone No. +91 80 40534000   Fax No. +91 80 22279353
Website: www.gmrgroup.in

Company Secretary and Compliance Officer

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

Associate Company Secretary

Mr. Narendra Singh
Skip House, 25/1, Museum Road, Bangalore - 560 025
Telephone No. +91 80 40534126   Fax No. +91 80 22279353
E-mail: narendra.singh@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. Secretarial Audit for Reconciliation of Capital:

As stipulated by SEBI, a qualified practicing company secretary carries out the secretarial 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.

o. Corporate Identity Number (CIN)

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

p. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. Price Waterhouse, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereinafter.

q. Unclaimed Shares

As per the provisions of Clause 5A(a) of Listing Agreement, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. As on March 31, 2009, there are 15 allottees pertaining to 13250 unclaimed equity shares of the Company and the same are lying in the escrow account.

In accordance with the said Clause 5A(a) of the Listing Agreement, the Company has sent one reminder to all the persons concerned vide letter dated June 23, 2009.

r. Adoption of non-mandatory requirements of Clause 49

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

To

The Members of GMR Infrastructure Limited

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

I, G.B.S. Raju, 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, 2009.

Sd/-

Place: Singapore
G. B. S. Raju

Date : June 04, 2009
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, 2009 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 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 control over financial reporting during the year;

ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

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

For GMR Infrastructure Limited	For GMR Infrastructure Limited
Sd/-	Sd/-
G. B. S. Raju	A. Subba Rao
Managing Director	Group CFO
(Place: Singapore)	

Place: Bangalore
Date : June 04, 2009

Auditors' Certificate regarding Compliance of conditions of Corporate Governance

To the Members of GMR Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by GMR Infrastructure Limited ('the Company'), for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of the Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

Sd/-
Thomas Mathew
Partner
Membership Number 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Bangalore
Date : July 08, 2009

Management Discussion and Analysis

Forward-looking Statements

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

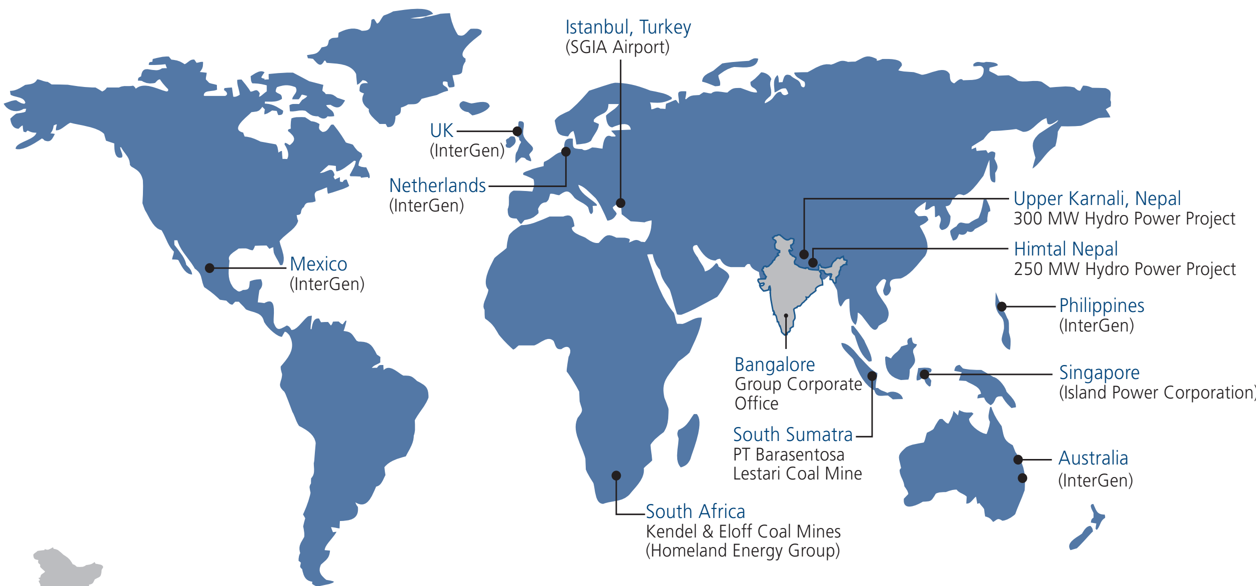
Management Discussion and Analysis

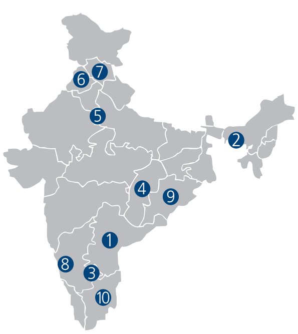
About Us

The Company together with its subsidiaries / associates ('the Company') is one of the leading infrastructure conglomerates in India having proven track record in the development and operation of power plants, road projects, and world-class airports at Delhi, Hyderabad and Istanbul. GMR Infrastructure Limited (GIL) is a holding company, which conducts all its business operations through its subsidiaries in various sectors i.e. airports, energy, highways and urban infrastructure and others. GIL, as a stand-alone entity, does not have any independent revenues except interest / dividends from investments. Hence, the Company's revenues, expenditure and the results of operations are presented through consolidated financial statements. The Company's subsidiaries / associates have projects in various parts of the world and the following picture depicts the location of the corporate office of the Company and the Global presence of the Company's businesses

Geographical presence of our businesses

The Company, over the last decade, has setup projects across the geographic stretch of India. In the past couple of years, the Company has forayed into international arena with sizeable investments in airport and energy sectors. The Company has strategic plans to further expand its operations to markets across the globe in the infrastructure space.





1 Andhra Pradesh
- 59 Km Tuni - Anakapalli Road Project
- 388.5 MW gas based Vemagiri Power Plant
- Rajiv Gandhi International Airport
- 103 Km Pochanpalli Road Project
- 59 Km Thondapalli - Jadcherla Road Project
- 181Km Hyderabad - Vijayawada Road Project

2 Arunachal Pradesh
- 160 MW Hydro Power Project

3 Bangalore
Group Corporate Office

4 Chhattisgarh
- 1200 MW Coal based Power Project

5 Delhi
- Indira Gandhi International Airport (T3)

6 Haryana - Punjab
- 35 Km Ambala - Chandigarh Road Project

7 Himachal Pradesh
- 180 MW Hydro Power Project

8 Karnataka
- 220 MW Barge Mounted Power Plant

9 Orissa
- 1050 MW Coal based Power Project

10 Tamil Nadu
- 200 MW LSHS based Chennai Power Plant
- 93 Km Tambaram - Tindivanam Road Project
- 73 Km Tindivanam - Ulundurpet Road Project
- 29.65 Km Chennai Outer Ring Road

● Operating Asset ● Under Development

Early entry into Infrastructure Business

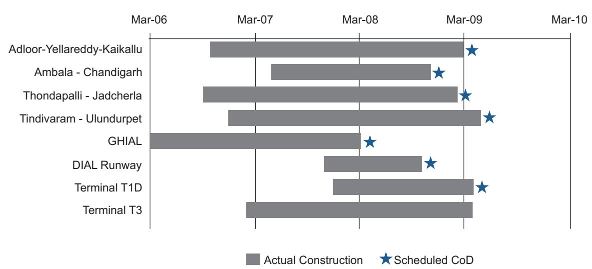
The Company forayed into the infrastructure business with the setting up and commissioning of the Chennai power plant in 1999. Ever since, the Company has been an early entrant in all the infrastructure sectors it is operating currently. The following diagram presents the time of our entry in various business sectors/ projects and some of our key strengths.

Financial Year	Airport	Energy	Urban Infrastructure & Highways and Other Opportunities
2008-09		• Acquired 100% Stake in PT Barasentosa Lestari - Indonesia coal mine • Acquired 33.34% stake in Homeland Energy Group (HEG) • Acquired 50% stake for US $ 1.1 bn in InterGen N.V	Commercial operation of • Adloor Yellareddy - Gundla Pochanpalli • Thondapalli - Jadcherla • Ambala - Chandigarh
2007-08	• Commenced operation at the Hyderabad International Airport • First International foray - Awarded the Operation and development of Sabiha Gokcen International Airport, Istanbul, Turkey	• MoU for 160 MW Talong • MoU for 1,200 MW Plant in Chhattisgarh • Awarded 180 MW Bajoli Holi • Awarded 250 MW Upper Marsyangdi • Awarded 300 MW Upper Karnali	• Krishnagiri SEZ Project, Tamil Nadu • Two Hyderabad Airport SEZ • Established a Sports franchisee, Delhi Daredevils
2006-07		• Commercial Operation of 388.5 MW Vemagiri Power Plant • MoU for 1,050 MW Kamalanga Power Plant in Orissa	
2005-06	• Awarded operation, management and development of Delhi International Airport	• Awarded 300 MW Alaknanda	
2004-05			• Commercial operation of Tambaram – Tindivanam and Tuni Anakapalli
2003-04	• Awarded Hyderabad Airport		
2001-02		• Commercial operation of 220MW in Mangalore Power Plant	
2000-01	• Ventured in Airport Sector		
1998-99		• Commercial operation of 200MW in Chennai Power Plant	
1996-97		• Ventured into the Power sector	

Excellent track record

The company has an excellent project execution track record across the sectors it operates. The diagram below showcases some of the key project execution timelines.

Project Execution Timelines

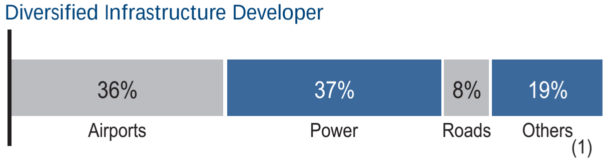


Consistent track record of completing projects simultaneously on or before scheduled dates

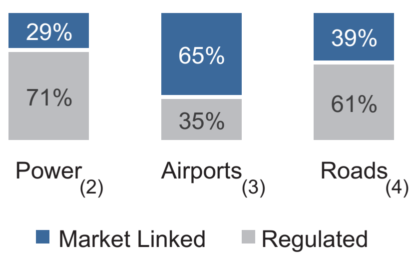
Diversified Revenue Streams and Asset mix

One of the key strategies of the Company is to have a healthy mix in revenue and asset portfolio amongst its various lines of business through diversification. This is achieved through its presence in diverse businesses, balancing revenue streams that are predetermined by contractual arrangements and that vary with market conditions, expanding the geographic location and coverage of the assets and reducing reliance on any one business or technology, as well as having diverse customer base from the private sector and public sector. The diversification is at various levels, in terms of type of assets, type of input, location of assets and fixed compared to open market pricing, among others.

Diversified Infrastructure Developer



Balanced Revenue Mix



Based on Capital Employed as on March 31, 2009

1. Others includes urban infrastructure and corporate assets
2. For power - percentage of PPA and merchant capacity
3. For airports - percentage of aeronautical and non-aero revenues
4. For roads- percentage of annuity and toll based kilometers

Some of the key efforts in diversification are:

i. Foray into international arena such as expansion and operation of Istanbul Airport in Turkey where the company has a 40% stake in the equity and exercises joint operational control; Development of 800 MW gas-fired power project in Singapore which will be the Company's first fully owned power project outside India;

ii. Merchant sale of power from the barge mounted power plant at Mangalore; The company has plans to relocate the plant to Kakinada in Andhra Pradesh and to convert it into gas-fired plant to be fuelled by natural gas from the KG basin;

iii. Develop commercial property and hotels around the airports to ensure maximization of value from these assets. Some of the key developments include setting up of Novotel in Hyderabad and signing up with MAS Aerospace Engineering for setting up a 50:50 joint venture Maintenance, Repair and Overhaul (MRO) company in Hyderabad, development of retail and hospitality district at Delhi airport etc.

iv. In the Energy Sector, the company has achieved financial closure in the coal-fired 1050 MW Kamalanga power project in Orissa. The company is also developing hydro power projects in India and Nepal.

v. The company has bought coal mine in Indonesia. It has also acquired a strategic stake in Homeland Energy Group, which, through its subsidiaries, owns controlling stakes in operational coal mines, fully explored mines with proven reserves and other exploration areas in South Africa

Industry Structure and Developments

The comprehensive macro-economic and structural reforms initiated by the Government of India (GoI) in 1991 focused on implementing fundamental economic reforms, deregulation of industries, attracting foreign investment and pushing forward a disinvestment programme in public sector units.

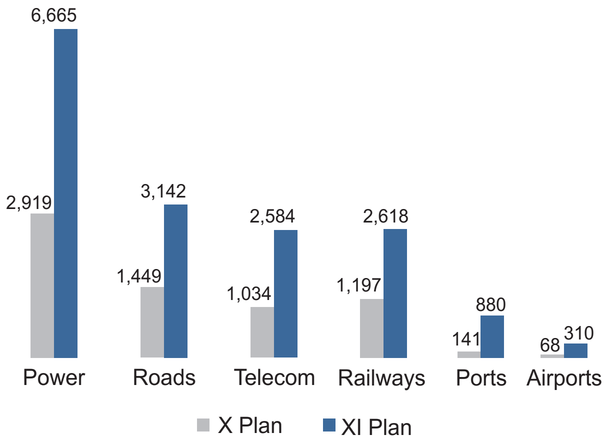
The Indian economy has shown strong real GDP growths in FY 2008 (9.0%) and FY 2009 (6.7%) with an expected GDP growth of 6.0% for the FY 2010 (source: RBI). The average real GDP registered is around 6 per cent over the last decade. Following the initial phase of subdued growth, the economy has almost taken off and India has emerged as one of the fastest growing economies. The rate of growth in the economy in the first four years of the Tenth Plan averaged at 6.3%.

The global melt-down and its spiralling effects on global economy had its reverberations on the infrastructure industry. Slowdown in the economy has been witnessed in the Indian infrastructure sector and in the GDP growth during the last two quarters of 2008-09. However, the XI plan period envisages substantial investments in building the infrastructure of the country and the share of the private sector in infrastructure investment will rise substantially from about 20% anticipated in the Tenth Plan to around 30% in the Eleventh Plan.

The thrust in the infrastructure spending in the XI Plan and the emphasis on the private sector participation is quite evident from the planned allocation made for the sector. Charts below demonstrate this impetus of the Planning Commission pointers.

Comparison of planned expenditure in Tenth and Eleventh Plan

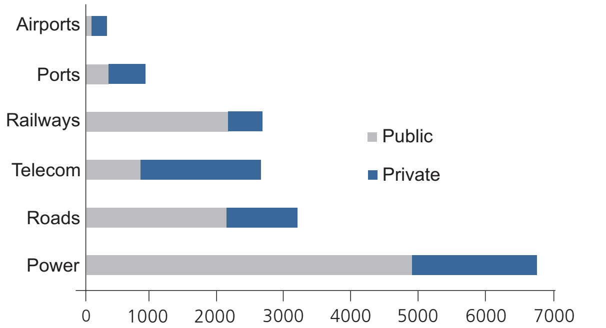
All figures in Rupees Billions



Source: Eleventh Five Year Plan (2007-2012), Development of Infrastructure, published by The Planning Commission of India,

Eleventh Plan – Breakup between private participation and other participation

All figures in Rupees Billions



Source: Eleventh Five Year Plan (2007-2012), Development of Infrastructure, published by The Planning Commission of India,

The Airport Sector

The Indian aviation industry has experienced de-growth during the economic slowdown. Passenger traffic at 108.9 million in the financial year 2008-09 was down by 6.8% on a year-on-year basis. Similarly, the air-cargo movements for financial year 2008-09, at 1.70 million tonnes, were marginally lower than the previous year's movement of 1.72 million tonnes. However, the CAGR growth in passenger and the freight traffic for the past five financial years at 16.4% and 7.3% respectively, give an indication of the pace of growth of the industry.

Favourable demographics and rapid economic growth point to a continued high growth phase in domestic passenger traffic and international outbound traffic. International inbound traffic is also expected to grow with increasing investment and trade activity and as India's rich heritage and natural beauty are marketed to international leisure travellers. This has led to an increase in demand for improvement in the aviation infrastructure in the country. Vision 2020 by the Ministry of Civil Aviation envisages creating infrastructure to handle 280 million passengers by 2020 with investment opportunities of US$110 billion - US$80 billion in new aircraft and US$30 billion in development of airport infrastructure (source: Investment Commission of India report titled "India: Opportunities in the world's largest democracy"). This shows the huge untapped potential for the industry which can lead tremendous growth in the aviation sector and the scenario is encouraging over the long term.

Airports are the largest gateway of foreign passengers and are the first point of contact to any country. Hence, the quality of airport infrastructure and services are vital components for a country's image and also for the overall transportation network, contributing directly to a country's economy in terms of flow of foreign investment.

Airports are considered as one of the most important economic drivers of the local economy. Apart from direct contributions, their indirect contributions are immense. To meet India's huge demand for capacity addition in the aviation sector, it was estimated that investments of US$9 billion for the development of airports till 2013-14 would be required. The quantum of investment means that substantial portion of the total requirement has to come from the private sector. It is estimated that approximately US$6.9 billion would come from Public Private Partnerships (PPPs).

The Government has assigned high priority to improving the services and facilities at Indian airports and to bring them at par with international standards. Accordingly, it has decided to restructure and develop airports by encouraging private sector participation in the development of both greenfield and brownfield airports in the country. The Government took initiatives to bring in private players to work under Public Private Partnership (PPP) for airport modernization and expansion.

The Energy Sector

Energy sector reforms have evolved over time and created an environment for private players to capture significant value from the huge demand for power in India. Historically, the responsibility for generation, transmission and distribution of power in India rested only with the Central and the State Governments. Power generation capacity grew at about 4.4 per cent per annum over the last ten years and failed to keep up with the demand growth, leading to a situation of persistent power outages. To give a boost to power generation, the Indian Government introduced the first wave of reforms in the power sector in 1991.

As of March 31, 2009, India's power system had an installed generation capacity of approximately 147,965.4 MW. Thermal power plants powered by coal, gas, diesel accounted for 63.3% of total power capacity in India as of March 31, 2009, hydro-electric stations for 24.9% and others (including renewable sources of energy and nuclear stations) accounted for 11.8%. The Central Public Sector Undertakings (CPSU) accounted for approximately 33% of total power generation capacity as of March 31, 2009; the various state entities accounted for 51% and private sector companies accounted for approximately 16%. (Source: Central Electricity Authority)

The table below shows that the majority of the generation capacity was owned by state-controlled entities as on March 31, 2009.

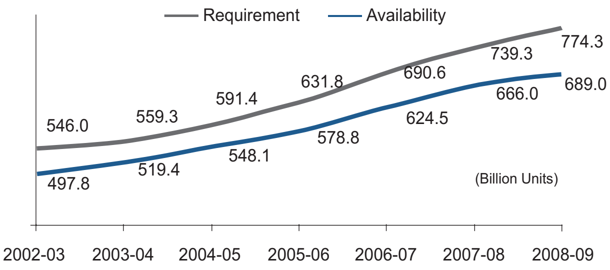
Installed Generating Capacity as March 31, 2009

Sector wise	State	Private	Central
Capacity (MW)	75,975.70	22,878.70	49,111.00
Percentage	51.30%	15.50%	33.20%

Source: Ministry of Power website, accessed on May 09, 2009

Although electricity generation capacity has increased substantially in recent years, the demand for electricity in India is still substantially higher than the available supply. From April 2002 – March 2009, India faced an energy shortage of approximately 9% of total energy requirements and 12.9% of peak demand requirements. (Source: http://powermin.nic.in/ accessed on May 08, 2009).The following table presents data showing the gap between the total requirement for electricity versus the total amount of electricity made available from fiscal 2003 to fiscal 2009.

Electricity Demand Vs Supply



Source: CEA, Planning Wing, Integrated Resource Planning Division, April 2009 published by CEA

Per capita consumption of electricity in India has grown from 567 kwh/year in 2002 to 704 kwh/year in 2008, but in comparison with other leading developed and emerging economies it still lags by a large margin (Source: http://cea.nic.in/ accessed on May 09, 2009). The Ministry of Power is projecting per capita consumption of 932 kwh/year in 2012. According to the UNDP Human Development Report 2007/2008, India's per capita electricity consumption was 618kwh for the year 2004, while the world average was 2,701 kwh per year.

The Planning Commission of India estimates that the power sector would need investments to the tune of US$180 billion during the period from FY'07 to FY'12. The Eleventh Plan's capacity addition schemes are also progressing well. The table showing 11th Plan estimates is given below:

Capacity addition for XI Plan (2007-12) — MW

Fuel Mix	Central Sector	State Sector	Private	Total
Thermal	26,800	24,347	7,497	58,644
Hydro	9,685	3,605	3,263	16,553
Nuclear	3,380	–	–	3,380
Total	39,865	27,952	10,760	78,577

Source: CEA

It is expected that 13,500 MW would be added through non-conventional energy sources, 12,000 MW through captive power plants and 10,000 MW through merchant power plants to the above figures.

The Highways Sector

India has the second-largest road network in the world, aggregating 3.3 million kilometers. Roads carry about 65 per cent of the freight and 80 per cent of the passenger traffic. While national highways/ expressways constitute only about 66,590 kms (2 per cent of all roads), they carry 40 per cent of the road traffic. This signifies the huge potential for highway development in the country.

The number of vehicles has been growing at an average pace of 10.16 per cent per annum over the last five years. For the purpose of management and administration, roads in India are divided into the following categories: (1) National Highways (NH) which are intended to facilitate medium and long distance inter-city/state passenger and freight traffic across the country (2) State Highways (SH) which carry traffic along major centres within the state (3) Major District Roads (MDR) having the secondary function of linkage between main roads and rural roads and (4) Other district roads and village roads which provide accessibility to villages to meet their social needs, as also the means to transport agricultural produce from villages to nearby markets.

Length of Indian Roads

Indian Road Network	Kilometers
Expressways	200
National Highways	66,590
State Highways	131,899
Major District Highways	467,763
Rural and Other Roads	2,650,000
Total Length	approximately 3,300,000

Source: NHAI Website: www.nhai.org accessed on June 16, 2009

The share of road transport in the GDP is over 4.6% in 2007 (as against 3.8% in 2000), accounting for over two-thirds of the total transport contribution to the GDP. Road transport has emerged as a dominant segment in India's transportation sector, growing at an annual average rate of 9.5% during 2000-01 and 2005-06 as against 6.5% growth rate of GDP.

According to the Planning Commission report, the road freight industry will be growing at a compound annual growth rate (CAGR) of 9.9% from 2007-08 to 2007-12. A target of 1,231 billion tonne kilometer (BTK) has been put on road freight volumes for 2011-12. (Source: IBEF website, accessed on May 15, 2009)

The Economic Survey 2006-07 projects an investment requirement of over US$ 50 billion for the modernisation and upgradation of highways during the Eleventh Five Year Plan. Given the stress on national highways, the first and the foremost task mandated to the NHAI is the implementation of NHDP - comprising the Golden Quadrilateral and North-South and East-West Corridors. In addition to the projects under NHDP, the NHAI is also currently responsible for about 1,000 km of highways connecting major ports and some important national highways. The length of highways with the NHAI is currently around 14,162 km. After seeing the initial success of PPP model, Government has taken many new initiatives to encourage private investment in roads. A new model concession agreement directs NHAI to hand over 60 per cent to 80 per cent of the required land area and obtain all environmental clearances as conditions precedent for it before the financial closure of any project.

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

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

It is generally recognized that a well developed network of highways can result in lower vehicle operating costs due to lower fuel consumption and reduced maintenance costs, safer and faster journeys, benefits to trade, especially in the movement of perishables and all-round economic development. Currently, even though India's road network is the world's second largest, it is plagued by several deficiencies. To overcome the shortcomings in the Indian road sector, the sector has received much needed attention and focus since 2000. The ongoing National Highways Development Programme (NHDP) has been restructured and now involves a total of seven phases entailing development and upgradation of approximately 48,000 km of roads. However, so far, Cabinet approval has been received for Phase I, II, III and V, involving development and upgradation of approximately 31,755 km. Phase VI has received an in-principle approval from the Government and Phase IV and VII are yet to be approved by the Government.

The National Highways Authority of India has offered projects on a 'Build, Operate and Transfer' basis ("BOT") to contractors to promote private investments in roads and highways. Under such contracts, the contractor invests in building the road and maintaining it for up to 30 years and then transfers it back to the NHAI at zero cost. A BOT project may be of any of the three types, i.e. Toll-based, Annuity and Grant.

Urban Infrastructure Sector

a) Special Economic Zones

The Government of India recognised the potential of Special Economic Zones (SEZs) way back in 1965 with the setting up of Export Processing Zone (EPZ) in Kandla. The idea was to overcome limitations on account of multiple controls and clearances, inadequate infrastructure and attract foreign investment. It was the first-of-its-kind in Asia at that time. A formal policy on the concept was announced in April 2000.

Subsequently, in February 2006, the SEZ Act, 2005 supported by SEZ rules came into effect. The idea was to instil confidence in investors by signalling the Government's commitment to a stable

SEZ policy regime, thereby attracting investment from foreign as well as domestic sources for development of SEZs and the required infrastructure; which would lead to employment generating economic activities, promoting exports of goods and services.

Exports from the functioning SEZs during the last five years

Year	Value (Rs. in Crore)	Growth Rate (over previous year)
2003-2004	13,854	39%
2004-2005	18,314	32%
2005-2006	22 840	25%
2006-2007	34,615	52%
2007-2008	66,638	92%

(Source: http://www.sezindia.nic.in)

It is estimated that after the enactment of SEZ Act, 2005, investment worth approximately Rs. 69,350 Crore has been made in SEZ units, providing employment to approximately one lakh people. The growth potential of Indian exports makes the SEZ space attractive.

India's quest for higher exports as a share of its GDP would be considerably helped by successful SEZs. SEZs help create high-quality infrastructure in pockets and provide a supportive business environment. They allow the government to experiment with the liberalisation of labour laws. The liberalized regime allows SEZs to attract foreign capital and technology. Meeting the challenging goal of increasing the exports by more than 8 times requires huge investment in SEZs, both domestic as well as FDI. On an average investment of 1 – 1.2 million US$ per acre, we would need additional 6 to 7 lakhs acres of SEZ land. While already about 460 SEZs have been proposed / approved, considering the potential to grow exports we expect the trend in SEZ development to continue in the medium to long term.

b) Property Development

The Indian real estate sector, estimated to be a US $ 45bn market, grew at a scorching pace of 40-45% per annum over FY 05-08. Demand for real estate jumped across segments riding on strong fundamentals led by a booming economy , favourable demographics (increasing affluence and expanding base of young and productive population) as also liberalization on the policy front (relaxed foreign direct investment regulations). In this backdrop, prices of residential, office and commercial properties shot up to dizzy heights (up 100-200%) from the levels prevailing in 2005.

However, over the last 12- 18 months, the impact of the global meltdown is being felt by the industry. The liquidity crisis and lower demand has impacted the project execution plans and debt servicing ability of the developers. The fact that the consumers decided to play 'wait and watch' game impacted the cash flows further. However, with RBI allowing restructuring of loans and capital raised from disinvestment of non-core businesses, the industry seems to have overcome the short term problems. Large industry players have realigned their strategic focus and this shift in strategy is resulting in showing signs of improvement. This is also evident from the encouraging response received for the recent 'affordable housing' projects from the end user segment. All these re-iterate the fact that the slowdown in Indian property sector has more to do with the sentiment in tune with the international scene than with fundamentals. India remains significantly different from other countries of the world as it has a huge latent demand which is being fuelled by continued strong growth, favourable demographics and growing appetite for quality real estate. Sustained economic growth shall continue to drive, growth in commercial activities which would directly fuel the demand for quality commercial and hospitality space and through the multiplier effect sustain demand for quality homes and retail space.

Further the advent of Real Estate investment vehicles like RE mutual funds would help the industry to tap a new source of capital for funding growth – the domestic retail investors, who have shied away from this sector because of the large ticket size and lack of right information and transparency.

Segment-wise Performance and Outlook

Airport Sector

The airport business of the Company consists of Hyderabad airport, Delhi airport and Istanbul airport. Commercial operation commenced for the Hyderabad airport in March 2008. Istanbul Sabiha Gokcen International Airport or ISGIA, a company in which GMR Group have a 40% interest, assumed operation and management of the Istanbul airport in May 2008 pursuant to a contract to operate, manage and develop the Istanbul airport. The Delhi International Airport is already being developed and operated by the company pursuant to an operation, management and development agreement from May 2006.

During financial year 2008-09, the airport sector has crossed defining landmark and is poised to be a leader in the industry. Some of these are:

Hyderabad

- Commissioned on March 23, 2008 on time and within budget
- User development approved by GoI
  - International Rs.1000/PAX, Domestic Rs.375/PAX
- Development of MRO in collaboration with Malaysian Aerospace Engineering
- Operationalised Novotel Hotel at Hyderabad airport with 305 room capacity

Delhi

- Modernization plan on schedule
  - 3rd runway and taxiway operationalised in October 2008
  - Terminal 1D (capacity 10mn PAX) - operationalised on Schedule in April 2009
- Airport Development Fee approved by GoI - raised Rs. 18.27 bn by securitization
- Modernization project fully funded - Rs. 90 bn
- 10% increase in Aeronautical charges approved GoI w.e.f from Feb 2009
- Bids awarded for 21.8 acres to Accor, Hyatt, Lemon Tree & Others at Rs. 73[(1)] crs/acre
- Development risk significantly mitigated at both the airports
- Enhanced flexibility in land usage for 250 acres of commercial property

[(1)] Combination of upfront deposit and lease rentals discounted at 10%

Airport Sector Performance

(Rs. in Crore)

Particulars	2009 (1)	2008	Growth
Net Revenue	1206.24	473.42	154.79%
EBITDA	227.82	34	570.06%
PAT	-166.71	-2.96	
Revenue mix			
Aero % of total revenue	34.95%	36.92%	
Non Aero % of total revenue	65.05%	63.08%	
Passenger traffic (in mn)	33.32	30.96	7.62%
passenger traffic mix			
Domestic passenger (in mn)	22.50	22.32	0.79%
International passenger (in mn)	10.82	8.63	25.29%

(1) New asset ISGIA included in FY2009

Note: Revenue includes 40% of revenues of ISGIA, while the passenger data is for 100% of ISGIA

The Hyderabad Airport Project

GMR Hyderabad International Airport Limited or GHIAL, is a 63% owned subsidiary of GMR Infrastructure Ltd. GHIAL was awarded the concession by the Ministry of Civil Aviation on December 20, 2004 to develop, operate and maintain an international airport in Hyderabad. The Hyderabad airport project developed as a public-private partnership. The other shareholders of GHIAL are Malaysia Airports Holdings Berhad (through MAHB (Mauritius) Private Limited (11%), the Airports Authority of India (13%) and the Government of Andhra Pradesh (13%).

The site for the Hyderabad airport is located at Shamshabad in Hyderabad, in the state of Andhra Pradesh, which is approximately 25 kilometers from Hyderabad's city centre. The roads connecting the airport to the city center of Hyderabad have been widened. A new elevated expressway is being built over approximately 11.5 kilometers of the route would substantially reduce travel time to the airport and is expected to be completed by the end of 2009. Hyderabad is connected to most of the Indian cities with less than two hours flights and to most of the cities in the Middle East Asia and South East Asia with less than four hours' flights.

The Hyderabad airport is being developed in four phases, following which the company expect the airport to have two runways and capacity for over 40 million passengers. The first phase, which was completed in March 2008, includes a 117,000 square meter terminal area with peak hour capacity of 3,200 passengers, a baggage handling system with 4 level inline baggage security system, four inclined baggage carousels, 46 immigration counters, 142 check-in counters with common user terminal equipment (CUTE) including 16 check-in counters with automatic self-check-in kiosks (CUSS), a variety of international and domestic food and beverage and retail concessions and office space. The first phase also included a single 4,260 meter runway, one of the longest airport runways in India, capable of handling wide-bodied aircraft such as the Airbus A-380 and a separate cargo building. The first phase of the Hyderabad airport is capable of handling up to 12 million passengers per year and 100,000 metric tonnes of cargo per year.

The impact of global economic downturn has however impacted the performance of the Airport, in terms of significant drop in domestic passenger traffic and decline in the domestic cargo operations. The air traffic movements (ATM) during the FY 2008-09 have reduced by about 1.4% as compared to the previous year, in spite of the increase in the international ATMs by about 10.1%.

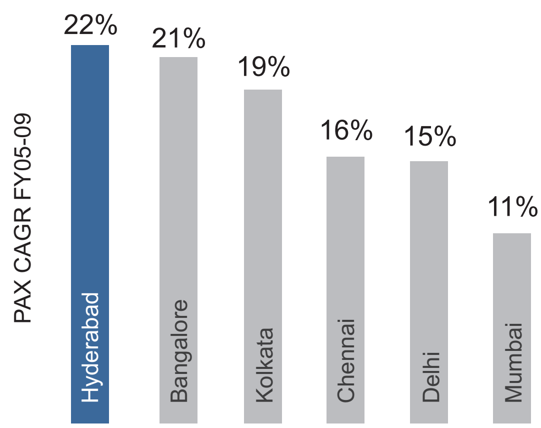
Similarly, the passenger traffic movements during the year have reduced by 11% as compared to the previous year. While the international passenger traffic increased by 8.6%, the domestic passenger traffic reduced by about 16.1%.

During the FY 2008-09, Cargo terminal at the GHIAL has handled an aggregate of 51,178 metric tonnes of cargo, both domestic and international. Though the domestic cargo has reduced by about 11.8%, the increase in international cargo by more than 38% has led to an overall increase in cargo handling by about 11.9%.

To cope with the adverse impact of economic slowdown and to improve revenues, the company has taken up the following initiatives:

- Filed letters with MoCA requesting for increase in the Landing and Parking fees by 38% as per the Concession Agreement and also levy Landing Charges for ATR type aircraft
- Requested MoCA to increase Domestic UDF to Rs 450/- and International UDF to USD 35
- Negotiating with international airlines like China Eastern, Delta Airlines, Turkish Airlines etc., for commencement of new routes and negotiating with NACIL, Jet Airways and Kingfisher Airlines to create a hub in Hyderabad.
- Considering other non-aero avenues to increase revenues.

Fastest Growing airport in India (FY 05-09)



Source: Airports Authority of India (AAI)

The Delhi Airport Project

Delhi International Airport Private Ltd or DIAL is 54%-owned subsidiary of GMR Infrastructure Ltd. DIAL was awarded the concession by the AAI to operate, maintain, develop, design, construct, upgrade, modernize, finance and manage an international airport in Delhi or the Delhi airport project. It entered into an operation, management and development agreement with the AAI or the OMDA, in April 2006. The Delhi airport project is being developed as a public-private partnership. The other shareholders of DIAL are Fraport AG Frankfurt Airport Services Worldwide or Fraport (10%), Malaysia Airports (Mauritius) Private Limited or MAMPL (10%) and Airports Authority of India or AAI

(26%). In May 2009 GIL signed a memorandum of understanding with IDF pursuant to which GIL agreed to acquire IDF's 3.9% equity interest in DIAL in exchange for a 0.71% equity interest in GIL. The transaction was concluded in June 2009 and the company's equity interest in DIAL increased to 54%.

The master plan for the Delhi airport consists of four phases, the first of which comprises two development sub-phases. The first sub-phase consisted of (i) upgrading the international terminal, (ii) building a new "Code F" compliant runway and associated taxiways designed to fit new generation aircraft like the Airbus A380 and other wide-bodied aircraft, (iii) expanding the domestic arrival terminal and (iv) building a new domestic departure terminal, each of which has commenced commercial operation.

The second sub-phase, which is expected to be completed in March 2010, involves construction of a new integrated passenger terminal-T3 with over 75 aerobridges capable of handling new generation aircraft such as the Airbus A380, new aprons, upgrading the cargo terminal and enhancing ground access, including a new high speed Metro Link and a multi-level parking structure. After the development of the second sub-phase the capacity of the airport will increase to 60 million passengers per year.

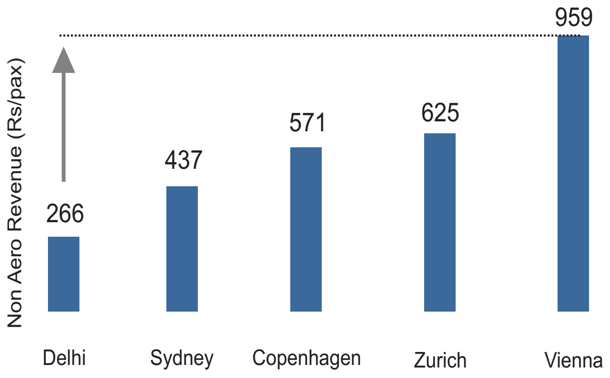
The operational support period which started from May 2006 during which period a strong team of about 2000 employees of AAI has provided support has come to an end on May 2, 2009.

During 2008-09 DIAL had taken over all the critical jobs in phased manner by having its own team in place, as a result of which the transition has been seamless. Consequently during 2009-10 there would a significant reduction in the cost when compared with 2008-09.

DIAL has awarded a contract for outsourcing of handling of existing Cargo Operations which were hitherto being done by DIAL. Additionally DIAL has also awarded contract for setting up and operation of new cargo terminal.

All the major commercial contracts like Duty Free shop, Foods and Beverages other retail businesses for the new integrated terminal have been finalized/are in the advance stage of finalization. All efforts are also being made to exploit high potential of non aero revenue that exist in Delhi as can be seen from the below;

High potential in non aero revenue



Note: Non-aero revenues/PAX for CY2008

Delhi – Non-aero revenues for 12months ended Jan- Dec 08

Source: Company data, Annual reports

Economic downturn has impacted the performance of the Airport in terms of decrease in domestic passenger traffic. During the FY 2008-09, the total domestic air traffic movements (ATM) were flat, while international ATMs have grown by 8.26%. The total passenger traffic (International and domestic) declined by 4.71% to 22.84 million in FY 2008-09 as against 23.97 million in FY 2007-08, preliminary due to decrease in domestic passenger traffic. However, International passenger traffic increased by 5.28% to 7.76 million from 7.34 million during the year.

DIAL has achieved an important milestone by awarding development rights of seven (7) Land Parcels in the Hospitality District of Airport to leading internationally reputed hotel developers/operators. This covers 21.8 acres out of total 45 acres planned for development in the first phase. For remaining 6 land parcels, the bidding process is being initiated. With leading indicators in country's economy, signalling revival in second half of the fiscal year and also enhanced flexibility of land use, better response is expected for the remaining 6 land parcels.

The Istanbul Airport Project

GMR group has 40% equity stake in Istanbul Sabiha Gokcen International airport (ISGIA). GMR has assumed operation and management of the Istanbul airport in May 2008 pursuant to a contract to operate, manage and develop the Istanbul Sabiha Gokcen International Airport in Istanbul, Turkey, for a period of 20 years. The project involves constructing a new international terminal and its related complimentary facilities, as well as managing two existing terminals. The other shareholders of ISGIA are Limak Insaat San. ve Tic. A.S. Turkey (40%), and Malaysia Airports Holdings Berhad (20%).

The new terminal is scheduled to be completed by November 2010 as stipulated in the implementation agreement. As per the current construction progress the terminal would be completed by October 2009. The Istanbul airport is one of two existing airports in Istanbul.

Outlook for FY 2009-10 & future plan: Aviation lies at the heart of a modern and growing India. It facilitates country's integration into the global economy, providing direct benefits for users and wider economic benefits through its positive impact on productivity and economic performance.

Expectedly, the recent global economic events did have a negative impact on the sector. However, the long term prospects for the sector remain good, given the facts, that Australia with a population of 1/50th of India has an aviation market which is 25% larger than India. China's domestic market is 4 times the Indian market. Inbound visitors for entire India during 2008 was 5.4 million are less than the visitors of city states of Dubai & Singapore. In the immediate near term, Indian aviation faces a number of challenges. Inter-alia, the challenges include falling passenger and cargo traffic, increasing oil prices and expected huge losses of local airlines. Also, metro airports are likely to face increased competition from non metro airports consequent to the increased access to foreign airlines. The trend of domestic corporate travel shifting to low cost airlines is expected to continue further. International low cost carriers (LCCs) are expected to start operations in the international sector. As a result, it is expected that the market share of LCCs is likely to increase further.

The expected operations of AERA (Airports Economic Regulatory Authority of India) the regulator for fixing the aeronautical charges, during FY10 would help in articulating the economic regulatory framework that provides clarity and certainty to investors on the potential of airport operations. This hopefully would increase the attractiveness and facilitate the development of aviation infrastructure in the country. We look forward to an early appointment of the authority and would strive to work closely with the authority for a healthy growth of the aviation sector.

GMR is working with the different stakeholders on various fronts to effectively address the various challenges. It is in the process of diversifying the revenue streams and mix including theme based development at Aerotropolis in Hyderabad and Aerocity in Delhi for increasing passenger traffic. We would strive to work closely with airlines to ensure stability and growth of traffic in a challenging business environment. Close attention is being given to ensure timely completion of the integrated terminal at Delhi. The volume and quality of non-aero income is being enhanced by bringing in world leaders in various revenue segments.

We would strive to enhance this rating and at Delhi, with commissioning of the new integrated terminal, also endeavour to bring Delhi airport rating in this band.

Energy Sector

The group has three operational power plants, namely the 220 MW gross-capacity naphtha-fired combined cycle Mangalore power plant in Mangalore in the state of Karnataka, the 200 MW contracted capacity LSHS-fired Chennai power plant in Chennai in the state of Tamil Nadu and the 388.5 MW gross-capacity gas-fired combined cycle Vemagiri power plant in Vemagiri in the state of Andhra Pradesh. There are plans to relocate the Mangalore power plant to the east coast near Kakinada in the state of Andhra Pradesh and to convert the plant into a gas fired plant, both of which is expected to be completed in 2010. Expansion of Vemagiri power plant is planned increasing the installed capacity by an additional 750 MW of capacity. Two coal based power projects are in the developmental stage. They are:

a. 1,050 MW coal-fired Kamalanga power plant in the Kamalanga, Dhenkanal district in the state of Orissa; and

b. 1,200 MW coal-fired Chhattisgarh power project in the state of Chhattisgarh.

The Company is also developing five hydroelectric power projects, namely the 300 MW Alaknanda power project on the Alaknanda River in the state of Uttarakhand, the 160 MW Talong power project in the East Kameng district in the state of Arunachal Pradesh, the 180 MW Bajoli Holi power plant in the Chamba district in the state of Himachal Pradesh, the 250 MW Upper Marsyangdi power project in Nepal and the 300 MW Upper Karnali power project in Nepal.

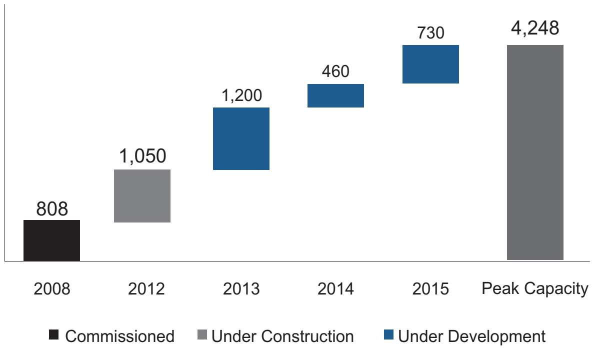
Diversified Fuel Mix Power Portfolio

	Mangalore ■	Chennai ■	Vemagiri ■	Kamalanga ■	Chhattisgarh ■	Talong Hydro Power Plant ■	Alaknanda ■	Bajoli Holi ■	Upper Karnali ■	Upper Marsyangdi ■
Location	Karnataka	Tamil Nadu	Andhra Pradesh	Orissa	Chhattisgarh	Arunachal Pradesh	Uttaranchal	Himachal Pradesh	Nepal	Nepal
Capacity (MW)	220	200	388.5	1,050	1,200	160	300	180	300	250
Fuel	Naphtha being converted to Gas	LSHS	Natural Gas	Coal	Coal	Hydro	Hydro	Hydro	Hydro	Hydro
Type of Project	BOO	BOOT	BOO	BOO	BOO	Run of River on BOOT basis for a concession period of 40 years from CoD	Run of River on BOOT basis for 45 years from implementation Agreement	Run of River on BOOT basis for a concession period of 40 years from CoD	Run of River on BOOT basis for a concession period of 30 years from Generation License	Run of River on BOOT basis for a concession period of 30 years from Generation License
CoD/Expected CoD	2001	1999	2006	2012	2013	2014	2014	2015	2015	2015
Estimated PLF	85.0%	55.0%	90.0%	90.0%	90.0%	40.8%	45.6%	44.0%	59.6%	80.2% (1)
Estimated/Actual Debt to Equity Ratio	80:20	75:25	70:30	75:25	75:25	80:20	80:20	80:20	80:20	80:20

■ Commissioned ■ Under Construction ■ Under Development

(1) Capacity expected to be doubled hence higher PLF considered on lower capacity

Project Pipeline (Gross Capacity in MW)



Our Coal Assets

Indonesian Coal Assets

In September 2008, GMR acquired a 100% equity interest in PT Barasentosa Lestari, an Indonesian company that has rights to develop two coal blocks located in the South Sumatra Province of Indonesia over a period of 30 years. It is expected that production of coal from these coal blocks will commence in 2011. The reserve (As per JORC - Australian standards) is estimated to support a mine life of 25 years. Further a major part of the property is yet to be explored

Homeland Energy Group

The Company, along with our associates owns a 33.34% equity interest in Homeland Energy Group Limited or Homeland, a Toronto-listed company that owns one producing coal mine and two coal mines under development, in each case, in South Africa, and interests in uranium exploration concessions located in the Republic of Niger. In 2007 and 2008 GMR Group acquired a 10% interest in Homeland Mining and Energy SA (Pty) Limited, or HMESA, a subsidiary of Homeland, for an aggregate purchase price of US$30 million. In February 2009 this was exchanged for 33.34% equity interest in Homeland.

The strategic interest of the Company to ensure fuel security for its coal-based power plants and future expansions get a major boost from the acquisition of the coal assets.

International Acquisition

InterGen N.V.

In Oct, 2008, an overseas subsidiary of GMR Holding Pvt. Ltd, GMR Infrastructure (Malta) Ltd. (GIML), acquired a 50% equity interest in InterGen N.V, a power generation company based in Netherland, having operations in five countries across four continents. The Company through its overseas subsidiary holds a 5% equity stake in GIML, thereby indirectly holding equity stake of 2.5% in InterGen. The Company has also subscribed to Compulsorily Convertible Debentures (CCD's) in GMR Holding (Malta) Ltd. (GHML) for Rs. 845.06 Crore to partly finance the acquisition of InterGen. The CCD's are convertible into equity at any time at the option of the Company prior to Feb, 2012.

Island Power

GMR Group has acquired 100% ownership in Island Power Project, a Singapore based power utility currently developing an 800 MW Combined- cycle power facility in Jurong Island, Singapore.

Power Sector Performance

(Rs. in Crore)

Particulars	2009	2008	Growth
Net Revenue	2,138.71	1,541.20	38.77%
EBITDA	534.09	349.38	52.87%
PAT	272.96	32.43	741.57%
EBITDA Margin	24.97%	22.67%	
PAT Margin	12.76%	2.10%	

During the FY 2008-09 VPGL plant was operated only for five months on the diverted gas. During the rest of the period, the plant did not operate due to non availability of gas. Further, during April 2009, the company has entered into gas supply agreement with Reliance Industries Ltd (RIL) and since then plant is continuously operating at plant load factor (PLF) of more than 90% on the gas supplied by RIL.

During the year, Karnataka Government invoked Section 11 of the Central Electricity Act, 2003 and directed GMR energy vide Government Order to supply the entire power to Karnataka grid at specified rate, for the period starting 1st January, 2009 to 31st May, 2009. GMR Energy Limited had challenged this Government Order in Honb'le High Court of Karnataka. However as a prudent practice, revenue for the period 1.2.2009 to 31.3.2009 has been recognized at the rate specified in the Government Order.

Some of the key highlights in the energy sector during financial year 2008-09 are:

- GMR Kamalanga Energy Ltd has achieved Financial Closure for the 1050 MW plant set up in Dhenkanal District in state of Orissa. The Debt Component of Rs 3405 Crore has been tied up with 13 banks.
- Vemagiri Power Generation Limited (VPGL) has resumed operation in December 2008
- GMR Power Corporation Limited has achieved best ever operating performance in terms of plant load factor (80.31%) and heat rate (1,856 Kcal/ kWh).
- GMR Group has acquired 33.34% of Homeland Energy Group Ltd, a company that owns one producing coal mine and two Greenfield coal assets located in South Africa.
- GMR Group acquired 100% PT Barasentosa Lastari, a company that holds exclusive rights to two coal blocks located in South Sumatra Province of Indonesia.

Outlook for FY 2009-10 & future plan: Indian Power Sector will witness significant additional capacity requirements in next few years and it is expected that the demand – supply gap will catalyze the growth in this sector. Transformational policy changes and attractive fundamentals represent compelling industry dynamics and will propel future expansion of this sector.

GMR with its proven track record of developing and operating large Infrastructure projects is well positioned to leverage this opportunity. Scalable business model has been adopted which will guide further expansion of the company in this sector. Company is planning to have a project portfolio with projects either operating or in construction phase or under development having achieved financial closure. Strategy has been laid out to leverage existing expertise so as to achieve this target.

Following are certain snapshots of company's plans for FY 2009-10:

- Maximize value from existing assets through exploring merchant opportunities.
- Focus on execution of projects under development.
- Add further power assets diversified across fuel types in India.
- Bid aggressively for UMPP and other projects coming up for bidding across the country.
- Actively look at acquisition of power plants in India with coal linkages.
- Pursue acquisition of coal mines in Indonesia and elsewhere.
- Diversification into allied power infrastructure businesses like Transmission and Distribution.

Highways Sector

The company currently generates revenues under our road business through the Tuni-Anakapalli, Tambaram-Tindivanam, Ambala-Chandigarh, Adloor Yellareddy-Kalkallu and Thondapalli-Jadcherla road projects. The company commenced this business in October 2004, when the Tambaram-Tindivanam road project entered into commercial operation. In fiscal 2009, 2008 and 2007, we generated sales and operating income of Rs. 151.9 Crore, Rs. 139.7 Crore and Rs. 143.2 Crore, respectively, from this business.

Annuity Road Projects

- GMR Tuni-Anakapalli, a 59 kilometer stretch road project on the Chennai-Kolkata (NH5) expressway which commenced commercial operation in December 2004.
- GMR Tambaram-Tindivanam, a 93 kilometer stretch road project on the Chennai-Dindigul (NH45) expressway which commenced commercial operation in October 2004.
- GMR Pochanpalli, a 86 kilometer stretch annuity road project between Adloor-Yellareddy and Kalkallu and an additional 17 kilometer stretch on the Hyderabad-Nagpur (NH7) highway, which commenced commercial operation in March 2009.

Toll Road Projects

- GMR Ambala-Chandigarh, a 35 kilometer stretch between Ambala and Chandigarh on the New Delhi-Chandigarh (NH21/NH22) highway which commenced commercial operation in November 2008.
- GMR Jadcherla, a 58 kilometer stretch between Thondapalli and Jadcherla and on the Hyderabad-Bangalore (NH7) highway which commenced commercial operations in February 2009.
- GMR Ulundurpet, a 73 kilometer stretch between Tindivanam and Ulundurpet on the Chennai-Dindigul (NH-45) highway. The company expects the project to achieve commercial operation in Q2 FY 2010.

Road Sector Performance

(Rs. in Crore)

Particulars	2009	2008	Growth
Net Revenue	151.90	139.70	8.73%
EBITDA	125.68	113.42	10.81%
PAT	26.69	37.18	-28.21%
Revenue Mix			
Annuity % of total revenue	93.08%	100.00%	
Toll % of total revenue	6.93%	–	

During the year, two of the Group's toll road projects became operational. Decline in traffic has been witnessed as compared to our projections due to economic downturn. However, in one of the project, the decline is as much as 50% - 60% which is due to diversion of traffic to non – tollable competing roads.

There has been cost overrun amounting to Rs. 242 Crore in our four road projects (total length 268 kms) due to the following reasons:

1. Increase in prices of major materials and additional works undertaken during the construction of these projects.
2. Land Acquisition problems and unprecedented rains due to which there has been time overrun and consequently soft costs overrun including interest.

Hyderabad-Vijayawada Road Project: In May 2009, a consortium led by GMR Group was awarded a 25-year concession to develop the 181.6 kms stretch toll road between Hyderabad and Vijayawada on NH-9. The project involves widening of two-lane road to four lanes and subsequent widening to six-lanes. The company expects to achieve commercial operation of this project in 2012.

Chennai Outer Ring Road Project: In June 2009, a consortium led by GMR Group has emerged as the lowest bidder in an international competitive bid for the Chennai Outer Ring Road project in Tamilnadu. The Chennai Outer Ring Road measuring 29.65 km is the Group's first state highway project. It entails design, construction, development, finance, operation and maintenance of the six lane and two service lanes from the Vandalur to Nemilicheri section in the state of Tamilnadu. The total cost of the project is estimated to be around Rs. 1,100 Crore. The concession period is for 20 years which includes a construction time of 30 months.

Outlook for FY 2009-10 & future plan: The Company believes that relatively low gestation period of road projects are attractive as a means of balancing the longer gestation periods of our airports and power projects under development. Our current focus for highway projects is on projects of longer stretch and higher traffic potential. The company is at various stages of the bidding process for new toll and annuity road projects for NHAI and various states. The Company has submitted qualification documents to NHAI for various projects in the state of Karnataka, Tamilnadu, Gujarat, Rajasthan, Uttaranchal, Maharashtra and Andhra Pradesh. We will continue to evaluate various road projects and submit qualification and bid documents as appropriate.

Road development is recognized as essential to sustain India's economic growth. Road development is a priority sector and the ongoing focus on the highway infrastructure development is targeted to projected annual growth of 12-15% for passenger traffic and 15-18% for cargo traffic. The Company will actively participate in both National Highways Development Programme and selected state road projects. Our endeavour is to maintain sustainable and robust portfolio which offers significant value to all stakeholders.

Urban Infrastructure

The company is developing a 250-acre Aviation SEZ at the Hyderabad airport and plan to develop a 3,300-acre SEZ at Krishnagiri in Tamil Nadu, with respect to which the company have commenced the land acquisition process and a 250-acre multiproduct SEZ at the Hyderabad airport. The company owns the Novotel Hyderabad Airport Hotel. The company is also developing an aircraft maintenance, repair and overhaul facility and aircraft engine mechanical training centre, both of which are expected to be located at the Aviation SEZ at the Hyderabad airport. 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, we have initiated the development of Hospitality District –plot area a 6.12 mn sft, 45 acre development. Approximately 21.8 acres have already been taken up by reputed hospitality developers who plan to bring leading international & national hotel brands to this location. The company further plans to develop approximately 1,000 acres of commercial land at the Hyderabad airport

The company plan to develop each of the Hyderabad and Delhi airports and surrounding land as an airport city or "Aerotropolis", with a mix of aeronautical and non-aeronautical developments. The Delhi airport is expected to have its own business district in Delhi Aerocity which would include hospitality and commercial developments.

The company believes that "Aerotropolis" strategy may benefit our relatively new urban infrastructure business by providing large areas for diversified property development in strategically important locations, while potentially boosting our airports business through increased air traffic at the Delhi and Hyderabad airports. This will be further aided by India and China emerging as two growth engines for South-East Asian countries thereby deriving both business travel into India and consequent commercial development opportunities

Outlook for FY 2009-10 & future plans:

a) Special Economic Zones: Despite the current economic downturn, new SEZ projects are being announced and approved around the country. The increased emphasis in value maximization is leading to a new wave of off-shoring of manufacture and services to India by global corporates seeking cost economies and Indian skilled workforce. This would augur well for SEZ sector and the company would look to leverage the same for its first phase of Krishnagiri SEZ, likely to commence during the year 2009-10. The Aviation SEZ at Hyderabad is also expected to attract increased interest across MRO, manufacture and R&D activities additionally, on account of the off-set obligations of the defence and aerospace purchases of India.

b) Property Development: Indian real estate sector is likely to emerge out of this crisis stronger and wiser. As already evident, it is expected that industry players would focus on core areas for driving growth in the next few years. Also, real estate being a cyclical industry, the current phase is the ideal phase for investments and developments. It not only allows the developer to take advantage of lower resource and material costs, but also ensures that the capacity created now enables it to ride on the growth when the industry turns around.

Buoyed by the response from developers and investor for space in Hospitality District, we are planning to bring the remaining 23 acres of the Hospitality District for bidding in FY 09-10. Additionally, this year will see us initiate launch other commercial development projects which would include premium office and terminal hotels in land parcels close to the new Integrated Terminal & the existing domestic terminal.

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial condition and performance of the Company and its subsidiaries as per Indian GAAP are discussed hereunder:

Share Capital Rs. 364.13 Crore (2008: Rs. 364.13 Crore)

Particulars	March 31,2009		March 31,2008	
	No. of Equity Shares	Rs. in Crore	No. of Equity Shares	Rs. in Crore
Share Capital – beginning of the Year of Rs. 2 each (2008: Rs.10)	1,820,658,088	364.13	331,084,000	331.07
Add: Increase in number of Shares due to sub division of Equity Shares of Rs. 10 each in 5 Equity Shares of Rs. 2 each	–	–	1,324,336,000	–
Add: Shares issued through QIP	–	–	165,238,088	33.06
Less: Calls unpaid 2,750 shares (2008: 11,625 shares)	–	–	–	–
Share Capital – end of the Year	1,820,658,088	364.13	1,820,658,088	364.13

In October 2007, the shares of the company were sub divided from Rs. 10/- each into 5 Equity Shares of Rs. 2/- each. During the year company has not raised any fresh capital.

Reserves and Surplus Rs. 6,107.00 Crore (2008: Rs. 5,753.07 Crore)

A summary of reserves and surplus is provided in the table below:

Rs. in Crore

Particulars	March 31, 2009	March 31, 2008
Capital Reserve on Consolidation	70.47	70.45
Capital Reserve on Acquisition	3.41	–
Capital Reserve (Govt. Grant)	67.41	67.41
Securities Premium	5,070.80	5,070.82
Debenture Redemption Reserve	26.91	20.00
Foreign Currency Translation Reserve	89.64	0.18
Profit and Loss Account	778.36	524.21
Total	6,107.00	5,753.07

a. Capital Reserve on Consolidation Rs. 70.47 Crore (2008: Rs. 70.45 Crore)

Rs. in Crore

Particulars	March 31, 2009	March 31, 2008
Balance - Beginning of the year	70.45	58.28
Additions for the year	0.02	12.17
Total	70.47	70.45

The above Capital Reserve in the consolidated financial statements represents the difference between the book value and cost of investments acquired in subsidiaries. The addition during the year is on account of acquisition of controlling interest in GMR Highways Private Limited

b. Securities Premium Rs. 5,070.80 Crore (2008: Rs. 5,070.82 Crore)

Rs.In Crore

Particulars	March 31, 2009	March 31, 2008
Balance - Beginning of the year	5,070.82	1,201.78
Add: Received through fresh issue of equity shares / calls	-	3,932.67
Less: Utilised towards share issue expenses	0.03	63.68
Add : Amount Received against Calls Unpaid	0.01	0.05
Total	5,070.80	5,070.82

During the year the company has recovered an amount of Rs. 0.01 Crore towards arrears and an amount of Rs. 0.03 Crore was debited to the Securities Premium account, expenses of shares issued during earlier years.

c. Debenture Redemption Reserve Rs. 26.91 Crore (2008: Rs. 20.00 Crore)

Rs. in Crore

Particulars	March 31, 2009	March 31, 2008
Balance - Beginning of the year	20.00	25.14
Less: Transfer to Profit and Loss Account	(3.75)	(5.14)
Add: Transfer from Profit and Loss Account	10.66	
Total	26.91	20.00

During the year, the Company redeemed debentures to the tune of Rs. 15.00 Crore held by Axis Bank and accordingly Rs. 3.75 Crore was transferred to Profit and Loss Account. During the year, one of the subsidiaries has issued Debentures for an amount of Rs.425.00 Crore which has resulted in transfer of Rs. 10.66 Crore from Profit and Loss Account.

d. Profit and Loss Account Rs. 778.36 Crore (2008: Rs. 524.21 Crore)

Consolidated PAT for the year is Rs. 279.45 Crore, out of which an amount of Rs. 0.20 Crore was provided towards dividend distribution tax for the dividend declared by Hyderabad Menzies Air Cargo Private Limited, a subsidiary of the Company, and an amount of Rs. 6.91 Crore (Net) was transferred to the Debenture Redemption Reserve account. Further, an amount of Rs. 18.19 Crore was deducted from P&L a/c towards Foreign Exchange Fluctuations on long term monetary liabilities, upon opting to adjust such exchange differences against the original cost of the depreciable fixed assets as permitted vide amendment to the Accounting Standard 11 as per the Companies Accounting Standards (Amendment) Rules 2009. This relates to acquisition of depreciable fixed assets, which was credited to P&L account during 2007-08, A balance of Rs. 778.36 Crore is retained in the Profit and Loss Account as at March 31, 2009.

e. Shareholders' funds and Minority Interest

The total shareholder funds (excluding minority interest) increased to Rs. 6,471.13 Crore as at March 31, 2009 from Rs. 6,117.20 Crore as at March 31, 2008.

The minority interest in the subsidiaries increased to Rs. 1,806.11 Crore as at March 31, 2009 from Rs. 1,112.60 Crore as at March 31, 2008 as a result of additional equity contributed by the minority shareholders in various subsidiaries, mainly on account of Rs. 599 Crore in Delhi International Airport Pvt Limited, Rs. 70 Crore in GMR Kamalanga Energy Limited and Rs. 30 Crore in GMR Hyderabad International Airport Limited partly offset by the net loss of Rs. 2.34 Crore attributed to minority.

Loan Funds

a. Secured Loans Rs. 10,660.18 Crore (2008: Rs. 6,843.83 Crore)

Rs. in Crore

Particulars	March 31, 2009	March 31, 2008
Balance - beginning of the year	6,843.83	3,021.96
Add: Borrowed during the year	4,550.70	4,392.98
Less: Repaid during year	734.35	571.11
Balance - end of the year	10,660.18	6,843.83

An amount of Rs. 734.35 Crore were repaid in line with sanction terms of the said loans during the current financial year.

b. Unsecured Loans: Rs.1,363.61 Crore (2008: Rs.1,133.10 Crore)

Unsecured loans as at March 31, 2009 include Rs. 315.05 Crore (2008: Rs. 315.05 Crore) long term interest free unsecured loan from Government of Andhra Pradesh to GMR Hyderabad International Airport Limited. Other unsecured loans mainly from banks have gone up by Rs. 230.51 Crore to Rs. 1,048.56 Crore from Rs. 818.05 Crore due to borrowings made to meet the temporary mismatches in cash flows.

Deferred Tax Liability (Net): Rs.19.15 Crore (2008: Rs. 42.50 Crore)

The Company has a deferred tax liability (Net of deferred tax assets) of Rs. 19.15 Crore as at March 31, 2009 as compared to Rs. 42.50 Crore as at March 31, 2008. The decrease is mainly, on account of Deferred Tax Asset recognized by Delhi International Airport Private Limited and Sabiha Gokcen International Airport.

Fixed Assets

A statement of movement in fixed assets is given below:

Rs. in Crore

Particulars	March 31, 2009	March 31, 2008	Growth (%)
Tangible Assets			
Land	106.82	14.09	658.13
Runways & Others	1,502.31	534.89	180.86
Buildings	1,830.80	1,089.89	67.98
Plant & Machinery	3,621.31	3,115.97	16.22
Office Equipment	482.71	368.90	30.85
Capitalized Software	10.13	4.27	137.24
Leasehold Improvements	104.42	101.26	3.12
Furniture & Fixtures	158.01	48.73	224.26
Vehicles	313.58	151.89	106.45
Intangible Assets			
Goodwill on Consolidation	584.64	388.52	50.48
Carriage Ways	2,509.09	672.41	273.15
Airport concessionaire Rights	200.93	195.51	2.77
Assets taken on Lease			
Office Equipment	5.39	5.39	–
Plant and Machinery	2.46	–	–
Gross Block	11,432.60	6,691.72	70.85
Less: Accumulated Depreciation	1,780.97	1,421.81	25.26
Net Block	9,651.63	5,269.91	83.15
Add: Capital Work in Progress (including Capital Advances)	5,463.88	3,679.57	48.49
Net Fixed Assets	15,115.51	8,949.48	68.90
Depreciation / Amortization as % of Gross Revenues	8.71	6.62	
Depreciation / Amortization as % of Gross Block *	3.44	2.67	
Accumulated Depreciation As % of Gross Block *	15.72	21.29	

* Excluding Land

Excluding the increase in Goodwill on consolidation of Rs. 196.12 Crore (arising mainly on account of acquisition of Coal mines in Indonesia), Gross Block of the Fixed Assets has gone up by Rs. 4,544.76 Crore from Rs.6,303.20 Crore to Rs. 10,847.96 Crore. These additions are arising mainly from the capitalizations at two Airport Projects viz., Delhi International Airport Private Limited (Rs. 1,891.46 Crore), GMR Hyderabad International Airport Limited (Rs.499.28 Crore) and three road projects viz., GMR Ambala Chandigarh Expressways Private Limited (Rs.613.84 Crore), GMR Pochanpalli Expressways Private Limited (Rs.703.84 Crore) and GMR Jadcherla Expressways Private Limited (Rs.520.55 Crore).

Expenditure during construction period, pending allocation (Net): Rs.1,327.05 Crore (2008: Rs. 843.17 Crore)

Expenditure during construction period, pending allocation (net) of Rs. 1,327.05 Crore as at March 31, 2009 compared to Rs. 843.17 Crore as at March 31, 2008 represents the expenditure incurred during construction period on projects under implementation / development. The increase was mainly on account of GMR Ulundurpet Expressways Private Limited and Delhi International Airport Private Limited. During the year Rs. 759.28 Crore was apportioned over the cost of fixed assets while capitalizing the assets of the Subsidiaries as shown under Fixed Assets movement. Further Rs. 15.16 Crore was charged off during the year, as the same is not eligible for capitalization as per the Guidance Note issued by the Institute of Chartered Accountants of India.

Investments: Rs. 1,310.89 Crore (2008: Rs. 4,899.59 Crore)

Rs. in Crore

Particulars	March 31, 2009	March 31, 2008
Long Term Investments	995.84	14.41
Current Investments		
Mutual Funds	204.95	4,828.93
Government Securities / Certificate of Deposits	87.33	41.46
Equity Shares (Net of Provision)	22.77	14.79
Total	1,310.89	4,899.59

The Company and its subsidiaries invest the temporary surpluses in various mutual funds. A few subsidiaries invest in equity shares quoted in the stock exchanges subject to the risk exposure norms, which are included in Current Investments. During the year there was a shift from mutual funds to Bank Fixed Deposits as reflected in increase in ‘Cash and Bank Balances’. Further, one of the subsidiaries has invested in Debentures of GMR Holding Malta, a fellow subsidiary company, amounting to Rs.845.06 Crore.

Current Assets, Loans and Advances

a. Inventories: Rs.131.88 Crore (2008: Rs.38.03 Crore)

The Company had inventories of Rs. 131.88 Crore as at March 31, 2009 compared to Rs. 38.03 Crore as at March 31, 2008. The inventory primarily constitutes fuel stocks, stores and spares of energy & airport subsidiaries. The rise in inventory is on account of new businesses entered into during the current year such as Construction JV in Turkey, Sabiha Gokcen International Airport (SGIA) etc.

b. Sundry Debtors: Rs. 660.91 Crore (2008: Rs. 430.57 Crore)

Sundry Debtors as at March 31, 2009 aggregated Rs. 660.91 Crore compared to Rs. 430.57 Crore as at March 31, 2008. Out of the increase of Rs. 230.34 Crore, an amount of Rs. 161 Crore is on account of new businesses entered / companies commenced operations into during the current year such as GHIAL, SGIA, Construction JV in Turkey etc and an amount of Rs. 69 Crore increase in receivables out of energy sales to the state electricity boards and distribution companies.

c. Cash and Bank Balances: Rs.2,466.52 Crore (2008: Rs. 894.49 Crore)

As at March 31, 2009, the Company had cash and bank balances of Rs. 2,466.52 Crore as compared to Rs. 894.49 Crore as at March 31, 2008.

Out of the above Cash & Bank Balances, an amount of Rs. 514.18 Crore in on account of project companies which represents temporary surplus, pending utilization thereof on projects subsequent to the disbursement of loan installments. An amount of Rs.1,331.92 Crore is on account of GIL, which is mainly the unutilized QIP proceeds invested in Bank Fixed deposits pending deployment in new projects.

d. Other Current Assets: Rs.17.75 Crore (2008: Rs. 5.84 Crore)

Other current assets constitute the income accrued for the year on investments and deposits made and the grants receivable by the Company. As at March 31, 2009, the Company had other current assets of Rs. 17.75 Crore as compared to Rs. 5.84 Crore as at March 31, 2008.

e. Loans and Advances: Rs.1,261.23 Crore (2008: Rs.598.97 Crore)

Loans and Advances as at March 31, 2009 stood at Rs. 1,261.23 Crore as compared to Rs. 598.97 Crore as at March 31, 2008. The increase was mainly on account of increase of Rs.181.98 Crore towards loan given to associate companies & joint venture partners, Rs. 191.23 Crore towards advances to suppliers etc., Rs. 23.65 Crore towards increase in advance tax payments (net of provisions) and Rs. 237.99 Crore increase in trade deposits with various government and other agencies.

Current Liabilities and Provisions

a. Current Liabilities: Rs.1,886.47 Crore (2008: Rs.1,322.75 Crore)

Current liabilities went up to Rs. 1,886.47 Crore as at March 31, 2009 compared to Rs. 1,322.75 Crore as at March 31, 2008. Out of the increase of Rs. 563.72 Crore, negative grant / utilization fees in Roads & Airport business is Rs.306.96 Crore and the balance amount of Rs. 256.76 Crore is mainly on account of increase in advance from customers and Other liabilities on account of new companies commenced operations during the current year such as GHIAL, SGIA, Construction JV etc.

b. Provisions: Rs.78.22 Crore (2008: Rs.88.16 Crore)

The reduction of Rs. 36.77 Crore in Provision for operations and maintenance Major maintenance was partly offset by debenture redemption premium of Rs.23.82 Crore.

Overview of our Results of Operations

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

Particulars	For the year ended March 31,			
	2009		2008	
	Rs. in Crore	% of Total Income	Rs. in Crore	% of Total Income
Net Income				
Sales and Operating Income (net of Annual Fee of Rs. 456.97 Crore (2008: Rs.403.13 Crore) paid to Airports Authority of India)	4,019.22	100.00%	2,294.78	100.00%
Expenditure				
General and Operating Expenses	2,282.59	56.79%	1,229.74	53.59%
Administration and Other Expenses	669.84	16.67%	466.54	20.33%
EBITDA	1,066.79	26.54%	598.50	26.08%
Other Income	21.37	0.53%	69.75	3.04%
Interest and Finance Charges	368.20	9.16%	168.71	7.35%
Depreciation	389.83	9.70%	178.51	7.78%
Total Expenditure	3,689.09	91.79%	1,973.75	86.01%
Profit Before Taxation and before Minority Interest/Share of Profits of Associate	330.13	8.21%	321.03	13.99%
Provision for Taxation				
Current Tax	70.10	1.74%	35.31	1.54%
Less: MAT Credit availed	–	–	(9.26)	-0.40%
Deferred Tax	(23.12)	-0.58%	28.04	1.22%
Fringe Benefit Tax	6.04	0.15%	4.29	0.19%
Total Tax Liability	53.02	1.32%	58.38	2.54%
Profit After Taxation and before Minority Interest/Share of Profits of Associate	277.11	6.89%	262.65	11.45%
Minority Interest - (Loss) / Profit	(2.34)	-0.06%	52.57	2.29%
Net Profit After Minority Interest/Share of Profits of Associate	279.45	6.95%	210.08	9.15%

Net Income

The components of our net income are as follows:

Particulars	For the year ended March 31			
	2009		2008	
	Rs. in Crore	% of Net Income	Rs. in Crore	% of Net Income
Net Sales and Operating Income:				
Airports Business	1,206.24	30.01%	473.42	20.63%
(Net of Annual Fee of Rs. 456.97 Crore (2008: Rs. 403.13 Crore) paid to Airports Authority of India)				
Power Business	2,138.71	53.21%	1,541.20	67.16%
Road Business	151.90	3.78%	139.70	6.09%
Other *	522.37	13.00%	140.46	6.12%
Total Net Sales and Operating Income	4,019.22	100.00%	2,294.78	100.00%

*Others represent the service incomes earned by GMR Energy Limited, Construction Income from Limak – GMR Construction JV in Turkey and investment income of GMR Infrastructure Limited, less inter-company revenues.

Net Operating Income from Airport business

Income from our airport business is derived from the operations of Delhi International Airport, GMR Hyderabad International Airport (GHIAL) & Sabiha Gokcen International Airport (SGIA), Turkey. The gross operating income earned during the period ended March 31, 2009 was Rs. 1,663.21 Crore as against Rs. 876.55 Crore for the year ended March 31, 2008. As per the terms of Operations, Maintenance and Development Agreement entered into with Airports Authority of India, an amount of Rs. 456.97 Crore was paid towards annual fee in the current year. Thus, net sales and operating income from our airport operations increased to Rs.1,206.24 Crore contributing 30.01% of the net income of the Company for the year ended March 31, 2009 as against 20.63% during the year ended March 31, 2008. GHIAL had the first full year of operation and SGIA started operations from May '08.

Operating Income from Power business

Income from power business consists of fixed and variable components of electricity tariff charged to the state electricity boards and distribution companies as per the terms of the respective power purchase agreements, generation and sale of power on merchant basis and trading of power. During the first quarter of the year the Power Purchase Agreement entered into by our Mangalore power plant has expired and the plant commenced operations on merchant basis during the later part of the year. Our Vemagiri plant commenced operations during the later part of the year on resumption of gas supply and achieved a plant load factor of 20.74% since December 08.

The segment income from sale of power went up by 38.77% from Rs. 1,541.20 Crore for the year ended March 31, 2008 to Rs. 2,138.71 Crore for the year ended March 31, 2009 on account of recommencement of Operations by Vemagiri Power Generation Ltd and substantial improvement in PLF of GPCPL.

However, the segment's share in the total income has decreased to 53.21% during the year ended March 31, 2009 compared to 67.16% recorded during the year ended March 31, 2008. This is mainly because of the significant increase in the revenues of airports sector.

Operating Income from Road business

The segment income has increased to Rs. 151.90 Crore for the year ended March 31, 2009 as compared to Rs. 139.70 Crore for the year ended March 31, 2008 thereby recording an increase of 8.73%. This increase is contributed by the three new projects which started operation during the 2nd half of the current year.

However, the segment's share in the total income has decreased to 3.78% during the year ended March 31, 2009 compared to 6.09% during the year ended March 31, 2008. This is due to the significant increase in the revenues from airports sector.

Operating income from Other Sector

During the current year, the other sector has contributed Rs. 522.37 Crore (being 13% of the Net Income) to the Net Operating Income as against Rs. 140.46 Crore in the previous year. This increase mainly was contributed by Construction Income of Rs. 304.17 Crore from Limak – GMR Construction JV in Turkey, which is constructing the Passenger terminal Building for the Turkey International Airport and increase in Dividend income by Rs. 30.01 Crore, arising from deployment of QIP proceeds in Mutual Funds pending the deployment in various SPVs / Projects.

Other Income

Other income is derived from income from investments other than trade, gain on foreign exchange fluctuations, profit on sale of investments and other miscellaneous income. Other income as a percentage of total income was 0.53% and 2.95% for the years ended March 31, 2009 and March 31, 2008 respectively. Other income declined by 69.36% from Rs. 69.75 Crore for the year ended March 31, 2008 to Rs. 21.37 Crore for the year ended March 31, 2009. The decrease was mainly due to decline in income from investments by Rs. 5.68 Crore, decrease in gain sale of investments by Rs. 14.71 Crore, decrease in miscellaneous income by Rs. 1.18 Crore, decrease in gains on account of foreign exchange fluctuation (net) by Rs. 15.80 Crore and absence of onetime item viz., reversal of provision no longer required amounting to Rs. 11.12 Crore as in the case of previous year.

Expenditure

The expenditure has the following major components:

- Generation and operating expenses (including consumption of fuel and lubricants, water, salaries and wages of operational employees, operations and maintenance, technical consultancy fee, cost of variation works, insurance for plant and machinery, airport operator fee, cargo handling charges, lease rentals and repairs and maintenance to plant and machinery),

- Administration and other expenses (including salaries, allowances and benefits to employees, office rental, travel, insurance, electricity, consultancy and other professional charges, contributions to provident fund, provision for advances, claims and debts, losses on sale of fixed assets and investments, travelling and conveyance, communication and other miscellaneous expenses),
- Finance charges (including interest on term loans, interest to others and other finance charges viz., prepayment premiums, guarantee commission, bank charges etc.) and
- Depreciation

Generation and Operating Expenses: Generation and operating expenses increased by 85.62% from Rs. 1,229.74 Crore for the year ended March 31, 2008 to Rs. 2,282.59 Crore for the year ended March 31, 2009. This is on account of higher level of activity in Power business, new operations added in Airport Sector and construction activities taken up during the year. Major components of this increase of Rs.1,052.85 Crore, Rs. 324.76 Crore is on account of increase in the consumption of fuel in the power sector primarily reflecting increase in fuel and lubricants consumption caused by higher PLF, Rs. 204.61 is on account of contract costs for construction of terminal in Sabiha Gokcen International Airport (SGIA), Rs. 209.38 is on account of cost of jet fuel purchased for re-sale in SGIA, Rs.129.88 Crore on account of purchase of power on a re-sale basis.

Administration and Other Expenses: Administration and other expenses increased by 43.58% from Rs. 466.54 Crore for the year ended March 31, 2008 to Rs. 669.84 Crore for the year ended March 31, 2009. The increase is mainly on account of increase in personnel cost to the extent of Rs. 106.97 Crore being due to additional businesses added and additional recruitment made in Airport Sector during the year and increase in other expenses commensurate to the increase in business activity.

Aggregate of generation and operating expenditure and administrative and other expenditure have gone up from Rs. 1,696.28 Crore to Rs.2,952.43 Crore, registering an increase of Rs.1,256.15 Crore (74.05%) while our net operating revenues have gone up from 2,294.78 Crore to Rs. 4,019.22 Crore, recording an increase of Rs.1,724.44 Crore (75.14%). Thus the increase in expenditure is in line with the increase in operations.

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

In line with the increased operations, the EBITDA has increased by 78.24% from Rs. 598.50 Crore during 2007-08 to Rs. 1,066.79 Crore during 2008-09.

The overall EBIDTA margins (Earnings before Interest, Depreciation, Taxes and Amortization) came down from 26.08% to 26.54% for the year ended March 31, 2009.

Interest and Finance Charges

Interest and finance charges increased by Rs.199.49 Crore (118.24%) from Rs. 168.71 Crore for the year ended March 31, 2008 to Rs. 368.20 Crore for the year ended March 31, 2009. The additional interest is mainly upon new projects becoming operational during the current year.

Depreciation

Depreciation for the financial year increased by 118.38% from Rs. 178.51 Crore for the year ended March 31, 2008 to Rs.389.83 Crore for the year ended March 31, 2009, due to capitalization of Hyderabad International Airport, Runway at Delhi International Airport & three road companies, GMR Ambala Chandigarh Expressways Private Limited, GMR Pochanpalli Expressways Private Limited, & GMR Jadcherla Expressways Private Limited and taking over of operations at Sabiha Gokcen International Airport.

Profit Before Taxation and before Minority Interest/Share of Profits of Associate

Profit before taxation and minority interest/share of profits of associate for the year ended March 31, 2009 stood at Rs. 330.13 Crore as compared to Rs. 321.03 Crore for the year ended March 31, 2008. The growth in PBT is not commensurate with the growth in the operational revenues. The higher capital investments will yield commensurate revenues gradually.

Taxes

Income Taxes are accounted for in accordance with Accounting Standard – 22 issued by The Institute of Chartered Accountants of India on "Accounting for Taxes on Income". Taxes comprise current, deferred and fringe benefit taxes.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences (being the difference between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years). Deferred tax assets and liabilities are computed on the timing differences applying the substantially enacted tax rate. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax in respect of timing differences, which originate and reverse during tax holiday period are not recognized.

The total tax expense declined by 9.18% from Rs. 58.38 Crore for the year ended March 31, 2008 to Rs. 53.02 Crore for the year ended March 31, 2009. The tax liability as a percentage of Profits before Tax has gone down from 18.18% to 16.06% as compared to the previous year. This is primarily due to recognition of deferred tax asset in Delhi International Airport & Sabiha Gokcen International Airport.

Profit After Taxation and Before Minority Interest/Share of Profits of Associate

Profit after taxation and before minority interest and share of profits of associate went up by 5.50% from Rs. 262.65 Crore for the year ended March 31, 2008 to Rs.277.11 Crore for the year ended March 31, 2009.

Net Profit after Minority Interest/Share of Profits of Associate: As a result of the foregoing, Net profit after minority interest/share of profits of associate increased by 33.02% from Rs. 210.08 Crore for the year ended March 31, 2008 to Rs. 279.45 Crore for the year ended March 31, 2009. Minority interest represents that share of the profits and losses of various subsidiaries which relates to the minority shareholders (shareholders other than the Company) in various subsidiaries of the Company. The consolidated minority interest has resulted in a loss of Rs.2.34 Crore (as against the profit Rs.52.57 Crore for the previous year) due to higher share of minority shareholders' loss in GHIAL and DIAL as compared to their share of profits in other subsidiaries.

Risks and Concerns

The Company's business, results of operations and financial condition are affected by a number of factors such as:

Macroeconomic Risk factors: We have substantially enhanced our international presence during the year by adding assets in the power and airport business by way of acquiring 100% equity interest in Indonesia coal mining company, acquiring a stake of 33.34%, along with our associates, in Homeland Energy Group (HEG), which, through its subsidiaries, owns controlling interest in coal mines in South Africa, acquiring a stake in InterGen N.V., which is a leading global power generation company and taking possession of the Istanbul Sabiha Gokcen International Airport (ISGIA) in Turkey. Thus, we have partly hedged some country-specific macroeconomic risks without exposing ourselves to the macro economics risks of the respective counties. Geographical diversification is a step to mitigate the macroeconomic risks. We believe that despite recent economic setbacks, led by rise in credit crisis and inflation, long-term economic growth prospects for India and many emerging economies are good. We are looking forward to have more international projects to address this risk, besides achieving other strategic goals. However, contribution of projects in India in our overall revenue would continue to be quite high and hence macroeconomic factors in India will have significant impact on our operating performances.

Fuel availability and price: We are insulated from fuel price risk as our existing PPAs entitle us to get reimbursed for our fuel costs based on certain agreed parameters and for our operating power plants. If fuel prices rise beyond these parameters, then our projects could be affected. If our existing PPAs expire, then our earnings could be adversely impacted to different extents due to higher cost of fuel. Such adversities could happen to plants, which are not to be transferred to the procurers after the PPA expiry. For such assets, we could either enter into fresh PPAs with new procurers or use the existing plants to service the merchant market. However, we could be adversely impacted if we fail to get into fresh and favourable PPAs or if the merchant market does not accept higher tariffs.

We are currently evaluating other fuel options. However, with fuel supply becoming increasingly critical, fierce competition for securing fuel supplies is expected. The Company is, therefore, aiming to secure captive fuel sources to secure fuel supply. As a part of this strategy, we have secured captive supply for our coal based projects in Orissa and efforts are underway to secure it for other coal-based projects as well. These efforts include tying up of captive coal supply from international markets. Towards mitigating this risk, we have acquired equity interest in Indonesian coal mining company and in Homeland Energy Group (HEG), which, through its subsidiaries owns controlling interest in coal mines in South Africa. We are evaluating options to move away from liquid input fuel, which are highly sensitive to international crude price fluctuation to other types of fuel such as gas, coal and other renewable energy sources. We are developing several hydro projects across the country and in neighbouring countries. We will continue to explore and further pursue this strategy.

Market Risk: Market risk is the risk of loss related to adverse changes in market prices and market demand, including in respect of price and demand for merchant power projects, toll-based road projects and aero and non-aero revenues in respect of airports. We are exposed to various types of market risks in the normal course of business. These risks may affect our financial results and of the companies in which we invest. We are evaluating various approaches, including a portfolio approach, which is a combination of long and short-term contracts. We plan to mitigate the risk by entering into contracts with creditworthy buyers.

Investment Risk in various new projects: We are developing/ executing a number of new projects involving large investments. We have plans to get into international projects as well, which will call for an overall investment of around Rs. 40,000 Crore over the next three-five years. We are exposed to substantial risk on this account. However, with efficient project management, this can be addressed effectively. If we are able to save on cost or if we complete these projects ahead of schedule, then it would improve our financial condition and earnings and otherwise vice-versa.

Credit Risk: We have got diverse operating revenue sources i.e. from general public, airlines, and service providers at Delhi and Hyderabad airports as well as from customers in the public sector. The payment obligations of customers from the public sector are secured either by collateral or, as in the case of the Chennai power plant, is supported by guarantees issued by the relevant state governments. However, we need to develop creditable models for revenue from other sources to ensure the credit worthiness of our customers to avoid any credit risk. Superior product design and delivery, brand building and other similar exercises would be done to attract and retain customers.

Income Tax: Except DIAL, each of the other subsidiaries that has developed or is developing an infrastructure project has been granted a 10- year tax concession by the government. During the concession period these subsidiaries are subject to the minimum alternate tax rate, instead of the normal income tax rate (currently 30% with applicable surcharges). Additionally, the relevant subsidiary has the option to decide on the commencement date of the 10-year tax concession. However, if the above policy or the rates of income tax for our roads and airports businesses change, our results of operations would be impacted. Currently, the income tax amount does not affect the financial performance of GMR Power Corporation Pvt. Ltd. as under the power purchase agreements for the Chennai power plant, income tax (excluding tax on any other income) is reimbursed by the purchaser.

Interest Rate Risk: We along with our Subsidiaries and the companies in which we invest are subject to market risks due to fluctuations in interest rates and refinancing of short-term debt. Our net profit is affected by changes in interest rates due to the impact such changes have on interest income and interest expense from short-term deposits and other interest-bearing financial assets and liabilities. In addition, an increase in interest rate may adversely affect our ability to service long-term debt and to finance development of new projects, all of which in turn may adversely affect our results of operations.

Foreign Currency Exchange Rate Risk: Our revenues are largely denominated in three currencies, Indian Rupees from domestic operations, Euro from ISGIA and US Dollars from GHIAL, DIAL, VPGL and InterGen. Our expenditures too are in these currencies. Thus we have got natural hedging to foreign currency risk to some extent. While our domestic businesses have revenues in Indian rupees, they have exposures to foreign currency on account of O&M agreements, servicing of debts, procurement of specific raw material and equipments, etc. Additionally, we are exposed to foreign currency exchange rate risk in connection with our guarantee of the financing commitments of our affiliate, which are denominated in US dollars. In addition, the financial results of the companies may be affected by fluctuations in foreign currency exchange rates on account of the company overseas investments in affiliates.

Internal Control Systems and their Adequacy

The Company has in place adequate systems of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with best practices in these areas as well. Some significant features of the internal control systems include the following:

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

Developments in Human Resources and Organisation Development at GMR Group

"External greatness derives from an internal source"

At GMR, we believe that periods of external adversity are a constant reminder for endless internal growth and development. We are consciously aware that Great organizations, invest in people and organizational development during economic downturns, however counter intuitive that may seem.

So, as speed of delivery, accuracy and consistency of our HR processes and systems approach benchmark levels, we have simultaneously engaged our sights on People and Organizational Development, the next phase in the journey towards HR excellence.

First things being first, talent management processes focussing on people productivity, succession planning and professional development of top management remained strongly in focus throughout the year. The year also saw our Multi Tier Leadership Development Strategy unfold in phases. The Senior Leadership Team (SLT) Forum was established as a Group level knowledge sharing and thought leadership platform. Development programmes and Coaching for SLT members have commenced with support from some of the best names in CEO coaching and Leadership Development.

On a much larger base, development programmes for leadership and management development have been finalized to prepare in-house talent for future operational and strategic leadership positions to meet our growth strategies.

Our growth trajectory over the last couple of years, has carried our footprints across the five continents and we now operate as a global company in a multi-cultural environment. Challenges of value integration are more critical today than ever before. As a next step in our Values & Beliefs journey, we launched the GMR Code of Conduct to ensure uniform high standards of business conduct and ethics across the Group. An independent team of "Group Ombudsmen" and "Committee Against Sexual Harassment" were appointed to support transparent and fair implementation of policies in the Code of Conduct.

A major success of the year was the successful implementation of Knowledge Management processes and a strong IT backbone to support collaborative knowledge sharing between various communities of practice.

With fundamentals falling firmly in place, we look forward to an exciting year ahead, as our talent management and organization development processes get transplanted from the nursery into the field, and business results and employees' smiles bear testimony to our commitment to building GMR Group into a Great Institution.

Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) is the corporate social responsibility arm of the GMR Group. GMRVF aims to contribute to this objective by focusing on health, hygiene, sanitation, drinking water supply, empowerment of backward or underprivileged groups, education and community development services to enhance employment and incomes among rural people.

GMRVF has recently won the prestigious TERI Corporate Award for Corporate Social Responsibility (CSR) in recognition of corporate leadership for social responsibility and sustainable development initiatives. Its objectives are to assess the extent of CSR in corporate functioning and development, identification of best practices and innovations in the Indian corporate sector.

The Foundation works intensively with the poorer sections of the society surrounding the business operations and projects of various GMR Group companies all over the country. The thrust areas enable the Foundation to develop need-based and locale-specific responses to the needs of the diverse communities it works with, rather than being project driven.

Consolidated Financial Statements

Auditor's Report to the Board of Directors of GMR Infrastructure Limited

1. We have audited the attached Consolidated Balance Sheet of GMR Infrastructure Limited ("the Company") and its subsidiaries, Joint Ventures and an associate (hereinafter together referred to as 'consolidated entities') as at March 31, 2009, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow statement for the year ended on that date, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 4,558.65 Crore as at March 31, 2009, total revenues of Rs. 745.06 Crore for the year ended on that date and net cash inflows of Rs. 45.85 Crore for the year ended on that date. Further, we did not audit the financial statements of Joint Ventures whose financial statements reflect the consolidated entities' share of revenues of Rs. 506.95 Crore for the year ended March 31, 2009 and consolidated entities' share of total assets of Rs. 350.47 Crore as at March 31, 2009 and net cash inflows of Rs. 77.33 Crore for the year ended March 31, 2009. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of such subsidiaries and joint ventures, is based solely on the report of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, 'Consolidated Financial Statements', Accounting Standard 27, 'Financial Reporting of Interests in Joint Ventures' and Accounting Standard 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and on the basis of the separate audited financial statements of the Company and its subsidiaries and Joint ventures and an associate included in the Consolidated Financial Statements.
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid consolidated entities, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
    a. in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its consolidated entities as at March 31, 2009;
    b. in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its consolidated entities for the year ended March 31, 2009; and
    c. in the case of the consolidated cash flow statement, of the consolidated cash flows of the Company and its consolidated entities for the year ended March 31, 2009.

Thomas Mathew
Partner
Membership No. 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Bangalore
Date: June 04, 2009

Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Particulars	Schedule Ref	March 31, 2009		March 31, 2008	
I. Sources of Funds					
1. Shareholders' Funds					
(a) Capital	1	364.13		364.13	
(b) Reserves and Surplus	2	6,107.00	6,471.13	5,753.07	6,117.20
2. Minority Interest			1,806.11		1,112.60
3. Loan Funds					
(a) Secured Loans	3	10,660.18		6,843.83	
(b) Unsecured Loans	4	1,363.61	12,023.79	1,133.10	7,976.93
4. Deferred Tax Liabilities (Net) [Refer Note 4 (xiv) of Schedule 19]			19.15		42.50
5. Foreign Currency Monetary Item Translation Difference Account [Refer Note 4 (vi) (c) of Schedule 19]			6.87		–
Total			20,327.05		15,249.23
II. Application of Funds					
1. Fixed Assets					
(a) Gross Block	5	11,432.60		6,691.72	
(b) Less: Depreciation		1,780.97		1,421.81	
(c) Net Block		9,651.63		5,269.91	
(d) Capital Work-in-Progress (including capital advances)		5,463.88	15,115.51	3,679.57	8,949.48
2. Expenditure during construction period, pending allocation (Net)	6		1,327.05		843.17
3. Investments	7		1,310.89		4,899.59
4. Current Assets, Loans and Advances					
(a) Inventories	8	131.88		38.03	
(b) Sundry Debtors	9	660.91		430.57	
(c) Cash and Bank Balances	10	2,466.52		894.49	
(d) Other Current Assets	11	17.75		5.84	
(e) Loans and Advances	12	1,261.23		598.97	
		4,538.29		1,967.90	
Less: Current Liabilities and Provisions	13				
(a) Liabilities		1,886.47		1,322.75	
(b) Provisions		78.22		88.16	
		1,964.69		1,410.91	
Net Current Assets			2,573.60		556.99
Total			20,327.05		15,249.23
Statement on Significant Accounting Policies and Notes to the Consolidated Accounts.	19				

The schedules referred to above form an integral part of the Consolidated Balance Sheet.
This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

Thomas Mathew
Partner
Membership Number: 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

G. M. Rao
Executive Chairman

G. B. S. Raju
Managing Director
(Place: Singapore)

A.Subba Rao
Group CFO

Place: Bangalore
Date: June 04, 2009

C.P.Sounderarajan
Company Secretary

Consolidated Profit and Loss Account for the year ended March 31, 2009

(Rs. in Crore)

	Particulars	Schedule Ref	March 31, 2009	March 31, 2008
I.	Income			
	Sales and Operating Income	14	4,476.19	2,697.91
	Less: Revenue share paid/payable to concessionaire grantors		456.97	403.13
			4,019.22	2,294.78
	Other Income	15	21.37	69.75
	Net Income		4,040.59	2,364.53
II.	Expenditure			
	Generation and Operating Expenses	16	2,282.59	1,229.74
	Administration and Other Expenses	17	669.84	466.54
	Interest and Finance Charges	18	368.20	168.71
	Depreciation/Amortisation [Refer Note 4 (x) (a) of schedule 19]		389.83	178.51
			3,710.46	2,043.50
III.	Profit Before Taxation and before Minority Interest/Share of Profits of Associate		330.13	321.03
	Provision for Taxation			
	- Current		70.10	35.31
	- Less: MAT Credit availed		–	(9.26)
	- Deferred		(23.12)	28.04
	- Fringe Benefit		6.04	4.29
IV.	Profit after Taxation and before Minority Interest/Share of Profits of Associate		277.11	262.65
	Minority Interest		(2.34)	52.57
V.	Net Profit after Minority Interest/Share of Profits of Associate		279.45	210.08
	Surplus brought forward		524.21	308.61
	Less: Foreign Exchange fluctuations on long term monetary liabilities relating to acquisition of depreciable fixed assets hitherto recognised in the Profit and Loss Account now adjusted to the carrying value of depreciable fixed assets [Refer Note 4 (vi) (a) of Schedule 19]		18.19	–
	Add: Adjustment for Gratuity/Leave Encashment in terms of transitional adjustment of AS 15 Revised. [Refer Note 4 (xi) of Schedule 19]		–	0.51
VI.	Amount available for appropriation		785.47	519.20
	Appropriations:			
	Transfer from Debenture Redemption Reserve		(3.75)	(5.14)
	Transfer to Debenture Redemption Reserve		10.66	–
	Dividend Distribution Tax		0.20	0.13
VII.	Available Surplus carried to Balance Sheet		778.36	524.21
	Earnings Per Share (Rs.) - Basic and Diluted [Per equity share of Rs.2 each] [Refer Note 4 (xiii) of Schedule 19]		1.53	1.23
	Statement on Significant Accounting Policies and Notes to the Consolidated Accounts	19		

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.
This is the Consolidated Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board of Directors

Thomas Mathew
Partner
Membership Number: 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

G. M. Rao
Executive Chairman

G. B. S. Raju
Managing Director
(Place: Singapore)

A. Subba Rao
Group CFO

Place: Bangalore
Date: June 04, 2009

C.P.Sounderarajan
Company Secretary

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 1 CAPITAL	March 31, 2009	March 31, 2008
Authorised 3,750,000,000 Equity shares of Rs. 2 each	750.00	750.00
	750.00	750.00
Issued and Subscribed 1,820,658,088 Equity Shares of Rs. 2 each fully paid-up	364.13	364.13
Notes: Of the above, i. 528,873,615 equity shares of Rs. 2 each fully paid-up were allotted during the year ended March 31, 2006, by way of bonus shares by capitalising free reserves of the company. ii. 1,362,523,238 (2008: 1,333,613,610) equity shares of Rs 2 each fully paid-up are held by the holding company GMR Holdings Private Limited.		
	364.13	364.13
Less: Calls unpaid (2009: Rs. 2,750 ; 2008: Rs. 11,625)	–	–
Total	364.13	364.13

[Refer Note 4(xiii) (c) of Schedule 19 on sub-division of one equity share of the company carrying face value of Rs. 10 each into 5 equity shares of Rs. 2 each during the year ended March 2008]

(Rs. in Crore)

Schedule 2 RESERVES AND SURPLUS	March 31, 2009	March 31, 2008
Capital Reserve on Consolidation		
As at the commencement of the year	70.45	58.28
Add: Additions for the year	0.02	12.17
	70.47	70.45
Capital Reserve on Acquisition [Refer Note 4 (iv) (b) of Schedule 19]	3.41	–
Capital Reserve (Government Grant) [Refer Note 4 (iv) (a) of Schedule 19]	67.41	67.41
Securities Premium Account		
At the commencement of the year	5,070.82	1,201.78
Add: Received towards QIP of equity shares	–	3,932.67
[Refer Note 4 (iii) (a) and (b) of Schedule 19]		
Less: Utilised towards share issue expenses	0.03	63.68
Add: Amount Received against calls unpaid	0.01	0.05
	5,070.80	5,070.82
Debenture Redemption Reserve		
At the commencement of the year	20.00	25.14
Transfer to Profit and Loss account	(3.75)	(5.14)
Transfer from Profit and Loss account	10.66	–
	26.91	20.00
Foreign Currency Translation Reserve	89.64	0.18
Balance in Profit and Loss Account	778.36	524.21
Total	6,107.00	5,753.07

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 3 SECURED LOANS		March 31, 2009	March 31, 2008
Debentures			
(i)	650 (2008: 800) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	65.00	80.00
	[These debentures bear interest at the rate of 11.93% per annum (10.40% up to September 30, 2008)]		
	The above debentures are secured by immovable property of the Company and further secured by deposit of margin money.		
(ii)	4,250 (2008: Nil) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	425.00	–
	[These debentures bear an overall interest cost at the rate of 15.2% per annum till Sept 29, 2011 and 17.2% there after till Oct 6, 2013 (including coupon rate of 6% redemption premium) and are redeemable on Oct 6, 2013]		
	[The above debentures are secured by a subservient charge on all the movable assets of GMR Energy Limited, both present and future. Additionally secured by a subservient charge by way of equitable mortgage by constructive delivery of title deeds of the immovable properties of GMR Energy Limited]		
	Term Loans		
	Rupee loans		
	From Financial Institutions	1,384.07	856.83
	From Banks	6,847.26	5,024.90
	Interest accrued and due on loans	–	0.87
	From Others	111.99	78.14
	Foreign Currency loans		
	From Financial Institutions	77.18	61.97
	From Banks	1,481.16	614.28
	[Out of the above, Rupee Term Loan amounting to Rs. 275 (2008: Rs. 275) is secured by pledge of 80,273,416 paid up equity shares of Rs. 2 each of GMR Infrastructure Limited, held by GMR Holdings Private Limited and further secured by a guarantee issued by GMR Holdings Private Limited, the holding company]		
	[Rupee term loans of subsidiary companies under Roads segment amounting to Rs. 2490.20 (2008 : Rs. 1,766.71) are secured by way of pari passu first charge over the respective companies moveable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of the respective companies in respect of the project agreements executed/to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of the company in respect of monies lying to the credit of trust and retention account and other accounts. These loans are further secured by pledge of shares of 184,880,055 of the respective subsidiary companies held by their holding companies]		

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 3 (contd.)	March 31, 2009	March 31, 2008
[Rupee and Foreign currency term loans of certain subsidiary companies under Power Segment amounting to Rs. 940.14 (2008: Rs.833.06) are secured by way of joint equitable mortgage by deposit of the title deeds of the leasehold land of a subsidiary and by way of pari passu first charge over freehold land of a subsidiary. Further secured by pari-passu first charge on the respective subsidiary companies movable assets, immovable assets and other assets, both present and future. Further secured by right, title, interest, benefits, claims and demands of the respective companies in respect of the project agreements, executed/to be executed, insurance policies both present and future and all right, title, interest, benefits, claims and demands of the respective subsidiary companies in respect of monies lying to the credit of Trust and Retention Account and other accounts. These loans are further secured by personal guarantees by some of the Directors of the above subsidiary companies and by pledge of 202,890,000 shares of these subsidiary companies held by their holding companies]		
[Foreign currency term loan from banks amounting to Rs. 164.64 (2008: Nil) of a subsidiary under Power Segment are secured/to be secured by pledge of shares held in the subsidiary company held by the holding company. Further the facility is additionally secured by corporate guarantee of the company. This loan has been granted out of a deposit placed by the company with the bank as participation amount]		
[Rupee term loan from Banks amounting to Rs. 39.85 (2008: Rs. 31.82) relating to GMR Energy Limited (GEL) is secured/to be secured by equitable mortgage on the property further secured by the corporate guarantee of the company]		
[Rupee term loan from financial institutions amounting to Rs. 1.50 (2008: Rs. 28.00) relating to GMR Energy Limited (GEL) is secured by second charge on all the intangibles, and cash flows, both present and future, in the form of dividends and management/consultancy fees from subsidiary companies and a joint mortgage of the immovable properties ranking pari-passu. Further secured by second charge on the movable properties, both present and future, rights, title, interests, benefits, claims and demands in the operating cash flows, treasury income, revenues/receivables and by way of pledge of 27,225,000 Equity shares held in a subsidiary company and 32,607,413 Equity shares of the company held by the holding company]		
[Term loans of subsidiaries under Airports Segment amounting to Rs. 5,809.98 (2008: Rs. 3,611.53) are secured by mortgage of Leasehold right, title, interest and benefit in respect of Leasehold Land and first charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the Trust and Retention Account, Debt Service Reserve Account and further secured by the pledge of equity shares of such subsidiaries held by the holding company along with its subsidiaries and in case of one subsidiary, secured by pledge of certain equity shares, both present and future, held or to be held, as the case may be, by both its holding company and another shareholder].		
[Term loans of subsidiaries under Others Segment amounting to Rs. 180.32 (2008: Rs. 90) are secured by way of hypothecation of Aircraft and guarantee issued by the holding company].		
Short Term Loans		
Cash Credit, Demand Loans and Working Capital Loans from Banks	104.77	12.72

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 3 (contd.)	March 31, 2009	March 31, 2008
[Short term loans of subsidiaries under Airports Segment amounting to Rs. 96.38 (2008: Rs. Nil) are Secured by mortgage of Leasehold right, title, interest and benefit in respect of Leasehold Land and first charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the Trust and Retention Account, Debt Service Reserve Account and further secured by the pledge of equity shares of such subsidiaries held by the holding company along with its subsidiaries]		
[Short term loans of subsidiaries under Power Segment amounting to Rs. 5.58 (2008: 9.53) are secured by hypothecation of stocks and book debt, both present and future, and further secured by creation of a joint mortgage by deposit of title deeds in respect of immovable properties together with all plant and machinery attached to the earth]		
[Short Term loans of subsidiaries under Others Segment amounting to Rs. 2.80 (2008: Rs.Nil) are secured by way of hypothecation of Aircraft and guarantee issued by the holding company]		
Bills Discounted	83.45	–
[Secured against letters of credit issued by IDBI Bank Ltd]	80.30	114.12
Bank Overdraft		
[The facilities of the Company are secured by pledge of 2,850,000 fully paid-up equity shares of Rs.10 each of GMR Industries Limited, held by GMR Holdings Private Limited and by way of guarantee issued by GMR Holdings Private Limited]		
Total	10,660.18	6,843.83

(Rs. in Crore)

Schedule 4 UNSECURED LOANS	March 31, 2009	March 31, 2008
Short Term		
From Banks	930.21	698.05
Other than Short Term		
From Banks	0.06	10.00
Interest free loan from Government of Andhra Pradesh	315.05	315.05
Deposit from Concessionaires	31.29	23.00
From Others	87.00	87.00
Total	1,363.61	1,133.10

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 5 FIXED ASSETS

Description	Gross Block – At Cost					Depreciation					Net Block	
	As at March 31, 2008	Additions	Additions on inclusion of Subsidiaries	Withdrawals	As at March 31, 2009	As at March 31, 2008	For the year	On Account of inclusion of Subsidiaries	On Withdrawals	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Tangible Assets												
Land	14.09	69.24	23.49	–	106.82	–	–	–	–	–	106.82	14.09
Runways & Others	534.89	967.42	–	–	1,502.31	0.40	16.20	–	–	16.60	1,485.71	534.49
Buildings	1,089.89	740.91	–	–	1,830.80	55.91	71.05	–	–	126.96	1,703.84	1,033.98
Plant and Machinery	3,115.97	505.34	–	–	3,621.31	1,185.48	138.20	–	0.03	1,323.65	2,297.66	1,930.49
Office Equipment	368.90	114.20	0.07	0.46	482.71	11.90	35.51	0.01	0.14	47.28	435.43	357.00
Capitalised Software	4.27	5.82	0.04	–	10.13	0.76	1.37	–	–	2.13	8.00	3.51
Leasehold Improvements	101.26	3.16	–	–	104.42	0.75	2.02	–	–	2.77	101.65	100.51
Furniture and Fixtures	48.73	109.58	–	0.30	158.01	5.08	18.84	–	0.21	23.71	134.30	43.65
Vehicles	151.89	161.59	0.11	0.01	313.58	6.63	15.08	–	–	21.71	291.87	145.26
Intangible Assets												
Goodwill on Consolidation	388.52	196.12	–	–	584.64	–	–	–	–	–	584.64	388.52
Carriage Ways	672.41	1,836.68	–	–	2,509.09	148.53	55.42	–	–	203.95	2,305.14	523.88
Airport Concessionaire Rights	195.51	5.42	–	–	200.93	6.25	4.36	–	–	10.61	190.32	189.26
Sub Total	6,686.33	4,715.48	23.71	0.77	11,424.75	1,421.69	358.05	0.01	0.38	1,779.37	9,645.38	5,264.64
Assets Taken on Lease												
Office Equipment	5.39	–	–	–	5.39	0.12	1.47	–	–	1.59	3.80	5.27
Plant and Machinery	–	2.46	–	–	2.46	–	0.01	–	–	0.01	2.45	–
Sub Total	5.39	2.46	–	–	7.85	0.12	1.48	–	–	1.60	6.25	5.27
Grand Total	6,691.72	4,717.94	23.71	0.77	11,432.60	1,421.81	359.53	0.01	0.38	1,780.97	9,651.63	5,269.91
Capital work in progress (including capital advances)											5,463.88	3,679.57
Previous year	4,140.61	2,554.29	–	3.18	6,691.72	1,240.65	181.42	–	0.26	1,421.81	5,269.91	–

Notes:

1. Fixed Assets includes foreign exchange fluctuations capitalised upto March 31, 2009 - Rs. 184.50 (2008: Rs. 24.37)
2. Buildings with a gross book value of Rs. 1,720.00 (2008: Rs. 1,006.70) are on leasehold land. Runways are on lease hold land.
3. Depreciation for the year includes Rs. 6.84 (2008 : Rs. 2.91) relating to certain consolidated entities in the project stage which is included in Schedule 6.
4. Carriage Ways are mainly Intangible Assets, being the right to operate and maintain the highways on Build, Operate and Transfer basis.
5. Additions/Deletions and depreciation for the year include the effect of regrouping/reclassification of assets.
6. The Capitalised Software have useful lives ranging from 6-7 years. Amortisation of these assets is based on straight line method.
7. Refer Note(vi) of Schedule 19 for details of foreign exchange fluctuations on long term monetary liabilities relating to acquisition of depreciable fixed assets capitalised during the year.
8. Fixed Assets includes Rs.216.58 (2008: Rs.8.59) pertaining to PSF (Security Component) balances.

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 6 EXPENDITURE DURING CONSTRUCTION PERIOD, PENDING ALLOCATION (Net)	March 31, 2009	March 31, 2008
Salaries, allowances and benefits to employees	189.55	160.14
Contribution to provident fund and others	5.17	5.37
Staff welfare expenses	8.40	10.94
Rent	37.14	23.87
Repairs and Maintenance		
Buildings	0.24	–
Others	19.33	43.14
Rates and taxes	13.43	7.20
Insurance	19.26	8.05
Consultancy and professional charges	358.21	262.65
Directors' Sitting Fees	0.12	0.18
Remuneration to auditors	0.65	0.69
Travelling and conveyance	84.76	81.09
Communication expenses	6.30	–
Wealth Tax	0.01	–
Income Tax	0.41	1.11
Fringe Benefit Tax	5.12	5.85
Depreciation	8.14	6.58
Interest on term loans	82.20	–
Interest on fixed loans	546.31	263.10
Interest - others	21.47	–
Bank/ other finance charges	112.39	98.91
Loss on sale of fixed assets (Net)	–	0.02
Miscellaneous expenses	95.89	108.60
Bidding and support services	0.76	–
Negative Grant [Refer Note 4 (vii) (b) of Schedule 19]	507.96	256.36
(i)	2,123.22	1,343.85
Less: Other Income		
Interest income (gross)	2.91	3.09
[Tax deducted at source - Rs. 0.42 (2008: Rs. 0.12)]		
Income from current investments - Other than trade (gross)	18.20	27.13
Profit on sale of current investments - Other than Trade	0.04	0.17
Miscellaneous income	0.64	5.63
Rent received from sub lease of land	0.08	1.51
Gain/(Loss) on Exchange Fluctuations (Net)	(0.91)	1.65
Interest Received - Employees Loans	0.77	–
(ii)	21.73	39.18
Total Expenditure during construction period, pending allocation (Net) - [(i) - (ii)]	2,101.49	1,304.67
Less: Apportioned over cost of Fixed Assets	759.28	434.87
Less: Charged to Profit and Loss Account	15.16	26.63
Total	1,327.05	843.17

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 7 INVESTMENTS	March 31, 2009	March 31, 2008
Long term - At Cost - Trade, Unquoted		
In Equity Shares of Companies		
GMR Chhattisgarh Energy Pvt Limited [(4,500 (2008 : Nil) Equity shares of Rs.10 each]	0.01	–
GMR Highways Private Limited # [Nil (2008: 25,000) Equity shares of Rs.10 each)]	–	0.03
Business India Publications Limited [5,000 (2008: 5,000) Equity shares of Rs.10 each]	0.06	0.06
Rampia Coal Mine and Energy Private Limited [5,217,430 (2008: 5,217,430) Equity Shares of Re. 1 each fully paid up]	0.50	0.50
Vemagiri Power Services Limited [5,000 (2008: 5,000) Equity shares of Rs.10 each]	0.01	0.01
Ujjivan Financial Services Private Limited [5,000 (2008: 5,000) Equity shares of Rs.10 each]	0.05	0.05
GMR Ferro Alloys & Industries Limited [407,329 (2008: 407,329) Equity Shares of Rs.10 each]	0.37	0.37
Idea Space Solutions [1,725 (2008:Nil) Equity Shares of Rs. 10 each]	–	–
In Equity Shares of Other Body Corporates		
Limak GMR MAHB, Turkey [2,575 (2008:Nil) Equity shares of Turkish Lira 1 each, Fully Paid up]	0.01	–
Homeland Mining & Energy SA Private Limited, South Africa [Nil (2008: 1) common shares representing 1 percent ownership interest]	–	11.89
In Preference Shares of Companies		
White Rose Finance Private Limited [Nil (2008: 150,000) Preference Shares of Rs.100 each]	–	1.50
Rushil Constructions (India) Private Limited [2,599,600 (2008:Nil) Preference Share of Rs. 100 each fully paid up]	26.00	–
In Debentures of Other Body Corporates		
GMR Holding (Malta) Limited, Malta [164,248,904 (2008:Nil) Compulsory Convertible debentures of USD 1 each, pending allotment][Refer Note 4(x)(e) of Schedule 19]	845.06	–
In Equity Shares of Other Body Corporates, Quoted @		
Homeland Energy Group Limited, Canada [75,792,027 (2008: Nil) Non - Assessable Common Shares representing 33.34 percent ownership interest]	123.77	–
(i)	995.84	14.41
Current - Other than trade - unquoted (Purchased during the year)		
Mutual Funds *		
BSL Infrastructure Fund [4,723,346 (2008: Nil) units of Rs. 10 per unit]	3.50	–
Prudential ICICI Liquid Fund Super Institutional Daily Dividend [12,322,669 (2008: 557,297,607) units of Rs. 10 per unit]	16.00	507.33
UTI - Liquid Cash Plan Institutional - Daily Income Option [194,482 (2008: 7,883,928) units of Rs. 1,000 per unit]	19.82	971.64
UTI - Liquid Cash Plan Institutional [16,530,046 (2008: Nil) units of Rs. 10 per unit]	40.65	–
UTI Money Market Fund [27,666,334 (2008: Nil) units of Rs. 10 per unit]	68.09	–
Reliance Liquid Fund [996,783 (2008: Nil) units of Rs. 10 per unit]	1.53	–
SBI Insta Cash Fund Growth Option [28,207,337 (2008: Nil) units of Rs. 10 per unit]	55.36	–
Sold during the year		
Birla Sunlife Liquid Plus Fund [Nil (2008: 298,819,629) units of Rs. 10 per unit]	-	299.30
BSL Interval Income Fund [Nil (2008: 50,396,318) units of Rs. 10 per unit]	-	50.40

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2009	March 31, 2008
Birla Sunlife Dynamic Bond Fund [Nil (2008: 71,256,199) units of Rs. 10 per unit]	–	75.00
Birla Sunlife Infrastructure Fund [Nil (2008: 4,953,793) units of Rs. 10 per unit]	–	6.46
DSP Merrill Lynch Liquid Plus Fund [Nil (2008: 502,253) units of Rs. 1,000 per unit]	–	50.26
DWS Money Plus Fund [Nil (2008: 54,017,581) units of Rs. 10 per unit]	–	54.06
HDFC Floating Rate Income Fund [Nil (2008: 52,008,282) units of Rs. 10 per unit]	–	52.43
HSBC Liquid Plus Fund [Nil (2008: 89,733,525) units of Rs. 10 per unit]	–	89.94
LIC Liquid Fund Daily Dividend [Nil (2008: 31,452,681) units of Rs. 10 per unit]	–	31.59
Prudential ICICI Interval Fund - Quarterly Interval Plan [Nil (2008: 110,641,974) units of Rs. 10 per unit]	–	110.64
Prudential ICICI Fixed Maturity Plan [Nil (2008: 85,182,924) units of Rs. 10 per unit]	–	85.18
Prudential ICICI - Flexible Income Plan [Nil (2008: 29,175,596) units of Rs. 10 per unit]	–	30.85
ING Liquid Fund [Nil (2008: 451,333,620) units of Rs. 10 per unit]	–	549.27
ING Fixed Maturity Fund [Nil (2008: 25,000,000) units of Rs. 10 per unit]	–	25.00
ING Vysya Global Real Estate Fund [Nil (2008: 10,000,000) units of Rs. 10 per unit]	–	10.00
JM High Liquidity Fund [Nil (2008: 1,565,396) units of Rs. 10 per unit]	–	1.57
JM Money Manager Fund [Nil (2008: 50,658,756) units of Rs. 10 per unit]	–	50.68
JM Interval Fund - Quarterly Plan [Nil (2008: 50,000,000) units of Rs. 10 per unit]	–	50.00
Kotak Flexi Debt Fund [Nil (2008: 102,008,526) units of Rs. 10 per unit]	–	102.33
Kotak Liquid Fund [Nil (2008: 84,700,180) units of Rs. 10 per unit]	–	128.03
LIC Mutual Liquid Fund [Nil (2008: 83,973,128) units of Rs. 10 per unit]	–	92.20
LIC Mutual Liquid Plus Fund [Nil (2008: 29,676,826) units of Rs. 10 per unit]	–	29.68
Lotus India Liquid Plus Fund [Nil (2008: 77,270,552) units of Rs. 10 per unit]	–	77.39
Principal Floating Rate Fund [Nil (2008: 98,742,856) units of Rs. 10 per unit]	–	98.87
Reliance Fixed Horizon Fund [Nil (2008: 50,000,000) units of Rs. 10 per unit]	–	50.00
Reliance Liquidity Fund [996,784 (2008: 442,550) units of Rs. 1,000 per unit]	–	44.30
Principal Fund Fixed Maturity Plan [Nil (2008: 10,000,000) units of Rs. 10 per unit]	–	10.00

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2009	March 31, 2008
Reliance Liquid Fund - Daily Dividend Option [Nil (2008: 219,136,522) units of Rs. 10 per unit]	–	224.15
TATA Dynamic Bond Fund [Nil (2008: 98,352,594) units of Rs. 10 per unit]	–	100.00
TATA Floater Fund [Nil (2008: 78,596,175) units of Rs. 10 per unit]	–	78.88
Tata Fixed Horizon Fund [Nil (2008: 25,000,000) units of Rs. 10 per unit	–	25.19
TATA Liquid Super High Investment Fund [Nil (2008: 453,186)units of Rs. 1000 per unit]	–	50.51
UTI Fixed Maturity Plan [Nil (2008: 125,206,873) units of Rs. 10 per unit]	–	125.20
UTI - Fixed Income Interval Fund [Nil (2008: 100,398,256) units of Rs. 10 per unit]	–	100.40
ABN Amro Flexible Short Term Plan - Quarterly Dividend [Nil (2008: 10,000,000) units of Rs. 10 per unit]	–	10.00
ABN Amro Interval Fund - Quarterly Plan H Interval Dividend [Nil (2008: 30,000,000) units of Rs. 10 per unit]	–	30.00
Standard Chartered Fixed Maturity Plan [Nil (2008: 10,270,940) units of Rs. 10 per unit]	–	10.27
SBI Liquid Fund [Nil (2008: 174,502,798) units of Rs. 10 per unit]	–	175.08
Principal Cash Management Liquid Fund [Nil (2008: 25,873,606) units of Rs. 10 per unit]	–	25.88
AIG India Liquid Fund [Nil (2008: 549,946) units of Rs. 1,000 per unit]	–	55.04
UTI Liquid Plus Fund Institutional Plan [Nil (2008: 689,125) units of Rs. 1,000 per unit]	–	68.93
Bonds *		
9.20% Central bank of India Bonds [Nil (2008: 50) Bonds of Rs.1,000,000 each]	–	5.00
8.95% Central bank of India Bonds [Nil (2008:100) Bonds of Rs. 1,000,000 each]	–	10.00
(ii)	204.95	4,828.93
Other than Trade - Quoted		
Government Securities**		
6.35% Government of India 2020 [1,500,000 (2008: 1,500,000) units of Rs. 100 per unit]	14.10	13.01
6.05% Government of India 2019 [500,000 (2008: 500,000) units of Rs. 100 per unit]	4.64	4.26
5.59% Government of India 2016 [1 (2008: 1) unit of Rs. 10.00 Crore per unit]	8.83	8.83
7.38% Government of India 2015 [1 (2008: 1) unit of Rs. 10.00 Crore per unit]	10.45	10.45
7.46% Government of India 2017 [1 (2008: 5) unit of Rs. 1.00 Crore per unit]	1.04	4.91
Certificate of Deposits***		
State Bank of India [5,000 (2008: Nil) units of Rs. 100,000 per unit]	48.27	–
(iii)	87.33	41.46

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2009	March 31, 2008
Equity Shares**** Purchased during the year		
Federal Bank Limited [218,959 (2008: 950) shares of Rs.10 each, fully paid up]	5.03	0.04
ING Vysya Bank Limited [384,910 (2008: 282,810) shares of Rs. 10 each, fully paid up]	4.81	2.56
Karur Vysya Bank Limited [80,000 (2008: 80,000) shares of Rs. 10 each]	1.24	1.24
Kasturi Foods Limited [15,000 (2008: 15,000) shares of Rs. 10 each]	0.02	0.02
Brigade Enterprises Limited [274,746 (2008: Nil) shares of Rs. 10 each, fully paid up]	4.66	–
Gokaldas Exports Limited [50,000 (2008: Nil) shares of Rs.5 each, fully paid up]	0.91	–
Kalyani Steels Limited [25,000 (2008: Nil) shares of Rs.10 each, fully paid up]	0.55	–
Noida Toll Bridge [250,000 (2008: Nil) shares of Rs. 10 each, fully paid up]	1.03	–
Oil & Natural Gas Corporation Limited [4,431 (2008: Nil) shares of Rs.10 each, fully paid up]	0.30	–
Hindustan Petroleum Corporation Limited [7,676 (2008: Nil) shares of Rs. 10 each, fully paid up]	0.20	–
ITC Limited [7,751 (2008: Nil) shares of Rs. 1 each, fully paid up]	0.13	–
HDFC Bank Limited [1,335 (2008: Nil) shares of Rs.10 each, fully paid up]	0.12	–
Housing Development Finance Corporation Limited [1,817 (2008: 2,114) shares of Rs.10 each, fully paid up]	0.28	0.50
KEC International Limited [5,425 (2008: 4,128) shares of Rs.10 each, fully paid up]	0.10	0.27
Rural Electrification Corporation Limited [13,952 (2008: Nil) shares of Rs. 10 each, fully paid up]	0.10	–
Mcleod Russel India Limited [18,019 (2008: Nil) shares of Rs. 5 each, fully paid up]	0.09	–
Bharati Airtel Limited [1,417 (2008: Nil) shares of Rs. 10 each, fully paid up]	0.08	–
United Phosphorous Limited [7,199 (2008: Nil) shares of Rs. 2 each, fully paid up]	0.08	–
Mphasis BFL Limited [1,577 (2008: Nil) shares of Rs. 10 each, fully paid up]	0.04	–
Reliance Communications Limited [75,000 (2008: Nil) shares of Rs. 5 each fully paid up]	3.75	–
Reliance Industries Limited [2,898 (2008: 2,863) shares of Rs.10 each, fully paid up]	0.37	0.65
Siemens Limited [27,546 (2008: Nil) shares of Rs 2 each fully paid up]	1.16	–
Sterlite Industries Limited [22,776 (2008: Nil) shares of Rs. 10 each fully paid up]	1.47	–
UTV Software Communications Limited [10,000 (2008: Nil) shares of Rs. 10 each fully paid up]	0.77	–
NTPC Limited [98,000 (2008: Nil) shares of Rs.10 each, fully paid up]	1.64	–
Transformers & Rectifiers Limited [500 (2008: 500) shares of Rs. 10 each, fully paid up]	0.02	0.02

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2009	March 31, 2008
Sold during the year		
Webtel-SI-Energy Systems Limited [Nil (2008: 16,042) shares of Rs.10 each, fully paid up]	–	0.40
Akruthi city Limited [Nil (2008: 5,000) shares of Rs. 10 each fully paid up]	–	0.39
Development Credit Bank Limited [Nil (2008: 15,000) shares of Rs. 10 each fully paid up]	–	0.13
Edelweiss Securities Limited [Nil (2008: 8,000) shares of Rs. 10 each fully paid up]	–	0.66
ICRA Limited [Nil (2008: 10,000) shares of Rs. 10 each, fully paid up]	–	0.66
Kotak Bank Limited [Nil (2008: 5,000) shares of Rs. 10 each]	–	0.31
Ramco Industries Limited [Nil (2008: 21,221) shares of Rs 10 each fully paid up]	–	1.56
Suraj Diamonds Limited [Nil (2008: 50,000) shares of Rs. 10 each, fully paid up]	–	0.30
AIA Engineering Limited [Nil (2008: 2,442) shares of Rs.10 each, fully paid up]	–	0.37
BASF India Limited [Nil (2008:13,462) shares of Rs.10 each, fully paid up]	–	0.26
Bharath Earth Movers Limited [Nil (2008: 3,916) shares of Rs.10 each, fully paid up]	–	0.39
Container Corporation of India Limited [Nil (2008: 2,301) shares of Rs.10 each, fully paid up]	–	0.40
Coromandel Fertilisers Limited [Nil (2008: 24,952) shares of Rs. 2 each, fully paid up]	–	0.29
Crompton Greaves Limited [Nil (2008: 12,084) shares of Rs. 2 each, fully paid up]	–	0.33
Great Offshore Limited [Nil (2008: 4,666) shares of Rs.10 each, fully paid up]	–	0.30
Hindustan Dorr Oliver Limited [Nil (2008: 27,826) shares of Rs. 2 each, fully paid up]	–	0.26
ICICI Bank Limited [Nil (2008: 5,665) shares of Rs.10 each, fully paid up]	–	0.44
Larsen and Turbo Limited [Nil (2008: 2,350) shares of Rs. 2 each, fully paid up]	–	0.71
Moser Baer (I) Limited [Nil (2008: 14,153) shares of Rs.10 each, fully paid up]	–	0.22
Navin Flourine International Limited [Nil (2008: 12,369) shares of Rs.10 each, fully paid up]	–	0.27
Reliance Energy Limited [Nil (2008: 2,259) shares of Rs.10 each, fully paid up]	–	0.28
Welspun Gujarat Stahl Rohren Limited [Nil (2008: 7,354) shares of Rs. 5 each, fully paid up]	–	0.28
Gammon India Limited [Nil (2008: 9,404) shares of Rs. 2 each, fully paid up]	–	0.36
Less: Provision for diminution in the value of Investments	(6.57)	(0.47)
(iv)	22.38	14.40

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 7 | INVESTMENTS (contd.)		March 31, 2009	March 31, 2008
Other than Trade - Un Quoted			
Equity Shares			
Sai Rayalaseema Paper Mills Limited [323,210 (2008: 323,210) shares of Rs.10 each, fully paid up]		0.39	0.39
	(v)	0.39	0.39
Total (i)+(ii)+(iii)+(iv)+(v)		1,310.89	4,899.59

Notes:

* Aggregate Net Asset Value of Mutual Funds and Bonds - Rs. 205.13 (2008: Rs. 4,830.42)

** Aggregate Market value of Government Securities - Rs. 39.92 (2008: Rs. 41.46)

*** Aggregate Market Value of Certificate of Deposits - Rs. 48.27 (2008: Nil)

**** Aggregate Market Value of short term quoted equity shares - Rs. 23.62 (2008: Rs. 14.40)

@ Aggregate Market Value of Long term quoted equity shares - Rs.74.41 (2008: Rs.Nil)

Considered as Subsidiary in the Current Financial year

[Investments include Rs.Nil (2008: Rs.104.34) on account of PSF (Security Component) balances]

(Rs. in Crore)

Schedule 8 | INVENTORIES	March 31, 2009	March 31, 2008
(at lower of cost and net realisable value)		
Stores and spares	33.35	14.62
Raw Materials	89.48	23.41
Finished Goods - Traded Fuel Stock	9.05	–
Total	131.88	38.03

(Rs. in Crore)

Schedule 9 | SUNDRY DEBTORS	March 31, 2009	March 31, 2008
(Trade, unless otherwise stated)		
Debts outstanding for a period exceeding six months:		
Unsecured - considered good	83.73	53.00
Unsecured - considered doubtful	44.07	20.95
Less Provision for doubtful debts	(44.07)	(20.95)
	83.73	53.00
Other debts:		
Unsecured - considered good*	564.84	371.68
Unsecured - considered doubtful	3.83	14.66
Less Provision for doubtful debts	(3.83)	(14.66)
	564.84	371.68
Unsecured - other than trade - considered good	12.34	5.89
Total	660.91	430.57

* includes unbilled revenue amounting to Rs. 206.39 (2008: Rs 187.32)

[Debtors include Rs. 27.61 (2008: Rs.28.83) on account of PSF (Security Component) balances]

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 10 | CASH AND BANK BALANCES	March 31, 2009	March 31, 2008
Cash and Cheques on hand	1.08	0.29
Balances with scheduled banks		
On Current Account - Balance of unutilised monies raised by way of IPO	–	0.02
On Current accounts - Others*	239.92	273.63
On Deposit accounts**	1,882.50	557.14
On Unpaid Dividend Accounts	3.66	–
On Margin Money***	85.22	39.85
Balances with banks other than scheduled banks		
On Current accounts	235.68	23.56
On Deposit accounts	18.46	–
Total	2,466.52	894.49

* Balances in Current Accounts with Scheduled banks include Rs. 1.22 (2008: Rs. Nil) on account of PSF (Security Component) balances.

**1. Balances in Deposit Accounts with Scheduled banks include Rs. 78.14 (2008:Rs. 32.21) on account of PSF (Security Component) balances.

2. Balances in Deposit Accounts includes deposit of Rs.65 (2008:Rs.Nil) pledged in favour of debenture holders.

***1. Includes Rs. Nil (2008: Rs. 6.54) out of balance of unutilised monies raised by way of IPO.

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

(Rs. in Crore)

Schedule 11 | OTHER CURRENT ASSETS	March 31, 2009	March 31, 2008
(Unsecured and Considered Good)		
Interest accrued but not due on deposits	16.84	5.21
Claims receivable	0.87	0.59
Grant receivable from authorities	0.04	0.04
Total	17.75	5.84

(Rs. in Crore)

Schedule 12 | LOANS AND ADVANCES	March 31, 2009	March 31, 2008
(Unsecured and considered good, unless otherwise stated)		
Loans to Employees	1.44	1.25
Advance towards share application money	28.62	1.40
Loans to Others	181.98	–
Advances recoverable in cash or in kind or for value to be received		
Considered Good	486.13	294.90
Considered doubtful	6.43	0.43
Less: Provision for doubtful advances	(6.43)	(0.43)
Deposit with Government Authorities	113.23	111.30
Deposits with others *	313.30	57.77
Balances with customs, excise, etc.,	56.68	76.15
Advance tax (net of provision)	65.94	42.29
MAT Credit entitlement	13.91	13.91
Total	1,261.23	598.97

* includes Rs.164.67 (2008: Rs. Nil) deposited with a bank towards security by way of participation amount against a loan granted to a subsidiary company.

[Loans & Advances includes Rs.43.38 (2008:Rs.20.49) pertaining to PSF (Security Component) balances]

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2009

(Rs. in Crore)

Schedule 13 | CURRENT LIABILITIES AND PROVISIONS	March 31, 2009	March 31, 2008
a) Liabilities		
Sundry Creditors		
Dues to micro and small enterprises [Refer Note 4 (x)(d) of schedule 19]	–	2.62
Dues to other than micro and small enterprises	848.33	786.15
	848.33	788.77
Book overdraft	9.62	48.20
Share Application Money refunds - not claimed	0.05	0.07
Advances/Deposits from customers/concessionaires	357.41	112.32
Retention Money	161.59	120.56
Negative Grant / Utilisation fee payable	306.96	–
Other liabilities	190.08	243.07
Interest accrued but not due on loans	12.43	9.76
	1,886.47	1,322.75
b) Provisions		
Dividend distribution tax	–	0.13
Provision for Wealth Tax	0.07	–
Provision for employee benefits	7.64	4.57
Provision for Debenture Redemption Premium	23.82	–
Provision for Operations and Maintenance (net of advances) [Refer Note 4 (xv) of Schedule 19]	46.69	83.46
	78.22	88.16
Total	1,964.69	1,410.91

[Liabilities includes Rs.161.77 (2008:Rs.33.26) pertaining to PSF (Security Component) balances]

Schedules forming part of the Consolidated Profit and Loss account for the year ended March 31, 2009

(Rs. in Crore)

Schedule 14 | SALES AND OPERATING INCOME	March 31, 2009	March 31, 2008
Power		
Income from sale of electrical energy*	2,012.87	1,578.17
Less: Prompt Payment Rebate	46.97	36.97
Income from management and other services	169.31	–
	2,135.21	1,541.20
Roads		
Annuity income from expressways	141.38	139.62
Toll income from expressways	10.52	–
Income from variation works - Expressways	–	0.08
	151.90	139.70
Airports		
Aeronautical	581.34	323.80
Non - Aeronautical**	828.42	348.79
Cargo Operations	253.45	203.96
	1,663.21	876.55
Others		
Income from Management and Other Services	46.09	30.65
Construction Revenue	304.17	–
Interest Income (gross)	61.22	19.30
[Tax deducted at source - Rs. 8.79 (2008: Rs. 0.84)]		
Dividend Income on current investments (other than trade) (gross)	109.26	79.25
Profit on Sale of Current Investments (Other than Trade) [Net of Loss on sale of Investments of Rs. 0.08 (2008: Rs. 19.89)]	5.13	11.26
	525.87	140.46
Total	4,476.19	2,697.91

* Includes Rs. 138.60 (2008: Rs. Nil) from energy trading operations.

** Includes Rs. 209.08 (2008: Rs. Nil) from fuel trading operations.

Schedules forming part of the Consolidated Profit and Loss account for the year ended March 31, 2009

(Rs. in Crore)

Schedule 15 | OTHER INCOME	March 31, 2009	March 31, 2008
Income from current investments- other than trade (gross)	13.91	19.59
Liabilities/Provisions no longer required, written back	1.79	12.91
Gain on account of foreign exchange fluctuations (net)	–	15.80
Profit on sale of current investments [Net of loss on sale of investments of Rs. 9.97 (2008:Rs.0.89)]	0.22	14.93
Miscellaneous income	5.45	6.52
Total	21.37	69.75

(Rs. in Crore)

Schedule 16 | GENERATION AND OPERATING EXPENSES	March 31, 2009	March 31, 2008
Consumption of fuel and lubricants	1,356.02	1,031.26
Purchase of Traded Goods		
Cost of Power Purchased for re-sale	129.88	–
Cost of Jet Fuel Purchased for re-sale	209.38	–
Operations and maintenance	121.41	75.51
[Net of claims relating to earlier years and warranty claims - Rs. Nil (2008 : Rs. 0.61) and includes stores and spare parts consumed Rs. 20.13 (2008 : Rs. 13.87)]		
Cost of variation works	–	0.07
Airport operator fee	27.29	18.14
Cost of material for Construction Activity	204.61	–
Cargo handling charges	17.56	14.24
Insurance	9.24	4.09
Technical consultancy fee	11.48	5.66
Salaries, allowances and benefits to employees	34.54	2.06
Contribution to provident fund and others	0.13	0.08
Electricity and water charges	53.60	23.86
Repairs and maintenance:		
Plant and machinery (net of claims)	36.66	0.35
Buildings	26.89	19.10
Others	41.11	18.56
Lease rentals [net of sub-lease rentals - Rs. 0.28 (2008: Rs 0.28)]	6.49	8.25
Others	5.35	8.51
	2,291.64	1,229.74
(Increase) / Decrease in Stock in Trade:		
Stock as at April 1,		
Traded Fuel Stock	–	–
Less: Stock as at March 31,		
Traded Fuel Stock	9.05	–
(Increase) / Decrease in Stock in Trade	(9.05)	–
Total	2,282.59	1,229.74

Schedules forming part of the Consolidated Profit and Loss account for the year ended March 31, 2009

(Rs. in Crore)

Schedule 17 | ADMINISTRATION AND OTHER EXPENSES	March 31, 2009	March 31, 2008
Salaries, allowances and benefits to employees	189.57	82.60
Operation support cost paid to Airports Authority of India	115.34	108.05
Contribution to Provident and other funds	9.89	5.88
Staff welfare expenses	25.68	12.64
Rent	32.73	19.37
Repairs and maintenance		
Buildings	0.04	0.08
Others	1.87	0.76
Rates and taxes	13.92	3.65
Insurance	8.10	8.28
Consultancy and other professional charges	121.58	56.14
Directors' Sitting Fee	0.51	0.46
Electricity charges	1.41	1.62
Remuneration to auditors	1.27	1.03
Advertisement	13.53	22.46
Travelling and Conveyance	24.67	37.01
Communication expenses	9.00	3.87
Printing and Stationary	4.76	3.64
Provision for doubtful advances and debtors	17.83	17.52
Provision for diminution in value of investments	5.98	6.66
Donations	6.62	17.39
Loss on account of foreign exchange fluctuations (net)	0.20	–
Bad Debts written off	–	5.73
Loss on sale of fixed assets	0.08	0.68
Miscellaneous expenses	65.26	51.02
Total	669.84	466.54

(Rs. in Crore)

Schedule 18 | INTEREST AND FINANCE CHARGES	March 31, 2009	March 31, 2008
Interest on term loans (Net)	444.44	184.70
Less: Interest income on deposits (Gross) [Tax deducted at source - Rs. 17.78 (2008: Rs. 9.97)]	(96.67)	(42.22)
Interest - others	5.29	3.25
Bank and other finance charges	15.14	22.98
Total	368.20	168.71

Notes forming part of the Consolidated Accounts

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

1. DESCRIPTION OF BUSINESS

GMR Infrastructure Limited ('GIL' or 'the Company') and its consolidated subsidiaries, an associate and Joint Ventures (hereinafter collectively referred to as Group) are mainly engaged in generation of power, development of expressways, airport infrastructure facilities and special economic zones. GIL is a holding company with its investments mainly within the group companies. It is also involved in the development of the infrastructure and other projects as mentioned above.

Power business

Certain entities of the Group are involved in the generation of power. These are separate special purposes vehicles formed which have entered into Power Purchase Agreements with the electricity distribution companies of the respective state governments either on Memorandum of Understanding basis or on bid basis. Certain entities of the Group are involved in energy trading activities.

Airport Infrastructure Business

Certain entities of the Group are engaged in development of airport infrastructure i.e the Greenfield International Airport at Hyderabad on build, own, operate and transfer basis along with a consortium of sponsors like Airport Authority of India, State Government of Andhra Pradesh and Malaysian Airport Holdings Berhad under concessionaire agreement and the operations and modernization of Delhi Airport as a joint venture between the Group and Airports Authority of India and operations and modernisation of Sabiha Gokcen International Airport in Turkey as a joint venture with Limak and Malaysian Airport Holdings Berhad.

Development of Expressways

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

2.PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include accounts of GMR Infrastructure Limited ('the Company') and its subsidiaries, an associate and joint ventures. Subsidiary undertakings are those companies in which GIL, directly or indirectly, has an interest of more than one half of voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group till the date such control ceases. The consolidated financial statements are prepared in accordance with historical cost convention and to comply in all material aspects with the applicable accounting principles in India, the accounting standards notified under Sub-section (3C) of Section 211 of the Companies Act, 1956 of India ("The Act") and other relevant provisions of the Act.

All inter-company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated.

Investments in the Associates have been accounted in these consolidated statements as per Accounting Standard 23 on Accounting for Investments in Associates in Consolidated Financial Statements. Investments in associate companies which have been made for temporary purposes have not been considered for consolidation.

Investments in the Joint Ventures have been accounted in the consolidated statements as per Accounting Standard 27 on Financial Reporting of Interests in Joint Ventures.

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

Name of the Company	Country of Incorporation	Relationship	Percentage of Ownership Interest (Directly and Indirectly)	
			March 31, 2009	March 31, 2008
GMR Energy Limited (GEL)	India	Subsidiary	100.00%	100.00%
GMR Power Corporation Private Limited (GPCPL)	India	Subsidiary	51.00%	51.00%
Vemagiri Power Generation Limited (VPGL)	India	Subsidiary	100.00%	100.00%
GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	Subsidiary	100.00%	100.00%
Badrinath Hydro Power Generation Private Limited (BHPGL)	India	Subsidiary	100.00%	–
GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary	89.00%	89.00%
GMR Kamalanga Energy Limited (GKEL)	India	Subsidiary	100.00%	100.00%
GMR Energy Trading Limited (GETL)	India	Subsidiary	51.00%	51.00%
GMR Consulting Engineers Private Limited (GCEL)	India	Subsidiary	100.00%	100.00%
GMR Coastal Energy Private Limited (GCEPL)	India	Subsidiary	100.00%	–
GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	Subsidiary	100.00%	–

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

Name of the Company	Country of Incorporation	Relationship	Percentage of Ownership Interest (Directly and Indirectly)	
			March 31, 2009	March 31, 2008
GMR Chhattisgarh Energy Private Limited (GCHEPL)	India	Associate	45.00%	–
GMR Londa Hydropower Private Limited (GLHPL)	India	Subsidiary	100.00%	–
Londa Hydropower Private Limited (LHPL)	India	Subsidiary	100.00%	–
Himtal Hydro Power Co. Private Limited (HHPCL)	Nepal	Subsidiary	80.00%	80.00%
GMR Upper Karnali Hydropower Limited (GUKHL)	Nepal	Subsidiary	50.50%	–
GMR Energy (Mauritius) Limited (GEML)	Mauritius	Subsidiary	100.00%	100.00%
GMR Lion Energy Limited (GLEL)	Mauritius	Subsidiary	69.18%	–
GMR Energy (Cyprus) Limited (GECL)	Cyprus	Subsidiary	100.00%	–
GMR Energy (Netherlands) B.V. (GEN BV)	Netherlands	Subsidiary	100.00%	–
PT Dwikarya Sejati Utma (PT DSU)	Indonesia	Subsidiary	100.00%	–
PT Duta Sarana Internusa (PT DSI)	Indonesia	Subsidiary	100.00%	–
PT Barasentosa Lestari (PTBSL)	Indonesia	Subsidiary	100.00%	–
GMR Highways Private Limited (GHIPL)	India	Subsidiary	100.00%	50.00%
GMR Tambaram-Tindivanam Expressways Private Limited (GTTEPL)	India	Subsidiary	60.77%	60.77%
GMR Tuni-Anakapalli Expressways Private Limited (GTAEPL).	India	Subsidiary	60.77%	60.77%
GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary	100.00%	100.00%
GMR Jadcherla Expressways Private Limited (GJEPL)	India	Subsidiary	100.00%	100.00%
GMR Pochanpalli Expressways Private Limited (GPEPL)	India	Subsidiary	100.00%	100.00%
GMR Ulundurpet Expressways Private Limited (GUEPL)	India	Subsidiary	100.00%	100.00%
GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary	63.00%	63.00%
Gateways For India Airports Private Limited (GFIAPL)	India	Subsidiary	86.49%	86.49%
Hyderabad Menzies Air Cargo Private Limited (HMACPL)	India	Subsidiary	32.13%	32.13%
Hyderabad Airport Security Services Limited (HASSL)	India	Subsidiary	63.00%	63.00%
GMR Hyderabad Airport Resource Management Limited (GHARML)	India	Subsidiary	63.00%	63.00%
GMR Hyderabad Aerotropolis Private Limited (GHAPL)	India	Subsidiary	63.00%	63.00%
GMR Hyderabad Aviation SEZ Limited (GHASL)*	India	Subsidiary	63.00%	–
GMR Hyderabad Multiproduct SEZ Limited (GHMSL)*	India	Subsidiary	63.00%	–
GMR Airport Handling Services Limited (GAHSL)	India	Subsidiary	63.00%	–
Delhi International Airport Private Limited (DIAL)	India	Subsidiary	50.10%	50.10%
DIAL Cargo Private Limited (DCPL)	India	Subsidiary	50.10%	50.10%
Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary	50.10%	50.10%
East Delhi Waste Processing Company Private Limited (EDWPCPL)	India	Subsidiary	40.08%	–
GVL Investments Private Limited (GVL)	India	Subsidiary	100.00%	100.00%
GMR Aviation Private Limited (GAPL)	India	Subsidiary	100.00%	100.00%
GMR Krishnagiri SEZ Limited (GKSEZL)	India	Subsidiary	100.00%	100.00%
Advika Real Estate Private Limited (AREPL)	India	Subsidiary	100.00%	–
Aklima Real Estates Private Limited (AKREPL)	India	Subsidiary	100.00%	–
Amartya Real Estates Private Limited (AMREPL)	India	Subsidiary	100.00%	–
Baruni Real Estates Private Limited (BREPL)	India	Subsidiary	100.00%	–
Camelia Real Estates Private Limited (CREPL)	India	Subsidiary	100.00%	–
Eila Real Estate Private Limited (EREPL)	India	Subsidiary	100.00%	–
Gerbera Estates Private Limited (GEPL)	India	Subsidiary	100.00%	–
Hiral Real Estates Private Limited (HREPL)	India	Subsidiary	100.00%	–

Name of the Company	Country of Incorporation	Relationship	Percentage of Ownership Interest (Directly and Indirectly)	
			March 31, 2009	March 31, 2008
Honeysuckle Properties Private Limited (HPPL)	India	Subsidiary	100.00%	–
Idika Real Estate Private Limited (IREPL)	India	Subsidiary	100.00%	–
Krishnapriya Real Estates Private Limited (KREPL)	India	Subsidiary	100.00%	–
Nadira Real Estate Private Limited (NREPL)	India	Subsidiary	100.00%	–
Purnachandra Real Estates Private Limited (PREPL)	India	Subsidiary	100.00%	–
Shreyadita Real Estate Private Limited (SHREPL)	India	Subsidiary	100.00%	–
Sreepa Real Estates Private Limited (SREPL)	India	Subsidiary	100.00%	–
GMR Oil and Natural Gas Private Limited (GONGPL)	India	Subsidiary	100.00%	–
GMR Infrastructure (Mauritius) Limited (GIML)	Mauritius	Subsidiary	100.00%	100.00%
GMR Infrastructure (Cyprus) Limited (GICL)	Cyprus	Subsidiary	100.00%	100.00%
GMR Infrastructure Overseas Sociedad Limitada (Spain) (GIOSL)	Spain	Subsidiary	100.00%	100.00%
GMR Infrastructure (UK) Limited (GIUKL)	United Kingdom	Subsidiary	100.00%	–
GMR International Limited, Malta (GILM)	Malta	Subsidiary	100.00%	–
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anoni Sirketi (ISG)	Turkey	Joint Venture	40.00%	40.00%
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi (SGH)	Turkey	Joint Venture	29.00%	–
Limak GMR Construction JV (LGCJV)	Turkey	Joint Venture	50.00%	–
GMR Infrastructure (Global) Limited (GIGL)	Isle of Man	Subsidiary	100.00%	–
GMR Energy (Global) Limited (GEGL)	Isle of Man	Subsidiary	100.00%	–
GMR Infra (Singapore) PTE Limited (GISPL)	Singapore	Subsidiary	100.00%	–

* As at December 31, 2008

3 SIGNIFICANT ACCOUNTING POLICIES - GROUP CORPORATE POLICIES

i. REVENUE RECOGNITION

In case of power generating companies, revenue from sale of energy is recognised on accrual basis in accordance with the provisions of the Power Purchase Agreement (PPA) and includes unbilled revenue accrued upto the end of the accounting year and in other cases revenue is recognised in accordance with billings made to consumers based on the units of energy delivered.

Claims for delayed payment charges and any other claims, which the company is entitled to under the Power Purchase Agreement, on grounds of prudence, are accounted for in the year of acceptance. The PPA provides for payment of fixed tariff based on cumulative availability of plant and also the fuel cost at a predetermined station heat rate.

Income from management/technical services is recognised as per the terms of the agreement on the basis of services rendered.

Insurance claims are accounted on finalization and acceptance.

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

In case of airport infrastructure companies, revenue is recognised on accrual basis and is net of service tax, applicable discounts and collection charges, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from Cargo Operations is recognized at the point of departure for exports and at the point when goods are cleared in case of imports.

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. Construction Costs are recognised as expenses in the year in which they are incurred. Provision is made for all losses incurred to the Balance Sheet date plus any further losses that are foreseen in bringing contracts to completion.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

Dividend income on investments is accounted for when the right to receive the payment is established. Interest on Investments and bank deposits are booked on a time proportion basis taking into account the amounts invested and the rate of interest.

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

ii. ANNUAL FEE/CONCESSION FEE

In case of airport infrastructure companies, the annual fee computed as a percentage of revenues, pursuant to the terms and conditions of the Operations, Maintenance and Development Agreement (OMDA) is recognised as a charge in the Profit and Loss Account.

iii. OPERATIONS AND MAINTENANCE

Power generating companies have entered into a Long Term Service Agreement (LTSA) for maintenance of the main plant, Operations and Maintenance Agreement for regular and major maintenance and Long Term Assured Parts Supply Agreement (LTAPSA) for supply of parts for planned and unplanned maintenance over the term of the agreement. Amounts payable under the agreements are charged to the Profit and Loss Account based on actual factored fired hours of the Gas Turbines during the period on the basis of average factored hour cost including Customs Duty applicable at the current prevailing rate. Periodical minimum payments are accounted as and when due.

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

iv. FIXED ASSETS

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidentals attributable to bringing the asset to its working condition. Assets under installation or under construction as at the balance sheet date are shown as Capital Work in Progress.

Assets under construction and the related advances as at the Balance Sheet date are shown as Capital Work in Progress.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for its intended use or sale. Other borrowing costs not attributable to the acquisition of any capital asset or investments are recognised as expenses in the period in which they are incurred.

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being the excess of carrying value over the recoverable value of the asset) is charged to the profit and loss account in the respective financial year. The impairment loss recognised in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

Intangible Assets

a. In case of airport infrastructure companies, amounts in the nature of upfront fee and other costs paid to Airports Authority of India (AAI) pursuant to the terms and conditions of the OMDA are recognised as Intangible assets and the carrying amounts of such assets are reviewed at each balance sheet date to assess whether they are carried in excess of their recoverable amount.

b. Carriage ways representing commercial rights in relation to toll roads to collect toll fee and in the case of annuity based projects has been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening, rehabilitation of the toll roads on build, operate and transfer basis. It includes all direct material, labor and sub-contracting costs, inward freight, duties, taxes and any directly attributable expenditure on making the Commercial right ready for its intended use.

v. DEPRECIATION

Tangible Assets

The Group provides depreciation on fixed assets, other than those specifically stated below, on straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 except for assets costing less than Rs. 5,000, which are fully depreciated in the year of acquisition. Leasehold improvements are amortised over the 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.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term or at the rates prescribed under Schedule XIV of the Companies Act, 1956, whichever is higher.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

Overseas subsidiaries and Joint venture companies provide depreciation based on estimated useful life of the assets as determined by such subsidiaries/joint ventures.

Intangible Assets

Intangible assets representing upfront fees and other payments made to Airports Authority of India pursuant to the terms and conditions of OMDA are amortized over the period of the respective Concessionaire Agreements.

In the case of Carriage ways, depreciation of toll roads and amortisation of land use rights in relation to toll roads are calculated to write off their cost on an units-of-usage basis whereby depreciation and amortisation are provided based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the periods within which the company is granted the rights to operate those roads. Additional allowance of depreciation and amortisation will be provided to account for such reduction in traffic volume. It is the company's policy to review regularly the total projected traffic volume throughout the operating periods of respective toll roads. Based on Independent professional traffic study performed, appropriate adjustments will be made should there be a material change in the projected traffic volume.

Intangible Assets representing Carriage Ways from annuity based projects are amortized over the period of the respective Concessionaire Agreements on a straight line basis.

vi. INVESTMENTS

Long term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments. Current investments are valued at cost or market value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition. Income from investments is recognised in the year in which it is accrued and stated at gross.

Gains/losses, on investment in futures, both equity and index, being the difference between the contracted rate and the rate on the settlement or sale date, whichever is earlier, are recognised in the Profit and Loss Account on settlement/sale. The open contracts as at the year-end are marked-to-market and the resultant loss, if any, is charged to the Profit and Loss Account.

(vii) INVENTORIES

Inventories are valued at lower of cost or 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.

viii. RETIREMENT BENEFITS

a. Defined Contribution Plans

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund are charged on accrual basis.

The Company also has a defined contribution superannuation plan (under a scheme of Life Insurance Corporation of India) covering all its employees and contributions in respect of such scheme are charged on accrual basis in the Profit and Loss Account. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

b. Defined Benefit Plan

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognised in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised AS 15 as at the end of the year.

c. Other Long term employee benefits

Other Long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

d. Short term employee benefits

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per Company's schemes based on the expected obligation on an undiscounted basis.

ix. FOREIGN CURRENCY TRANSACTIONS

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant gain /loss is recognized in the financial statements. The original cost of fixed assets acquired through foreign currency borrowings at the end of each financial year is adjusted for any change in liability arising out of expressing the outstanding foreign currency loan at the rate of exchange prevailing at the date of balance sheet.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

Long term foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant exchange differences are accumulated in a foreign currency monetary item translation difference account and amortized over the balance period of such long term asset/liability but not beyond March 31, 2011.

In case of forward exchange contracts or any financial instruments not intended for trading or speculation, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of the contract.

In respect of non-integral foreign operations, the assets and liabilities, both monetary and non-monetary are translated at the closing rates and the income and expenses are translated at the dates of the transaction and all the resulting exchange differences are accumulated in foreign exchange fluctuation reserve until the disposal of the investment.

x. EARNINGS PER SHARE

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise of the net profit after tax less dividend (including dividend distribution tax) on preference shares. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The number of shares and potentially dilutive shares are adjusted for bonus shares issued.

xi. GOVERNMENT GRANTS

Government grants in the nature of capital subsidy are treated as Capital Reserve.

xii. TAXES ON INCOME

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised on timing differences; being the difference between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate tax (MAT) paid in accordance to the tax laws, which give rise to the future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

4. NOTES TO THE CONSOLIDATED ACCOUNTS

(i) a. Contingent Liabilities

(Rs. in Crore)

Particulars	As at March 31, 2009	As at March 31, 2008
Corporate guarantees	7,100.10	62.50
Claims against companies not acknowledged as debts	0.01	–
Matters relating to income tax under dispute	0.03	3.24
Matters relating to water cess under dispute	–	1.68
Matters relating to custom duty under dispute	90.45	4.60

b. In case of DIAL, the Airports Authority of India, w.e.f. June 1, 2007 has claimed service tax on the annual fee payable to them considering the same as rental income from immoveable property. DIAL has disputed the grounds of the levy as well as liability arising out of it under provisions of the Operation, Management and Development Agreement (OMDA). As the matter is under dispute and pending with Hon'ble High Court of Delhi, the impact of the same, if any has not been considered.

c. In case of DIAL, the Company has received a provisional demand of Rs. 233.11 Crore from Airports Authority of India (AAI) on account of reimbursement of voluntary retirement compensation, payable upon expiry of the operational support period on May 2, 2009. Pending acceptance and determination of the claim, the same has not been considered in the financial statements. Any payment towards the settlement of the claim will be recognised as an intangible asset and amortised over the period of Airport concession rights.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

(ii) Capital Commitments

(Rs. in Crore)

Particulars	As at March 31, 2009	As at March 31, 2008
Estimated value of contracts remaining to be executed on capital amount, not provided for (net of advances)	8,666.16	5,528.93

iii. Equity Shares

a. Pursuant to the decision of the shareholders of the Company at the Extra Ordinary General Meeting held on November 26, 2007, 165,238,088 equity shares of face value of Rs. 2 each have been allotted to Qualified Institutional Buyers at a premium of Rs. 238 per share on December 12, 2007 and received an amount of Rs. 3,965.71 Crore. The net proceeds after the issue expenses will be utilized towards capital expenditure for various projects under development (either directly or through our subsidiaries, joint ventures or affiliates), general corporate purposes including working capital and strategic initiatives and acquisitions in India and abroad. Pending utilization for the purposes described above the balance of funds has been invested in Fixed Deposits and Mutual funds.

b. Pursuant to the decision of the shareholders of the Company at the Extra Ordinary General Meeting held on February 28, 2006, 38,136,980 equity shares of face value of Rs. 10 each have been allotted by way of Initial Public Offer (IPO) on August 17, 2006 and August 24, 2006. The details of funds received and their utilisation up to March 31, 2009 are given below:

(Rs. in Crore)

Particulars	March 31, 2009	March 31, 2008
Funds received		
Equity Share Capital	38.14	38.14
Share Premium (Refer Note (a) below)	756.78	756.78
Interest on delayed payment of call money	0.06	0.06
Less: Calls unpaid	–	0.02
Total	794.98	794.96
Utilisation of Funds		
Investment in Subsidiary Companies (including Share Application Money, pending allotment) – Refer Note (b) below	519.50	509.95
Repayment of Unsecured Loans	55.00	55.00
Payment to GMR Holdings Private Limited and GMR Operations Private Limited for acquisition of equity shares of GVL Investments Private Limited	155.86	155.86
Expenses incurred towards the IPO	64.62	64.59
Deposit with Bombay Stock Exchange (BSE)	–	3.00
Margin Money towards Bank Guarantee issued to BSE	–	6.54
Total Utilisation	794.98	794.94
Balance of unutilised monies out of IPO, details of which are given below:	–	0.02
Amount lying in current accounts	–	0.02
Total	–	0.02

Notes:

a. In case of 5,669,425 equity shares allotted to the retail investors' category, a discount of five percent on the issue price was given in accordance with the terms of the Company's prospectus dated August 7, 2006.

b. Represent investment made directly by the company, through its subsidiary companies and by way of repayment of loans taken for the purpose of investment in subsidiary companies.

iv. Reserves and Surplus

a. GHIAL has received a grant of Rs. 107.00 Crore from Government of Andhra Pradesh towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project, and the Group's share amounting to Rs. 67.41 Crore has been included in Schedule 2- Reserves and Surplus.

b. GAPL purchased the aircraft division of GMR Industries Ltd under slump sale on October 01, 2008 for a purchase consideration of Rs. 29.00 Crore on a going concern basis and the transaction was concluded during the year. Accordingly, an amount of Rs. 3.41 Crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognized as capital reserve.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

v. Secured Loans

In case of GTTEPL and GTAEPL, the Secured Loans as at March 31, 2009 are in the nature of advances received towards the assignment of future Annuity/Receivables under the Concession Agreement with National Highway Authority of India and are further secured by way of mortgage of all the present and future immovable fixed assets of the company and by way of hypothecation over the movable fixed assets.

vi. Foreign Currency Transactions

The Ministry of Corporate Affairs, Government of India has vide its Notification No GSR 225(E) dated March 31, 2009 has announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

The Group has, pursuant to the adoption of such principles of Companies (Accounting Standards) Amendment Rules 2009, exercised the option of recognising the exchange differences arising on reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable fixed assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of a depreciable asset as below:

a. Exchange differences amounting to Rs.20.40 Crore hitherto recognized as income in the Profit and Loss Account in respect of the financial year ended March 31, 2008, has now been adjusted to the cost of assets by carrying out a corresponding adjustment of Rs. 18.19 Crore against the opening balance of Profit and Loss Account and Rs.2.21 Crore against the opening balance of Minority Interest.

b. An amount of Rs. 180.53 Crore being the exchange loss arising in the financial year ended March 31, 2009 has now been added to the cost of the depreciable assets. Such exchange fluctuation differences were previously recognized in the Profit and Loss Account.

c. An amount of Rs. 9.28 Crore, being the exchange gain on other long term monetary assets arising in the financial year ended March 31, 2009 has now been accumulated in a Foreign Currency Monetary Item Translation Difference Account and is amortised over the balance period of such long term monetary asset in the Profit and Loss Account. The unamortised balance as at March 31, 2009 amounts to Rs. 6.87 Crore. Such exchange fluctuation differences were previously recognised in the Profit and Loss Account. This change in accounting policy has resulted in a decrease in the current year's Profit by Rs. 6.87 Crore.

vii. Expenditure during construction period, pending allocation (Net)

a. In respect of Companies in construction stage, no Profit and Loss Account has been drawn up. All expenditure incurred (net of income earned) during the construction stage are grouped and disclosed under 'Expenditure during construction period, pending allocation (Net)' in Schedule 6.

b. In accordance with the terms of the concession agreements entered into with National Highways Authority of India (NHAI) by GACEPL, GJEPL and GUEPL, dated November 16, 2005, February 20, 2006 and April 19, 2006 respectively, the Companies have an obligation to pay an amount of Rs. 507.96 Crore by way of Negative Grant to NHAI and accordingly paid an aggregate amount of Rs. 256.36 Crore till March 31, 2009 towards Negative Grant to NHAI. The entire value of negative grant is shown under Expenditure incurred During Construction Period Pending Allocation (Net) in Schedule 6. The balance amount payable over the concession period has been included in Schedule 13.

viii. Sundry Debtors

a. In case of GPCPL, claims/counterclaims arising out of the Power Purchase Agreement and Land Lease Agreement in respect of the dues recoverable from Tamil Nadu Electricity Board (TNEB) on account of Sale of Energy including reimbursement towards Interest on Working Capital and Minimum Alternate Tax and payment of land lease rentals to TNEB respectively are pending settlement/ reconciliation. The management is confident of recovering these amounts.

b. In case of GEL, the Government of Karnataka vide its Order No.EN 540 NCE 2008 dated January 1, 2009 (Order) invoked Section 11 of the Electricity Act, 2003 and directed the company to supply power to the State Grid for the period January 1, 2009 to May 31, 2009 at a specified rate. The company had an existing contract with a buyer till 31st January, 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue recognition in respect of power supplied for the month of January 2009 has been made in the books as per the original contracted rate, based on a legal opinion obtained by the trading entity and pending disposal of the matter at an appropriate court of law. The differential revenue, as such recognized in the books, amounts to Rs. 44.04 Crore.

In the interim, as per the directions of the Hon'ble High Court of Karnataka, Karnataka Electricity Regulatory Commission, being the appropriate authority for determination of tariff, has recommended a higher bandwidth of tariff than the specified rate in the Order. However, revenue recognition for the months of February and March, 2009, has been made, on a prudent basis, as per the rate specified in the Order. Accordingly, the differential amount of Rs. 45.12 Crore not been recognized in the books as revenue.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

ix. Operating Income

In case of airport infrastructure companies, the passenger service fee charged from the departing passengers have two components viz Facilitation Component and Security Component. In accordance with the various government orders issued from time to time, the passenger service fee collections are held by the Company in fiduciary capacity on behalf of Government of India and are deposited in an escrow account utilized for meeting the security related expenses.

A summary of the passenger service fee balances are given below:

(Rs. in Crore)

Description	March 31, 2009		March 31, 2008	
Passenger Service fee (Security Component)	195.99		151.44	
Interest and other income	12.61	208.60	11.99	163.43
Less: Expenses		164.64		79.30
Net Income		43.96		84.13
Surplus brought forward		161.20		77.07
Total		205.16		161.20
Fixed Assets(Net)		216.58		8.59
Investments		-		104.34
Receivables		27.61		28.83
Other Assets		43.38		20.49
Cash and Bank balance in Escrow Account		79.36		32.21
		366.93		194.46
Less: Other Liabilities		161.77		33.26
Total		205.16		161.20

x. Others

a. Depreciation / Amortization for the year includes Rs. 37.14 Crore towards amortization of Utilisation fee payable by an overseas joint venture entity.

b. Pursuant to the expiry of the power purchase agreement with Karnataka Power Transmission Corporation Limited on June 8, 2008, GEL is currently generating and exporting power to consumers based on short term power supply agreements. The company is also exploring various alternate business opportunities for the power plant.

c. GHIAL has declared commercial operations on March 23, 2008 and accordingly, the Runways, Buildings, Plant and Machinery etc have been capitalised as on that date. Out of the total 'Expenditure during construction period, pending allocation (Net)' as at that date amounting to Rs. 436.90 Crore, an amount of Rs. 410.29 Crore directly identifiable to the cost of construction has been apportioned over the cost of the fixed assets and the remaining amount of Rs. 26.61 Crore has been charged to the Profit and Loss Account under the relevant heads of account (included in Schedule 16) during the year ended on March 31, 2008.

d. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2009. This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

e. The Company, through its step-down subsidiary, GMR Energy Global Limited, has entered into necessary arrangements to acquire 50% equity stake in Intergen NV by means of Compulsory Convertible Debentures (CCD). The Company has also given a corporate guarantee up to a maximum of USD 1.38 billion to the lenders on behalf of a fellow subsidiary to enable it to raise debt for financing the aforesaid acquisition. Intergen NV is a global energy company, which operates 8086 MW capacity across five countries in four continents and is further developing 4686 MW. The financial results of Intergen NV have not been considered in the consolidated results of the Company pending conversion of such CCDs.

f. In case of HMACPL, during the year, there were delays in filing of statutory forms under Foreign Exchange Management Act, 1999 to Reserve Bank of India with respect to inward remittance of foreign currency towards Share Capital application monies, intimation of allotment of shares to a Non-resident shareholder. Further, the amount for which the shares were not allotted is yet to be refunded.

g. HMACPL, had declared preference dividend on January 16, 2009 amounting to Rs.1.62 Crore, equity dividends on October 14, 2008 and January 16, 2009 amounting to Rs.1.02 Crore and Rs.1.02 Crore respectively. The Company deposited the unpaid dividend to

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

"Unpaid Dividend Account". However, there have been delays in remittance of preference dividend amounting to Rs.0.002 Crore and Equity Dividend amounting to Rs.1.04 Crore to the Holding Company (GHIAL) which is not in conformity with the requirements of Section 207 of the Companies Act, 1956. Since Foreign Direct Investment has not been taken on record by Reserve Bank of India, Preference Dividend of Rs. 1.62 Crore and Equity Dividend of Rs. 1.00 Crore have not been remitted to a Non-resident shareholder.

xi. Effective April 1, 2007, the Company has adopted the Accounting Standard 15 (Revised) on "Employee Benefits" issued by the Institute of Chartered Accountants of India. Pursuant to the adoption, the transitional obligation of the Company amounting to Rs. 0.51 Crore has been adjusted against the opening balance of the revenue reserves during the financial year ended March 31, 2008.

Defined benefit plan

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognized in the Balance Sheet and Profit and Loss Account.

(Rs. in Crore)

Particulars	Year Ended March 31,	
	2009	2008
Projected Benefit Obligation at the beginning of the year	2.87	2.41
Current Service cost	1.74	1.18
Interest Cost	0.20	0.19
Actuarial Loss / (Gain)	(0.53)	(0.62)
Benefits Paid	(0.05)	0.28
Projected Benefit Obligation at the end of the year	4.24	2.87
Amounts Recognized in the Balance Sheet		
Projected Benefit Obligation at the end of the year	4.25	2.87
Fair Value of Plan assets at the end of the year	5.58	3.30
Funded Status of Plan - (Asset) / Liability	(1.33)	(0.42)
(Asset) / Liability recognized in the Balance Sheet	(1.33)	(0.42)
Cost for the Year		
Current Service Cost	1.74	1.18
Interest Cost	0.20	0.19
Expected Return on Plan Assets	(0.34)	(0.13)
Net Actuarial (Gain)/Loss recognized in the year	(0.53)	(0.62)
Net Cost	1.07	0.63
Assumptions		
Discount Rate	7%	8%
Estimated Rate of Return on Plan Assets	8%	8%
Expected Rate of salary increase	6%	6%
Attrition Rate	5%	5%

Leave encashment liability provided based on actuarial valuation amounting to Rs. 4.58 Crore (2008: Rs.2.73 Crore) as at March 31, 2009.

xii. Leases

a. Finance Lease

The group has also entered into two finance lease arrangements with regard to a computer server and a steam turbine generator for a period of 4 years and 5 years respectively. The lease has a primary period, which is fixed and non-cancelable. The company has an option to renew the lease for a further period of 1 year. 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.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

(Rs. in Crore)

Particulars	Minimum Lease Payment As at March 31, 2009	Present Value of Minimum Lease As at March 31, 2009	Minimum Lease Payment As at March 31, 2008	Present Value of Minimum Lease As at March 31, 2008
(i) Payable not later than 1 year	1.66	1.56	1.31	1.24
(ii) Payable later than 1 year and not later than 5 years	3.34	2.67	3.28	2.69
(iii) Later than 5 years	–	–	–	–
Total – (i)+(ii)+(iii) = (iv)	5.00	4.23	4.59	3.93
Less: Future finance charges (v)	0.77	–	0.66	–
Present Value of Minimum Lease Payments [(iv) – (v)]	4.23	–	3.93	–

b. Operating Leases

The Group has entered into certain cancelable operating lease agreements mainly for office premises and certain non-cancelable operating lease agreements. The lease rentals charged during the year (included in Schedule 6, 16 and 17) and the maximum obligation on the long term non-cancelable operating lease payable as per the agreement are as follows:

(Rs. in Crore)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Lease rentals under cancelable leases	34.47	28.50
Lease rentals under non-cancelable leases	3.07	3.49
Obligations on non-cancelable leases		
Not later than one year	5.38	–
Later than one year and not later than five years	21.68	–

xiii. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2009	Year ended March 31, 2008
Nominal Value of Equity Shares (Rs. per Share) [Refer Note – (c) below]	2	2
Total number of Equity Shares outstanding at the beginning of the year	1,820,658,088	1,655,420,000
Add: Issue of Equity Shares through (QIP)	-	165,238,088
Total number of Equity Shares outstanding at the end of the year	1,820,658,088	1,820,658,088
Weighted average number of Equity Shares outstanding at the end of the year	1,820,649,979	1,705,071,192
Net Profit after tax (Rs. in Crore)	279.45	210.08
EPS – Basic and Diluted (Rs.)	1.53	1.23

Notes:

a. As at March 31, 2009, Rs. 2,750 (2008: Rs. 11,625) 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. Since the company did not have any dilutive securities, the basic and diluted earnings per share are the same.

c. Pursuant to the approval for the subdivision of the equity shares of the Company in the Annual General Meeting held on August 30, 2007, each equity share carrying a face value Rs. 10 each has been subdivided into 5 equity shares of Rs. 2 each on October 8, 2007, being the record date. Accordingly, the weighted average number of shares for both the current and corresponding previous periods has been adjusted to reflect such subdivision while calculating the earnings per share.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

xiv. Deferred Tax

Deferred Tax (Asset) / Liability comprises mainly of the following as at March 31,

(Rs. in Crore)

Sl. No.	Particulars	2009		2008	
		Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
1	Depreciation	–	245.21	–	83.30
2	Preliminary Expenses	–	–	0.32	–
3	Other 43B disallowances	0.29	–	0.13	–
4	Carry forward losses	110.44	–	40.35	–
5	Carry forward depreciation	104.74	–	–	–
6	Others	10.59	–	–	–
	Total	226.06	245.21	40.80	83.30
	Deferred Tax (Asset) / Liability (Net)		19.15		42.50

a. In case of GEL and VPGL, deferred tax asset to the extent not reversing within the tax holiday period of the Company has not been recognised on the grounds of prudence in view of the management's assessment of future profitability of these companies.

b. In case of GPCPL, GTAEPL and GTTEPL, as the timing differences are originating and reversing within the tax holiday period of the Company under the provisions of section 80-IA of the Income Tax Act, 1961, deferred tax has not been recognised by these Companies.

c. In case of PT BSL, deferred tax asset has not been recognised on the grounds of prudence in view of the management's assessment of future profitability.

d. GHIAL has recognized deferred tax asset on unabsorbed depreciation and carried forward losses as at March 31, 2009, on the basis of prudence, only to the extent of deferred tax liability on depreciation as at March 31, 2009, after considering the timing differences originating on or before the balance sheet date and not reversing within the tax holiday period. Accordingly, there is no impact on the Profit and Loss Account for the current year.

xv. Provisions

(Rs. in Crore)

Particulars	As at April 01, 2008	Provision made during the year	Amount used during the year	As at March 31, 2009
Provision for operations and maintenance	83.46	12.42	49.19	46.69
	(77.84)	(10.10)	(4.48)	(83.46)

Note: Previous year figures are mentioned in brackets.

xvi. Information on Joint Ventures as per Accounting Standard – 27

Name	Country of Incorporation	Percentage of Ownership interest (Directly and Indirectly) as at March 31, 2009	Percentage of Ownership interest (Directly and Indirectly) as at March 31, 2008
Istanbul Sahiba Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anoni Sirketi (ISG)	Turkey	40%	40%
Istanbul Sahiba Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi (SGH)	Turkey	29%	–
Limak GMR Construction JV (LGCJV)	Turkey	50%	–

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

The Company's aggregate share of each of the assets, liabilities, income and expenses etc (each after elimination of, the effect of transactions between the Company and the joint ventures) related to its interests in the above joint ventures, based on the audited financial statements are as follows:

(Rs. in Crore)

Particulars	March 31,2009	March 31,2008
I. Assets		
1. Fixed Assets	23.67	0.34
2. Capital Work-in-Progress	420.00	–
3. Expenditure During Construction Period, pending allocation (Net)	80.42	1.55
4. Deferred Tax (Net)	6.92	–
5. Current Assets, Loans and Advances		
a) Inventories	30.49	–
b) Sundry Debtors	97.51	–
c) Cash and Bank Balances	101.06	21.16
d) Other Current Assets	0.25	–
e) Loans and Advances	229.62	0.32
II. Liabilities		
1. Secured Loans	545.86	–
2. Unsecured Loans	0.06	–
3. Deferred Tax (Net)	–	0.02
4. Current Liabilities and Provisions		
- Liabilities	289.63	0.40
III. Income		
1. Sales	592.27	–
2. Other Income	0.08	–
IV. Expenses		
1. Operating Expenses	443.71	–
2. Administration and other expenses	62.58	–
3. Depreciation	41.93	–
4. Interest and Finance Charges	(0.79)	–
5. Provision for Taxation (including Deferred Taxation)	15.77	–
V. Other Matters		
1. Capital Commitments	208.58	
2. Operating Lease rentals under Cancelable leases	1.97	
3. Reserves as at April 1,	-	–
Add: Group Share of Profits for the year	29.16	–
Reserves as at March 31,	29.16	–

xvii. Segment Reporting:

a. The segment report of GIL and its consolidated subsidiaries and associate (the Group) has been prepared in accordance with AS 17 "Segment Reporting" as referred to Sub-section (3C) of Section 211 of the Companies Act, 1956 of India.

b. The corporate strategy of the Group aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups: Power, Roads, Airport Infrastructure and Others. The Group's organizational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.

c. The Group's activities are predominantly within India. The Company has three geographic segments: India, Rest of Asia and Rest of the World. Significant portion of the segment assets are in India. Revenue from geographic segments based on domicile of the customers is outlined below.

d. For the purpose of reporting, business segments are primary segments and the geographic segment is a secondary segment.

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

e. The various business segments comprise of the following companies:

Sl. No.	Segment	Name of the Company
1.	Power	GMR Energy Limited
		Vemagiri Power Generation Limited
		GMR Power Corporation Private Limited
		GMR Energy (Mauritius) Limited
		GMR Mining & Energy Private Limited
		Himtal Hydro Power Co. Private Limited
		GMR Consulting Engineers Private Limited
		GMR Energy Trading Limited
		GMR Kamalanga Energy Limited
		GMR (Badrinath) Hydro Power Generation Private Limited
		Badrinath Hydro Power Generation Private Limited
		GMR Coastal Energy Private Limited
		GMR Bajoli Holi Hydropower Private Limited
		GMR Chhattisgarh Energy Private Limited
		GMR Upper Karnali Hydropower Public Limited
		GMR Londa Hydropower Private Limited
		Londa Hydropower Private Limited
		GMR Lion Energy Limited
		GMR Energy (Netherlands) B.V.
		GMR Energy (Cyprus) Limited
		GMR Energy (Global) Limited
		PT Dwikarya Sejati Utma
		PT Duta Sarana Internusa
		PT Barasentosa Lestari
2.	Roads	GMR Pochanpalli Expressways Private Limited
		GMR Jadcherla Expressways Private Limited
		GMR Ambala Chandigarh Expressways Private Limited
		GMR Tambaram-Tindivanam Expressways Private Limited
		GMR Tuni-Anakapalli Expressways Private Limited
		GMR Highways Private Limited
		GMR Ulundurpet Expressways Private Limited
3.	Airport Infrastructure	GMR Hyderabad International Airport Limited
		Hyderabad Airport Security Services Limited
		GMR Hyderabad Airport Resource Management Limited
		Hyderabad Menzies Air Cargo Private Limited
		GMR Hyderabad Multiproduct SEZ Limited
		GMR Hyderabad Aviation SEZ Limited
		GMR Airport Handling Services Limited
		Gateways For India Airports Private Limited
		Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapum Ve Isletme Sirketi
		Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi
		Delhi International Airport Private Limited
		DIAL Cargo Private Limited
4.	Others	GMR Infrastructure Limited
		GVL Investments Private Limited
		GMR Krishnagiri SEZ Limited
		GMR Aviation Private Limited

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

Sl. No.	Segment	Name of the Company
		GMR Oil and Natural Gas Private Limited
		GMR Infrastructure (Mauritius) Limited
		Advika Real Estate Private Limited
		Aklima Real Estates Private Limited
		Amartya Real Estates Private Limited
		Baruni Real Estates Private Limited
		Camelia Real Estates Private Limited
		Eila Real Estate Private Limited
		Gerbera Estates Private Limited
		Hiral Real Estates Private Limited
		Honeysuckle Properties Private Limited
		Idika Real Estate Private Limited
		Krishnapriya Real Estates Private Limited
		Nadira Real Estate Private Limited
		Prakalpa Properties Private Limited
		Purnachandra Real Estates Private Limited
		Shreyadita Real Estate Private Limited
		Sreepa Real Estates Private Limited
		GMR Infrastructure (Global) Limited
		GMR Infrastructure (Cyprus) Limited
		GMR Infrastructure Overseas Sociedad Limitada (Spain)
		Limak GMR Construction JV
		GMR Infrastructure (UK) Limited
		GMR Infra (Singapore) PTE Limited
		GMR International (Malta) Limited
		Delhi Aerotropolis Private Limited
		GMR Hyderabad Aerotropolis Private Limited
		East Delhi Waste Processing Company Private Limited

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

Note (xvii) (f) : The details of Segment information is given below

(Rs. in Crore)

Business Segments	Power		Roads		Airports		Others		Inter Segment		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenue												
Revenue from Customers	2,135.21	1,541.20	151.90	139.70	1,206.24	473.42	525.87	140.46	-	-	4,019.22	2,294.78
Inter Segment Revenue	3.50	-	-	-	-	-	30.45	7.06	(33.95)	(7.06)	-	-
Total Revenues	2,138.71	1,541.20	151.90	139.70	1,206.24	473.42	556.32	147.52	(33.95)	(7.06)	4,019.22	2,294.78
Operating Expenses	1,538.30	1,107.56	18.37	12.60	507.92	104.65	221.50	8.43	(3.50)	(3.50)	2,282.59	1,229.74
Depreciation/Amortisation	117.21	117.44	55.69	44.26	207.75	11.89	9.18	4.92	-	-	389.83	178.51
Segment Operating Profit/(Loss)	483.20	316.20	77.84	82.84	490.57	356.88	325.64	134.17	(30.45)	(3.56)	1,346.80	886.53
Interest Income/(Expense) - net	(95.49)	(106.51)	(39.23)	(27.35)	(203.47)	(2.41)	(32.16)	(32.44)	2.15	-	(368.20)	(168.71)
Other Income/(Expense) - net	(72.42)	(45.02)	(6.82)	(13.45)	(476.57)	(326.11)	(120.96)	(15.77)	28.30	3.56	(648.47)	(396.79)
Profit / (Loss) before Tax	315.29	164.67	31.79	42.04	(189.47)	28.36	172.52	85.96	-	-	330.13	321.03
Taxation												
Current Tax	27.81	17.17	5.40	4.75	3.25	-	33.64	4.13	-	-	70.10	26.05
Deferred Tax	-	-	-	-	(19.53)	29.00	(3.59)	(0.96)	-	-	(23.12)	28.04
Fringe Benefit Tax	0.53	1.28	0.15	0.11	4.31	2.74	1.05	0.16	-	-	6.04	4.29
Net Profit/(Loss) for the year	286.95	146.22	26.24	37.18	(177.50)	(3.38)	141.42	82.63	-	-	277.11	262.65
Other Information												
Segment Assets	5,115.03	2,602.94	3,870.95	2,463.72	11,130.72	7,160.48	6,878.74	6,879.37	(4,703.70)	(2,446.37)	22,291.74	16,660.14
Capital Expenditure	725.84	145.71	1,386.64	950.67	4,634.23	3,868.01	262.35	203.29	-	-	7,009.06	5,167.68
Depreciation / Amortisation	117.21	117.44	55.69	44.26	207.75	11.89	9.18	4.92	-	-	389.83	178.51
Segment Liabilities	2,086.43	1,485.52	3,167.23	1,997.33	8,113.32	5,369.24	950.18	621.64	(328.68)	(85.89)	13,988.48	9,387.84

Revenue from Customers in respect of Airports for the year ended March 31, 2009 is net of annual fees to Airports Authority of India, amounting to Rs. 456.97 Crore (2008 - Rs. 403.13 Crore)

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

The Company has three geographic segments : India, Rest of Asia and Rest of the World. Significant portion of the segment assets are in India.

Revenue from geographic segments based on domicile of the customers is outlined below:

(Rs. in Crore)

Revenue - Geography	Year ended March 31, 2009	2008
India	3,255.78	2,294.78
Rest of Asia	594.12	–
Rest of the World	169.32	–
Total	4,019.22	2,294.78

Total Assets from geographic segments is outlined below:

(Rs. in Crore)

Assets - Geography	As at March 31, 2009	2008
India	20,221.69	16,636.77
Rest of Asia	846.75	23.37
Rest of the World	1,223.30	–
Total	22,291.74	16,660.14

xviii. Related Party Transactions

a. Names of related parties and description of relationship:

Sl. No.	Relationship	Name of the Parties
(i)	Holding Company	GMR Holdings Private Limited (GHPL)
(ii)	Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate / Joint Venture Enterprises exercising significant influence over the Subsidiary companies.	Airports Authority of India (AAI) Malaysia Airports Holdings Berhad (MAHB) Government of Andhra Pradesh (GoAP) Fraport AG Frankfurt Airport Services Worldwide (FAG) Malaysia Airports (Mauritius) Private Limited (MAMP) U E Development India Private Limited (UEDI) India Development Fund (IDF) Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG) Menzies Aviation cargo (hyd) Limited (MACHL) Limak Insaat San. Ve Tic. A.S (LISVT) SELCO International Limited. (SIL) Odeon Limited (ODL) GMR Chhattisgarh Energy Private Limited (GCHEPL)
(iii)	Enterprises where key managerial personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) Lobelia Properties Private Limited (LPPL)
(iv)	Fellow Subsidiary	GMR Industries Limited (GIDL) Raxa Security Services Limited (RSSL) GMR Properties Private Limited (GPPL) GMR Projects Private Limited (GMRPPL) GMR Highways Private Limited (GMRHPL) GMR Sports Private Limited (GSPL) GMR Holding (Malta) Limited (GHML)
(v)	Key Management Personnel	Mr. G.M.Rao Mr. G.B.S.Raju Mr. Kiran Kumar Grandhi Mr. B.V.Nageswara Rao Mr. Srinivas Bommidala Mr. O.Bangaru Raju

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

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

(Rs. in Crore)

Nature of transaction	2009	2008
Purchase of equity shares - Holding Company	0.03	0.99
Share Application Money paid and allotted - Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture	–	21.96
Share Application Money received and allotted - Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture	–	249.50
Share Application Money paid and refunded -Fellow Subsidiary	–	1.39
Share Application Money Received - Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture	662.64	314.60
Share application money refunded - Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture	41.63	–
- Holding Company	–	0.06
Unsecured Loans repaid		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture	5.23	–
- Holding Company	–	2.21
Fixed Assets Purchased - Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture	0.02	–
Fixed Assets Sold		
-Key Management Personnel	0.05	–
-Fellow Subsidiary	0.01	–
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture	0.09	–
Purchase of Aircraft Division -Fellow Subsidiary	29.00	–
Interest on unsecured loans - Holding Company	–	0.02
Redemption of preference shares - Enterprises where significant influence exists	–	47.82
Rent Paid - Fellow Subsidiary	9.12	12.84
Unsecured Loan taken - Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	–	26.00
Operation and Maintenance Services - Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	–	11.52
Remuneration -Key Management Personnel	14.39	20.45
Donations - Enterprises where key managerial personnel and their relatives exercise significant influence	5.03	12.27

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

(Rs. in Crore)

Nature of transaction	2009	2008
Security Services Rendered		
-Fellow Subsidiary	9.16	7.39
Aircraft Usage Charges received		
- Fellow Subsidiary	2.62	–
Aircraft Usage Charges		
- Fellow Subsidiary	5.94	20.30
Services Received		
-Fellow Subsidiary	0.83	–
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture	0.26	0.24
Fees received for services rendered		
- Fellow Subsidiary	169.31	15.50
Capital expenditure towards Engineering, Procurement and Construction contract (including mobilization advance)		
- Fellow Subsidiary	974.44	783.23
Rent Deposit Paid		
- Fellow Subsidiary	–	6.19
Rent Deposit Refunded		
- Fellow Subsidiary	6.18	1.96
Logo License Fee		
- Holding Company	5.39	–
Preference shares alloted		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	18.00	–
Management Fee		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	6.80	–
Interest on Sub - debt		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	0.26	–
Annual Fee		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	456.97	402.71
Operation Support Cost		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	125.33	83.65
Dividend declared - Equity		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	1.00	–
Dividend declared - Preference		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	1.62	–
Capital Work in Progress		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	–	4.54

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Accounts (contd.)

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

(Rs. in Crore)

Nature of transaction	2009	2008
Unsecured Loans given		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	177.92	–
Share Application Money Paid		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	27.50	–
Aviation Services availed		
- Fellow Subsidiary	2.25	–
Airport Operators Agreement		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	35.63	28.01
Balance Payable /(Recoverable)		
- Holding Company	0.48	–
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	25.66	50.31
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/Joint Venture	(177.99)	–
- Fellow Subsidiary	15.88	(23.01)
- Fellow Subsidiary	(1.86)	(94.04)
- Key management personnel	2.21	8.53

Notes:

a. The Company has provided securities by way of pledge of investments for loans taken by certain companies.

b. Certain Key Management Personnel have extended personal guarantees as security towards borrowings of the Company and other bodies corporate. Similarly the holding company has pledged certain shares held in the Company and other bodies corporate as security towards the borrowings of the Company.

c. Transactions and outstanding balances in the nature of reimbursement of expenses incurred by one company on behalf of the other have not been considered above.

xix. Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

For and on behalf of the Board of Directors

G. M. Rao
Executive Chairman

G. B. S. Raju
Managing Director
(Place: Singapore)

A.Subba Rao
Group CFO

Place: Bangalore
Date: June 04, 2009

C.P.Sounderarajan
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2009

(Rs. in Crore)

		March 31, 2009	March 31, 2008
A.	CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
	Profit before taxation	330.13	321.03
	Adjustments for :		
	Depreciation	389.83	178.51
	Provision for diminution in value of investments	5.98	6.66
	Provisions no longer required, written back	(1.79)	(12.91)
	(Profit)/Loss from sale of current investments (net)	(0.22)	(14.93)
	(Profit)/Loss from sale/write off of fixed assets (net)	0.08	0.68
	Provision for doubtful advances/claims/debts etc.	17.83	17.52
	Exchange differences on translation of Subsidiaries/Joint Ventures	96.10	0.18
	Income from investments	(13.91)	(19.59)
	Dividend Income	(109.26)	(79.25)
	Interest income	(61.22)	(19.30)
	Interest and Finance charges	368.20	168.71
	Bad Debts Written off	-	5.73
	Operating Profit Before Working Capital Changes	1,021.75	553.04
	Adjustments for :		
	Inventories	(93.85)	(7.62)
	(Increase)/Decrease in Trade and other receivables	(886.78)	(394.51)
	Increase/(Decrease) in Trade Payables	433.20	259.64
	Cash generated from/(used in) operations	(547.43)	(142.49)
	Direct taxes paid (including fringe benefit tax)	(99.79)	(61.15)
	Net Cash from /(Used in)Operating Activities	374.53	349.40
B.	CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
	(Purchase)/Sale of fixed assets (net)	(6,584.15)	(4,795.44)
	(Purchase) / Sale of investments (net)	3,386.82	(4,628.91)
	Income from investments	13.91	19.59
	Interest received	49.31	23.21
	Dividend received	109.26	79.25
	Net Cash from/(used in) Investing Activities	(3,024.85)	(9,302.30)

Consolidated Cash Flow Statement for the year ended March 31, 2009

(Rs. in Crore

		March 31, 2009	March 31, 2008
C.	CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
	Issue of equity shares (including share premium) (Refer Note 2 below)	-	3,902.10
	Issue of common stock in consolidated entities (including share application money)	698.06	533.95
	Proceeds/(Repayments) from/of Borrowings (Net)	3,866.33	4,270.41
	Interest and Finance charges paid	(341.71)	(159.06)
	Dividend paid (including dividend distribution tax)	(0.33)	(0.05)
	Net Cash from/(used in) Financing Activities	4,222.35	8,547.35
	Net increase/(decrease) in Cash and Cash Equivalents	1,572.03	(405.55)
	Cash and Cash Equivalents as at April 1,	894.49	1,300.04
	Cash and Cash Equivalents as at March 31,	2,466.52	894.49

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' as referred to in Section 211(3C) of the Companies Act, 1956.
2. Represents amount received towards issue of Equity Shares under Qualified Institutional Placement for the year ended March 31, 2008, net of issue expenses.
3. Cash and cash equivalents as at March 31, 2009 include restricted Cash and Bank balance amounting to Rs. 88.88 (2008: Rs 39.85).
4. Cash and Cash Equivalents as at March 31, 2009 includes Rs.79.36 (2008: Rs.32.21) on account of PSF (Security Component) balance [Refer Note 4 (ix) of Schedule 19].
5. Previous periods figures have been regrouped and reclassified to conform to those of the current year.

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

For and on behalf of the Board of Directors

Thomas Mathew
Partner
Membership Number: 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

G. M. Rao
Executive Chairman

G. B. S. Raju
Managing Director
(Place: Singapore)

A. Subba Rao
Group CFO

Place: Bangalore
Date: June 04, 2009

C.P.Sounderarajan
Company Secretary

Standalone Financial Statements

AUDITORS' REPORT TO THE MEMBERS OF GMR INFRASTRUCTURE LIMITED

1. We have audited the attached Balance Sheet of GMR Infrastructure Limited ("the Company") as at March 31, 2009, and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
   e. On the basis of written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
   f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
      ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Thomas Mathew
Partner
Membership No. 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Bangalore
Date: June 04, 2009

Annexure to Auditors' Report

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of GMR Infrastructure Limited on the financial statements for the year ended March 31, 2009]

1 a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

c. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.

2. The Company is a holding company with its investments mainly within the group companies and as such does not hold any physical inventory. Accordingly clause (ii) of paragraph 4 of the Order is not applicable to the Company.

3 a. The company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Act, during the year ended March 31, 2008. The maximum amount involved during the year and the year-end balance of such loans aggregate to Rs. 740,000,000 and Rs.Nil respectively.

b. In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company

c. In respect of the aforesaid loans, the parties are regular in repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

d. In respect of the aforesaid loans, there is no overdue amount more than Rupees 1 lakh

e. 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 clauses (iii) (f) and (iii) (g) of paragraph 4 of the said Order are not applicable to the company for the current year.

4. 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 fixed assets. The activities of the Company did not involve the purchase of inventory and sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. According to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered in the register maintained under Section 301 of the Act during the year. Accordingly, clause (v) of paragraph 4 of the said Order is not applicable to the Company for the current year.

6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. The Central Government has not prescribed cost records under section 209 (1) (d) of the Act for any of the activities of the Company and accordingly clause (viii) of paragraph 4 of the Order is not applicable to the Company.

9 a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, and the records of the Company examined by us, investor education and protection fund, employees' state insurance, sales tax, wealth tax, customs duty, service tax, excise duty, and cess are not applicable to the Company for the current year.

b. According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute. According to the information and explanations given to us and the records of the company examined by us, sales tax, wealth tax, service tax, customs duty, excise duty and cess are not applicable to the Company for the current year.

10. The company has no accumulated loss as at March 31, 2009 and it has not incurred any cash loss in the financial year ended on that date or in the immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to a bank or a financial institution or debenture holders as at the balance sheet date.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.

14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

15. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the company, for loans taken by others

from banks or financial institutions during the year, are not prejudicial to the interest of the company.

16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The company has created security or charge in respect of debentures issued and outstanding at the year end.
20. The company has not raised any money by public issues during the year. The management has disclosed the end use of monies during the year, out of public issue raised during the year ended March 31, 2007 [Refer Note 3 on Schedule 15 (II)] and the same has been verified by us.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Thomas Mathew
Partner
Membership No. 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Bangalore
Date: June 04, 2009

Balance Sheet as at March 31, 2009

(Amount in Rupees)

Particulars	Schedules Ref	March 31, 2009		March 31, 2008	
I. Sources of Funds					
1. Shareholders' Funds					
a) Capital	1	3,641,313,426		3,641,304,551	
b) Reserves and Surplus	2	53,380,937,910	57,022,251,336	52,404,369,003	56,045,673,554
2. Loan Funds					
a) Secured Loans	3	4,203,010,883		4,691,761,693	
b) Unsecured Loans	4	–	4,203,010,883	100,000,000	4,791,761,693
Total			61,225,262,219		60,837,435,247
II. Application of Funds					
1. Fixed Assets					
a) Gross Block	5	16,599,198		17,100,604	
b) Less : Depreciation		8,467,326		10,324,611	
c) Net Block			8,131,872		6,775,993
2. Investments	6		40,618,683,534		47,803,096,209
3. Deferred Tax Asset / (Liability) (Net) [Refer Note 11 of Schedule 15 (II)]			2,156,458		(274,717)
4. Current Assets, Loans and Advances					
a) Cash and Bank Balances	7	13,319,157,676		1,081,496,436	
b) Other Current Assets	8	57,969,224		41,217,820	
c) Loans and Advances	9	7,402,076,268		12,117,733,857	
		20,779,203,168		13,240,448,113	
Less : Current Liabilities and Provisions	10				
a) Liabilities		174,475,912		212,141,636	
b) Provisions		8,436,901		468,715	
		182,912,813		212,610,351	
Net Current Assets			20,596,290,355		13,027,837,762
Total			61,225,262,219		60,837,435,247
Statement on Significant Accounting Policies and Notes to the Accounts	15				

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

Thomas Mathew Partner Membership Number: 50087 For and on behalf of Price Waterhouse Chartered Accountants	G. M. Rao Executive Chairman	G. B. S. Raju Managing Director (Place: Singapore)	A.Subba Rao Group CFO
Place: Bangalore Date: June 04, 2009			C.P. Sounderarajan Company Secretary

Profit and Loss Account for the year ended March 31, 2009

(Amount in Rupees)

Particulars	Schedules Ref	March 31, 2009	March 31, 2008
I. Income			
Operating Income	11	1,592,003,544	1,027,670,401
Other Income	12	58,182,517	94,293,238
		1,650,186,061	1,121,963,639
II. Expenditure			
Administration and Other Expenditure	13	371,286,309	211,601,846
Interest and Finance Charges	14	237,924,361	253,655,318
Depreciation		1,085,519	1,293,226
		610,296,189	466,550,390
III. Profit Before Taxation		1,039,889,872	655,413,249
Provision for Taxation			
- Current		57,500,000	27,500,000
- Deferred		(2,431,175)	180,269
- Fringe Benefit Tax		8,087,723	750,000
IV. Profit After Taxation		976,733,324	626,982,980
Surplus brought forward from previous year		1,496,168,468	817,810,488
V. Profit available for Appropriation		2,472,901,792	1,444,793,468
Transfer from Debenture Redemption Reserve		(37,500,000)	(51,375,000)
VI. Available Surplus carried to Balance Sheet		2,510,401,792	1,496,168,468
Earnings Per Share(Rs.) - Basic & Diluted		0.54	0.37
[Per equity share of Rs.2 each] [Refer Note 10 of Schedule 15 (II)]			
Statement on Significant Accounting Policies and Notes to the Accounts	15		

The Schedules referred to above form an integral part of the Profit and Loss Account.

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

For and on behalf of the Board of Directors

Thomas Mathew
Partner
Membership Number: 50087

G. M. Rao
Executive Chairman

G. B. S. Raju
Managing Director
(Place: Singapore)

A.Subba Rao
Group CFO

For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Bangalore
Date: June 04, 2009

C.P. Sounderarajan
Company Secretary

Schedules forming part of Balance Sheet as at March 31, 2009

(Amount in Rupees)

Schedule 1 | CAPITAL	March 31, 2009	March 31, 2008
Authorised		
3,750,000,000 Equity shares of Rs. 2 each	7,500,000,000	7,500,000,000
	7,500,000,000	7,500,000,000
Issued, Subscribed and paid up		
1,820,658,088 Equity Shares of Rs. 2 each fully paid-up	3,641,316,176	3,641,316,176
Notes: Of the above, i. 528,873,615 equity shares of Rs. 2 each fully paid-up were allotted during the year ended March 31, 2006, by way of bonus shares by capitalising free reserves of the company. ii. 1,362,523,238 (2008: 1,333,613,610) equity shares of Rs 2 each fully paid-up are held by the holding company GMR Holdings Private Limited.		
	3,641,316,176	3,641,316,176
Less: Calls unpaid	2,750	11,625
Total	3,641,313,426	3,641,304,551

Note: Refer note 10 (iii) of Schedule 15 (II) on sub division of one equity share of the company carrying face value of Rs.10/- each into 5 equity shares of Rs. 2 each during the year ended March 31, 2008.

(Amount in Rupees)

Schedule 2 | RESERVES AND SURPLUS		March 31, 2009	March 31, 2008
Securities Premium Account			
At the commencement of the year		50,708,200,535	12,017,841,305
Add: Received towards QIP of equity shares (Refer Note 3 & 4 on Schedule 15 (II))		–	39,326,664,944
Less: Utilised towards share issue expenses		287,782	636,840,863
Add: Received against Calls Unpaid		123,365	535,149
	(i)	50,708,036,118	50,708,200,535
Debenture Redemption Reserve			
At the commencement of the year		200,000,000	251,375,000
Less: Transfer to Profit and Loss Account		37,500,000	51,375,000
	(ii)	162,500,000	200,000,000
Balance in Profit and Loss Account	(iii)	2,510,401,792	1,496,168,468
Total (i)+(ii)+(iii)		53,380,937,910	52,404,369,003

Schedules forming part of Balance Sheet as at March 31, 2009

(Amount in Rupees)

Schedule 3 | SECURED LOANS	March 31, 2009	March 31, 2008
Debentures		
650 (2008: 800) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	650,000,000	800,000,000
[These debentures bear interest at the rate of 11.93% per annum (10.40% up to September 30, 2008)]		
[These debentures are secured by immovable property of the Company and further secured by deposit of margin money]		
Bank Overdraft	803,010,883	1,141,761,693
[Secured by pledge of 5,000,000 fully paid-up equity shares of Rs.10 each of GMR Industries Limited, held by GMR Holdings Private Limited and by way of Guarantee issued by GMR Holdings Private Limited]		
Term Loan		
Rupee Loan		
From a Financial Institution	2,750,000,000	2,750,000,000
[Secured by pledge of 80,273,416 fully paid-up equity shares of Rs. 2 each of GMR Infrastructure Limited, held by GMR Holdings Private Limited and by way of Guarantee issued by GMR Holdings Private Limited]		
Total	4,203,010,883	4,691,761,693

(Amount in Rupees)

Schedule 4 | UNSECURED LOANS	March 31, 2009	March 31, 2008
Other than Short Term		
From Banks	–	100,000,000
Total	–	100,000,000

Schedules forming part of Balance Sheet as at March 31, 2009

Schedule 5 - Fixed Assets

(Amount in Rupees)

Description	Gross Block at Cost				Depreciation				Net Block	
	As at March 31, 2008	Additions	Withdrawals	As at March 31, 2009	As at March 31, 2008	For the year	On Withdrawals	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
Freehold Land	835,700	–	–	835,700	–	–	–	–	835,700	835,700
Office Equipment	9,135,574	655,000	960,473	8,830,101	6,078,051	561,244	903,157	5,736,138	3,093,963	3,057,523
Furniture and Fixtures	6,208,830	–	2,705,463	3,503,367	3,649,971	276,802	2,039,647	1,887,126	1,616,241	2,558,859
Vehicles	920,500	2,509,530	–	3,430,030	596,589	247,473	–	844,062	2,585,968	323,911
Total	17,100,604	3,164,530	3,665,936	16,599,198	10,324,611	1,085,519	2,942,804	8,467,326	8,131,872	6,775,993
Previous Year	17,086,053	14,551	–	17,100,604	9,031,385	1,293,226	–	10,324,611	6,775,993	–

Schedules forming part of Balance Sheet as at March 31, 2009

(Amount in Rupees)

Schedule 6 | INVESTMENTS	March 31, 2009	March 31, 2008
I. Long term - At cost		
Other than Trade - Unquoted		
A. In Equity Shares of Subsidiaries		
In Equity Shares of Companies		
GMR Energy Limited @ [586,914,708 (2008: 586,914,708) Equity Shares of Rs.10 each fully paid up]	3,962,707,176	3,962,707,176
GMR Hyderabad International Airport Limited @ [238,139,995 (2008: 36,995) Equity Shares of Rs.10 each fully paid up]	2,381,399,950	369,950
GMR Pochanpalli Expressways Private Limited @ [124,200,000 (2008: 63,342,000) Equity Shares of Rs.10 each fully paid up]	1,242,000,000	633,420,000
GMR Jadcherla Expressways Private Limited @ [106,042,500 (2008: 54,090,675) Equity Shares of Rs.10 each fully paid up]	1,060,425,000	540,906,750
GMR Ambala Chandigarh Expressways Private Limited @ [45,632,720 (2008: 45,632,720) Equity Shares of Rs.10 each fully paid up]	456,327,200	456,327,200
Delhi International Airport Private Limited @ [373,200,000 (2008: 217,700,000) Equity shares of Rs. 10 each fully paid up]	3,732,000,000	2,177,000,000
GMR Ulundurpet Expressways Private Limited @ [178,875,000 (2008: 91,226,250) Equity shares of Rs. 10 each fully paid up]	1,788,750,000	912,262,500
GMR (Badrinath) Hydro Power Generation Private Limited [4,900 (2008: 4,900) Equity shares of Rs. 10 each fully paid up]	49,000	49,000
GVL Investments Private Limited [10,995,789 (2008: 2,495,789) Equity shares of Rs. 10 each fully paid up]	6,798,262,400	3,993,262,400
GMR Aviation Private Limited. [86,440,000 (2008: 20,000,000) Equity shares of Rs. 10 each fully paid up]	864,400,000	200,000,000
Gateways for India Airports Private Limited [3,784 (2008: 3,784) Equity shares of Rs.10 each fully paid-up]	37,840	37,840
GMR Kamalanga Energy Limited [100 (2008: 100) Equity shares of Rs.10 each fully paid-up]	1,000	1,000
GMR Krishnagiri SEZ Limited [117,500,000 (2008: 50,000) Equity shares of Rs.10 each fully paid-up]	1,175,000,000	500,000
GMR Oil & Natural Gas Private Limited [9,999 (2008: Nil) Equity shares of Rs.10 each fully paid-up]	99,990	–
GMR Highways Private Limited [1,975,000 (2008: Nil) Equity shares of Rs.10 each fully paid-up]	19,750,000	–
In Equity Shares of Other Body Corporates		
GMR Energy (Mauritius) Limited [5 (2008: Nil) Equity share of USD 1 fully paid up]	202	–
GMR Infrastructure (Mauritius) Limited [156,550,001 (2008: 1) Equity share of USD 1 fully paid up]	7,175,661,500	39
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi @ [51,108,925 (2008: 6,681,713) Equity shares of YTL 1 each fully paid-up]	1,570,061,222	219,620,993
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi @ [3,502 (2008: Nil) Equity shares of YTL 100 each fully paid-up]	10,317,420	–
GMR Holding (Malta) Limited @ [58 (2008: Nil) Equity shares of EUR 1 each fully paid-up]	3,924	–
(i)	32,237,253,824	13,096,464,848
@ - Refer Note (6) of Schedule 15 (II) for details of investments pledged as security in respect of the loans availed by the Company and the investee companies		
B. In Preference Shares of Subsidiary Companies		
GMR Energy Limited [838,142,971 (2008: 212,149,596) 1% Preference Shares of Rs. 10 each fully paid up]	8,381,429,710	2,121,495,960
(ii)	8,381,429,710	2,121,495,960

Schedules forming part of Balance Sheet as at March 31, 2009

(Amount in Rupees)

Schedule 6 | INVESTMENTS (contd.)	March 31, 2009	March 31, 2008
II. Current Investment at cost or below		
Other than Trade - Unquoted		
A. Investments in Bonds*		
Central Bank of India Tier II Bonds [Nil (2008: 50) Bonds of face value of Rs. 1,000,000 each]	–	50,000,000
B. Investments in Mutual Funds**		
Sold during the year		
Birla Sun Life Liquid Plus - Instl. - Daily Dividend -Reinvestment [Nil (2008: 65,089,341) Units of Rs.10 per unit]	–	651,336,026
BSL Interval Income Fund - INSTL - Quarterly - Series 2-Dividend [Nil (2008: 50,396,317) Units of Rs.10 per unit]	–	503,965,000
Birla Dynamic Bond Fund - Retail - Quarterly Dividend -Reinvestment [Nil (2008: 71,256,199) Units of Rs.10 per unit]	–	750,000,000
Birla Infrastructure Fund - Dividend -Payout [Nil (2008: 4,953,792) Units of Rs.10 per unit]	–	64,597,458
DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend [Nil (2008: 502,252) Units of Rs.10 per unit]	–	502,554,027
DWS Money Plus Fund - Institutional Plan - Daily Dividend [Nil (2008: 54,017,580) Units of Rs.10 per unit]	–	540,618,752
HDFC Floating Rate Income Fund - Short Term Plan - Dividend Reinvestment - Daily [Nil (2008: 52,008,282) Units of Rs.10 per unit]	–	524,290,295
HSBC Liquid Plus-Inst. Plus-Daily Dividend [Nil (2008: 69,289,029) Units of Rs.10 per unit]	–	693,763,333
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Div- Reinvest Dividend [Nil (2008: 507,300,106) Units of Rs.10 per unit]	–	5,073,254,719
ICICI Prudential Interval Fund II Quarterly Interval Plan [Nil (2008: 35,000,000) Units of Rs.10 per unit]	–	350,000,000
ICICI Prudential FMP Series 42 - Three Months Plan A Retail Dividend- Pay Dividend [Nil (2008: 50,000,000) Units of Rs.10 per unit]	–	500,000,000
ICICI Prudential FMP Series 42 - Three Months Plan C Retail Dividend- Pay Dividend [Nil (2008: 25,000,000) Units of Rs.10 per unit]	–	250,000,000
ICICI Prudential - Flexible Income Plan Dividend - Daily- Reinvest Dividend [Nil (2008: 29,175,596) Units of Rs.10 per unit]	–	308,488,168
ICICI Prudential Interval Fund Quarterly Interval Plan - 1 Retail Dividend- Reinvest Dividend [Nil (2008: 75,641,974) Units of Rs.10 per unit]	–	756,420,000
ING Liquid Fund Super Inst. - Daily Dividend Option [Nil (2008: 318,315,386) Units of Rs.10 per unit]	–	3,184,681,778
ING Liquid Plus Fund - Institutional Daily Dividend [Nil (2008: 27,855,723) Units of Rs.10 per unit]	–	278,649,159
ING Fixed Maturity Fund - 42 Institutional Dividend [Nil (2008: 25,000,000) Units of Rs.10 per unit]	–	250,000,000
JM Money Manager Fund Super Plus Plan - Daily Dividend [Nil (2008: 50,658,755) Units of Rs.10 per unit]	–	506,795,261
JM Interval Fund - Quarterly Plan 4 - Institutional Dividend Plan [Nil (2008: 50,000,000) Units of Rs.10 per unit]	–	500,000,000
Kotak Flexi Debt Scheme - Daily Dividend [Nil (2008: 102,008,526) Units of Rs.10 per unit]	–	1,023,257,728
LICMF Liquid Fund - Dividend Plan [Nil (2008: 83,973,127) Units of Rs.10 per unit]	–	922,033,339
LIC Liquid Plus Fund - Daily Dividend Plan [Nil (2008: 29,676,826) Units of Rs.10 per unit]	–	296,768,263

Schedules forming part of Balance Sheet as at March 31, 2009

(Amount in Rupees

Schedule 6 | INVESTMENTS (contd.)	March 31, 2009	March 31, 2008
Lotus India Liquid Plus Fund - Institutional Daily Dividend [Nil (2008: 58,523,242) Units of Rs.10 per unit]	–	586,151,240
Principal Floating Rate Fund FMP - Insti. Option - Dividend Reinvestment Daily [Nil (2008: 51,681,601) Units of Rs.10 per unit]	–	517,451,700
Reliance Fixed Horizon Fund - VI Series Institutional Dividend Plan [Nil (2008: 50,000,000) Units of Rs.10 per unit]	–	500,000,000
Reliance Liquidity Fund - Daily Dividend Reinvestment Option [Nil (2008: 409,771) Units of Rs.1,000 per unit]	–	410,237,017
Reliance Liquid Plus Fund - Institutional Option - Daily Dividend Plan [Nil (2008: 32,778) Units of Rs.1,000 per unit]	–	32,814,069
Reliance Daily Dividend Reinvestment Plan [Nil (2008: 272,118) Units of Rs.10 per unit]	–	2,722,029
TATA Dynamic Bond Fund Option B - Dividend [Nil (2008: 98,352,594) Units of Rs.10 per unit]	–	1,000,000,000
TATA Floater Fund - Daily Dividend [Nil (2008: 78,596,175) Units of Rs.10 per unit]	–	788,759,776
TATA Fixed Horizon Fund Series - Institutional Plan - Periodic Dividend [Nil (2008: 25,000,000) Units of Rs.10 per unit]	–	251,870,000
UTI Liquid Cash Plan Institutional - Daily Income Option - Re-investment [Nil (2008: 7,443,069) Units of Rs.1,000 per unit]	–	7,587,805,589
UTI - Fixed Maturity Plan HFMP 03/08 - I Institutional Dividend Plan - Reinvestment [Nil (2008: 100,000,000) Units of Rs. 10 per unit]	–	1,000,000,000
UTI Fixed Income Interval Fund-Quarterly Interval Plan Series-I - Institutional Dividend Plan - Reinvestment [Nil (2008: 50,000,000) Units of Rs.10 per unit]	–	500,000,000
UTI Fixed Income Interval Fund - Quarterly Plan Series - III- Institutional Dividend - Reinvestment [Nil (2008: 50,398,255) Units of Rs.10 per unit]	–	503,982,555
UTI - Fixed Maturity Plan - QFMP (02/08-I) - Institutional Dividend Plan - Reinvestment [Nil (2008: 25,206,872) Units of Rs.10 per unit]	–	252,068,728
ING Global Real Estate [Nil (2008: 10,000,000) Units of Rs.10 per unit]	–	100,000,000
(iii)	–	32,515,336,009
C. Other than Trade - Quoted		
Equity Shares***		
Sold during the year		
AIA Engineering Limited [Nil (2008: 2,442) shares of Rs.10 each, fully paid up]	–	3,678,629
BASF India Limited [Nil (2008: 13,462) shares of Rs.10 each, fully paid up]	–	2,614,320
Bharath Earth Movers Limited [Nil (2008: 3,916) shares of Rs.10 each, fully paid up]	–	3,880,756
Container Corporation of India Limited [Nil (2008: 2,301) shares of Rs.10 each, fully paid up]	–	3,971,066
Coromandel Fertilisers Limited [Nil (2008: 24,952) shares of Rs.2 each, fully paid up]	–	2,929,365
Crompton Greaves Limited [Nil (2008: 12,084) shares of Rs.2 each, fully paid up]	–	3,328,538
Gammon India Limited [Nil (2008: 9,404) shares of Rs.2 each, fully paid up]	–	3,618,189

Schedules forming part of Balance Sheet as at March 31, 2009

(Amount in Rupees

Schedule 6 | INVESTMENTS (contd.)	March 31, 2009	March 31, 2008
Great Offshore Limited [Nil (2008: 4,666) shares of Rs.10 each, fully paid up]	–	2,990,906
HDFC Limited [Nil (2008: 2,114) shares of Rs.10 each, fully paid up]	–	5,030,791
Hindustan Dorr Oliver Limited [Nil (2008: 27,826) shares of Rs.2 each, fully paid up]	–	2,622,600
ICICI Bank Limited [Nil (2008: 5,665) shares of Rs.10 each, fully paid up]	–	4,358,651
KEC International Limited [Nil (2008: 4,128) shares of Rs.10 each, fully paid up]	–	2,702,395
Larsen and Turbo Limited [Nil (2008: 2,350) shares of Rs.2 each, fully paid up]	–	7,134,483
Moser Baer (I) Limited [Nil (2008: 14,153) shares of Rs.10 each, fully paid up]	–	2,153,379
Navin Flourine International Limited [Nil (2008: 12,369) shares of Rs.10 each, fully paid up]	–	2,727,983
Reliance Industries Limited [Nil (2008: 2,863) shares of Rs.10 each, fully paid up]	–	6,486,985
Reliance Energy Limited [Nil (2008: 2,259) shares of Rs.10 each, fully paid up]	–	2,825,670
Welspun Gujarat Stahl Rohren Limited [Nil (2008: 7,354) shares of Rs.5 each, fully paid up]	–	2,817,685
(iv)	–	65,872,391
D. Other than Trade - Un Quoted		
Equity Shares		
Sai Rayalaseema Paper Mills Limited [Nil (2008: 323,210) shares of Rs.10 each, fully paid up]	–	3,927,001
(v)	–	3,927,001
Total (i)+(ii)+(iii)+(iv)+(v)	40,618,683,534	47,803,096,209

* Aggregate Market Value as at March 31, 2009 - Rs. Nil (2008: Rs. 50,000,000).

** Aggregate Net Asset Value as at March 31, 2009 - Rs. Nil (2008: Rs. 32,465,336,009).

*** Aggregate Market Value as at March 31, 2009 - Rs.Nil (2008: Rs. 69,799,392).

- Refer Note (13) of Schedule 15 (II) for details of current investments (Other than trade) purchased and sold during the year.

(Amount in Rupees)

Schedule 7 | CASH AND BANK BALANCES	March 31, 2009	March 31, 2008
Balances with Scheduled Banks		
- On Current Account - Balance of unutilised monies raised by way of IPO	–	163,592
- On Current Accounts - Others	1,464,084,890	23,507,813
- On Deposit Accounts*	11,770,497,468	980,000,000
- On Margin Money accounts**	84,575,318	77,825,031
Total	13,319,157,676	1,081,496,436

*Includes deposit of Rs 650,000,000 (2008:Nil) which has been offered as security in favour of debenture holders.

**Includes Rs. Nil (2008: Rs. 65,400,000) out of balance of unutilised monies raised by way of IPO.

**The Margin money deposits are towards Bank Guarantees issued by the bankers on behalf of the company.

Schedules forming part of Balance Sheet as at March 31, 2009

(Amount in Rupees)

Schedule 8 | OTHER CURRENT ASSETS	March 31, 2009	March 31, 2008
(Unsecured, considered good)		
Interest accrued but not due	57,969,224	33,645,500
Dividend receivable	–	7,572,320
Total	57,969,224	41,217,820

(Amount in Rupees)

Schedule 9 | LOANS AND ADVANCES	March 31, 2009	March 31, 2008
(Unsecured and considered good, unless otherwise stated)		
Loan to Subsidiary Companies	–	858,895,000
Advance towards investment in Subsidiary / Associate companies	6,848,357,513	10,541,624,264
Advances recoverable in cash or in kind or for value to be received		
Considered good	151,343,818	400,183,492
Considered doubtful	60,000,000	–
Less: Provision for doubtful advance	(60,000,000)	–
Advance Tax (Net of provisions)	43,769,537	887,501
Deposits with Others	358,605,400	316,143,600
Total	7,402,076,268	12,117,733,857

(Amount in Rupees)

Schedule 10 | CURRENT LIABILITIES	March 31, 2009	March 31, 2008
A) Liabilities		
Sundry Creditors		
Dues to Micro and Small Enterprise [Refer Note 14 of Schedule 15 (II)]	–	–
Dues to other than Micro and Small Enterprise	74,880,154	124,684,318
Share Application Money Refunds - Not claimed	507,055	723,180
Other Liabilities	19,225,703	6,871,138
Interest accrued but not due on Loans	79,863,000	79,863,000
	174,475,912	212,141,636
B) Provisions		
Provision for employee benefits	8,436,901	468,715
	8,436,901	468,715
Total	182,912,813	212,610,351

Schedules forming part of Profit and Loss Account for the year ended March 31, 2009

(Amount in Rupees)

Schedule 11 | OPERATING INCOME	March 31, 2009	March 31, 2008
Dividend from Subsidiary Companies	–	7,572,320
Dividend from Current Investments (other than trade) (gross)	1,077,343,110	743,739,839
Income from management / technical services	–	100,000,000
Interest Income - Gross	514,660,434	176,358,242
[Tax Deducted at source Rs 63,698,161 (2008: Rs.7,740,891)]		
Total	1,592,003,544	1,027,670,401

(Amount in Rupees)

Schedule 12 | OTHER INCOME	March 31, 2009	March 31, 2008
Profit on sale of current investments (other than trade)	–	80,732,124
[Net of loss on sale of investments of Rs. 2,951,250 for the year ended March 31, 2008]		
Gain on foreign exchange Fluctuations	53,374,575	–
Miscellaneous Income	4,807,942	13,561,114
Total	58,182,517	94,293,238

(Amount in Rupees)

Schedule13 | ADMINISTRATION AND OTHER EXPENSES	March 31, 2009	March 31, 2008
Salaries, Allowances and Benefits to employees	90,314,064	53,635,701
Contribution to provident fund and others	10,904,030	5,872,620
Staff welfare expenses	23,544	51,708
Rent	–	5,250,924
Rates and Taxes	17,897,076	8,522,768
Repairs and Maintenance	293,171	246,503
Insurance	586,902	590,302
Consultancy and Professional Charges	74,189,969	14,479,105
Directors' sitting fees	1,080,000	1,420,000
Provision for Diminution in value of Investments	–	65,363,174
Provision for Doubtful Advances	60,000,000	–
Travelling and Conveyance	31,048,355	7,267,352
Loss on foreign exchange fluctuations	–	6,780
Loss on Sale of current investment (other than trade)	36,064,690	–
[Net of Profit on sale of investment of Rs. 27,480,163 for the year ended March 31, 2009]		
Fixed Assets Written off	723,136	–
Advertisement	7,535,805	29,202,760
Printing and Stationery	12,584,137	4,939,340
Meetings and Seminars	2,503,965	3,730,319
Donations	6,595,000	4,485,000
Miscellaneous Expenses	18,942,465	6,537,490
Total	371,286,309	211,601,846

(Amount in Rupees)

Schedule14 | INTEREST AND FINANCE CHARGES	March 31, 2009	March 31, 2008
Interest on Debentures / Fixed Period Loans	221,968,263	191,357,178
Interest - Others	8,634,439	27,531,535
Bank and other finance charges	7,321,659	34,766,605
Total	237,924,361	253,655,318

Schedule 15 | I SIGNIFICANT ACCOUNTING POLICIES

Accounting Assumptions

The Financial Statements are prepared in accordance with the historical cost convention and to comply in all material aspects with the applicable accounting principles in India, the accounting standards notified under Sub-section (3C) of Section 211 of the Companies Act, 1956 of India (the 'Act') and other relevant provisions of the Act. The significant accounting policies are as follows:

Revenue Recognition

Dividend income on investments is accounted for when the right to receive the payment is established.

Interest on investments and bank deposits are booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Income from management/technical services is recognized as per the terms of the agreement and on the basis of services rendered.

Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

Fixed Assets

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidentals attributable to bringing the asset to its working condition.

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being the excess of carrying value over the recoverable value of the asset) is charged to the Profit and Loss account in the respective financial year. The impairment loss recognized in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

Depreciation

Depreciation is provided on straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 except for assets of less than Rs. 5,000, which are fully depreciated in the year of acquisition.

Leasehold improvements are amortized over the period of the lease or estimated useful life whichever is shorter.

Investments

Long term investments are valued at cost and provision for diminution in value is made for any decline, other than temporary, in the value of such investments for each category. The Current investments are valued at cost or market value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition. Income from investments is recognised in the year in which it is accrued and stated at gross.

Foreign Currency Transactions

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant gain /loss is recognized in the financial statements. The original cost of fixed assets acquired through foreign currency borrowings at the end of each financial year is adjusted for any change in liability arising out of expressing the outstanding foreign currency loan at the rate of exchange prevailing at the date of balance sheet.

Long term foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and the resultant exchange differences are accumulated in a foreign currency monetary item translation difference account and amortized over the balance period of such long term asset/liability but not beyond March 31, 2011.

In case of forward exchange contracts or any financial instruments not intended for trading or speculation, the premium or discount arising at the inception of the contract is amortized as expense or income over the life of the contract. Gain/Loss on settlement of transaction arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense for the year.

Retirement Benefits

a. Defined Contribution Plans

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund are charged on accrual basis.

The Company also has a defined contribution superannuation plan (under a scheme of Life Insurance Corporation of India) covering all its employees and contributions in respect of such scheme are charged on accrual basis in the Profit and Loss Account. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

Schedule 15 | SIGNIFICANT ACCOUNTING POLICIES

b. Defined Benefit Plan

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognised in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised AS 15 as at the end of the year.

c. Other Long term employee benefits

Other Long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

d. Short term employee benefits

Short term employee benefits, including accumulated compensated absences as at the Balance Sheet date, are recognised as an expense as per Company's schemes based on the expected obligation on an undiscounted basis.

Earnings Per Share

The earnings considered in ascertaining the company's Earnings Per Share (EPS) comprise the net profit after tax less dividend (including dividend distribution tax) on preference shares. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences; being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities have been computed on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Schedule 15 | II NOTES TO ACCOUNTS

1. Contingent Liabilities:

Corporate Guarantees issued in respect of borrowings availed by subsidiary companies and others – Rs.71,001,000,000 (2008 – Rs. 28,898,700,000).

2. Capital Commitments

a. Investment in subsidiary companies including contribution towards equity shares and commitment towards subordinate debt - Rs. 1,020,000,000 (2008 – Rs. 2,424,159,200).

b. Investment in equity shares of joint venture – Rs. 1,146,000,000 (2008 – Rs. 882,157,843).

3. During the year ended March 31, 2007, pursuant to the decision of the shareholders of the Company at the Extra Ordinary General Meeting held on February 28, 2006; 38,136,980 equity shares of face value of Rs. 10 each have been allotted by way of Initial Public Offer (IPO) on August 17, 2006 and August 24, 2006. The details of funds received and their utilisation upto March 31, 2009 are given below:

(Amount in Rupees)

Particulars	As at March 31,2009	As at March 31,2008
Equity Share Capital	381,369,800	381,369,800
Share Premium (Refer Note (i) below)	7,567,867,038	7,567,867,038
Interest on delayed payment of call money	573,528	547,887
Less: Calls unpaid	40,975	173,213
Total	7,949,769,391	7,949,611,512
Utilisation		
Investment in Subsidiary Companies (including Share Application Money, pending allotment) – Refer Note (ii) below	5,194,955,264	5,099,513,690
Repayment of Unsecured Loans	550,000,000	550,000,000
Payment to GMR Holdings Private Limited and GMR Operations Private Limited for acquisition of equity shares of GVL Investments Private Limited	1,558,564,340	1,558,564,340
Expenses incurred towards the IPO	646,249,787	645,969,890
Deposit with Securities and Exchange Board of India (SEBI)	–	30,000,000
Margin Money towards Bank Guarantee issued to SEBI	–	65,400,000
Total Utilisation	7,949,769,391	7,949,447,920
Balance of unutilised monies out of IPO, details of which are given below:		
Amount lying in current accounts	–	163,592
Total	–	163,592

Notes:

i. In case of 5,669,425 equity shares allotted to the retail investor's category, a discount of five percent on the issue price was given in accordance with the terms of the Company's prospectus dated August 7, 2006.

ii. Represents investment made directly by the company, through its subsidiary companies and by way of repayment of loans taken for the purpose of investment in subsidiary companies.

4. Pursuant to the decision of the shareholders of the Company at the Extra Ordinary General Meeting held on November 26, 2007, 165,238,088 equity shares of face value of Rs. 2 each have been allotted to Qualified Institutional Buyers (QIB) at a premium of Rs. 238 per share on December 12, 2007 and received an amount of Rs. 39,657,141,120. The net proceeds after the issue expenses will be utilized towards capital expenditure for various projects under development (either directly or through our subsidiaries, joint ventures or affiliates), general corporate purposes including working capital and strategic initiatives and acquisitions in India and abroad. Pending utilization for the purposes described above, the funds have been invested in Short term Mutual Funds and bank deposits.

Schedule 15 | II NOTES TO ACCOUNTS

5. Employee Benefits

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognized in the Balance Sheet:

(Amount in Rupees)

Particulars	Year Ended March 31, 2009	Year Ended March 31, 2008
Projected benefits obligation at the beginning of the year	227,290	204,793
Current service cost	362,157	32,470
Interest cost	15,910	16,383
Actuarial loss/(gain)	(36,426)	(25,875)
Benefits paid	–	(481)
Projected benefit obligation at the end of the year	568,931	227,290
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the year	568,931	227,290
Fair value of plan assets at end of the year	723,778	661,589
Funded status of the plans – asset	(154,847)	(434,299)
Cost for the year		
Current service cost	362,157	32,470
Interest cost	15,910	16,383
Expected return on plan assets	(52,927)	(48,424)
Net actuarial (gain)/loss recognized in the year	(27,164)	(18,006)
Net Cost	(297,976)	(17,577)
Assumptions		
Discount Rate	7.00%	8.00%
Estimated rate of return on plan assets	8.00%	8.00%
Expected rate of salary increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%

Leave encashment liability provided based on actuarial valuation amounting to Rs. 7,867,970 (2008: Rs. 241,425) as at March 31, 2009.

6. The following long term unquoted investments included in Schedule 6 have been pledged/subjected to negative lien/frozen by the Company towards borrowings of the Company or the investee companies:

(Amount in Rupees)

Description	No of Shares	Carrying Value as at March 31, 2009
GMR Energy Limited	32,607,413	220,157,423
(Equity shares of Rs. 10 each fully paid up)	(81,518,532)	(990,450,163)
GMR Hyderabad International Airport Limited	151,080,552	1,510,805,520
(Equity shares of Rs. 10 each fully paid up)	(25,501)	(255,010)
GMR Pochanpalli Expressways Private Limited	37,260,000	372,600,000
(Equity shares of Rs. 10 each fully paid up)	(19,002,600)	(190,026,000)
GMR Jadcherla Expressways Private Limited	31,812,750	318,127,500
(Equity shares of Rs. 10 each fully paid up)	(16,227,202)	(162,272,020)
GMR Ambala Chandigarh Expressways Private Limited	23,272,687	232,726,870
(Equity shares of Rs. 10 each fully paid up)	(13,774,800)	(137,748,000)
GMR Ulundurpet Expressways Private Limited	53,662,500	536,625,000
(Equity shares of Rs. 10 each fully paid up)	(27,367,875)	(273,678,750)
Delhi International Airport Private Limited	93,166,904	931,669,040
(Equity shares of Rs. 10 each fully paid up)	(-)	(-)
GMR Holding (Malta) Limited	58	3924
(Equity shares of EUR 1 each fully paid-up)	(-)	(-)
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi	40,887,140	1,256,048,978
(Equity shares of YTL 1 each fully paid-up)	(5,345,370)	(175,696,794)
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi	3,502	10,317,420
(Equity shares of YTL 100 each fully paid-up)	(-)	(-)

Note: Previous year figures are mentioned in brackets.

Schedule 15 | II NOTES TO ACCOUNTS

7.The Company is a holding company with investments mainly within group companies and has certain service activity. Since the income from services rendered is below the threshold limit prescribed in the Accounting Standard 17 "Segment Reporting" as referred to in section 211(3C) of the Companies Act, 1956, no separate segment reporting/disclosure are considered necessary.

8. Related Party Transactions

a) Name of Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
Holding Company	GMR Holdings Private Limited (GHPL)
Subsidiary Companies	GMR Energy Limited (GEL)
	GMR Power Corporation Private Limited (GPCPL)
	Vemagiri Power Generation Limited (VPGL)
	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)
	Badrinath Hydro Power Generation Private Limited (BHPL)
	GMR Mining and Energy Private Limited (GMEPL)
	GMR Kamalanga Energy Limited (GKEL)
	GMR Energy Trading Limited (GETL)
	GMR Consulting Engineers Private Limited (GCOEPL)
	GMR Coastal Energy Private Limited (GCEPL)
	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	Londa Hydropower Private Limited (LHPL)
	Himtal Hydro Power Company Private Limited (HHPCPL)
	GMR Upper Karnali Hydropower Public Limited, Nepal (GUKHL)
	GMR Energy (Mauritius) Limited, Mauritius (GEML)
	GMR Lion Energy Limited, Mauritius (GLEL)
	GMR Energy (Cyprus) Limited, Cyprus (GECL)
	GMR Energy (Netherlands) B.V. (GENBV)
	PT Dwikarya Sejati Utma (PTDSU)
	PT Duta Sarana Internusa(PTDSI)
	PT Barasentosa Lestari (PTBL)
	GMR Highways Private Limited (GMRHPL)
	GMR Tuni Anakapalli Expressways Private Limited (GTAEPL)
	GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL)
	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
	GMR Jadcherla Expressways Private Limited (GJEPL)
	GMR Pochanpalli Expressways Private Limited (GPEPL)
	GMR Ulundurpet Expressways Private Limited (GUEPL)
	GMR Hyderabad International Airport Limited (GHIAL)
	Gateways for India Airports Private Limited (GFIAPL)
	Hyderabad Menzies Air Cargo Private Limited (HMACPL)
	Hyderabad Airport Security Services Limited (HASSL)
	GMR Hyderabad Airport Resources Management Limited (GHARML)
	GMR Hyderabad Aerotropolis Limited (GHAL)
	GMR Hyderabad Aviation SEZ Limited (GHASL)
	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)
	GMR Airport Handling Services Limited (GAHSL)
	Delhi International Airport Private Limited (DIAL)
	DIAL Cargo Private Limited (DCPL)
	Delhi Aerotropolis Private Limited (DAPL)
	East Delhi Waste Processing Company Private Limited (EDWPCPL)

Schedule 15 | II NOTES TO ACCOUNTS

Description of Relationship	Name of the Related Parties
	GVL Investments Private Limited (GVL)
	GMR Aviation Private Limited (GAPL)
	GMR Corporate Center Limited (GCCL)
	GMR Krishnagiri SEZ Limited (GKSEZL)
	Advika Real Estate Private Limited (AREPL)
	Aklima Real Estates Private Limited (AKREPL)
	Amartya Real Estates Private Limited (AMREPL)
	Baruni Real Estates Private Limited (BREPL)
	Camelia Real Estates Private Limited (CREPL)
	Eila Real Estate Private Limited (EREPL)
	Gerbera Estates Private Limited (GEPL)
	Hiral Real Estates Private Limited (HREPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Real Estate Private Limited (IREPL)
	Krishnapriya Real Estates Private Limited (KREPL)
	Nadira Real Estate Private Limited (NREPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Real Estates Private Limited (PREPL)
	Shreyadita Real Estate Private Limited (SHREPL)
	Sreepa Real Estates Private Limited (SREPL)
	GMR Oil and Natural Gas Private Limited (GONGPL)
	GMR Infrastructure (Mauritius) Limited (GIML)
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas Sociedad Limitada (Spain) (GIOSL)
	GMR Infrastructure (UK) Limited (GIUL)
	GMR Infrastructure (Global) Limited (GIGL)
	GMR Energy (Global) Limited (GEGL)
	GMR Infrastructure (Singapore) Pte Limited (GISPL)
	GMR International (Malta) Limited (GMRIML)
Enterprises where significant influence exists	Sri Varalakshmi Jute Twine Mills Private Limited (SVJTMPL)
	Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapum Ve Isletme Sirketi (ISG)
	Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi (SGH)
	Limak GMR Construction JV (LGCJV)
	GMR Chhattisgarh Energy Private Limited (GCHEPL)
Enterprises where Key Management Personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVRF)
Fellow Subsidiaries	GMR Industries Limited (GIDL)
	Raxa Security Services Limited (RSSL)
	GMR Properties Private Limited (GPPL)
	GMR Projects Private Limited (GMRPPL)
	GMR Corporate Affairs Private Limited (GCAPL)
	GMR Holding (Malta) Limited (GH(M)L)
Key Management Personnel and their relatives	Mr. G.M.Rao (Executive Chairman)
	Mr. G.B.S.Raju (Managing Director)
	Mr. Kiran Kumar Grandhi (Director)
	Mr. Srinivas Bommidala (Director)
	Mr. B.V.Nageswara Rao (Director)
	Mr. O.Bangaru Raju (Director)

Schedule 15 | II NOTES TO ACCOUNTS

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

(Amount in Rupees)

Nature of Transaction	2009	2008
Dividend received/receivable		
- Subsidiary Company – GEL	–	10,349,312
Service Income		
- Fellow Subsidiary – GMRPPL	–	112,360,000
Refund of Rent Deposit		
- Fellow Subsidiary – GPPL	–	19,593,600
Deposit given		
- Subsidiary Company – GCCL	787,500,000	285,790,000
- Fellow Subsidiary – GCAPL	107,800,000	–
Refund of Deposit given		
- Subsidiary Company – GCCL	792,500,000	–
- Fellow Subsidiary – GCAPL	60,000,000	–
Security Services rendered by		
- Fellow Subsidiary – RSSL	–	138,518
Purchase of equity shares from		
- Holding Company - GHPL	250,000	9,999,000
Sale of equity shares		
- Subsidiary Company – GVL	–	2,000,000
Interest free loan recovered from		
- Subsidiary Company - GVL	118,895,000	31,600,000
Equity Share application money invested in		
- Subsidiary Company		
- GHIAL	–	1,026,288,000
- GACEPL	1,055,387,600	257,495,000
- GJEPL	569,518,250	270,000,000
- GPEPL	518,580,000	90,000,000
- GUEPL	876,487,500	100,000,000
- DIAL	3,732,000,000	3,265,500,000
- GEL	–	1,934,604,913
- GVL	2,680,000,000	5,321,512,200
- GAPL	1,815,250,000	863,500,000
- GKSEZL	1,989,660,000	455,575,000
- GFIAPL	400,000	925,000
- GONGPL	–	100,000
- GIML	7,640,695,000	1,966,461
- GMRHPL	165,000,000	–
- GEML	202	–
- GH(M)L	3,924	–
-Fellow Subsidiary		
- GCAPL	–	13,900,000
- Enterprises where significant influence exists		
- ISG	1,373,512,016	–
- SGH	10,317,420	–
Preference Share application money invested in		
- Subsidiary Company- GEL	6,269,933,750	–

Schedule 15 | II NOTES TO ACCOUNTS

(Amount in Rupees)

Nature of Transaction	2009	2008
Refund of Share application money		
- Subsidiary Company		
- GEL	–	47,603,200
- GACEPL	1,126,604,400	–
- GAPL	555,187,500	274,320,000
- GFIAPL	425,000	84,548,000
- GVL	4,394,720,000	774,512,200
- GUEPL	100,000,000	–
- GJEPL	320,000,000	–
- GMRHPL	1,000,000	–
- GIML	505,800,000	–
- GHIAL	1,531,000	–
- Fellow Subsidiary - GCAPL	–	13,900,000
- Enterprises where significant influence exists – ISG	23,071,786	–
Investment in Equity Shares		
- Subsidiary Company (Refer Note (c) below)		
- GACEPL	–	186,278,200
- GJEPL	519,518,250	–
- GPEPL	608,580,000	–
- GUEPL	876,487,500	–
- DIAL	1,555,000,000	1,555,000,000
- GAPL	664,400,000	190,000,000
- GKEL	-	1,000
- GKSEZL	1,174,500,000	500,000
- GIML	7,175,661,461	39
- GONGPL	99,990	–
- GEML	202	–
- GHIAL	2,381,030,000	–
- GVL	2,805,000,000	–
- GMRHPL	19,500,000	–
- GH(M)L	3,924	–
- Enterprises where significant influence exists		
- ISG	1,350,440,230	219,620,992
- SGH	10,317,420	–
Investment in Preference shares of - Subsidiary Company - GEL	6,259,933,750	1,387,001,710
Redemption of Preference share by - Subsidiary Company		
- GTAEPL	–	575,572,000
- GTTEPL	–	784,696,000
Loans Given to - Subsidiary Company		
- GTAEPL	–	324,860,000
- GTTEPL	–	415,140,000
Logo Licence fee paid/payable to - Holding Company - GHPL	4,776,000	–
Advances given and received - Subsidiary Company - DAPL	4,000,000	–

Schedule 15 | II NOTES TO ACCOUNTS

(Amount in Rupees)

Nature of Transaction	2009	2008
Refund of Loans Given to		
- Subsidiary Company		
- GTAEPL	324,860,000	–
- GTTEPL	415,140,000	–
Managerial Remuneration to		
- Key management personnel and their relatives		
- G.M Rao	51,994,494	32,770,662
- G.B.S. Raju	31,196,696	19,662,397
Aviation Services availed		
- Fellow Subsidiaries - GIDL	22,541,437	–
Balances Payable / (Recoverable)		
- Holding Company – GHPL	4,776,000	–
- Subsidiary Companies		
- GEL	(510,000,003)	(507,572,323)
- GVL	(27,280,000)	(4,665,895,000)
- GHIAL	–	(2,382,561,000)
- GAPL	(994,842,500)	(399,180,000)
- GACEPL	–	(71,216,800)
- GKSEZ	(1,270,235,000)	(455,075,000)
- GJEPL	–	(270,000,000)
- GUEPL	–	(100,000,000)
- GPEPL	–	(90,000,000)
- DIAL	(3,887,500,000)	(1,710,500,000)
- GMRHPL	(158,500,000)	(14,000,000)
- GFIAPL	–	(25,000)
- GIML	–	(1,966,461)
- GONGPL	(10)	(100,000)
- GTAEPL	–	(324,860,000)
- GTTEPL	–	(415,140,000)
- GCCL	(280,800,000)	(285,790,000)
- Fellow Subsidiaries – GCAPL	(47,800,000)	–
- Key Management Personnel and their relatives		
- G.M.Rao	15,093,265	12,457,285
- G.B.S.Raju	7,049,145	7,284,265

Notes:

a. The Company has provided securities by way of pledge of investments for loans taken by certain companies.

b. Certain Key Management Personnel have extended personal guarantees as security towards borrowings of the Company and other bodies corporate. Similarly the holding company has pledged certain shares held in the Company and other bodies corporate as security towards the borrowings of the Company.

c. Includes allotment of equity share out of Share Application money paid in earlier years.

d. Transactions and outstanding balances in the nature of reimbursement of expenses incurred by one company on behalf of the other have not been considered above.

9. The company has entered into certain operating lease agreements and an amount of Rs. Nil (2008: 5,250,924) paid during the year under such agreements has been disclosed as rent under Schedule 13. These agreements are cancelable in nature.

Schedule 15 | II NOTES TO ACCOUNTS

10. Earnings Per Share (EPS)

Calculation of EPS – (Basic and Diluted)

Particulars	Year ended March 31, 2009	2008
Nominal Value of Equity Shares (Rs. per Share)	2	2
Total number of Equity Shares outstanding at the beginning of the year	1,820,658,088	1,655,420,000
Add: Issue of Equity Shares through QIP [Refer Note – 4 above]	–	165,238,088
Total number of Equity Shares outstanding at the end of the year	1,820,658,088	1,820,658,088
Weighted average number of Equity Shares outstanding at the end of the year	1,820,649,979	1,705,071,192
Net Profit after tax for the purpose of EPS	976,733,324	626,982,980
EPS – Basic and Diluted (Rs.)	0.54	0.37

Note:

i. As at March 31, 2009, Rs. 2,750 (2008: Rs. 11,625) 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.

ii. Since the company did not have any dilutive securities, the basic and diluted earning per share are the same.

iii. Pursuant to the approval for the subdivision of the equity shares of the Company in the Annual General Meeting held on August 30, 2007, each equity share carrying a face value Rs. 10 each has been subdivided into 5 equity shares of Rs. 2 each on October 8, 2007, being the record date. Accordingly, the weighted average number of shares for both the current and corresponding previous periods has been adjusted to reflect such subdivision while calculating the earnings per share.

11. Deferred Tax Asset / (Liability) (Net) as at March 31, 2009 comprises of:

(Amount in Rupees)

Sl. No	Particulars	2009		2008	
		Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
1	Depreciation	–	874,643	–	436,074
2	Preliminary Expenses	4,082	–	2,041	–
3	Other 43B disallowances	3,027,019	–	159,316	–
	Total	3,031,101	874,643	161,357	436,074
	Deferred Tax Asset / (Liability) (Net)	2,156,458		(274,717)	

Note: In view of the management's assessment that the future income in the form of dividends is tax free, deferred tax asset on carry/brought forward losses have not been recognised by the Company, on the grounds of prudence.

Schedule 15 | II NOTES TO ACCOUNTS

12. Information on Joint Ventures as per Accounting Standard – 27

The Company's interests in the below mentioned joint ventures are reported as Long Term Investments (Schedule 6) and stated at Cost. However, the Company's share of each of the assets, liabilities, income and expenses etc related to its interests in these joint ventures, based on the audited financial statements are:

(Amount in Rupees)

Particulars	GMR Hyderabad International Airport Limited (GHIAL)		Delhi International Airport Private Limited (DIAL)		Istanbul Sabiha Gokecen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG)	
	(Refer Note (b) below)		(Refer Note (c) below)		(Refer Note (d) below)	
	2009	2008	2009	2008	2009	2008
(1) Share in ownership and voting power of the company	63.00%	63.00%	31.10%	31.10%	35.00%	35.00%
(2) Country of incorporation	India	India	India	India	Turkey	Turkey
(3) Contingent Liabilities - Company has incurred in relation to Joint Venture	2,300,000,000	–	–	17,500,000,000	22,673,300,000	–
(4) Company's share of contingent liabilities of joint venture	134,415,769	119,823,370	1,954,541,700	1,788,606,095	–	–
(5) Company's share of capital commitments of the joint venture	144,244,304	1,022,613,283	13,442,321,900	13,189,018,309	–	–
(6) Aggregate amount of company's share in each of the following:						
(a) Current Assets	2,525,069,472	1,300,873,019	1,361,408,100	1,519,644,898	2,707,317,599	187,910,501
(b) Fixed Assets (including Capital work in progress and pre – operative expenditure, pending allocation)	17,309,121,820	15,589,366,107	20,390,515,843	9,041,294,657	4,834,105,459	2,990,087
(c) Investments	83,720,291	566,140,667	172,837,939	2,738,485,931	23,570,764	–
(d) Deferred Tax Asset /(Liability)	–	–	(94,246,710)	(135,112,110)	56,845,457	(157,500)
(e) Current Liabilities and Provisions	2,043,559,468	3,100,972,887	1,646,219,380	1,234,384,813	1,182,887,526	3,462,648
(f) Borrowings	15,964,421,063	11,850,409,655	12,370,428,143	7,775,000,000	5,114,530,809	–
(g) Income						
1. Sales	2,405,808,795	34,881,253	1,576,752,238	1,455,052,056	2,350,546,002	–
2. Other Income	64,637,004	28,594,422	32,608,207	15,801,489	684,180	–
(h) Expenses						
1. Operating Expenses	996,747,855	191,754,171	1,091,870,350	859,942,085	1,927,699,956	–
2. Administration and other expenses	507,671,238	205,122,573	293,040,611	305,634,657	398,424,195	–
3. Depreciation	706,758,060	16,133,312	163,340,199	28,330,234	345,138,318	–
4. Interest and Finance Charges	1,003,125,382	13,966,201	167,523,118	2,352,735	12,240,117	–
5. Provision for Taxation (including Deferred Taxation)	12,256,720	688,676	(33,401,400)	98,369,300	(53,425,087)	–

Notes:

a. 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 GHIAL and DIAL and ISG as on March 31, 2009.

b. The Company directly holds 63% of the equity shares of GHIAL.

c. The Company directly holds 31.1% of the equity shares of DIAL and 19.00% of the equity shares through its subsidiary companies.

Schedule 15 | II NOTES TO ACCOUNTS

d. The Company directly holds 35% of the equity shares of ISG and 5% of the equity shares through its subsidiary companies.

13. Details of Current Investments (other than trade) purchased and sold during the year ended March 31, 2009

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Mutual Funds, Unquoted				
ABN Amro Institutional Plus–Daily Dividend	– (200,000,000)	– (2,000,000,000)	– (200,125,874)	– (2,001,258,747)
ABN Amro Money Plus Institutional Plan – Daily Dividend	– (200,123,873)	– (2,001,258,747)	– (200,729,041)	– (2,007,290,408)
ABN Amro Interval Fund Monthly Plan	– (20,000,000)	– (200,000,000)	– (20,121,350)	– (201,213,497)
AIG Liquid Fund Super Institutional Daily Dividend	– (1,998,373)	– (2,000,000,000)	– (1,999,219)	– (2,000,846,123)
AIG Treasury Plus Fund Super Institutional Daily Dividend	– (199,843,797)	– (2,000,846,123)	– (200,928,547)	– (2,011,495,683)
Birla Sun Life Cash Plus – Instl. Prem. – Daily Dividend –Reinvestment	108,139,129 (470,532,462)	1,083,500,000 (4,714,500,000)	108,556,696 (470,830,889)	1,087,683,816 (4,717,490,090)
Birla Sun Life Liquid Plus – Instl. – Daily Dividend –Reinvestment	209,805,573 (446,386,788)	2,099,482,410 (4,466,903,313)	214,740,437 (449,694,207)	2,148,864,594 (4,500,000,000)
Birla Dynamic Bond Fund – Retail – Quarterly Dividend - Reinvestment	– (16,371,458)	– (170,029,047)	– (16,432,903)	– (170,795,373)
BSL Interval Income Fund – INSTL – Quarterly – Series 1–Dividend - Payout	– (50,000,000)	– (500,000,000)	– (50,000,000)	– (500,000,000)
Can Bank ST Growth	– (21,157,931)	– (250,000,000)	– (21,157,931)	– (252,462,298)
Can Bank Robeco Floating rate ST Daily Dividend	– (233,161,598)	– (2,392,238,000)	– (233,242,171)	– (2,393,798,552)
Can Bank Robeco Liquid Plus Inst Daily Dividend	– (177,390,444)	– (2,200,900,978)	– (178,534,156)	– (2,215,091,121)
DBS Chola Short Term Floating Rate Fund – Daily Div Reinv Plan	– (184,647,199)	– (1,849,500,000)	– (184,891,352)	– (1,851,945,738)
DBS Chola Freedom Income STP Inst – Daily Dividend Reinvestment Plan	– (131,361,508)	– (1,313,615,076)	– (131,996,325)	– (1,320,084,035)
DSP Merrill Lynch Liquid Plus Institutional Plan – Daily Dividend	– (499,950)	– (500,000,000)	– (500,485)	– (500,535,437)
DWS Short Term Floating Rate – Cum. – Growth	– (21,711,566)	– (250,000,000)	– (21,711,566)	– (255,721,288)
DWS Insta Cash Plus Fund – Institutional Plan – Growth	– (8,150,956)	– (100,000,000)	– (8,150,956)	– (100,020,377)
DWS Short Maturity Fund – Growth Option	– (7,579,196)	– (100,020,377)	– (7,579,196)	– (100,437,991)
DWS Insta Cash Plus Fund Super Institutional – Growth Plan	– (409,124,927)	– (4,100,437,991)	– (409,453,077)	– (4,105,030,977)
DWS Insta Cash Plus Fund Super Institutional Plan Daily Dividend	79,405,610 (–)	795,644,215 (–)	79,916,722 (–)	800,765,557 (–)
DWS Money Plus Advantage Fund – Institutional Plan	– (49,621,881)	– (500,000,000)	– (50,228,148)	– (508,796,074)
DWS Credit Opportunities Cash Fund – Weekly – Dividend Plan	– (49,842,001)	– (500,000,000)	– (50,428,199)	– (506,828,613)

Schedule 15 | II NOTES TO ACCOUNTS

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
DWS Money Plus Fund – Institutional Plan – Daily Dividend	– (246,065,158)	– (2,462,669,316)	– (249,795,168)	– (2,500,000,000)
DWS Fixed Term Fund Series 58 – Institutional Dividend	50,000,000 (–)	500,000,000 (–)	50,000,000 (–)	511,056,289 (–)
DWS Fixed Term Fund Series 51 – Institutional Growth	25,000,000 (–)	250,000,000 (–)	25,000,000 (–)	249,422,500 (–)
G 50 Grindlays – Floating Rate Fund – LT – Inst. Plan B – daily Dividend	105,862,654 (6,997,900)	1,059,208,784 (70,000,000)	108,437,182 (6,997,900)	1,084,968,227 (70,000,000)
HDFC Liquid Fund Premium Plan – Dividend – Daily Reinvest	65,775,951 (163,134,798)	806,400,000 (2,000,000,000)	65,790,554 (163,161,411)	806,579,026 (2,000,326,270)
HDFC Floating Rate Income Fund – Short Term Plan – Wholesale Option – Dividend Reinvest – Daily	80,010,617 (146,419,067)	806,579,026 (1,476,035,975)	83,996,937 (148,796,238)	846,764,721 (1,500,000,000)
HSBC Cash Fund– Institutional Plus – Daily Dividend	161,759,415 (237,437,035)	1,618,500,000 (2,375,700,000)	161,788,801 (237,583,498)	1,618,794,030 (2,377,165,449)
HSBC Flexi Debt Fund – Inst. Growth	– (9,958,655)	– (100,015,765)	– (9,958,655)	– (100,567,475)
HSBC Cash Fund– Institutional Plus – Growth	– (8,145,490)	– (100,567,475)	– (8,145,490)	– (101,626,394)
HSBC Liquid Plus – Institutional Plus – Daily Dividend	28,818,724 (148,145,104)	288,550,359 (1,483,317,671)	31,236,394 (149,811,238)	312,757,518 (1,500,000,000)
HSBC Fixed Term Series 53 Inst Gr	35,000,000 (–)	350,000,000 (–)	35,000,000 (–)	350,756,000 (–)
HSBC Floating Rate – LT– Inst Daily Dividend	92,872,899 (–)	930,177,810 (–)	93,125,810 (–)	932,710,858 (–)
HSBC Interval Fund–Plan2–Inst Dividend	49,999,500 (–)	500,000,000 (–)	49,999,500 (–)	500,809,992 (–)
ICICI Prudential Institutional Liquid Plan – Super Institutional Growth	– (44,155,569)	– (500,000,000)	– (44,155,569)	– (514,933,413)
ICICI Prudential Institutional Liquid Plan – Super Institutional Daily Div– Reinvest Dividend	700,886,891 (399,980,001)	7,009,219,358 (4,000,000,000)	721,028,067 (400,267,510)	7,210,641,162 (4,002,875,231)
ICICI Flexible Income Plan Dividend – Daily – Reinvest Dividend	10,876,247 (349,400,583)	115,000,000 (3,694,387,063)	11,176,523 (354,660,235)	118,174,960 (3,750,000,000)
ICICI Liquid Plan – Super Institutional Daily Div	– (666,846,658)	– (6,668,800,000)	– (667,585,607)	– (6,676,189,868)
ICICI Prudential Institutional Liquid Plan – Super Institutional Daily	– (1,283,246,025)	– (12,833,101,876)	– (1,286,885,656)	– (12,869,500,000)
FRDD ICICI Prudential Floating Rate Plan D – Daily Dividend – Reinvest Dividend	671,525,292 (–)	6,716,663,128 (–)	677,940,656 (–)	6,780,830,240 (–)
ICICI Prudential FMP Series 44 – 3 Months Plan C Retail Dividend– Pay Dividend	48,500,000 (–)	485,000,000 (–)	48,500,000 (–)	493,909,450 (–)
ICICI Prudential FMP Series 47 – 3 Months Plan B Retail Dividend– Pay Dividend	75,000,000 (–)	750,000,000 (–)	75,000,000 (–)	766,462,500 (–)
ICICI Prudential Interval Fund II Quarterly Interval Plan B – Retail Dividend– Reinvest Dividend	49,946,058 (–)	500,000,000 (–)	51,001,777 (–)	510,568,586 (–)

Schedule 15 | II NOTES TO ACCOUNTS

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
ICICI Prudential Interval Fund II Quarterly Interval Plan D – Retail Dividend– Reinvest Dividend	77,000,000 (–)	770,000,000 (–)	78,395,240 (–)	784,154,517 (–)
ICICI Prudential FMP Series 47 – Three Months Plan C Retail Dividend– Pay Dividend	46,500,000 (–)	465,000,000 (–)	46,500,000 (–)	475,304,400 (–)
IDFC Fixed Maturity Plan – Quarterly Series 39 – Dividend	125,000,000 (–)	1,250,000,000 (–)	127,731,550 (–)	1,277,762,558 (–)
ING Liquid Fund Super Institutional – Daily Dividend Option	176,285,383 (5,073,690)	1,763,700,000 (50,761,250)	179,683,588 (8,727,659)	1,797,698,358 (87,318,478)
ING Income Fund – Short Term Plan –Growth Option	– (32,309,143)	– (453,587,485)	– (32,309,143)	– (457,200,767)
ING Liquid Fund Super Institutional – Growth Option	– (52,378,701)	– (605,597,797)	– (52,378,701)	– (607,393,769)
ING Liquid Plus Fund – Inst. Growth	– (29,116,912)	– (300,332,214)	– (29,116,912)	– (303,587,485)
ING Liquid Fund – Super Institutional – Daily Dividend Option	– (23,988,485)	– (240,000,000)	– (24,004,184)	– (240,157,061)
ING Liquid Fund – Super Institutional Daily Dividend Option	– (641,134,398)	– (6,414,421,422)	– (643,580,094)	– (6,438,890,129)
ING Liquid Plus Fund – Institutional Daily Dividend	337,370,226 (212,241,724)	3,374,815,579 (2,123,117,639)	343,239,924 (214,985,022)	3,433,531,925 (2,150,559,669)
ING Income Fund – Short Term Plan – Growth	– (13,922,729)	– (200,000,000)	– (13,922,729)	– (201,486,947)
ING Liquid Fund – Super Institutional – Growth Option	– (20,148,695)	– (201,486,947)	– (20,352,512)	– (203,525,120)
ING Fixed Maturity Fund – 47 Institutional Growth	20,000,000 (–)	200,000,000 (–)	20,000,000 (–)	197,400,000 (–)
ING Fixed Maturity Fund–46 Institutional Dividend	20,000,000 (–)	200,000,000 (–)	20,000,000 (–)	203,730,637 (–)
JM High Liquidity Fund – Super Institutional Plan – Daily Dividend	– (199,670,544)	– (2,000,000,000)	– (199,808,851)	– (2,001,385,354)
JM Money Manager Fund Super Plus Plan – Daily Dividend	– (249,374,079)	– (2,494,763,226)	– (251,819,771)	– (2,519,230,173)
JM High Liquidity Fund – Super Institutional Plan – Daily Dividend (92)	100,989,622 (99,835,272)	1,011,562,545 (1,000,000,000)	101,707,900 (99,852,557)	1,018,814,003 (1,000,173,132)
JM Interval Fund – Quarterly Plan 6 – Institutional Dividend Plan (307)	50,000,000 (–)	500,000,000 (–)	51,114,430 (–)	511,261,393 (–)
Kotak – Flexi Debt Scheme – Daily Dividend	79,771,983 (97,506,535)	800,200,741 (978,097,800)	82,140,003 (99,689,964)	823,954,584 (1,000,000,000)
Kotak Flexi Debt Scheme Institutional – Daily Dividend	183,847,954 (–)	1,847,212,312 (–)	186,026,769 (–)	1,869,103,958 (–)
Kotak Liquid (Institutional Premium) – Daily Dividend	76,348,738 (245,336,561)	933,600,000 (3,000,000,000)	76,386,409 (245,489,706)	934,060,646 (3,001,872,677)
Kotak Quarterly Interval Plan Series 3 – Dividend	100,000,000 (–)	1,000,000,000 (–)	102,226,300 (–)	1,022,262,996 (–)
Kotak Quarterly Interval Plan Series 8 – Dividend	50,000,000 (–)	500,000,000 (–)	50,000,000 (–)	497,455,000 (–)

Schedule 15 | II NOTES TO ACCOUNTS

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
LIC MF Interval Fund – Series 1 – Monthly Dividend Plan	60,000,000 (–)	600,000,000 (–)	60,388,880 (–)	603,888,799 (–)
LICMF Liquid Fund – Dividend Plan	– (362,889,834)	– (3,984,566,661)	– (364,310,273)	– (4,000,163,233)
LIC Liquid Fund – Dividend Plan	– (475,860,876)	– (5,225,000,000)	– (476,193,873)	– (5,228,656,349)
LIC Liquid Fund – Growth Plan	– (34,727,769)	– (500,000,000)	– (34,727,769)	– (500,419,103)
LIC Plus fund – Daily Dividend Plan	– (541,747,959)	– (5,506,755,642)	– (555,100,000)	– (5,551,000,000)
LIC Liquid Plus Fund – Growth Plan	– (33,972,018)	– (400,220,071)	– (33,972,018)	– (406,615,056)
Lotus India Super Institutional Daily Dividend	– (200,233,038)	– (2,002,450,522)	– (200,118,786)	– (2,003,653,838)
Lotus India Liquid Plus Fund – Institutional Daily Dividend	– (99,908,540)	– (1,000,653,965)	– (100,087,914)	– (1,002,450,522)
Lotus India Short Term Plan – Institutional Daily Dividend	– (39,559,916)	– (400,061,515)	– (39,718,540)	– (401,884,100)
Lotus India Liquid Plus Fund – Institutional Daily Dividend	– (99,031,430)	– (991,869,097)	– (99,843,246)	– (1,000,000,000)
Lotus India Liquid Fund – Super Institutional Daily Dividend	– (117,569,313)	– (1,175,893,000)	– (117,593,633)	– (1,176,136,239)
Principal Cash Management Fund Liquid Option Instl. Prem. Plan – Dividend Reinvestment Daily	49,996,500 (–)	500,000,000 (–)	50,004,838 (–)	500,083,388 (–)
Principal Floating Rate Fund FMP Insti. Option – Dividend Reinvestment Daily	49,946,904 (148,207,929)	500,083,388 (1,483,902,247)	52,828,037 (149,815,727)	528,930,146 (1,500,000,000)
Principal Liquid Option Inst. Prem. Plan – DD reinvestment	– (299,979,001)	– (3,000,000,000)	– (301,166,552)	– (3,001,875,642)
Reliance Liquid Fund – Cash Plan – Daily Dividend Option	4,487,726 (–)	50,000,000 (–)	4,500,360 (–)	50,140,759 (–)
Reliance Liquidity Fund – Daily Dividend Reinvestment Option	171,696,774 (209,032,897)	1,717,500,000 (2,090,976,971)	171,756,631 (209,271,003)	1,718,098,750 (2,093,358,773)
Reliance Liquid Plus Fund – Institutional Option – Growth Plan	– (302,758)	– (321,952,406)	– (302,758)	– (323,729,293)
Reliance Liquidity Fund–Growth Option	– (42,915,194)	– (500,000,000)	– (42,915,194)	– (506,552,406)
Reliance Liquid Plus Fund – Institutional Option – Daily Dividend Plan	1,627,328 (1,634,939)	1,629,177,777 (1,636,717,686)	1,665,541 (161,997,233)	1,667,434,483 (1,667,500,000)
Reliance Medium Term Fund – Daily Dividend Plan	34,969,472 (–)	597,820,606 (–)	35,041,256 (–)	598,519,501 (–)
SBI Debt Fund Series – 180Days– 8– Dividend	100,000,000 (–)	1,000,000,000 (–)	100,000,000 (–)	1,022,160,000 (–)
Stan Chart Grindlays Floating Rate Fund–LT–Inst Plan B–Daily Div.	– (330,643,697)	– (3,308,231,512)	– (332,757,668)	– (3,329,389,348)
Stan Chart Liquidity Manager – Plus – Daily Dividend	1,058,778 (2,904,390)	1,059,000,000 (2,905,000,000)	1,058,986 (2,905,626)	1,059,208,784 (2,906,236,249)

Notes forming part of Accounts

Schedule 15 | II NOTES TO ACCOUNTS

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Stan Chart Liquidity Manager	–	–	–	–
	(39,950,062)	(400,000,000)	(40,149,340)	(401,995,262)
TDAD TATA Dynamic Bond Fund Option A	95,478,869	1,007,445,291	96,059,365	1,014,338,866
– Dividend	(–)	(–)	(–)	(–)
TDBD TATA Dynamic Bond Fund Option B	98,910,675	1,014,338,866	100,066,357	1,027,995,748
– Dividend	(–)	(–)	(–)	(–)
TATA Liquid Super High Investment Fund	717,798	800,000,000	718,154	800,397,375
– Daily Dividend	(1,794,494)	(2,000,000,000)	(1,795,767)	(2,001,419,284)
TATA Floater Fund – Daily Dividend	206,854,871	2,075,912,746	213,895,742	2,146,572,109
	(120,835,775)	(1,212,659,508)	(124,556,579)	(1,250,000,000)
Templeton India Treasury Management Account Super Institutional Plan – Daily	299,798	300,000,000	306,716	306,922,444
Dividend Reinvestment	(–)	(–)	(–)	(–)
UTI – Liquid Plus Fund Institutional Plan	3,264,499	3,265,197,390	3,285,743	3,286,446,029
(Daily Dividend Option) – Reinvestment	(–)	(–)	(–)	(–)
UTI Liquid Cash Plan Institutional –	490,463	500,000,000	537,211	547,656,568
Daily Income Option – Reinvestment	(27,759,867)	(28,299,677,073)	(27,811,051)	(28,351,856,202)
UTI Liquid Plus Fund Institutional Plan –	–	–	–	–
Daily Income Option – Reinvestment	(7,558,310)	(7,559,927,472)	(7,625,751)	(7,627,382,662)
UTI Liquid Plus Fund Institutional – Growth	–	–	–	–
Option	(1,317,544)	(1,074,616,831)	(1,332,499)	(1,086,812,911)
UTI Liquid Cash Plan – Growth Option	–	–	–	–
	(830,413)	(1,073,600,000)	(830,413)	(1,074,616,831)
Total		57,896,492,331		58,857,808,751
		(167,991,742,754)		(168,790,810,587)

Notes: Previous year figures are mentioned in brackets.

14. There are no micro and small enterprises, to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2009. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This information has been relied upon by the Auditors'.

15. Managerial Remuneration

(Amount in Rupees)

	Particulars	2009	2008
a.	Salaries	56,100,000	30,256,452
b.	Perquisites and Other allowances	460,780	14,542
c.	Contributions to Provident and Other Funds	4,488,000	2,420,516
d.	Sitting Fee	1,080,000	1,420,000
e.	Commission	22,142,410	19,741,550
	Total	84,271,190	53,853,060

Notes:

The above figures do not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the company as a whole.

Schedule 15 | II NOTES TO ACCOUNTS

16. Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956.

(Amount in Rupees)

Particulars	Year Ended	
	2009	2008
Profit after Tax	976,733,324	626,982,980
Add:		
Managerial Remuneration	83,191,190	52,433,060
Provision for Taxation	63,156,548	28,430,269
Depreciation as per Profit and Loss Account	1,085,519	1,293,226
Less:		
Depreciation as per section 350 of the Companies Act,1956	1,085,519	1,293,226
Net Profit in accordance with Section 309 (5) of the Companies Act,1956	1,123,081,062	707,846,309
Total remuneration including commission thereon		
Executive Chairman @ 5%	56,154,053	35,392,315
Managing Director @ 3%	33,692,432	21,235,389
Total remuneration including commission restricted to		
Executive Chairman	51,994,494	32,770,662
Managing Director	31,196,696	19,662,397
Commission payable for the year		
Executive Chairman	15,093,265	12,457,285
Managing Director	7,049,145	7,284,265

17. Additional information pursuant to paragraph 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI of the Companies Act, 1956:

a) Remuneration to Auditors

(Amount in Rupees)

Particulars	2009	2008
Audit fees**	1,123,600	1,123,600
Tax Audit**	168,540	168,540
Other certification fees**	2,941,585	180,000
Out of Pocket Expenses	50,205	57,050
Total	4,283,930	1,529,190

** Includes service tax

b) Expenditure in Foreign Currency (on payment basis)

(Amount in Rupees)

Particulars	2009	2008
Traveling expenses	17,100,136	1,588,792
Professional and Consultancy charges	15,134,011	19,734,716
Others	70,041	751,460
Total	32,304,188	22,074,968

Schedule 15 | II NOTES TO ACCOUNTS

18. Disclosure as per Clause 32 of the listing agreement

Loans and Advances in the nature of Loans to Subsidiaries.

(Amount in Rupees)

Name of the Subsidiary	Amount Outstanding as at the year end	Maximum amount outstanding during the year	Investment by loanee in the Company's Shares (Nos)
GVL *	-	118,895,000	Nil
	(118,895,000)	(150,495,000)	(Nil)
GTAEPL**	-	327,494,481	Nil
	(324,860,000)	(325,349,515)	(Nil)
GTTEPL**	-	418,506,615	Nil
	(415,140,000)	(415,299,232)	(Nil)

Note: Previous figures are shown in brackets.

* Interest free & On Call - no repayment schedule.

** Includes interest accrued.

19. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D to the extent either Nil or Not Applicable has not been furnished.

20. Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

For and on behalf of the Board of Directors

G. M. Rao	G. B. S. Raju	A.Subba Rao
Executive Chairman	Managing Director	Group CFO
	(Place: Singapore)	

Place: Bangalore
Date: June 04, 2009

C.P.Sounderarajan
Company Secretary

Cash Flow Statement for the year ended March 31, 2009

(Amount in Rupees)

Sl. No.	Particulars	March 31, 2009	March 31, 2008
A.	CASH FLOW FROM /(USED IN) OPERATING ACTIVITIES		
	Net Profit Before Tax and Extraordinary Items	1,039,889,872	655,413,249
	Adjustments for :		
	Depreciation	1,085,519	1,293,226
	Provision for doubtful advances	60,000,000	-
	Provision for diminution in the value of investments	–	65,363,174
	(Profit)/Loss on sale of current investments	36,064,690	(80,732,124)
	Fixed Assets written off	723,136	-
	Dividend Income	(1,077,343,110)	(751,312,159)
	Interest Income	(514,660,434)	(176,358,242)
	Interest and Finance Charges	237,924,361	253,655,318
	Operating Profit Before Working Capital Changes	(216,315,966)	(32,677,558)
	Adjustments for :		
	(Increase) / Decrease in Trade and other receivables	146,377,874	(640,926,021)
	Increase / (Decrease) in Trade Payables	(29,697,538)	116,526,626
	Cash generated from Operations	(99,635,630)	(557,076,953)
	Income Taxes refund / (paid) during the year	(108,469,759)	(8,458,915)
	Net Cash Flow from/(used in) Operating Activities	(208,105,389)	(565,535,868)
B.	CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
	(Purchase)/Sale of Fixed Assets	(3,164,530)	(14,551)
	(Purchase)/Sale of Long Term Investments - (including Share application money)	(21,707,455,980)	(11,273,837,206)
	(Purchase)/Sale of Investments - Short Term	32,549,070,711	(32,161,271,214)
	Interest Income Received	490,336,710	186,660,329
	Dividend Received	1,084,915,430	746,516,831
	Net Cash Flow from/(used in) Investing Activities	12,413,702,341	(42,501,945,811)
C.	CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
	Proceeds from Secured Loans	–	3,125,531,290
	Repayment of Secured Loans	(488,750,809)	(205,500,000)
	Proceeds/(Repayment) from/of Unsecured Loans (Net)	(100,000,000)	(100,000,000)
	Loan (given) to/received from a subsidiary company (Net of repayments)	858,895,000	(708,400,000)
	Issue of equity shares (including share premium) (Refer Note 2 below)	(155,542)	39,020,873,906
	Interest and Financial Charges paid	(237,924,361)	(174,723,818)
	Net Cash from/(used in) Financing Activities	32,064,288	40,957,781,378
	Net increase/(decrease) in Cash and Cash Equivalents	12,237,661,240	(2,109,700,301)
	Cash and Cash Equivalents at the beginning of the year	1,081,496,436	3,191,196,737
	Cash and Cash Equivalents at the end of the year	13,319,157,676	1,081,496,436

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on "Cash Flow Statements" as referred to in Section 211 (3C) of the Companies Act, 1956.
2. Represents amount received towards issue of Equity Shares under Qualified Institutional Placement for the year ended March 31, 2008, net of issue expenses.
3. Cash and Cash Equivalents includes restricted Cash and Bank balances amounting to Rs. 734,575,318 (2008:Rs.77,825,031).
4. Previous year's figures have been regrouped and reclassified to conform to those of the current year.

This is the cash flow statement referred to in our report of even date.

For and on behalf of the Board of Directors

Thomas Mathew
Partner
Membership Number: 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

G. M. Rao
Executive Chairman

G. B. S. Raju
Managing Director
(Place: Singapore)

A.Subba Rao
Group CFO

Place: Bangalore
Date: June 04, 2009

C.P.Sounderarajan
Company Secretary

Balance Sheet Abstract

Information pursuant to the Provisions of Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and company's General Business Profile

I Registration Details

Registration No.:	034805	State Code:	08
Balance Sheet Date:	31 (Date) 03 (Month) 2009 (Year)		

I. Capital raised during the year (Amount in Rs. Thousands)

Public Issue:	NIL	Rights Issue :	NIL
Bonus Issue:	NIL	Private Placement :	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities :	61225262	Total Assets :	61225262

Sources of Funds

Paid-up capital :	3641313	Reserves & Surplus :	53380938
Secured Loans :	4203011	Unsecured Loans :	NIL
Deferred Tax Liabilities :	NIL		

Application of Funds

Net Fixed Assets :	8132	Investments :	40618684
Net Current Assets :	20596290	Misc. Expenditure :	NIL
Accumulated Losses :	NIL	Deferred Tax Asset :	2156

IV. Performance of company (Amount in Rs. Thousands)

Gross Income :	1650186	Total Expenditure :	610296
Profit/Loss Before Tax :	1039890	Profit/(Loss) After Tax :	976733
Earnings Per Share in Rs. :	0.54	Dividend Rate (%) :	NIL

V. Generic Names of Three Principal Products / Services of Company (as per Monetary terms)

Infrastructure Development & Contract Business.

Item Code No. (I T C Code)	NA
Product Description	NA

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