Building an Institution
Building the Nation

GMR Infrastructure Limited
16th Annual Report 2011-12

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of GMR Infrastructure Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the GMR Infrastructure Limited Annual Report 2011-12

Inside the report

Institution building gives us the strength to sail through the waves of uncertainty and volatility

The year 2011-12 was a challenging year, with waves of volatility and uncertainty impacting our business.

Over the years, GMR Infrastructure Limited has invested in building business and institution simultaneously. This sustained commitment to institution building has helped the company address the current challenges and emerge stronger to capitalize on the upcoming opportunities.

General Information

Board of Directors

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Srinivas Bommidala
Group Director

G. B. S. Raju
Group Director

Kiran Kumar Grandhi
Group Director

K. Balasubramanian
Director

O. Bangaru Raju
Director

Arun K. Thiagarajan
Independent Director

K. R. Ramamoorthy
Independent Director

N.C. Sarabeswaran
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
N.C. Sarabeswaran	Member
R. S. S. L. N. Bhaskarudu	Member
Uday M. Chitale	Member

Bankers

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

Registered Office

Skip House, 25/1,
Museum Road,
Bengaluru - 560 025
Tel No.: +91 80 40534000
Fax: +91 80 22279353

Shareholders' Transfer & Grievance Committee

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

Statutory Auditors

S.R. Batliboi & Associates
Chartered Accountants

Registrar and Share Transfer Agent

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

Our commitment to building an institution for perpetuity is grounded on the following Values & Beliefs

Vision

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

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

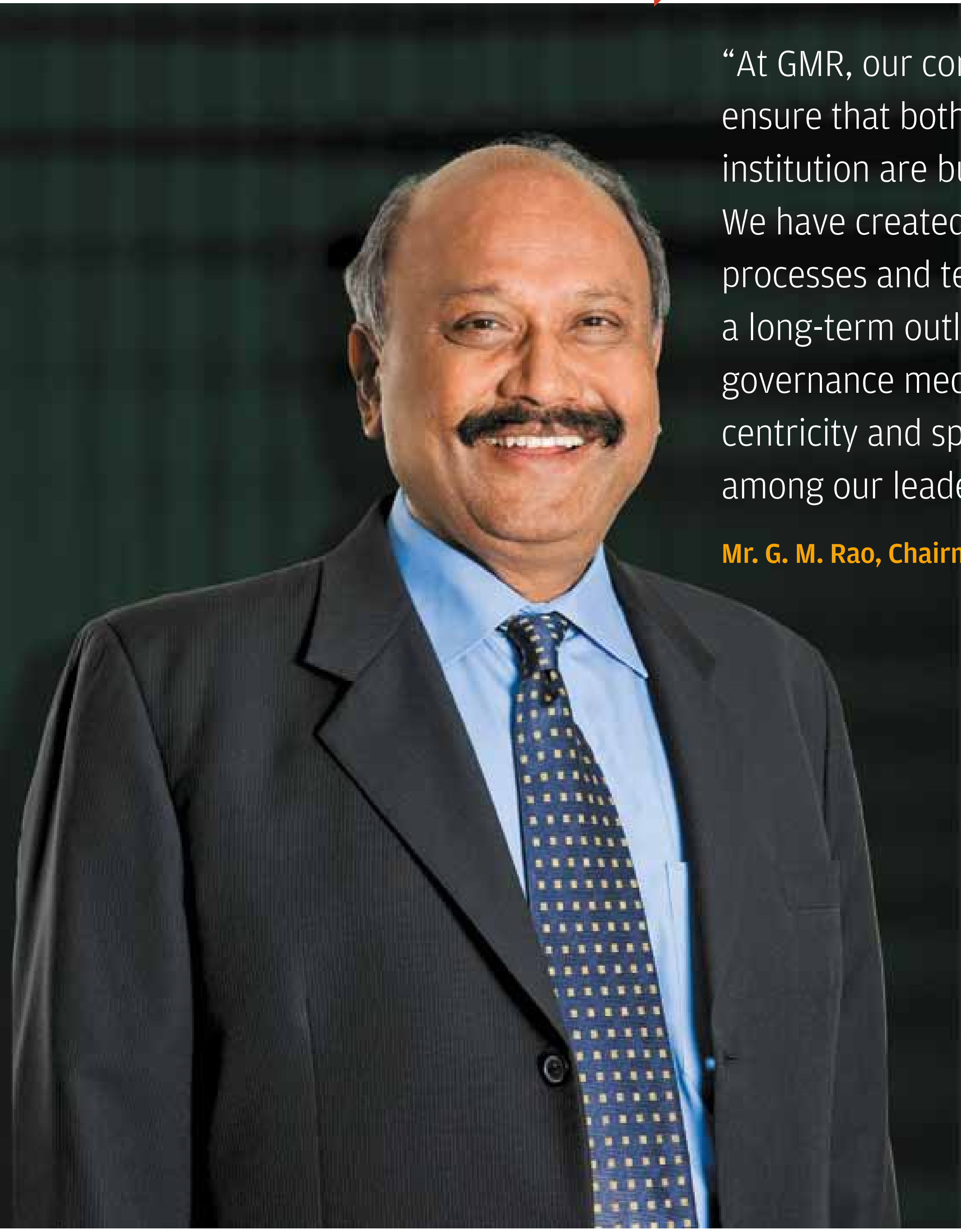
Deliver the promise: We value a deep sense of responsibility and self-discipline, to meet and surpass on commitments made

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 message



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

Mr. G. M. Rao, Chairman

Dear Shareholders,

The financial year 2011-12 was marked by a high degree of volatility and uncertainty in the macro-economy and the infrastructure sector. The Indian economy showed unfavourable and erratic movements on key parameters like exchange rate, inflation and GDP growth rate. The Indian rupee was under pressure due to increasing trade gap of USD 180 billion. This imbalance was of a structural nature with oil, gold and silver accounting for almost 45% of total imports, adversely impacting global capital availability for investments in infrastructure sector. It calls for urgent, innovative and pragmatic approaches to address the continued infrastructure deficit faced by India.

The Twelfth Five-Year Plan (2012-17), the Planning Commission has doubled the outlay for infrastructure to USD 1 trillion. In addition, there is a trend towards greater involvement of the private sector with its share slated to move from 36% to 50%. While there are 227 projects that have been put in operation, the majority (70%) of the PPP projects are still in various stages of implementation. India's experience of using the PPP approach has seen mixed results in terms of setting up a robust regulatory framework and overall acceptance of all stakeholders. The top sectors that have seen private investments are ports, energy, highways, airports and urban infrastructure. Your Company has built core competencies among four of these sectors. We are now well poised to tap future opportunities.

The performance of your Company during the year 2011-12 was severely impacted by three principal factors:

- Delay in aeronautical tariff revision for DIAL
- Availability of gas for power, leading to lower plant load factors in operating plants
- External macroeconomic volatility in capital markets, interest rates and Indian rupee exchange rates

We now prepare our business plan with the aforementioned macroeconomic volatility already factored in. We have responded to the situation with definitive strategy to tackle the immediate challenges and to emerge stronger in the long- term. We are committed and passionate about our vision to create an 'institution in perpetuity'.

Our response to the current situation has been broadly on two dimensions. The first is to leverage our pre-eminent position in the infrastructure space to play a responsible role in policy advocacy. Your Company is actively discussing with all stakeholders to influence and resolve the current industry crises. Simultaneously GMR is reinforcing its strong commitment to its institution building processes that have been in place for over a decade. This gives us the strength to sail through this period of uncertainty and volatility.

Public advocacy measures

The Government of India is taking initiatives to closely involve industry in highlighting key industry issues and provide perspectives to policy formulation. In October 2011, the Government of India nominated me as one of the directors of the Central Board of the Reserve Bank of India. This provided an opportunity to create a seamless link between infrastructure developers and the government by providing industry perspectives for policy formulation at the Reserve Bank of India. The discussions so far have helped in highlighting the key concerns and critical factors required for the infrastructure sector to sustain its growth. In another such move, the Prime Minister has instituted a high level committee for infrastructure finance in which I have been appointed to provide voice of industry.

On the policy and regulatory dimension there was slowdown in decision making owing to sheer complexity of the underlying issues and time required for **learning and adoption.** In order to tackle the issues in the power sector, the Association of Power

Producers of which your Company is an active member, has made several representations at the Prime Minister's Office and all other concerned ministries. Some of the recommendations that have been made to resolve the impasse due to shortage of both coal and gas are as follows:

- The extent of power purchase agreement (PPA) capacity to be tied-up should be equal to coal supply assurance/ obligation, The time given to tie-up capacity of coal supply assurance on long-term basis be taken as three years from commercial operation date (COD) instead of the current arrangement of three years from issuance of provisional mega certificate
- Sequential clearance of mining and power from environmental point of view
- To resolve the mismatch in time-horizon regarding agreements for gas supply availability and standard bidding documents - The agreements for gas supply have a validity of price for five years, while the standard bidding documents (SBD) require the tariff quoted valid for a much longer term period
- Pooled price mechanism proposal for gas availability for new gas-based power plants
- Financing issues for the power sector - reforms to pension and insurance sector to make available more long-term funds.

In the **airports** sector, especially in context of DIAL, your Company has been actively engaged with AERA to obtain the revision in aeronautical charges for the control period 2009-14 which were not revised for several years in the past. The process of tariff revision was very detailed, consultative and inclusive of all the stakeholders. This took more time than expected, delaying tariff revision. The revised tariff had to be calibrated higher because from the time of revision, there is only around two years of the allotted five left during the control period 2009-14. Going forward, we expect the tariff revision process to be streamlined well ahead of next control period in 2014 and without any adjustment or calibration for partial time during a control period.

Modernisation and expansion of infrastructure is crucial to economic growth and development. India's Civil Aviation Sector has also attempted to keep pace with the rising demands from economic growth. The National Council of Applied Economic Research (NCAER) conducted an independant study that has provided an assessment of the economic impact of Delhi International Airport on the regional and the national economies in terms of output, value addition (income) and employment. The study has illustrated significant linkages of the Civil Aviation Sector with the rest of the economy. As per the report, Delhi International Airport's operations contributed Rs 29,000 cr (which is 0.49% of GDP). Its contribution to employment both directly and as a multiplier impact is assessed to be 1.5 million jobs. This includes the jobs created during the three years of constructing the new T3 terminal.

On the **highway** sector, we are buoyed by the pipeline of new project opportunities and improvements in the bidding process with the introduction of pre-qualification and transparency of e-bidding.

Institution building

At GMR, our purpose is to ensure that both business and the institution are built together. We have built processes to have a long term outlook, robust governance mechanism and ensuring value centricity and spiritual strength among our leadership.

One of the recognised strengths in GMR is our proactive approach to family governance. A robust family governance mechanism warrants maintenance of family connectivity, collaboration and continuity without compromising on the advantages brought through an entrepreneurial approach. This year, we implemented a planned rotation of responsibilities among the family leadership team. Done every 4 years, this ensures that each business sector has the leadership bringing in fresh perspectives and leveraging learning across other sectors.

We continue to germinate our leadership pipeline with planned interventions for development at all levels. This year we also strengthened our awareness of spirituality among the senior leadership team. I personally believe that physical fitness and spiritual strength are critical leadership attributes required to cope with the challenges and stress of today's business environment.

Our investments made towards process

excellence are fructifying. This year, the Company undertook 128 continuous improvement projects with confirmed savings of Rs. 40 cr. We are making rapid strides towards process excellence. We have recently moved to a shared services model for support services in finance and accounts and HR transactions. This is expected to transform our back-office processes through a best-in-class operating model.

We continue to strengthen our core functional competencies in procurement, finance, corporate communication, legal and enterprise IT .

Environmental measures

Our businesses continue their emphais on long-term corporate sustainability with focus on all the three dimensions of economic, environmental and stakeholder development. Some of the key highlights are:

Energy sector

- Vemagiri plant was successfully registered for clean energy benefits clean development mechanism (CDM) of UNFCC
- GMR Power Corporation Limited (GPCL), Chennai plant achieved SA-8000 (social accountability) and ISO 50001 (energy management) certifications
- GPCL has been certified for energy management system (EnMS) ISO 50001:2011 by DNV
- GEL Kakinada, (CDM) - Documentation was completed and host country approval obtained; voluntary carbon standard (VCS) plant audit carried out successfully; rainwater harvesting pits constructed and the water is used for greenbelt development (8000 trees were planted in nine acres of plant area)

Airports

- DIAL is the world's first airport to get ISO 50001:2011 certification for energy management; DIAL's T3 continues to have LEED Gold rating (Leadership in Energy and Environmental Design) and it received OSHAS 18001:2007 certification for Occupational Health and Safety Management System
- GHIAL received the 'Certificate of Merit' award 2011 for energy conservation from Ministry of Power, Government of India

Highways and EPC

- The EPC division has set up a global material research centre under Prof. S.K. Rao (a retired Professor from IIT Kharagpur) to research in alternative materials for highway construction
- This year a group-wide initiative was undertaken to conserve electricity and water through project 'Bijlee' and project 'Paani', respectively, which resulted in direct savings in terms of energy and water consumption worth over Rs. 12 cr already.

Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) is the Corporate Social Responsibility arm of the GMR Group. Its vision is to make sustainable impact on the human development of the underprivileged communities through initiatives in education, health and livelihood. Currently, GMRVF is working in over 200 villages/ urban communities across 22 locations.

In addition to performing Corporate Social Responsibility the foundation also provides an avenue for philanthropy. Last year, I have irrevocably pledged my share of the stake that I hold in the Group, in favour of GMR Varalakshmi Foundation for charitable activities to serve the needs of the underprivileged sections of society.

In addition to the GMRVF's direct contributions, 2,450 employees participated in more than 500 community development programs impacting 60,000 people.

Acknowledgements

I express my sincere gratitude to our shareholders, investors, joint venture partners, banks and financial institutions with whom we have enjoyed cordial relationships. I would also like to thank SEBI, NSE, BSE, RBI, NHAI, TIDCO, AAI, AERA, CERC, Central and State Governments and all other regulatory bodies for providing continuous support and an enabling environment for smooth running of our business. I wish to express my appreciation to my colleagues on the Board and our employees for their thought leadership, dedication and commitment. I express my sincere appreciation to the Board of Directors and the employees of the subsidiaries for their continued support. I am indeed grateful to you all for your cooperation and the trust you have reposed in us.

With my very best regards,

G. M. Rao

GMR: Environmentally-positive

In GMR, we initiated specific projects to manage energy consumption. Examples are: modification of operational methods to reduce cooling water temperature, reduction of auxiliary power consumption and reduction of turbine box-up time.

As a custodian of national assets, GMR recognises the importance of our environment and consciously introduced institutional approaches to address ecological challenges. These approaches comprise energy management, water management and carbon footprint reduction, enhancing business strength and stakeholder trust.

In GMR, we initiated specific projects to manage energy consumption. Examples are: modification of operational methods to reduce cooling water temperature, reduction of auxiliary power consumption and reduction of turbine box-up time. During the year under review, we commissioned solar and wind projects and are poised to tap emerging opportunities in this area.

In view of water scarcity, over-exploitation and ground water deterioration, GMR addressed its water requirements through prudent utilisation from different water sources depending on its plant location. For instance, GVPGL, Vemagiri, and GEL Barge, Kakinada, source their water from proximate rivers and local municipalities. At GEL Barge, seawater is also utilised as a freshwater alternative to meet cooling requirements. GMR Power Corporation Limited, Chennai, treats sewage from the Chennai Metropolitan Sewerage Board (instead of sourcing freshwater) for onward use in cooling operations and greenbelt development, saving 5,400 m^3 of fresh water per day, equivalent to the potable water consumed by 100,000 people.

Awards and Recognitions:

Airports

- DIAL emerged as the world's first airport to receive the ISO 50001:2011 certification for energy management
- DIAL's T3 terminal continues to have LEED (Leadership in Energy and Environmental Design) gold rating
- GHIAL received the 'Certificate of Merit' award, 2011, for energy conservation from the Ministry of Power, Government of India

Energy

- Registered GVPGL, Vemagiri, successfully with UNFCC under 'Clean Development Mechanism'
- Ensured that the Vemagiri plant received the National Energy Conservation Award for the second consecutive year
- GPCL was certified for Energy Management System (EnMS) ISO 50001:2011 by DNV Energy savings initiatives resulted in savings of 1.27 million units
- GVPGL received National Energy Conservation Award from CEA
- GEL, Kakinada, completed CDM documentation and obtained host country approval

National Energy Conservation Award-2011 by MoP

Airport Landscape awarded by GoAP

GMR: Strategy, planning and enterprise risk management

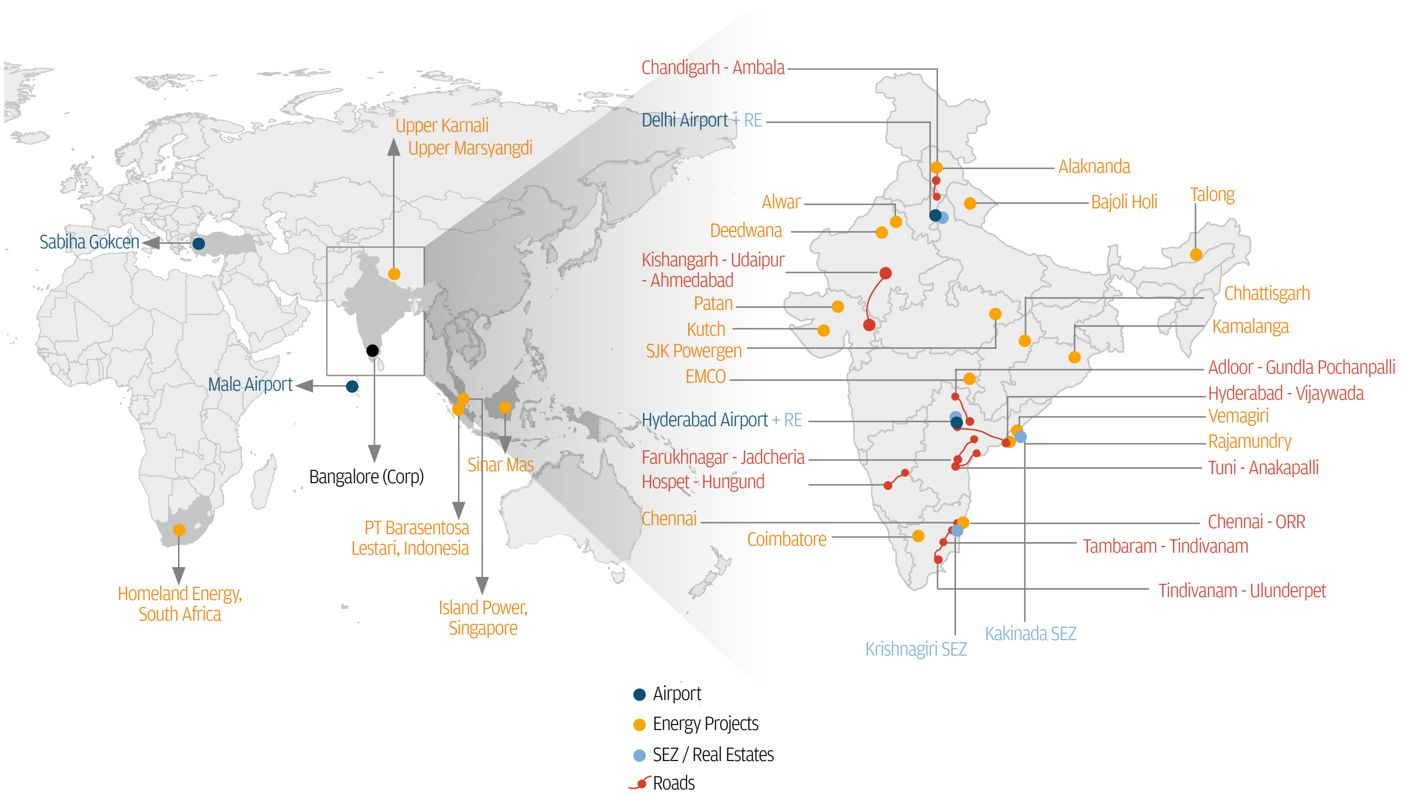
Over the years, GMR has invested in sound institutional processes of business planning, enterprise risk management and performance management, leading to process-driven decision making while preserving the entrepreneurial DNA of the group.

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

The Company has a strategic planning process from strategy to goal-setting by extensively using IT for planning, consolidation, decision support and business reviews. The process is enabled by a combination of central, sector and business teams. The Company implemented robust enterprise risk management processes comprising new bids, project execution and asset management. These processes provided the Board with independent expert view on all strategic decisions with detailed modelling and analysis. The teams also developed mechanisms for continuous monitoring of risk factors. An independent assessor recently rated aspects of GMR's risk management and bidding processes as industry benchmarks.

During the year under review, the Company responded with multiple initiatives to address volatility and uncertainty. It undertook a detailed group-wide long-range (five years) exercise covering over 250 scenarios leading to a three-year strategy (FY13-15) and annual operating plans (FY13). This resulted in the exploration of asset-light models, effective risk management, project execution, cash conversation, revenue maximization and cost management.

This enabled GMR to be a trans-national infrastructure business.



Our institution building approach is based on the interlinked parameters of people, process, technology and governance – which enhance our ability to respond to diverse business situations with clarity, alignment and timely actions.

People

Your Company defined a set of seven values and beliefs to create a consistent GMR culture. These values were institutionalized through their incorporation into the recruitment process, 360º feedback process and the performance management framework.

The Company addressed people development around an integrated and aligned set of processes with linkages between talent identification, succession planning, development and performance management. This comprises a multi-level program with development intervention at each hierarchy level and responsibility. All the Group Holding Board members have globally recognized and preeminent leadership gurus as their personal leadership coaches.

The talent management programme comprises the development of a long-term leadership pipeline and preparing the organization for 2015. 43 senior leaders graduated from our formal leadership development program (partnership with IIM, Bangalore); 139 from the NextGen Program done through the e-learning mode using Harvard Business Module - Stepping up to Management, 30 from the Emerging Leaders programme (partnership with IIM, Kozhikode) and launched a young leaders' programme with 95 persons.

The Company also implemented a comprehensive programme for technical competencies. The Engineering Procurement & Construction group initiated high-end skill development through our Skill Development Center in Hyderabad in collaboration with Holmesglen, Australia. The 'train-the-trainer' approach was followed, with the first batch of 32 trainers completing the programme in 2011-12.

Process and Governance

In GMR, we believe in a sound governance process comprising the following:

- Family governance guided by a family constitution
- Management assurance
- Ethics & Intelligence
- Governance Councils
- Group Performance Advisory Council (GPAC)
- Whistleblower Policy and Ombuds Persons
- Corporate Centers of Excellence
- Business Excellence

The Group Chairman and all other Board members from the promoter's family remain committed to the doctrine of family governance, reflected in a legally-binding family constitution framed by globally-renowned experts through a journey that started nearly a decade ago. Family governance represents the foundation of our governance structure. The Group's family constitution is acknowledged as unique and as a best practice in the corporate world. During the year under review, we implemented the planned rotation of the business portfolio among the Group Holding Board members. Every four years, there is a change in leadership with respect to each portfolio, ensuring fresh leadership perspectives and cross-sectoral learning.

Management Assurance Group conducts routine and risk-based audits across the Group comprising the technical, financial and statutory functions.

To achieve a culture of excellence, the Company adopted the Business Excellence Model (Malcolm Baldrige criteria). During the year under review, 128 continuous Improvement Projects (CIPs) were undertaken group-wide resulting in audited benefits of Rs. 40 cr in FY12. In the Business Excellence journey, the Group moved from the band of "early results" to "early improvement".

Technology

GMR's framework for business enablement through IT includes the following:

IT infrastructure

- Network and connectivity across all GMR Group locations - national and international
- Video conferencing (80 video conference rooms covering all locations) and VoIP at all desks
- Messaging and collaboration solutions - collaboration solutions to enable instant messaging, desktop sharing, live meetings, among others

SAP infrastructure

- Single instance of SAP across the Group
- E-enabled employee processes - travel, HR and performance management
- Engineering Document Management Solution (EDMS) to enable design and engineering collaboration with external partners

IT security

- Well-defined IT policies with systems for continuous monitoring and alerts
- Assessment and certification for ISO 27001 and BS 25999
- Secure network, applications and data
- Implementing Data Protection Mechanisms

Business/domain solutions

Illustrative examples of sector-specific IT solutions:

- Business Intelligence and dashboard solution to facilitate the monitoring of key metrics and quick decision making
- **Airports:** E-POS and analytics for retail/duty-free
- **Energy:** automation and control systems for power plant processes
- **Highways:** toll management system and centralised video monitoring
- **Project management:** collaborative tools, IT systems (Primavera) and centralised project war room

GMR: Enriching lives, enhancing capacities.

The empowerment of youth with vocational skills and employability enhances societal inclusiveness marked by greater stakeholder acceptance, right skill pool and lower resource volatility.

GMR Varalakshmi Foundation (GMRVF), the CSR arm of the Group, has interventions that are delivered through four socially relevant dimensions.

One of the dimensions of GMRVF is focused interventions in enhancing the livelihoods of youth through vocational skills training. The Foundation established its first vocational training institute in 2003. Over nine years, the number of training centres increased to eight (five in rural and three in urban). These centres lay an equal emphasis on self-employment and job-employment, offering the unemployed youth entrepreneurial skills, soft skills and technical skills.

Your Company leveraged its network to attract corporate partners to train in industries like construction, industrial refrigeration, air-conditioning, electrical, automotive and Information technology.

In addition, the foundation through its own also introduced vocations like jute making, tailoring, and chocolate making and encouraging the trainees to produce products for the external market.

The foundation helps in quality assurance, sales and marketing of products produced by the people, thus helping in providing a means of livelihood. There has been good market feedback for the products. Over the years, the Group's eight training institutes have trained 18,000 candidates with 80% of them securing jobs or gaining self-employment. These jobs have been with several reputed industries across industries and regions. A group of the skilled pool was also deployed for the Company's own business operations in the area of cargo management, airport terminal operations and maintenance, among others.

Success stories

Narender Baniwal was one of 21 candidates enrolled in the first batch of GMR Varalakshmi Foundation's course in cargo handling based on an assessment of skill requirements at the Indira Gandhi International Airport, Delhi. Narender's father used to work for Delhi Transport Corporation but was paralysed about eight years ago. For Narender and his four siblings life became difficult. At that time, he heard about the GMRVF Training Centre and enrolled for the skilled cargo handlers course. Along with technical knowledge, Narender was also provided inputs on soft skills, personality development, and communicative skills. He did his on-the-job training with CELEBI, a cargo company operating at the Delhi International Airport. At the end of his training, he was offered a job with them. Today, Narender is a trainee cargo executive earning Rs 11,500 per month.

Indira, a spirited young girl of 23, hails from Gollapally village located near the Rajiv Gandhi International Airport, Hyderabad. After completing Class X, she had to drop out due to financial constraints and was trying to earn money doing odd jobs. Around late 2006, she came across GMR Varalakshmi Foundation's special vocational courses. One of the courses offered was MS Office and DTP. She took the training and was offered a job as a computer assistant. Indira worked at that company for about a year and by early 2008, recruitment started for the new International Airport, scheduled to be operational from March 2008. Tenaga Parking, a Malaysian company, was awarded the contract for handling parking at the airport. The company was looking for young hopefuls, especially girls who could serve as cashiers for its automatic billing system. The interviews were facilitated by GMRVF and Indira appeared for the interview. Based on her knowledge of computers and experience, she was selected.

Highlights of 2011-12

Consolidated Financial Performance

(Rs. in Crore)

Year End	Revenue from operations	Revenue from operations(net)*	EBITDA**	PAT#	Cash Profits##	Cash & Cash Equivalent^
FY 2012	8,473	7,642	1,758	(1,059)	189	5,264
FY 2011	6,465	5,814	1,555	(1,047)	523	4,842
FY 2010	5,123	4,567	1,364	225	732	2,781
FY 2009	4,476	4,019	1,067	277	644	5,779
FY 2008	2,698	2,295	599	263	469	1,562

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

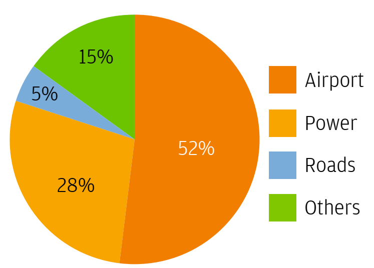
** EBITDA - Earnings before interest, other income, tax, depreciation, amortisation (including utilisation fees) and exceptional items

Profit after tax before minority interest and share of profits/(losses) of associates

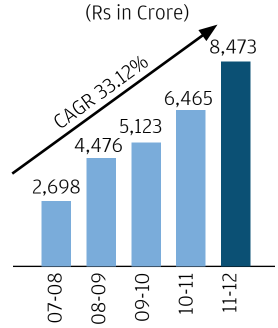
Cash profits = profit after tax + Def tax + MAT credit + exceptional items + Depreciation, amortisation and utilisation fees

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

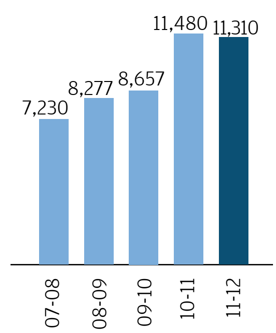
Sectorwise revenue from operations in 2012



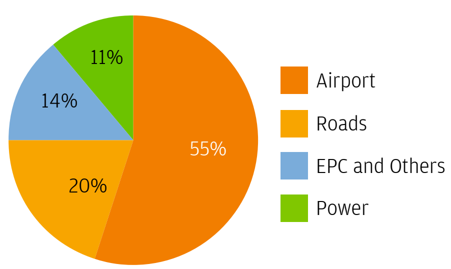
Consolidated revenue from operations (Rs in Crore)



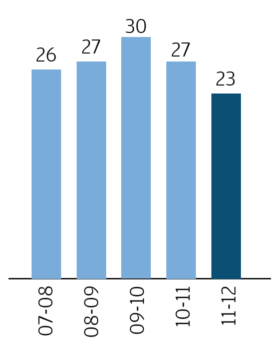
Networth (Rs in Crore)



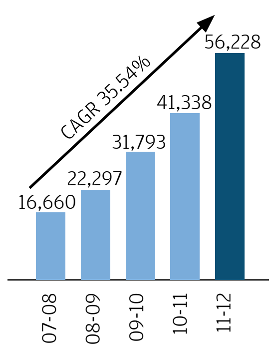
Sectorwise contribution in EBIDTA



EBIDTA Margin (%)



Total assets (Rs in Crore)



Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 16th Annual Report together with the audited accounts of your Company for the year ended March 31, 2012.

Financial Results

Your Company, as a holding company, operates in different business sectors like Energy, Airports, Highways and Urban Infrastructure. Engineering, Procurement and Construction (EPC) business is a separate operating division which mainly caters to the requirements for implementing projects undertaken by subsidiaries.

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

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Revenue from operations	8,473.03	6,465.26
Revenue share paid / payable to concessionaire grantors	(830.97)	(651.26)
Operating and administrative expenditure	(5,883.83)	(4,258.51)
EBITDA	1,758.23	1,555.49
Other Income	243.42	311.30
Interest and Finance Charges	(1,653.13)	(1,230.06)
Utilisation fees	(98.71)	(71.92)
Depreciation / Amortisation	(935.81)	(789.00)
Exceptional Items :		
Provision for diminution of investment	-	(938.91)
Amounts written off in earlier years written back	-	140.33
Interest on loans against development fund	(162.12)	-
Provisions for taxation (including deferred tax, MAT credit entitlement)	(210.72)	(23.90)
Profit/(loss) after tax and before minority interest and share of profits / (losses) from associates (PAT)	(1,058.84)	(1,046.67)
Share of profits / (losses) of associates	-	(3.46)
Minority Interest – (profits) / losses	455.50	120.49
Profit/(loss) after tax and after minority interest and share of profit / (losses) from associates	(603.34)	(929.64)
Surplus / (Deficit) brought forward from previous year	(79.15)	895.61
Profit / (Loss) available for appropriation	(682.49)	(34.03)
Appropriations / adjustments	(31.68)	(45.12)
Available surplus/(deficit) carried to balance sheet	(714.17)	(79.15)
Earnings per share (Rs.) (Face value of Re. 1/- each) - Basic and Diluted	(1.55)	(2.40)

Consolidated revenue from operations grew by 31.05 % from Rs. 6,465.26 Crore to Rs. 8,473.03 Crore. Airport, Energy, Highways, EPC and other segments contributed Rs. 4,381.29 Crore (51.71%), Rs. 2,374.99 Crore (28.03%), Rs. 405.64 Crore (4.79%), Rs. 970.89 Crore (11.46%) and Rs. 340.22 Crore (4.01%) respectively to the revenue from operations.

EBITDA grew by 13% from Rs. 1,555.49 Crore to Rs. 1,758.23 Crore. Short supply of gas and non-recognition of Rs. 100 Crore of revenues from Air India impacted the earnings in the energy and airport sector respectively. Losses in DIAL of Rs.573 Crore after minority interest due to non revision of aero tariffs, proportionate operating losses of Istanbul Airport (Rs. 105 Crore, 40% share) and losses in Energy sector due to limited availability of gas resulted in a consolidated loss of Rs.603.34 Crore after minority interest (Loss of Rs.929.64 Crore last year).

Presented below are the standalone financial results of your Company:

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Revenue from operations	1,381.87	727.40
Operating and administrative expenditure	(1,084.50)	(487.84)
EBITDA	297.37	239.56
Other Income	48.41	5.46
Interest and finance charges	(197.35)	(174.14)
Depreciation	(7.58)	(4.91)
Profit before tax	140.85	65.97
Provisions for taxation (including deferred tax and MAT credit entitlement)	(20.55)	(7.09)
Profit after tax	120.30	58.88
Surplus brought forward from previous year	298.64	277.48
Amount available for appropriation	418.94	336.36
Appropriations		
Debenture redemption reserve	(36.57)	(37.72)
Surplus carried to balance sheet	382.37	298.64
Earnings per share (Rs.) - Basic and Diluted	0.31	0.15

The revenue from operations of your Company has gone up by 90% from Rs. 727.40 Crore to Rs. 1,381.87 Crore on account of increased revenue to the extent of Rs. 583.67 Crore from EPC segment. Growth in the operations of the EPC segment is also the key contributor for the increase in operating and administrative expenditure from Rs. 487.84 Crore to Rs. 1,084.50 Crore. The increase in borrowings from Rs. 2,376.08 Crore to Rs. 2,960.13 Crore to meet the increased requirement of funds for investments in subsidiaries is the reason for the increase in interest expenditure from Rs. 174.14 Crore to Rs. 197.35 Crore.

Dividend

Your Company currently has various projects under implementation and in order to fund these projects in their development, expansion and implementation stages, conservation of funds is of vital importance. Surpluses generated in completed projects are being utilised for funding the projects under implementation. Therefore, your Directors have not recommended any dividend for the financial year 2011-12.

Subsidiary Companies

Your Company carries its business operations through various subsidiary, joint venture and associate companies mainly due to the requirement of concession agreements. As on March 31, 2012, your Company had 128 subsidiary companies apart from other joint venture and associate companies. The complete list of subsidiary companies as on March 31, 2012 is provided in Annexure 'A' to this report.

Review of Operations/Projects of Subsidiary Companies

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

Airport Sector

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

Delhi International Airport Private Limited (DIAL)

DIAL is a Joint Venture (JV) between GMR Group (54%), Airports Authority of

India (AAI) (26%), Fraport AG Frankfurt Airport Services Worldwide (Fraport) (10%) and Malaysia Airports (Mauritius) Private Limited (10%) and has entered into a long-term agreement with AAI to operate, manage and develop the Indira Gandhi International Airport (IGIA), New Delhi.

IGIA recorded passenger traffic of 35.88 million in 2011-12, which is an overall growth of 20% over the previous year. Cargo at IGIA witnessed a decline of 5% in line with global trend and was 568,354 MT during the year.

The significant developments during the year were:

- Ranked top in the total passengers handled by Indian airports;
- Completed the first full year of its commercial operations with the new terminal, T3 and other newly created facilities;
- Started construction of the new ATC tower;
- Introduced automated truck control system and bonded tracking services for cargo movement;
- Handled five new international destinations (Manila, Baghdad/Basra, Dushanbe, Hangzhou and Tehran) and two new domestic destinations (Allahabad and Gaya) to the network;
- Handled successfully cargo movement related to the first Formula 1 racing in India.

GMR Hyderabad International Airport Limited (GHIAL)

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

RGIA recorded passenger traffic of 8.6 Million in 2011-12, which is an overall growth of 12.68% over 2010-11, with domestic passenger traffic increase by 16.40% and the international passenger traffic growth by 1.26%; cargo grew only by 0.86% over the previous year reaching a volume of 81,474 MT during the year.

The key highlights for the year were:

- Rated as the 3rd best airport in Airport Council International (ACI) Airport Service Quality (ASQ) survey in 5-15 million Passenger Per Annum category;
- Lufthansa Cargo certified RGIA to be one of its key cargo hub in South Asia for transport of temperature sensitive pharmaceuticals;
- Directorate General of Civil Aviation (DGCA) accorded approval for conversion of parallel taxiway as standby runway;
- RGIA became the second airport in India and the third in Asia to complete the verification of Greenhouse Gas (GHG) accounting of the airport operations as per ISO 14064-1:2006;
- Conversion of the aviation sector specific SEZ into an SEZ within airport was approved by the SEZ Board of Approvals.

GMR Malé International Airport Private Limited (GMIAL)

Ibrahim Nasir International Airport is a Brownfield airport in Malé, the capital city of Maldives. The airport is developed and operated by GMIAL a joint venture partnership between GMR Group (77%) and Malaysia Airports (Labuan) Private Limited (23%).

GMIAL recorded passenger traffic of 2.7 Million in 2011-12, which is an overall growth of 14% over 2010-11 with domestic traffic growth at 39% and International traffic growth at 11%. Cargo traffic declined by 1.5% over 2010-11.

The key highlights for the year were:

- New services by Etihad, Hainan and Alitalia airlines had started to cater to growing tourist interest from China and Russia;
- Achieved ASQ Score of 3.54 on a scale of 5;
- Received ISO Certification (9001, 14001, 10002) and also implemented SAP;
- Initiatives undertaken for improvement in passenger services by introducing lounges among others.

Istanbul Sabiha Gokcen International Airport (ISGIA)

ISGIA is promoted and developed by the consortium consisting of GMR Group (40%), Limak Holding (40%) and Malaysia Airports Holdings Berhad (20%). ISGIA has the rights to operate the terminal buildings, multi-storey car park, cargo, aircraft refueling operations, airport hotel and CIP facilities in the airport for 22 years beginning from May 2008. The terminal has a capacity to handle up to 25 million passenger per annum.

ISGIA recorded total passengers of 13.7 million in calendar year 2011, which corresponds to an 18% annual increase in total passenger traffic. Cargo traffic increased by 5% over 2010-11.

The key highlights for the year were:

- ISGIA commenced 8 new airlines flights during the year;
- Technical drawings and plans of ISGIA 2nd runway were finalised and approved, land expropriation is near completion;
- ISGIA served the Formula 1 racing from 6th – 8th May 2011 being closest airport to the race track.

Aviation Business

GMR Aviation Private Limited (GAPL) is a 100% subsidiary of GMR Infrastructure Limited and was formed in December, 2006.

GAPL operates and owns one of the youngest fleet in the country addressing the growing need for charter services in the country. During the year under review, the external charter business has increased. Special emphasis has been put in place to ensure that all operating assets are profitable and self-sustainable.

Optimum utilisation of the existing fleet was made during the entire year and utilisation rate of aircraft has been one of the highest in the industry. It is expected that growth in charter business would gain momentum in the coming quarters.

Aircraft – Maintenance, Repair and Overhaul

During the year under review, your Company made foray into the business of Maintenance, Repair and Overhaul (MRO) of narrow and wide bodied aircraft. The MRO facility is operated by MAS GMR Aero Technic Limited which is a wholly owned subsidiary of MAS GMR Aerospace Engineering Company Limited (MGAE). MGAE is a 50:50 joint venture set up by GHIAL and Malaysian Aerospace Engineering Sdn Bhd.

MAS GMR Aero Technic Limited was inaugurated on March 13, 2012 by Minister of Civil Aviation.

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

Energy Sector

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

Operating Assets

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

New initiatives

- Your Company acquired 30% stake in Golden Energy Mines TBK, Indonesian Coal Company with operating mines. As the domestic supply of coal to power plants has become unreliable and inadequate, this acquisition would insulate and provide fuel security to the coal- based power units coming up for commissioning.
- Your Company has made foray into renewable energy by successfully commissioning a 25 MW solar power unit and two wind mills of 2.1 MW and 1.25 MW.

Operating Assets update

- Vemagiri plant was successfully registered for clean energy benefits under Clean Development Mechanism of United Nations Framework Convention on Climate Change;
- Chennai plant achieved SA-8000 (Social Accountability) and ISO 50001 (Energy Management) certifications.

Projects update

- Achieved Financial Closure of GMR Energy (Singapore) Pte. Limited;
- Achieved Financial Closure of Maru and Aravali transmission projects;
- Environment clearance received for Kamalanga plant expansion;
- Megapower status obtained for Kamalanga and Chhattisgarh plant (provisional);
- Project execution at Kamalanga, EMCO, Singapore Island Power and Chattisgarh plants are progressing as per plan and Kamalanga and EMCO plants are expected to be commissioned in FY 2012-13;
- Project execution at Rajahmundry plant is completed to a large extent and balance works would be completed, subject to gas availability.

Further, your Company is on track to implement several other projects which are under different stages of development. These projects are one coal-based 1370 MW SJK Powergen project and five hydroelectric power projects - (i) 300 MW Alaknanda power project on the Alaknanda River in the State of Uttarakhand; (ii) 160 MW Talong power project in East Kameng district in the State of Arunachal Pradesh; (iii) 180 MW Bajoli Holi project in Himachal Pradesh; (iv) 600 MW Upper Marsyangdi power project in Nepal; and (v) 900 MW Upper Karnali power project in Nepal.

Highways Sector

During the financial year under review, your Company has won the project for six-laning of 555.5 Km long Kishangarh – Udaipur – Ahmedabad (KUA) highway through international competitive bidding. This project is the first mega highway project of the country and will be implemented through the Public Private Partnership (PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) model under National Highway Development Project-V. The Concession Agreement for the Project was signed on November 30, 2011 and the financial closure was achieved on May 24, 2012. In addition, your Company is also expected to start collection of toll in two other projects in FY 2012-13 which are currently under development namely Hyderabad-Vijayawada and Hungund-Hospet projects. The overall highways portfolio of the Company comprises the following:

Operating Assets:

- Tuni–Anakapalli (Annuity);
- Tambaram–Tindivanam (Annuity);
- Adloor Yellareddy–Gundla Pochanpalli (Annuity);
- Ambala– Chandigarh (Toll);
- Thondapalli–Jadcherla (Toll); and
- Tindivanam –Ulundurpet (Toll).

Projects under implementation in the Highways sector are:

- Chennai Outer Ring Road (Annuity);
- Hyderabad – Vijayawada (Toll);
- Hungund–Hospet (Toll); and
- Kishangarh–Udaipur –Ahmedabad (New Project Toll).

Urban Infrastructure

Krishnagiri & Kakinada SEZs

The Company is developing large industrial area and Special Economic Zones at Krishnagiri district in the state of Tamil Nadu, in collaboration with Tamil Nadu Industrial Development Corporation. Krishnagiri SEZ is expected to cater to Engineering, Defense and other Hi-tech industries. The Company acquired majority stake in Kakinada SEZ Private Limited and is developing the area as a Special Investment Region. Development of conceptual master-plan is underway.

Engineering, Procurement & Construction (EPC)

The Company had entered the EPC business to mitigate execution risk in new project development. EPC Division is now contributing significantly in developing the new Highway assets. Besides the Highways project, EPC Division has also made foray into Energy Thermal projects and is executing the construction of Coal Handling Plant at one of GMR's thermal energy projects. EPC Division has also undertaken construction of township, non-plant structures and miscellaneous works at another energy project.

Risk Management

Your Company is exposed to a number of risks, if these materialise, it could have varying degrees of impact on the various businesses and sectors that we operate in. The Group realises this and therefore it's enterprise risk management framework and processes have been made robust to identify and address risks and also leverage opportunities so as to ensure achievement of its business objectives.

Significant developments during the year include:

- Preparing risk and opportunity profile of different countries/continents being explored by the Group for investment in infrastructure and resource opportunities;
- Detailed risk analysis (quantitative as well as qualitative) for new bids/ opportunities pursued by the Group;
- Business Continuity Planning and Disaster Recovery Planning for key assets/locations;
- Risk review of important policies impacting the Group such as treasury policy, foreign exchange policy, code of conduct, whistleblower policy, among others;
- Top risks at the Group, Sector and Business Unit level are regularly being profiled for treatment and regular monitoring of risks;
- Strengthened the culture of risk awareness amongst employees through Risk Newsletters, regular updates on risks, case studies and training programmes.

The role of Enterprise Risk Management (ERM) starts with and also ends with the Company's Strategic and Annual Operating plan exercise. The various risks to objectives set at the start of the year identified through the year, serve as a key input to the Annual Planning Exercise for subsequent year. Besides the Management Assurance function draws upon the risk list to develop a Risk Based Audit Plan for the forthcoming year.

The ERM Team presents to the Management and the Audit Committee of the Board, the status and implementation of the risk management framework in the group and the outputs therein to assess the reliability of the risk management structure and efficiency of the process.

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

Developments in Human Resources and Organisation Development

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

Consolidated Financial Statements

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet, Profit and Loss account and other documents of its subsidiary companies to its Annual Report. The Ministry of Corporate Affairs (MCA), Government of India vide its General Circular No.2/2011 dated February 8, 2011 has provided an exemption to the companies from complying with section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2011-12 does not contain the reports and other statements of the subsidiary companies. The annual audited accounts and related detailed information of the subsidiary companies will be available to the investors of the Company upon request. These documents will also be available for inspection during business hours at the registered office of the Company.

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

As required by the Listing Agreement with the Stock Exchanges, the audited consolidated financial statements of your Company and its subsidiaries, joint ventures and associates, form part of the Annual Report.

Changes in Share capital

During the year under review, there are no changes in the share capital structure of your Company.

Directors

Mr. Srinivas Bommidala, resigned as the Managing Director with effect from October 1, 2011. The Board places on record, its appreciation for the valuable contribution made by Mr. Srinivas Bommidala during his tenure as the Managing Director of the Company.

Mr. B. V. N. Rao has been appointed as the Managing Director of the Company with effect from October 1, 2011 for a period of five years subject to the approval of the members at the Annual General Meeting.

Mr. Srinivas Bommidala retires by rotation as a Director and being eligible, offers himself for reappointment at the Annual General Meeting. Further, Mr. Arun K. Thiagarajan, Mr. Uday M. Chitale and Mr. Udaya Holla, Directors, retire by rotation at the Annual General Meeting and they have expressed their desire not to offer themselves for reappointment in line with the Policy on Retirement of Independent Directors. The Board places on record, its appreciation for the valuable contributions made by them during their tenure as Directors of the Company.

Mr. K. Balasubramanian and Mr. N. C. Sarabeswaran were appointed as Additional Directors on the Board with effect from November 9, 2011 and they hold office till the Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from a member of the Company, for their appointment as Directors. The profiles of the Directors seeking appointment/reappointment are given in the notice of the annual general meeting.

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, 2012, the applicable Accounting Standards have been followed and proper explanations were provided for material departures, if any;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended March 31, 2012, on a going concern basis.

Corporate Governance

Your Company continuously works at improving its governance practices and processes. Your Company strives to ensure that the best practices are identified; adopted and followed and has also developed a framework for Corporate Governance and a roadmap for forward thinking Corporate Governance practices. The Board of Directors have approved Board Governance initiatives which cover the process for appointment, term of Independent Directors, training of Directors, effective time spent by Directors and evaluation process for Directors and the Board. These initiatives will be implemented in a progressive manner.

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

Secretarial Audit

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

In addition, Secretarial audit was carried out voluntarily for ensuring transparent, ethical and responsible governance processes and also proper compliance mechanisms in the Company. M/s. V. Sreedharan & Associates, Company Secretaries, conducted Secretarial Audit of the Company and a Secretarial Audit Report for the financial year ended March 31, 2012, is provided in the Annual Report.

Awards and Recognitions

During the year under review, the following awards and recognitions were received:-

- IGIA, New Delhi won the award at the Infrastructure Excellence Awards 2011 in the Main Awards Category - 'Airports', for Operation, Management & Development of the new integrated passenger terminal building T3;
- IGIA, New Delhi was rated as 2nd Best Airport in the 25-40 million passengers per annum (mppa) category in the Airport Service Quality awards given by the Airports Council International;
- IGIA, New Delhi was awarded international recognition for Excellence in Air Cargo at an event organised by Stat Trade Times;
- RGIA, Hyderabad was rated as 3rd Best Airport in the world in the 5-15 mppa category in Airport Service Quality by Airports Council International;
- SATTE-2012 award for RGIA, Hyderabad for the 'Best Performing Domestic Airport' in the aviation sector;
- Washrooms & Beyond Honours 2011 for Intelligent Washroom Design in the Airports Category for IGIA, New Delhi;
- Travel + Leisure India's Best Awards - Best Airport (India), 2011 award for T3, IGIA, New Delhi;
- 'National Tourism Award 2010-11' under the 'Best Airport' category for RGIA, Hyderabad;
- SKYTRAX award for IGIA, New Delhi as the World's Most Improved Airport-2012 and No.1 Airport in India and RGIA, Hyderabad has been declared to be India's 3rd Best Airport, 2012;
- RGIA, Hyderabad was honoured with Project Management Institute Award;
- RGIA, Hyderabad received the 'Certificate of Merit' award 2011 for energy conservation from Ministry of Power, Government of India on December 14, 2011;

- ISGIA was selected 'Best Public Services Development Project' at the 2011 Europe International Property Awards organised in association with Bloomberg and Google;
- GEL obtained Leadership and Excellence Award in Safety, Health & Environment from CII – Southern Region;
- GVPGL has achieved the status of 5S model Company, the only Company in power sector, from ABK-AOTS DOSOKAI, Japan;
- GVPGL received National Energy Conservation Award from CEA.

Management Discussion and Analysis (MDA)

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

Auditors and Auditors' Report

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

There are no qualifications or adverse remarks in the Auditors' Report. However, with reference to auditor's observation with respect to clause no. xv in the annexure to auditors' report on matters specified in Companies (Auditor's Report) Order, 2003, corporate guarantee support is provided by the Company to its subsidiaries and other group companies, based on requirements. Commission is normally not charged on corporate guarantees issued by the Company. The Notes to Accounts forming part of the financial statements are self-explanatory with respect to the observations in the audit report and need no further explanation.

Corporate Social Responsibility (CSR)

GMR Group undertakes CSR activities on a significant scale through GMR Varalakshmi Foundation (GMRVF). It has its own professional staff drawn from top academic and development institutions who are dedicated to the cause of community development. The Vision of GMRVF is to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. Towards this, it works with the communities neighbouring GMR Group's businesses for their economic and social development, thus supporting their development, even as the businesses grow. Currently, GMRVF is working in over 200 villages and urban communities across 23 locations.

Environmental Protection and Sustainability

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

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

All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Pollution Control Board authorised agencies. Efficient monitoring systems have been set up at appropriate locations in and around the plants and the Environmental performance indicators like stack emissions, ambient air quality, among others are maintained well within the stipulated norms.

GPCL, Chennai plant was certified with OHSAS 18001, ISO 14001 and ISO 9001. A fully integrated Sewage Water Treatment Plant (STP) was set up including Reverse Osmosis (RO) process for treating 10% of total sewage of Chennai, saving fresh water intake of 5400 m3 per day, which is equivalent to the water consumption by 100000 people. The treated STP water is used for cooling operations and green belt development. Waste Heat Recovery Boilers generate steam for use in indirect heating of fuel storage tanks and pipelines. Solar energy is used to light the boundary fence. GPCL has been certified for Energy Management System (EnMS) ISO 50001:2011 by M/s DNV on October 3, 2011. The Online Stack Emissions of GPCL was connected to TNPCB central monitoring station in July 2011 and energy conservation initiatives resulted in savings of 1.27 Million Units.

GVPGL, Rajahmundry is also certified with OHSAS 18001, ISO 14001 and ISO 9001 and this Gas Turbine uses the advanced Dry Low NOx (DLN 2.0 +) burner system to reduce NOx emissions at source. The waste heat from gas turbine is used for power production in Steam Turbine through Heat Recovery Steam Generator (HRSG). In December 2011, GVPGL received National Energy Conservation Award from CEA and it is the only company in power sector which has achieved the status of 5S model company from ABK-AOTS DOSOKAI, Japan.

GEL, Kakinada obtained the host country approval from Ministry of Environment and Forests, Government of India which is a key milestone in registering this project under Clean Development Mechanism. It has carried on DNV Voluntary Carbon Standard Plant audit, Rain Water harvesting has been implemented and a greenbelt of 8000 trees across has been planted in nine acres of land.

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

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

As part of Corporate Environmental responsibility, GHIAL has voluntarily initiated and completed the GHG accounting for the calendar years 2009, 2010 and 2011. Further, it successfully completed verification of the GHG data of three years by M/s.Bureau Veritas as per ISO 14064-1 specifications. By this, RGIA has accredited its reduction of GHG emission of 1980 tonnes in 2010 and 2363 tonnes in 2011 on 2009 emissions.

Bio-fuel tree plantation (Jatropha) is one of the novel initiatives taken by RGIA towards promoting green environment. RGIA has planted 23,662 Jatropha saplings which is significant approach in terms of reduction in the carbon footprint and conservation of natural resources. Energy conservation practices are being implemented and achieved a reduction of 37,43,805 kWh of power per year. RGIA was awarded the prestigious 'Certificate of Merit' in the General Category Sector for the National Energy Conservation Awards - 2011 by the Government of India, which is in recognition of the initiatives taken at RGIA to conserve energy.

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

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

Particulars of employees

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

Fixed Deposits

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

Acknowledgments

Your Directors thank the lenders, banks, financial institutions, shareholders, business associates, customers, Government of India, State Governments in India, regulatory and statutory authorities and the society at large for their support and cooperation. Your Directors also thank the employees of the Company and its subsidiaries for their continued contribution, commitment and dedication.

For and on behalf of the Board

Place : Bengaluru — G. M. Rao
Date : August 9, 2012 — Executive Chairman

Annexure ‘A’ to the Directors’ Report

GMR Infrastructure Limited - Subsidiaries

Sector	Direct Subsidiaries	Subsidiaries to Subsidiaries							
Airports	Delhi International Airport Private Limited (DIAL)	Subsidiaries of DIAL							
		East Delhi Waste Processing Company Private Limited	Delhi Aerotropolis Private Limited						
	GMR Airports Limited (GAL)	Subsidiary of GAL		Subsidiary of GHIAL					
		GMR Hyderabad International Airport Limited (GHIAL)	Hyderabad Menzies Air Cargo Private Limited	GMR Hyderabad Aerotropolis Limited	GMR Hyderabad Airport Resource Management Limited	GMR Hyderabad Aviation SEZ Limited	GMR Hyderabad Multiproduct SEZ Limited	Hyderabad Airport Security Services Limited	GMR Hotels and Resorts Limited
	Gateways for India Airports Private Limited	Subsidiary of GHIAL			Subsidiary of GAL	Subsidiary of GADL	Subsidiary of GALML		Subsidiary of GAGL
		Hyderabad Duty Free Retail Limited	GMR Airport Handling Services Company Limited	Asia Pacific Flight Training Academy Limited	GMR Airport Developers Limited (GADL)	GADL (Mauritius) Limited(GALML)	GADL International Limited	GMR Airport (Global) Limited (GAGL)	GMR Malé Retail Private Limited
Energy	GMR Renewable Energy Limited (GREL)	Subsidiary of GREL	Subsidiaries of GEL						
		GMR Energy Limited (GEL)	GMR Vemagiri Power Generation Limited	GMR Mining & Energy Private Limited	SJK Powergen Limited	GMR Kamalanga Energy Limited	GMR Consulting Services Private Limited	GMR Rajahmundry Energy Limited	
	GMR Energy Trading Limited (GETL)	Subsidiaries of GEL							
		GMR Power Corporation Limited	GMR Indo-Nepal Power Corridors Limited	GMR Indo-Nepal Energy Links Limited	GMR Chhattisgarh Energy Limited	GMR Bajoli Holi Hydropower Private Limited	GMR Londa Hydropower Private Limited	GMR Kakinada Energy Private Limited	
	GMR Power Infra Limited	Subsidiaries of GEL							
		Emco Energy Limited	Badrinath Hydro Power Generation Private Limited	GMR Gujarat Solar Power Private Limited	Himtal Hydro Power Company Private Limited	GMR Maharashtra Energy Limited	GMR Bundelkhand Energy Private Limited	GMR (Badrinath) Hydro Power Generation Private Limited	
		Subsidiaries of GEL							
		Aravali Transmission Service Company Limited	Maru Transmission Service Company Limited	GMR Hosur Energy Limited	GMR Coastal Energy Private Limited	GMR Uttar Pradesh Energy Private Limited	GMR Energy (Mauritius) Limited (GEML)	GMR Coal Resources Pte Limited	
		Subsidiary of GEML	Subsidiary of GEML	Subsidiary of GECL	Subsidiary of GEN	Subsidiary of PTDSU	Subsidiary of PTDSI	Subsidiary of GEN	
		GMR Lion Energy Limited (GLEL)	GMR Energy (Cyprus) Limited (GECL)	GMR Energy (Netherlands) BV (GEN)	PT Dwikarya Sejati Utama (PTDSU)	PT Duta Sarana Internusa (PTDSI)	PT Barasentosa Lestari	PT Unsoco	
		Subsidiary of GEML	Subsidiary of GEML	Subsidiary of GLEL	Subsidiary of GEL	Subsidiary of HEGL	Subsidiary of HEC	Subsidiary of HEC	
		Karnali Transmission Company Private Limited	Marsyangdi Transmission Company Private Limited	GMR Upper Karnali Hydropower Public Limited	Homeland Energy Group Limited (HEGL)	Homeland Energy Corp. (HEC)	Homeland Mining & Energy SA (Pty) Limited (HMEL)	Homeland Energy (Swaziland) (Pty) Limited	
		Subsidiary of HEC	Subsidiary of HMBL	Subsidiary of HMEL	Subsidiary of HMEL	Subsidiary of FCHL	Subsidiary of FCHL	Subsidiary of HEC	
		Homeland Mining and Energy (Botswana) (Pty) Limited (HMBL)	Wizard Investments (Pty) Limited	Corpclo331 (Pty) Limited	Ferret Coal Holdings (Pty) Limited (FCHL)	Ferret Coal (Kendal) (Pty) Limited	Manoka Mining (Pty) Limited	Homeland Coal Mining SA (Pty) Limited	
Highways	GMR Highways Limited (GHL)	Subsidiaries of GHL							
		GMR Pochanpalli Expressways Limited	GMR Jadcherla Expressways Private Limited	GMR Ulundurpet Expressways Private Limited	GMR Highways Projects Private Limited	GMR Kishangarh Udaipur Ahmedabad Expressways Limited			

Sector	Direct Subsidiaries	Subsidiaries to Subsidiaries							
Highways	GMR Ambala-Chandigarh Expressways Private Limited								
	GMR Tambaram - Tindivanam Expressways Private Limited								
	GMR Tuni - Anakapalli Expressways Private Limited								
	GMR Hyderabad Vijayawada Expressways Private Limited								
	GMR Chennai Outer Ring Road Private Limited								
	GMR OSE Hungund Hospet Highways Private Limited								
Urban Infrastructure	GMR SEZ & Port Holdings Private Limited (GSPHPL)	Subsidiaries of GSPHPL							
		Kakinada SEZ Private Limited	Advika Properties Private Limited	Bougainvillea Properties Private Limited	Aklima Properties Private Limited	Amartya Properties Private Limited	Baruni Properties Private Limited	Camelia Properties Private Limited	Eila Properties Private Limited
	GMR Krishnagiri SEZ Limited	Subsidiaries of GSPHPL							
		Gerbera Properties Private Limited	Lakshmi Priya Properties Private Limited	Honeysuckle Properties Private Limited	Idika Properties Private Limited	Krishnapriya Properties Private Limited	Nadira Properties Private Limited	Prakalpa Properties Private Limited	Pranesh Properties Private Limited
		Subsidiaries of GSPHPL							
		Purnachandra Properties Private Limited	Shreyadita Properties Private Limited	Sreepa Properties Private Limited	Deepesh Properties Private Limited	Padmapriya Properties Private Limited	Radhapriya Properties Private Limited	Larkspur Properties Private Limited	
Corporate & International Business	GMR Infrastructure (Mauritius) Limited (GIML)	Subsidiaries of GIML							
		GMR Malé International Airport Private Limited	GMR Infrastructure (UK) Limited	GMR Infrastructure Overseas Sociedad Limitada	GMR International (Malta) Limited	GMR Infrastructure (Cyprus) Limited (GICL)	GMR Infrastructure (Singapore) Pte Limited (GISL)		
	GMR Infrastructure Overseas Limited	Subsidiary of GICL	Subsidiary of GIGL	Subsidiary of GEGL	Subsidiary of GISL	Subsidiary of GESL			
		GMR Infrastructure (Global) Limited (GIGL)	GMR Energy (Global) Limited (GEGL)	GMR Energy Projects (Mauritius) Limited	GMR Energy (Singapore) Pte. Limited (GESL)	GMR Supply (Singapore) Pte. Limited			
	GMR Corporate Affairs Private Limited (GCAPL)	Subsidiary of GCAPL							
		GMR Business Process and Services Private Limited							
	GMR Corporate Center Limited								
	Dhruvi Securities Private Limited								
	GMR Aviation Private Limited								

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

(Rs. in Crore)

Sl. No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (loss) before Taxation	Provision for Taxation	Profit/ (loss) after Taxation	Proposed Dividend
1	GMR Krishnagiri SEZ Limited	117.50	(3.38)	278.51	164.39	3.50	-	(0.64)	-	(0.64)	-
2	GMR Aviation Private Limited	86.44	(15.67)	413.32	342.55	-	89.99	2.31	1.96	0.35	-
3	GMR SEZ & Port Holdings Private Limited	47.99	(0.88)	290.23	243.12	100.65	-	0.21	0.74	(0.54)	-
4	Advika Properties Private Limited	1.00	(0.03)	7.04	6.07	-	-	(0.03)	-	(0.03)	-
5	Aklima Properties Private Limited	1.00	(0.03)	4.11	3.14	-	-	(0.03)	0.00	(0.04)	-
6	Amartya Properties Private Limited	1.00	0.01	8.22	7.21	0.48	-	0.02	0.01	0.01	-
7	Baruni Properties Private Limited	1.00	(0.03)	6.13	5.16	-	-	(0.03)	-	(0.03)	-
8	Bougainvillea Properties Private Limited	1.00	0.77	6.32	4.55	0.35	-	0.23	0.08	0.15	-
9	Camelia Properties Private Limited	1.00	(0.10)	6.09	5.19	-	-	(0.08)	-	(0.08)	-
10	Deepesh Properties Private Limited	1.00	1.81	12.88	10.07	0.13	-	0.67	0.22	0.46	-
11	Eila Properties Private Limited	1.00	(0.04)	7.64	6.68	-	-	(0.03)	-	(0.03)	-
12	Gerbera Properties Private Limited	1.00	(0.00)	6.58	5.58	-	-	(0.02)	0.00	(0.02)	-
13	Lakshmi Priya Properties Private Limited	1.00	(0.03)	7.27	6.30	-	-	(0.02)	-	(0.02)	-
14	Larkspur Properties Private Limited	1.00	(0.03)	4.88	3.91	-	-	(0.02)	-	(0.02)	-
15	Honeysuckle Properties Private Limited	1.00	0.28	7.94	6.66	0.27	-	0.20	0.07	0.13	-
16	Idika Properties Private Limited	1.00	(0.03)	6.37	5.40	-	-	(0.02)	-	(0.02)	-
17	Krishnapriya Properties Private Limited	1.00	(0.04)	5.96	5.00	-	-	(0.03)	-	(0.03)	-
18	Nadira Properties Private Limited	1.00	(0.03)	6.74	5.77	-	-	(0.02)	-	(0.02)	-
19	Prakalpa Properties Private Limited	1.00	(0.03)	6.78	5.81	-	-	(0.03)	-	(0.03)	-
20	Purnachandra Properties Private Limited	1.00	(0.04)	6.95	5.99	-	-	(0.03)	-	(0.03)	-
21	Padmapriya Properties Private Limited	1.00	0.40	28.65	27.25	0.28	-	0.13	0.05	0.08	-
22	Pranesh Properties Private Limited	1.00	(0.02)	7.28	6.30	-	-	(0.02)	-	(0.02)	-
23	Radhapriya Properties Private Limited	1.00	(0.02)	4.61	3.63	-	-	(0.02)	-	(0.02)	-
24	Shreyadita Properties Private Limited	1.00	0.02	5.91	4.89	-	-	0.00	0.01	(0.01)	-
25	Sreepa Properties Private Limited	1.00	(0.02)	5.60	4.62	-	-	(0.01)	0.00	(0.02)	-
26	GMR Corporate Affairs Private Limited	20.00	0.26	187.29	167.03	3.50	7.60	(0.10)	0.11	(0.22)	-
27	GMR Hotels and Resorts Limited	109.66	(61.18)	218.33	169.85	-	47.75	(17.28)	-	(17.28)	-
28	Kakinada SEZ Private Limited	93.99	(1.62)	869.77	777.40	-	-	(0.49)	-	(0.49)	-
29	Dhruvi Securities Private Limited	210.06	840.12	1,052.41	2.23	13.73	11.16	1.18	1.38	(0.20)	-
30	GMR Business Process and Services Private Limited	0.01	(0.83)	2.21	3.03	-	-	(0.83)	(0.00)	(0.83)	-
31	GMR Airport Developers Limited	5.10	13.82	47.77	28.85	9.05	69.73	10.39	4.33	6.06	-
32	GMR Hyderabad International Airport Limited	378.00	(40.37)	2,945.88	2,608.25	19.21	599.13	44.78	28.05	16.73	-

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

(Rs. in Crore)

Sl. No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (loss) before Taxation	Provision for Taxation	Profit/ (loss) after Taxation	Proposed Dividend
33	Hyderabad Airport Security Services Limited	12.50	0.30	88.99	76.19	0.40	-	1.00	0.20	0.80	-
34	GMR Hyderabad Airport Resource Management Limited	0.05	0.58	1.15	0.52	-	-	0.02	0.01	0.01	-
35	GMR Hyderabad Aerotropolis Limited	2.18	(0.38)	9.00	7.20	-	-	(0.23)	-	(0.23)	-
36	Hyderabad Menzies Air Cargo Private Limited	19.04	19.12	62.84	24.72	-	55.38	16.42	3.49	12.93	3.66
37	GMR Hyderabad Multi Product SEZ Limited	0.05	(0.03)	0.02	0.00	-	-	(0.01)	-	(0.01)	-
38	GMR Hyderabad Aviation SEZ Limited	25.00	4.80	76.20	46.40	-	10.94	6.09	1.92	4.17	-
39	Gateways for India Airports Private Limited	0.01	1.60	2.56	0.95	2.25	-	0.16	0.05	0.11	-
40	Delhi International Airport Private Limited	2,450.00	(1,453.21)	12,268.05	11,271.26	52.61	1,492.63	(1,071.55)	13.85	(1,085.40)	-
41	Delhi Aerotropolis Private Limited	0.10	(0.15)	1.17	1.22	-	-	(0.08)	-	(0.08)	-
42	Hyderabad Duty Free Retail Limited	4.95	(4.27)	18.82	18.14	-	24.68	(3.22)	-	(3.22)	-
43	GMR Airport Handling Services Company Limited	0.05	(0.01)	0.04	0.00	-	-	(0.02)	0.00	(0.02)	-
44	Asia Pacific Flight Training Academy Limited	2.00	(0.01)	2.06	0.07	-	-	0.00	-	0.00	-
45	GMR Airports Limited	1,828.67	53.79	1,894.96	12.50	10.00	62.30	45.10	12.52	32.58	-
46	GMR Energy Limited	2,695.55	745.61	7,276.65	3,835.49	24.10	457.74	(47.71)	21.71	(69.42)	-
47	GMR Vemagiri Power Generation Limited	274.50	(69.19)	935.47	730.16	-	617.77	30.57	16.03	14.54	-
48	GMR Power Corporation Limited	247.50	486.44	1,627.06	893.12	-	962.88	151.39	30.53	120.86	-
49	GMR (Badrinath) Hydro Power Generation Private Limited	5.00	(9.28)	306.40	310.68	-	-	(0.03)	-	(0.03)	-
50	Badrinath Hydro Power Generation Private Limited	0.01	(0.01)	0.01	0.01	-	-	(0.00)	-	(0.00)	-
51	GMR Maharashtra Energy Limited	0.05	(0.01)	6.77	6.73	-	-	(0.01)	-	(0.01)	-
52	GMR Kamalanga Energy Limited	621.20	(12.18)	4,607.45	3,998.43	73.75	-	(2.55)	-	(2.55)	-
53	GMR Energy Trading Limited	52.00	7.36	195.11	135.75	-	591.09	4.07	1.21	2.86	-
54	GMR Consulting Services Private Limited	0.01	1.09	35.94	34.84	-	49.94	2.70	1.79	0.91	-
55	GMR Coastal Energy Private Limited	0.01	(0.05)	3.03	3.07	-	-	(0.00)	-	(0.00)	-
56	GMR Bajoli Holi Hydro Power Private Limited	0.01	(0.26)	294.43	294.68	-	-	(0.09)	-	(0.09)	-
57	GMR Londa Hydro Power Private Limited	0.01	(0.27)	50.67	50.93	-	-	(0.00)	-	(0.00)	-
58	GMR Kakinada Energy Private Limited	0.01	(0.01)	4.51	4.51	-	-	(0.00)	-	(0.00)	-
59	GMR Chhattisgarh Energy Limited	510.07	(6.53)	3,603.01	3,099.47	-	-	(3.97)	-	(3.97)	-
60	GMR Rajahmundry Energy Limited	520.00	(3.60)	3,320.17	2,803.78	-	-	(0.81)	-	(0.81)	-
61	SJK Powergen Limited	0.50	4.06	404.05	399.49	-	-	(0.05)	-	(0.05)	-
62	EMCO Energy Limited	435.00	(5.81)	2,819.02	2,389.83	-	-	(1.56)	-	(1.56)	-
63	GMR Mining & Energy Private Limited	0.05	(0.59)	0.01	0.55	-	-	(0.04)	-	(0.04)	-
64	GMR Bundelkhand Energy Pvt. Limited	0.01	(0.04)	11.66	11.69	-	-	(0.04)	-	(0.04)	-

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

(Rs. in Crore)

Sl. No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (loss) before Taxation	Provision for Taxation	Profit/ (loss) after Taxation	Proposed Dividend
65	GMR Uttar Pradesh Energy Private Limited	0.01	(0.01)	0.18	0.18	-	-	(0.00)	-	(0.00)	-
66	GMR Hosur Energy Limited	0.05	(0.00)	21.59	21.54	-	-	(0.00)	-	(0.00)	-
67	GMR Gujarat Solar Power Private Limited	46.00	(0.59)	368.85	323.44	-	3.46	(0.58)	-	(0.58)	-
68	GMR Indo-Nepal Energy Links Limited	0.05	(0.01)	0.25	0.21	-	-	(0.00)	-	(0.00)	-
69	GMR Indo-Nepal Power Corridors Limited	0.05	(0.00)	0.39	0.34	-	-	(0.00)	-	(0.00)	-
70	GMR Renewable Energy Limited	1,014.44	(0.70)	1,013.73	0.01	-	0.78	0.40	0.08	0.32	-
71	GMR Power Infra Limited	1.70	0.87	6.53	3.96	-	0.02	(0.36)	-	(0.36)	-
72	East Delhi Waste Processing Company Limited	30.50	(1.13)	101.39	72.02	-	-	(0.60)	-	(0.60)	-
73	GMR Tambaram Tindivanam Expressways Private Limited	1.00	144.86	532.71	386.85	27.68	81.18	22.85	5.02	17.82	-
74	GMR Tuni Anakapalli Expressways Private Limited	1.00	80.78	373.68	291.90	22.24	59.01	13.85	3.12	10.73	-
75	GMR Ambala Chandigarh Expressways Private Limited	216.59	(80.07)	591.19	454.67	0.67	24.65	1.73	-	1.73	-
76	GMR Jadcherla Expressways Private Limited	197.00	(19.58)	496.71	319.29	7.22	58.79	8.02	1.60	6.41	-
77	GMR Pochanpalli Expressways Limited	182.50	24.70	823.48	616.28	17.14	108.36	17.61	3.52	14.09	-
78	GMR Ulundurpet Expressways Private Limited	344.17	(48.23)	975.06	679.12	3.91	73.65	5.15	0.19	4.96	-
79	GMR Highways Limited	646.54	(15.63)	935.08	304.17	0.25	13.08	(1.58)	0.45	(2.04)	-
80	GMR Hyderabad Vijayawada Expressways Private Limited	209.29	(2.65)	1,722.27	1,515.63	-	-	(0.17)	-	(0.17)	-
81	GMR Chennai Outer Ring Road Private Limited	150.00	105.71	725.65	469.94	6.75	-	(0.14)	-	(0.14)	-
82	GMR OSE Hungund Hospet Highways Private Limited	230.00	80.74	962.09	651.35	-	-	(0.58)	0.14	(0.72)	-
83	GMR Highways Projects Private Limited	0.01	(0.01)	0.00	0.00	-	-	(0.01)	-	(0.01)	-
84	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	0.05	(0.68)	204.21	204.84	-	-	(0.68)	-	(0.68)	-
85	GMR Infrastructure (Global) Limited (b)	745.36	(1.16)	744.45	0.25	-	-	(0.07)	-	(0.07)	-
86	GMR Infrastructure (Cyprus) Limited (b)	0.03	(49.86)	1,478.27	1,528.10	-	-	(95.01)	0.64	(95.65)	-
87	GMR Energy (Global) Limited (b)	743.73	(642.48)	101.50	0.25	99.12	-	94.32	-	94.32	-
88	GMR Infrastructure Overseas Sociedad Limitada (d)	0.02	181.73	190.32	8.57	-		(1.44)	-	(1.44)	-
89	GMR Infrastructure (Mauritius) Limited (b)	1,651.79	(58.12)	2,389.34	795.67	-		(45.07)		(45.07)	-
90	GMR Infrastructure (UK) Limited (e)	40.81	(73.53)	34.35	67.07	-	13.94	(30.59)	-	(30.59)	-
91	GMR International (Malta) Limited (d)	0.01	(0.98)	0.09	1.06	-	-	(0.60)	-	(0.60)	-
92	GADL (Mauritius) Limited (b)	0.83	(0.24)	0.65	0.06	-	-	(0.13)	-	(0.13)	-
93	GADL International Limited (b)	0.13	(44.82)	284.81	329.50	-	132.50	(37.05)	1.44	(38.49)	-
94	GMR Infrastructure (Overseas) Limited (b)	0.00	(0.28)	5.10	5.38	-	-	(0.26)	0.00	(0.26)	-
95	GMR Malé International Airport Private Limited (b)	154.85	204.71	1,211.25	851.69	0.00	1,243.82	158.53	17.71	140.82	-
96	GMR Airport Global Limited (b)	0.52	37.40	47.23	9.31	-	43.62	34.89	-	34.89	-

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(Rs. in Crore)

Sl. No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit/ (loss) before Taxation	Provision for Taxation	Profit/ (loss) after Taxation	Proposed Dividend
97	GMR Malé Retail Private Limited (b)	0.00	(0.05)	0.00	0.05	-	-	0.00	-	0.00	-
98	GMR Energy (Mauritius) Limited (b)	332.55	(12.01)	357.79	37.25	-	-	(2.34)	-	(2.34)	-
99	GMR Lion Energy Limited (b)	15.16	(0.43)	34.24	19.51	-	-	(0.08)	-	(0.08)	-
100	GMR Energy (Cyprus) Limited (b)	0.02	53.31	318.59	265.26	-	-	(0.16)	-	(0.16)	-
101	GMR Energy (Netherlands) B.V.(b)	0.12	220.01	427.64	207.51	-	-	(11.66)	-	(11.66)	-
102	PT Unsoco (c)	0.60	0.07	0.67	-	-	-	0.06	-	0.06	-
103	PT Dwikarya Sejati Utama (b)	2.48	(0.16)	33.48	31.16	-	-	(0.01)	-	(0.01)	-
104	PT Duta Sarana Internusa (b)	2.39	(5.55)	216.38	219.54	-	-	0.85	-	0.85	-
105	PT Barasentosa Lestari (b)	5.91	(10.00)	211.74	215.83	-	-	(4.18)	(0.11)	(4.07)	-
106	Homeland Mining and Energy Botswana@ (g)	-	-	-	-	-	-	-	-	-	-
107	Homeland Mining & Energy SA (Pty) Limited@ (g)	0.00	(54.85)	419.99	474.84	-	10.85	(83.89)	(23.31)	(60.58)	-
108	Homeland Coal Mining (Pty) Limited@ (g)	0.00	(6.13)	62.16	68.29	0.00	-	(19.78)	(2.05)	(17.73)	-
109	Corpclo 331 (Pty) Limited@ (g)	0.00	(5.42)	0.33	5.75	-	-	(0.36)	1.41	(1.77)	-
110	Ferret Coal Holdings (Pty) Limited@ (g)	0.00	0.00	0.00	-	-	-	-	-	-	-
111	Ferret Coal (Kendal) (Pty) Limited@ (g)	0.00	(102.35)	275.13	377.48	-	125.90	(13.24)	4.24	(17.48)	-
112	Wizard Investments (Pty) Limited @ (g)	-	-	-	-	-	-	-	-	-	-
113	Homeland Energy (Swaziland) (Pty) Limited@ (g)	-	-	-	-	-	-	-	-	-	-
114	Manoka Mining (Pty) Limited@ (g)	-	-	-	-	-	-	-	-	-	-
115	Homeland Energy Group Limited @ (h)	496.39	(84.98)	705.95	294.54	-	-	(3.45)	-	(3.45)	-
116	Homeland Energy Corp@ (h)	209.16	(149.72)	213.80	154.36	-	-	(10.58)	-	(10.58)	-
117	GMR Energy (Singapore) Pte.Limited (f)	515.08	(40.66)	2,131.17	1,656.75	-	-	(1.28)	-	(1.28)	-
118	GMR Supply (Singapore) Pte. Limited (f)	-	-	-	-	-	-	-	-	-	
119	GMR Infrastructure Singapore Pte. Limited (f)	292.04	88.21	831.69	451.44	-	-	5.80	-	5.80	-
120	GMR Energy Projects (Mauritius) Limited (b)	0.05	0.34	9.18	8.79	-	9.56	0.46	0.03	0.43	-
121	GMR Coal Resources Pte. Limited (b)	2.58	(47.96)	2,684.45	2,729.83	-	-	(44.61)	-	(44.61)	-
122	Himtal Hydro Power Company Private Limited (a)	2.83	(0.13)	26.45	23.75	-	-	(0.28)	0.01	(0.29)	-
123	GMR Upper Karnali Hydro Power Limited (a)	0.94	(0.71)	31.97	31.74	-	-	(0.38)	0.02	(0.40)	-
124	Karnali Transmission Company Private Limited (a)	0.21	(0.03)	0.66	0.48	-	-	(0.00)	-	(0.00)	-
125	Marsyangdi Transmission Company Private Limited (a)	0.21	(0.03)	1.12	0.94	-	-	(0.01)	-	(0.01)	-
126	Aravali Transmission Service Company Limited	5.20	(0.54)	22.90	18.24	-	-	(0.05)	-	(0.05)	-
127	Maru Transmission Service Company Limited	8.80	(0.96)	37.41	29.57	-	-	(0.07)	-	(0.07)	-

Notes:

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

   The annual accounts of the subsidiary companies will also be kept for inspection by any member in the registered office and that of the subsidiary companies concerned.

2 *Investments except investment in Subsidiaries.

3. @ These companies financial statements are for the period ended on and as at December 31, 2011

4. The Ministry of Corporate Affairs,Government of India vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance of Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the Circulars. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.

5. Details of reporting currency and the rate used in the preparation of consolidated financial statements.

Reporting Currency Reference	For Conversion		
	Currency	Average Rate (in Rs.)	Closing Rate (in Rs.)
a	NPR	1.6	1.6
b	USD	47.93	51.53
c	IDR	0.0055	0.00595
d	Euro	65.86	67.8675
e	GBP	76.15	81.4575
f	SGD	37.96	40.4775
g	ZAR	6.66728	6.66728
h	CAD	47.26	51.995

Annexure 'C' to the Directors' Report

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended and forming part of the Directors' Report for the year ended March 31, 2012.

1. **Conservation of energy and technology absorption:**

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

2. **Foreign exchange earnings and outgo in foreign exchange during the period (on accrual basis in books of accounts):**

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

   i. The Foreign Exchange earnings during the year:

(Rs. in Crore)

Particulars	2012	2011
Interest income	37.97	7.23

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

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Legal and professional fees	8.78	16.14
Meetings and seminars	0.49	0.22
Rates and taxes	-	0.13
Traveling and conveyance	0.34	0.03
Repairs and maintenance	0.38	-
Raw materials	6.73	-
Others	0.06	0.17
Total	16.78	16.69

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

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

1. Board of Directors

a. Composition of the Board

The Board consists of fourteen directors, including one Executive Chairman and one Managing Director. 12 Directors are Non-Executive Directors; out of them 7 are Independent Directors. The Independent Directors are professionals with high credentials, who actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

The Board comprises of the following Directors:

Sl. No.	Name of Director	Director Identification Number [DIN]	Category@	Number of other Directorships held in other Public Limited Companies as on 31-03-2012 #		Number of committee Chairmanships / memberships held in other Public Limited Companies as on 31-03-2012*	
				Chairman	Director	Chairman	Member
1	Mr. G. M. Rao	00574243	Executive Chairman	5	-	-	-
2	Mr. B. V. N.Rao	00051167	Managing Director	1	2	-	-
3	Mr. Srinivas Bommidala	00061464	NEPD	1	11	-	3
4	Mr. G. B. S. Raju	00061686	NEPD	1	5	-	1
5	Mr. Kiran Kumar Grandhi	00061669	NEPD	6	6	1	4
6	Mr. O. Bangaru Raju	00082228	NENID	-	12	-	9
7	Mr. K. Balasubramanian**	00009132	NENID	-	7	5	2
8	Mr. Arun K. Thiagarajan	00292757	NEID	1	6	1	4
9	Mr. K. R. Ramamoorthy	00058467	NEID	-	7	2	4
10	Dr. Prakash G. Apte	00045798	NEID	-	2	-	1
11	Mr. N. C. Sarabeswaran **	00167868	NEID	-	13	5	4
12	Mr. R. S. S. L .N. Bhaskarudu	00058527	NEID	1	5	5	2
13	Mr. Udaya Holla	00245641	NEID	-	3	-	1
14	Mr. Uday M. Chitale	00043268	NEID	-	6	3	2

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

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

* Committee means Audit Committee and Shareholders' Grievance Committee.

** Appointed as additional directors with effect from November 9, 2011.

Relationships between directors inter-se

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

b. Board Meetings

Six Board Meetings were held during the financial year ended March 31, 2012. These meetings were held on May 30, 2011, August 9, 2011, September 2, 2011, November 9, 2011, December 14, 2011 and February 7, 2012. The maximum gap between two meetings was 70 days.

c. Directors' Attendance record

The attendance of Directors at the Board meetings held during the financial year ended March 31, 2012 and at the previous Annual General Meeting (AGM) was as under:

Name of the Director	Board Meetings during the period April 01, 2011 to March 31, 2012		Whether present at the Previous AGM held on September 2, 2011
	Held	Attended #	
Mr. G. M. Rao	6	6	Yes
Mr. B. V. N.Rao	6	5	Yes
Mr. Srinivas Bommidala	6	4	No
Mr. G. B. S. Raju	6	3	Yes
Mr. Kiran Kumar Grandhi	6	3	Yes
Mr. O. Bangaru Raju	6	6	Yes
Mr. K. Balasubramanian *	6	2	N.A
Mr. Arun K. Thiagarajan	6	5	Yes
Mr. K. R. Ramamoorthy	6	5	Yes
Mr. N. C. Sarabeswaran *	6	2	N.A
Dr. Prakash G Apte	6	5	Yes
Mr. R. S. S. L. N. Bhaskarudu	6	6	Yes
Mr. Udaya Holla	6	4	No
Mr. Uday M. Chitale	6	6	Yes

*Appointed as additional directors with effect from November 9, 2011.

#Attendance includes participation through video conference.

d. Code of Conduct

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

A Code of business conduct and ethics applicable to all the employees of the Group has been communicated and affirmed by them on an annual basis, which are to be followed in day to day work life which will enable the employees to maintain highest standards of values in their conduct to achieve organizational objectives.

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

e. Whistle Blower Policy

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

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

f. Risk Management

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

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

At the Bid / Opportunity stage, a formal screening framework has been developed and both the qualitative as well as quantitative risks are analyzed through financial models in detail to ensure proactive evaluation of projects and assets and aid risk based decisions making.

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

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

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

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

g. Subsidiary Companies

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

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

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

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

2. Audit Committee

a. Constitution of Audit Committee:

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

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. Arun K. Thiagarajan	Member
Mr. Uday M. Chitale	Member
Mr. R. S. S. L. N. Bhaskaradu	Member
Mr. N. C. Sarabeswaran	Member *

* Appointed as a member with effect from February 7, 2012

ii. Previous Annual General Meeting of the Company was held on September 2, 2011. Mr. K.R. Ramamoorthy, Chairman of the Audit Committee has attended the meeting. The composition of the Audit Committee, consisting of only the Independent Directors, meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

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

b. Meetings and attendance during the year:

During the financial year ended on March 31, 2012, five Audit Committee meetings were held on May 27, 2011, August 8, 2011, October 19, 2011, November 9, 2011 and February 6, 2012.

The attendance of the Audit Committee members is as under:

Names	No. of Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	5	5
Mr. Arun K. Thiagarajan	5	5
Mr. Uday M. Chitale	5	5
Mr. R. S. S. L. N. Bhaskarudu	5	5
Mr. N. C. Sarabeswaran *	5	-

* Appointed as a member with effect from February 7, 2012.

A Special meeting of the Committee was held on October 19, 2011 exclusively to review the nature and scope of audit by the Statutory Auditors for the Financial Year 2011-12, the matters relating to adequacy of internal control, Enterprise Risk Management update, Accounting policies and Major interim audit findings.

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

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

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

iii. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:

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

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

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

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

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

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

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

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

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

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

xiii. Reviewing Whistle Blower mechanism;

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

3. Remuneration Committee

a. Constitution of Remuneration Committee:

The Remuneration Committee comprises of the following Directors as members:

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

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

b. Meetings and Attendance during the year:

During the financial year ended March 31, 2012, one meeting of the Committee was held on May 27, 2011 and the attendance of the members is as under :-

Names	No. of Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	1	1
Mr. G. M. Rao	1	-
Dr. Prakash G. Apte	1	1
Mr. Udaya Holla	1	1

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 a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders;

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

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

d. Remuneration Policy

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

e. Details of remuneration paid during the financial year ended March 31, 2012 to the Directors are furnished hereunder:

Name	Salary & Commission (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	No. of shares held
Mr. G. M. Rao	72,999,826	2,391,396	-	75,391,222	313830
Mr. B. V. N.Rao	-	-	-	-	150000
Mr. Srinivas Bommidala	22,617,366	-	-	22,617,366	451660
Mr. G. B. S. Raju	-	-	-	-	544160
Mr. Kiran Kumar Grandhi	-	-	-	-	872160
Mr. O. Bangaru Raju	-	-	-	-	54998
Mr. K. Balasubramanian *	-	-	-	-	Nil
Mr. Arun K. Thiagarajan	-	-	2,10,000	2,10,000	46000
Mr. K. R. Ramamoorthy	-	-	2,50,000	2,50,000	Nil
Mr. N. C. Sarabeswaran *	-	-	40,000	40,000	20000
Dr. Prakash G Apte	-	-	1,20,000	1,20,000	30000
Mr. R. S. S. L. N. Bhaskarudu	-	-	2,30,000	2,30,000	Nil
Mr. Udaya Holla	-	-	1,10,000	1,10,000	Nil
Mr. Uday M. Chitale	-	-	2,30,000	2,30,000	30000

*Appointed as additional director with effect from November 9, 2011.

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

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

4. Shareholders' Transfer and Grievance Committee

a. Constitution of the Committee:

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

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

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

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2012, four meetings were held on May 30, 2011, August 9, 2011, November 9, 2011 and February 7, 2012. The attendance of the Shareholders' Transfer and Grievance Committee members is as under:

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

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

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

ii. Transfer, transposition and transmission of securities;

iii. Issuance of duplicate shares or other securities;

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

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

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

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

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

The details of the complaints received during the financial year 2011-12 and the status of the same are as follows:

Nature of Complaints	No. of Complaints Received	No. of Complaints Resolved	Pending Complaints
Non-receipt of Electronic Credit	1	1	0
Non-Receipt of Refund Order	2	2	0
Non-Receipt of Dividend Warrants	29	29	0
Non-Receipt of Share Certificates	11	11	0
Non-Receipt of Annual Reports	26	26	0
SEBI Complaints (including SCORES)	3	3	0
Total	**72**	**72**	**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. B.V. N.Rao	Member
Mr. Srinivas Bommidala	Member
Mr. G.B.S. Raju	Member
Mr. Kiran Kumar Grandhi	Member

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2012, nineteen meetings of the Committee were held on April 8, 2011, June 9, 2011, June 16, 2011, June 22, 2011, July 4, 2011, July 23, 2011, August 11, 2011, August 27, 2011, September 20, 2011, October 14, 2011, October 28, 2011, November 5, 2011, December 6, 2011, January 16, 2012, February 10, 2012, February 20, 2012, March 5, 2012, March 16, 2012 and March 29, 2012. The attendance of members is as under:

Names	No. of Meetings	
	Held	Attended
Mr. G. M. Rao	19	11
Mr. B. V. N. Rao	19	16
Mr. Srinivas Bommidala	19	12
Mr. G. B. S. Raju	19	16
Mr. Kiran Kumar Grandhi	19	6

Attendance includes participation through video conference.

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

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

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

The Board of Directors from time to time delegates 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. B. V. N. Rao	Member
Mr. Srinivas Bommidala	Member
Mr. G. B. S. Raju	Member

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2012, two meetings of the Committee were held on January 6, 2012 and February 24, 2012. The attendance of members is as under:

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

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

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

7. Corporate Governance Committee

a. Constitution of Corporate Governance Committee:

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

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

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2012, one Committee meeting was held on October 19, 2011 and the attendance of members is as under:

Names	No. of Meetings	
	Held	Attended
Mr. Arun K. Thiagarajan	1	1
Dr. Prakash G. Apte	1	1
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.

8. Nomination Committee

a. Constitution of Nomination Committee:

The Nomination Committee was constituted by the Board of Directors of the Company on November 9, 2011.

The Nomination Committee comprises of the following Directors as members:

Names	Designation
Mr. R. S. S. L. N. Bhaskarudu	Chairman
Mr. B. V. N. Rao	Member
Mr. Arun K. Thiagarajan	Member
Mr. N. C. Sarabeswaran	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, 2012, no meeting of the Committee was held.

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

i. Identifying, evaluating and recommending appropriate Independent Directors and Executive and Non-Executive Directors on the Board of the Company based on the qualifications, positive attributes, independence of a director and availability of time with him or her to devote to the job;

ii. Evaluating the skill, knowledge, experience and effectiveness of individual directors as well as the Board as a whole;

iii. Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.

9. General Body Meetings

a. Annual General Meetings

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

Year	Venue	Date & Time	Special Resolutions passed
2010-11	Convention Centre, NIMHANS, Hosur Road, Bengaluru - 560 029	September 2, 2011, 2.30 p.m.	No Special Resolution was passed.
2009-10	Jnana Jyothi Auditorium, Central College Campus Bengaluru - 560 001	August 27, 2010, 2.30 p.m.	1. Appointment of Mr. Srinivas Bommidala as Managing Director 2. Increase in the limit of FIIs holding to 35%
2008-09	Convention Centre, NIMHANS, Hosur Road, Bengaluru - 560 029	August 31, 2009, 2.30 p.m.	No Special Resolution was passed.

b.Extraordinary General Meetings

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

Year	Venue	Date & Time	Special Resolutions passed
2010-11	No Extraordinary General Meeting was held during the year		
2009-10	Convention Centre, NIMHANS ,Hosur Road, Bengaluru - 560 029	June 9, 2009, 4.45 P.M.	1. Under Section 81 (1A) of the Companies Act, 1965 - issue of securities for an aggregate amount not exceeding Rs. 5000 crore through QIPs, FCCBs, GDRs etc. 2. Approval under Section 81 (1A) of the Companies Act, 1956 for issue of securities to IDFC Infrastructure Fund - India Development Fund ('IDFC') for consideration other than cash.
2008-09	No Extraordinary General Meeting was held during the year		

b. 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 193, may be verified in the Annual Report. None of the transactions with related parties were in conflict with the interests of the Company at large.

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

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

11. Means of Communication

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

The quarterly / annual results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with Stock Exchanges are generally published in the 'Financial Express' and 'Samyukta Karnataka' (a regional daily in Kannada language). Quarterly and Annual Financial Statements, along with segment report and Quarterly shareholding pattern are posted on the GMR Group website (www.gmrgroup.in), BSE website (www.bseindia.com) and NSE website (www.nseindia.com). The presentations made to analysts and others are also posted on the GMR Group website. The shareholding pattern and Corporate Governance disclosures as per Listing Agreement are filed electronically through Corporate Filing and Dissemination System (CFDS), NSE Electronic Application Processing System (NEAPS) and investor complaints are redressed through SEBI Complaints Redress System (SCORES).

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 16th AGM:

Tuesday, September 11, 2012 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bengaluru – 560 029, Karnataka.

b. Financial Calendar:

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

Particulars	Tentative schedule
Financial reporting for the quarter ending June 30, 2012	First fortnight of August 2012
Financial reporting for the quarter / half year ending September 30, 2012	First fortnight of November 2012
Financial reporting for the quarter / nine months ending December 31, 2012	First fortnight of February 2013
Financial reporting for the quarter / year ending March 31, 2013	Second fortnight of May 2013
Annual General Meeting for the year ending March 31, 2013	September 2013

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, September 4, 2012 to Tuesday, September 11, 2012 (both days inclusive) for the purpose of the 16th 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 2011-12.

e. Listing on Stock Exchanges:

(i) Equity Shares:

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

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

Annual listing fees for the year 2012-13 have been paid by the Company to both the Stock Exchanges.

(ii) Privately placed Debt instruments:

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

During the year, the Company has made an allotment of Secured NCDs for Rs. 350 crores to ICICI Bank Limited which are listed on National Stock Exchange of India Limited. The face value of these NCDs was reduced to Rs. 9.975 lakh from Rs. 10 lakh after partial redemption. The stock code of these NCDs is GMRI21.

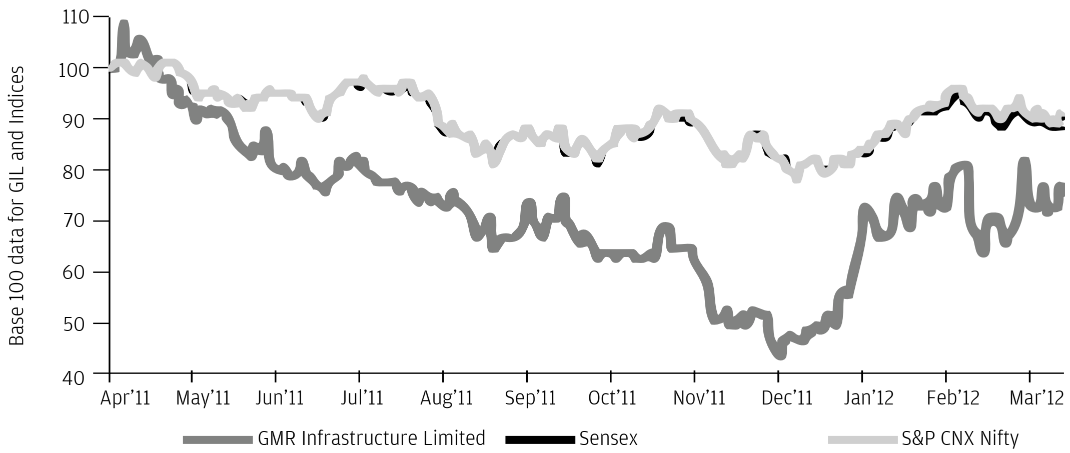
Annual listing fees for all the NCDs for the year 2012-13 has been paid by the Company.

f. Stock Market Data relating to Shares Listed

(Amount in Rs.)

Month	NSE		BSE	
	High	Low	High	Low
April 2011	44.40	37.65	44.65	37.65
May 2011	38.50	33.00	38.30	33.05
June 2011	35.95	29.90	36.00	29.80
July 2011	33.85	29.55	33.70	29.70
August 2011	31.70	25.95	32.00	26.00
September 2011	31.30	26.05	30.60	26.05
October 2011	28.40	24.95	28.45	24.00
November 2011	28.80	19.10	28.05	19.50
December 2011	22.25	17.60	22.30	17.70
January 2012	31.30	19.85	30.90	19.90
February 2012	33.50	25.20	34.40	25.65
March 2012	34.50	26.00	34.00	26.05

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



g) Registrar &Share Transfer Agent (RTA)

Main Office:

Karvy Computershare Private Limited
Unit: GMR Infrastructure Limited
Plot no. 17 to 24, Vittal Rao Nagar
Madhapur, Hyderabad - 500 081
Telephone No. 040 - 44655000
Fax No. 040 - 23420814
Email ID: einward.ris@karvy.com

Branch Office:

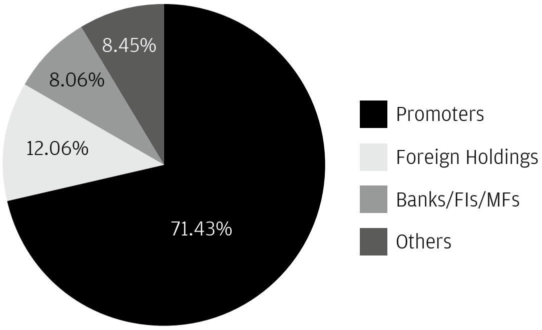
Karvy Computershare Private Limited
No. 51/2, TKN Complex, Vani vilas Road,
Opp: National College
Basavannagudi, Bengaluru-560 004
Telephone No. 080 - 41204350
Fax No. 080 - 26621169
Email ID: sksharma@karvy.com

h. Share Transfer procedure:

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

i) Distribution of shareholding as on March 31, 2012

Distribution by category



Description	No. of Cases	Total Shares	% Equity
Banks	26	118173953	3.04
Clearing Members	280	7511897	0.19
Foreign Institutional Investors	208	460430856	11.83
Indian Financial Institutions	26	172840148	4.44
Bodies Corporates	2917	50847581	1.31
Mutual Funds	17	22571207	0.58
Non Resident Indians	4514	9044445	0.23
Promoters	16	2780421832	71.43
Resident Individuals	463082	243401711	6.25
Trusts	20	27191152	0.70
Total:	471106	3892434782	100.00

Distribution by size

	March 31, 2012				March 31, 2011			
Range of equity shares held	No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1 - 500	383335	81.37	65224706	1.68	394874	82.42	66497148	1.71
501 - 1000	49092	10.42	39216581	1.01	47865	9.99	38087425	0.98
1001 - 2000	22203	4.71	34707281	0.89	21350	4.46	33414616	0.86
2001 - 3000	6137	1.30	15834773	0.41	5574	1.16	14379701	0.37
3001 - 4000	3536	0.75	13157781	0.34	3344	0.70	12500360	0.32
4001 -5000	1906	0.41	9007758	0.23	1695	0.35	7986999	0.21
5001 - 10000	2765	0.59	20374112	0.52	2426	0.51	17926822	0.46
10001 and above	2132	0.45	3694911790	94.93	1991	0.42	3701641711	95.10
Total	471106	100.00	3892434782	100.00	479119	100.00	3892434782	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 99.97% of shares have been dematerialized as on March 31, 2012.

ISIN: INE776C01039 (Fully Paid Shares)
IN9776C01037 (Partly Paid Shares)

Description	No. of Shareholders	No. of Shares	% Equity
PHYSICAL	314	1322033	0.03
NSDL	315248	3806021880	97.78
CDSL	155544	85090869	2.19
Total	471106	3892434782	100.00

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

Not Applicable

l. Investor correspondence:

Registered office address

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

Company Secretary and Compliance Officer

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

m. Prevention of Insider Trading:

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

n. Reconciliation of Share Capital Audit:

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

In addition, Secretarial audit was carried out voluntarily for ensuring transparent, ethical and responsible governance processes and also proper compliance mechanisms in the Company. M/s. V. Sreedharan & Associates, Company Secretaries, conducted Secretarial Audit of the Company and a Secretarial Audit Report for the financial year ended March 31, 2012, is provided in the Annual Report.

o. Corporate Identity Number (CIN)

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

p. Compliance Certificate

Certificate from the Practising Company Secretaries, M/s. V. Sreedharan & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereinafter.

q. Equity Shares in the Suspense Account

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

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

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

Particulars	Number of share holders	Number of equity shares held
Aggregate number of shareholders and the outstanding shares in the suspense /escrow account lying as on April 1, 2011	8	19000
Number of shareholders who approached the Company for transfer of shares from suspense /escrow account during the year	0	0
Number of shareholders to whom shares were transferred from the suspense / escrow account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012	8	19000

The voting rights on the shares outstanding in the aforesaid suspense account as on March 31, 2012 shall remain frozen till the rightful owner of such shares claims the shares.

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

r. Adoption of non-mandatory requirements of Clause 49

1. The Company has constituted a Remuneration Committee, Corporate Governance Committee, Nomination 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.
4. The Board has approved Board Governance Initiatives which includes retirement policy for Independent Directors.

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

To

The Members of GMR Infrastructure Limited

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

I, B. V. N. Rao, Managing Director of GMR Infrastructure Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2012.

Place: Bengaluru
Date: May 29, 2012

B. V. N. Rao
Managing Director

CEO / CFO certification

To the Board of Directors,
GMR Infrastructure Limited
We hereby certify that:

a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2012 and to the best of our knowledge and belief:
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code ofconduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:
   i. Significant changes in internal controls over financial reporting during the year;
   ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; wherever applicable and
   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

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

For GMR Infrastructure Limited	For GMR Infrastructure Limited
B. V. N. Rao	Subba Rao Amarthaluru
Managing Director	Group CFO

Place: Bengaluru
Date: May 29, 2012

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L45203KA1996PLC034805
Nominal Capital : Rs. 750 Crore

To the Members of GMR Infrastructure Limited

We have examined all the relevant records of GMR Infrastructure Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with BSE Limited and National Stock Exchange of India Ltd., for the year ended March 31, 2012. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

On the basis of our examination of the records, produced and the explanations and information furnished, we certify that the Company has complied with the mandatory conditions of Clause 49 of the Listing Agreement. As regards Annexure 1D relating to Non-Mandatory requirements, the Company has complied with Sl. Nos. 2, 4 and 7 of the same.

For V. Sreedharan & Associates
Company Secretaries

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

Place : Bengaluru
Date : August 9, 2012

SECRETARIAL AUDIT REPORT

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

We have examined the registers, records and documents of GMR Infrastructure Limited ("The Company") for the financial year ended on March 31, 2012 according to the provisions of:

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
    i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and as amended to date;
    iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, The Securities Contracts(Regulation) Act, 1956 (SCRA) and the Rules under that Act and as amended to date; and
- The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited and Listing Agreement for Debt Securities with National Stock Exchange of India Limited.

1. Based on our examination and verification of the registers, records and documents produced before us and according to the information and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956, ("Companies Act or the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:
    (a) Maintenance of various statutory registers and documents and making necessary entries therein;
    (b) Closure of the Register of Members;
    (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
    (d) Service of documents by the Company on its Members, Auditors, the Registrar of Companies and other Authorities as required under the Act;
    (e) Notice of Board Meetings and Committee Meetings of Directors;
    (f) The Meetings of Directors and Committees of Directors including passing of resolutions by circulation;
    (g) The 15th Annual General Meeting held on September 2, 2011;
    (h) Minutes of proceedings of General Meetings and of Board and its Committee Meetings;
    (i) Constitution of the Board of Directors/Committee(s) of Directors and appointment, retirement, remuneration and re-appointment of directors including the Managing Director;
    (j) Appointment and remuneration of Auditors;
    (k) Transfers and transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificates of shares and debentures, to the extent applicable;
    (l) Borrowings, registration, modification and satisfaction of charges;
    (m) Investment of the Company's funds, including inter-corporate loans and investments and loans to others;
    (n) Giving guarantees in connection with loans taken by subsidiaries and associate companies;
    (o) Balance Sheet and Statement of Profit and Loss as prescribed under Revised Schedule VI to the Act;
    (p) Board's Report;
    (q) Contracts, common seal, registered office and publication of name of the Company; and
    (r) Generally, all other applicable provisions of the Act and the Rules made under that Act.
2. We further report that:
    (a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements/ shareholdings and directorship in other companies and interests in other entities;
    (b) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and Ethics for Directors and Managerial Personnel.

(c) The Company has obtained all necessary approvals under the various provisions of the Act;

(d) There was no prosecution initiated against and no fines or penalties were imposed on the Company, its Directors and Officers during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, and Regulations and Guidelines framed under these Acts.

3. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization of securities/ rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

4. We further report that:

(a) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

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

(c) The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and the National Stock Exchange of India Limited and Listing Agreement for Debt Securities with the National Stock Exchange of India Limited;

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

For V. Sreedharan & Associates
Company Secretaries

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

Place : Bengaluru
Date : July 12, 2012

Management Discussion and Analysis

Forward-looking Statements

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

About Us

We are a diversified infrastructure Company with operations and investments across the airport, energy, highways and urban infrastructure sectors.

Over the past two decades, GMR has grown from a regional to a global infrastructure player. It extended its international presence to the following geographies.

Stakes in international coal assets have been acquired in Indonesia and South Africa. In Indonesia the mines at PTBSL has reserves of over 104 million tonnes and mines of Sinarmas has reserves of 860 million tonnes. In energy generation, GMR is developing an 800 MW gas-based power plant in Singapore. The Company is also in various stages of developing hydro-power projects in Nepal.

In Airports - GMR has a 40% stake in Sabiha Gökçen International Airport, Istanbul with a capacity to handle 25 MPPA (million passengers per annum). The other international airport is through a 77% stake in Ibrahim Nasir International Airport, which is a brownfield airport in Malé, the capital city of Maldives. This airport has a capacity of 2.6 MPPA.

Proven execution capabilities

The Company's project management and execution capabilities is demonstrated through the consistent delivery and timely commissioning of six power projects, six road projects and three airports. In addition, the Company plans to progressively increase the involvement of its in-house EPC division in project execution.

The Key milestones and achievements over the last few years will include :

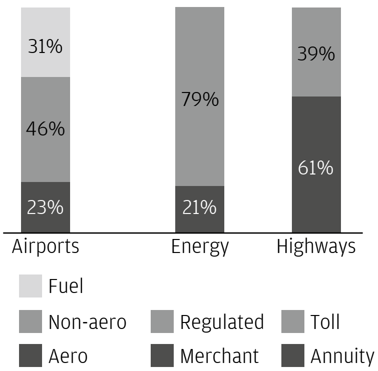
	Airport	Energy	Urban Infrastructure and Highways and other opportunities
2011-12	• Foundation stone laid for construction of ATC tower at Delhi International Airport Private Limited (DIAL); • The state of art airport Maintenance, Repair and Overhaul (MRO) facility was inaugurated at Hyderabad; • International Air Transport Authority (IATA) accredited GMR Aviation Academy as authorised training centre.	• Successfully commissioned two wind projects- 2.1 MW in Gujarat and 1.25 MW in Tamil Nadu; • Successfully commissioned 25 MW Gujarat Solar power project; • Acquired 30% stake in Sinarmas Group Coal Mines in Indonesia; • GMR Vemagiri Power Generation Limited (GVPGL) successfully registered with UNFCCC under CDM mechanism.	• Won 555.5 Km long Kishangarh - Udaipur - Ahmedabad (KUA) highway, the first mega highway project of the country.
2010-11	• Won the bid and subsequently took over operations of Malé International Airport ; • Achieved financial closure of Malaysian Airline Systems (MAS)-GMR Aircraft MRO at Hyderabad; • New Terminal 3 project of DIAL completed. Opened on 3rd July 2010.	• Signed MoU with Government of Gujarat for developing a 25 MW Solar Project in the state; • Financial closure achieved for GREL and CTPP during the year; • Won bid for developing two transmission projects in Rajasthan which involves setting up of 320 km of 400 KV and 85 km of 200 KV Transmission lines & 2 associated 400 KV substations; • Signed MoU with Government of Madhya Pradesh for development of 980 MW coal based power plant in Bundelkhand region.	• Completed financial closure of Hyderabad-Vijayawada Project, Chennai Outer Ring Road Project and Hungund-Hospet Project.

	Airport	Energy	Urban Infrastructure and Highways and other opportunities
2009-10	• Delhi International Airport - new Terminal 1D commissioned.	• Acquired EMCO and SJK Powergen, coal based power projects; • Achieved financial closure for Kamalanga and EMCO projects; • Expansion work started at Vemagiri Power Plant for additional 768 MW; • Acquired Island Power Company Pte. Limited	• Won Chennai Outer Ring Road project; • Won Hungund-Hospet road project; • Won Hyderabad-Vijayawada road project.
2008-09		• Acquired 100% Stake in PT Barasentosa Lestari - Indonesian 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.
2006-07		• Commercial Operation of 388.5 MW Vemagiri Power Plant; • MoU for 1,050 MW Kamalanga Power Plant in Orissa.	

Diversification Strategy

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

Sector wise Revenue-Mix for FY 2011-12



Global Economic Scenario

Global growth is likely to remain moderate.

The recovery in advanced economies that was on track at the start of 2011, seemed to have lost steam towards the fag end of the year. This has clouded the prospects for global growth during 2012. Growth in emerging markets, especially China and India, is slowing beyond what was anticipated but these two economies are likely to provide some support for global recovery.

Indian Economy

India's economic growth slumped to its lowest level in nine years in the first three months of 2012 with GDP growth reaching 5.3%. The growth slowdown has been driven by a sharp fall in investment, some moderation in private consumption and fall in net external demand.

The Balance of Payments (BoP) came under significant stress during 2011-12 with widening of Current Account Deficit (CAD) and reduced capital inflows. This has put enormous pressure on the value of Indian rupee, as shown in the movement chart below:

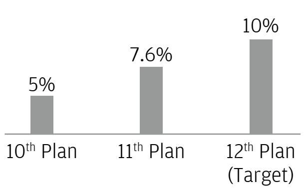
USD Vs INR

Projected investment in infrastructure in the twelfth Plan

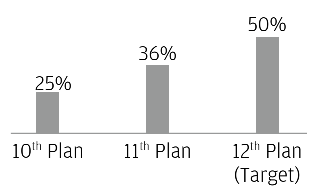
Despite this macro-economic outlook, the prospects for infrastructure are positive with the planning commission recognising the continued infrastructure deficit of India. The 12th Five Year Plan (2012-17) envisages doubling of investment over the previous 11th Five Year Plan. In addition, on basis of the Public Private Partnership (PPP) model there is also increased share of the private sector in this growth. This provides tremendous business potential for established infrastructure developers.

Parameter	10th Plan (2002-07)	11th Plan (2007-12)	12th Plan (2012-17)
Infrastructure Spend	225 Billion USD	500 Billion USD	1 Trillion USD
Growth w.r.t previous plan (%)	-	127%	100%

Infrastructure spend as % of GDP



Private sector share spending (%)



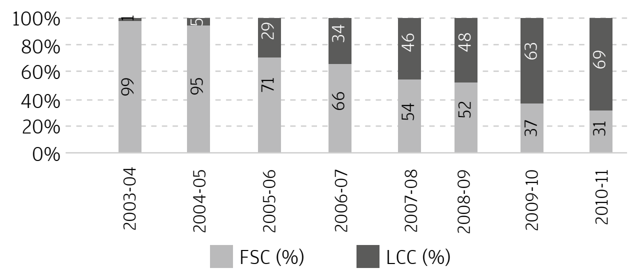
Source: Motilal Oswal Report Sep 2010, Planning Commission's infrastructure website

Airport Sector

Over the last few years, India has witnessed a transformation of its aviation industry. In the year 2000, airports in India handled around 42 million passengers, ten years later the passenger number increased to over 140 million. By 2020 passenger traffic is expected to more than triple to around 450 million passengers. India is expected to be among the five largest aviation markets in the world.

One significant shift witnessed in the aviation sector is the structural change in the business mix between Low Cost Carriers (LCC) and Full Service Providers (FSC).

Growing LCC Market Share

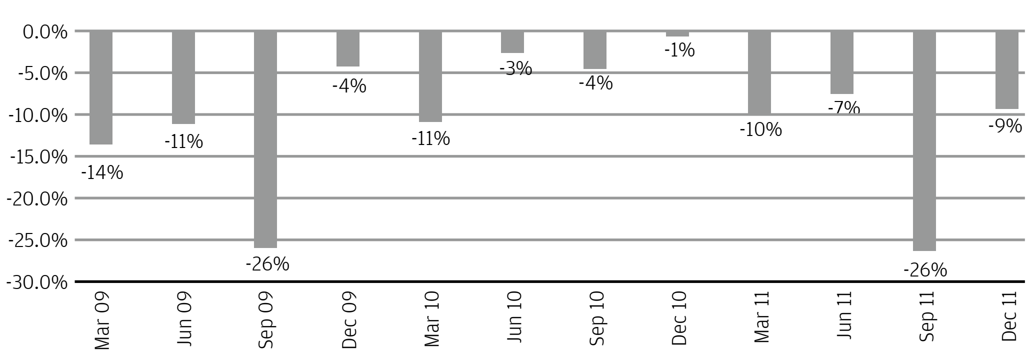


Source: ICRA Report on Indian Aviation Industry

However, while the passenger growth is increasing, the aviation industry is itself facing a turbulent phase. Some of the challenges faced by the industry are:

- Pressure on yields due to excessive competition
- Rising ATF prices (up 57% in last 18 months)
- Steep rupee depreciation putting financial strain through rising debt levels and interest costs.

Domestic Airlines – Reported PAT (% of Gross Sales)



Source: ICRA Report on Indian Aviation Industry

Airports sector performance outlook FY 2011-12

Indira Gandhi International Airport (IGIA), New Delhi

IGIA, New Delhi completed the first full year of its commercial operations with the new terminal, T3 and other newly created facilities. It recorded 35.88 Million (Mn) passenger traffic in 2011-12, which is an overall growth of 20% over the previous year. A 15% growth was witnessed in Air Traffic Movements (ATM's), reaching 317,283 during the year. However, in line with the global trend, the cargo volume witnessed an overall decline of 5.3% during the year and dropped to 568,354 MT in 2011-12.

Key milestones and achievements during the year:

- World's 1st airport to get ISO 50001:2011 certification for energy management;
- DIAL's T3 continues to have LEED (Leadership in Energy and Environmental Design) Gold rating;
- Received ISO 27000:2007 certification for IT security systems;
- Received OSHAS 18001:2007 certification for Occupational Health & Safety Management System;
- Mobile website for IGIA launched;
- Achieved runway utilisation of 65 ATM/hour; CDM and NATS initiatives are underway to further increase the same;
- Introduction of automated truck control system and bonded tracking services for cargo movement.

Traffic and network

- Handled five new international destinations (Manila, Baghdad/Basra, Dushanbe, Hangzhou and Tehran) and two new domestic destinations (Allahabad and Gaya).

Projects

- Construction of new ATC tower begins; New holding area for taxies created; 'Zero Tolerance' initiatives to build internal resilience to minimise operational and service disruptions and 'T3 Improvement' initiatives to upgrade passenger facilities at IGIA;
- Greenfield cargo terminal expected to commence commercial operations by August 2012.

Awards and recognitions for 2011-12

- Rated as the 2nd best airport in its category and 6th best airport (overall) in the world by ACI;
- Rated as the world's most improved airport by SKYTRAX;
- STAT Times Award for the International Cargo Airport of the Year (Region-India) 2012;
- Washrooms & Beyond Honours 2011 for Intelligent Washroom Design in the Airports Category;
- Travel + Leisure India's Best Awards - Best Airport (India), 2011 award for T3;
- IGIA, New Delhi won the award at the Infrastructure Excellence Awards 2011 in the Main Awards Category - 'Airports', for 'Operation, Management & Development of the new integrated passenger terminal building T3'

Rajiv Gandhi International Airport (RGIA) Hyderabad

In FY 2011-12, GMR Hyderabad International Airport Limited (GHIAL) has witnessed a 13% growth in overall passenger traffic and overall ATM growth of 21%. The strategic location of Hyderabad reduces 15 to 20 minutes of flying time to Tier II/III cities and due to this we were able to identify 18 catchment cities which can feed traffic through Hyderabad Airport. Working closely with carriers we were able to increase the frequencies to these 18 cities by 90% (from 213 to 405 weekly frequencies). This has helped to increase domestic traffic by over 20% during the same period which also fuelled growth in domestic trunk route frequencies.

We also focus on city of Hyderabad and its catchments areas which act as feeder traffic for airlines. Under this we have developed 'Passenger Development Strategy'. The focus of this strategy is –

- Catchment area development and catchment area marketing;
- Seamless transit and transfer facilities;
- Strong relationship with travel agents through 'Connect Relationship Program';
- Advertisement campaign at catchment cities promoting 'Fly Hyderabad' concept;
- Tourism promotion jointly with Andhra Pradesh (AP) Tourism;
- Promote temple/medical/business/Buddhist tourism at Hyderabad jointly with AP Tourism;
- Conceptualised and created MICE Bureau in partnership with Hyderabad International Convention Centre and Government of Andhra Pradesh. This is India's first regional convention and visitors bureau;
- Conceptualised and worked with AP Tourism and airlines (Jet Airways and SpiceJet) to create 'Tirupati Darshan' package.

The growth in international traffic was affected largely due to the capacity constraints. The restrictions of bilaterals (air service agreements) have affected the growth plans of many international carriers as well as Indian carriers operating internationally. Due to our joint efforts with airlines and Ministry of Civil Aviation (MoCA), recently MoCA has granted bilaterals (7 extra-frequency/week) to Singapore and also approved the requests of Indian carriers.

Awards and recognitions for 2011-12

- Rated as the 3rd best airport in ACI ASQ survey in 5-15 million passenger per annum category.
- GHIAL received the 'Certificate of Merit' award 2011 for energy conservation from Ministry of Power, Government of India on December 14, 2011;
- National Tourism Award: GHIAL was awarded the prestigious 'National Tourism Award 2010-11' under the 'Best Airport' category. The airport has been adjudged as the best airport in India for actively promoting tourism, not only in Andhra Pradesh but also at the pan-India level;

- GHIAL was awarded the 'Best Performing Domestic Airport' in the aviation sector during the Annual Tourism Trade Show SATTE-2012, held from 10th -12th February, 2012 at New Delhi;
- GHIAL was honoured with Project Management Institute (PMI) Award;
- SKYTRAX award for RGIA, Hyderabad as India's 3rd Best Airport, 2012;
- Lufthansa Cargo certified RGIA to be one of its key cargo hub in South Asia for transport of temperature sensitive pharmaceuticals;
- RGIA became the second Airport in India and the third in Asia to complete the verification of Greenhouse Gas (GHG) accounting of the Airport Operations as per ISO 14064-1:2006.

GMR Malé International Airport Private Limited (GMIAL)

GMIAL is a brownfield airport in Malé, capital city of Maldives created through a partnership between GMR Group (77%) and Malaysia Airports (Labuan) Private Limited (23%).

Key Highlights for GMIAL for the year 2011-12 are:

- Growth in International Passenger (PAX) and ATM's by 11% each and Domestic PAX and ATM by 39% and 50% respectively;
- Rolled out terminal improvement plan and service quality improvement initiatives to improve service levels, almost 80% of the project is completed;
- Development of arrival plaza underway.

Istanbul Sabiha Gokcen International Airport (ISGIA), Turkey

ISGIA is promoted and developed by the consortium consisting of GMR Group, Limak Holding (LIMAK) and Malaysia Airports Holdings Berhad (MAHB). The terminal developed by the consortium has a capacity to handle upto 20 mn passengers per annum and has the rights to operate the terminal buildings, multi-level car park, cargo, aircraft refueling operations, airport hotel and CIP facilities in the airport for 22 years starting May 2008.

ISGIA is located in the Asian side of Istanbul with connection to two major highways and has a catchment area of 20 mn population. The city of Istanbul has a vibrant and growing economy and is the economic capital of the country. It is the 4th most visited city in Europe and 7th in the world.

ISGIA recorded 13.7 mn total passengers in calendar year 2011, which corresponds to an 18% annual increase in total passenger traffic. The Company has undertaken several efficiencies measures by which the operating costs were brought down by 18%.

ISGIA's growth potential remains promising due to likely capacity constraints at the city's major TAV Istanbul Ataturk Airport.

Key highlights during the year are:

- 8 new airlines started flights out of ISGIA during the year;
- International transit passenger fee of €5 per passenger was introduced for the first time in ISGIA;
- Technical drawings and plans of ISGIA 2nd runway were finalised and approved, land expropriation is near completion.

Awards and recognitions for 2011-12

- ISGIA was selected 'Best Public Services Development Project' at the 2011 Europe International Property Awards organised in association with Bloomberg and Google.

Aircraft – Maintenance, Repair and Overhaul (MRO)

The aircraft MRO facility will be operated by MAS GMR Aero Technic Limited ('MGAT') which is a wholly owned subsidiary of MAS GMR Aerospace Engineering Company Limited ('MGAE'). MGAE is a joint venture set up by GHIAL and Malaysian Aerospace Engineering Sdn Bhd ('MAE'). The MRO facility has ultra-modern facilities for aircraft maintenance, painting, avionics upgrades, interior refurbishments, aircraft modifications and structural repairs.

MGAT has obtained CAR 145 approval from Directorate General of Civil Aviation (DGCA) and Part 145 approval from European Aviation Safety Agency (EASA) which are mandatory to perform MRO services on Indian registered aircraft or any international aircraft as the case may be. The MRO facility was inaugurated and dedicated to the nation on March 13, 2012, by Minister for Civil Aviation.

Airport sector outlook for FY 2012-13 and future plan

IGIA – New Delhi

The outlook for IGIA, New Delhi is driven by the expected growth in passenger.

- Passenger traffic is expected to grow at 9-11% in 2012-13; this growth rate is expected to continue for the next couple of years;
- Cargo traffic from IGIA, New Delhi is expected to show volatility given the global macro economic scenario and growth in 2012–13 is expected once the global economy stabilises.

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

- Maximising value from existing assets;
- Emergence as international air traffic 'hub' for passengers and cargo;
- Building a Customer focused organisation;
- Ensuring cost Containment;
- Improving connectivity to the airport.

RGIA – Hyderabad

GHIAL is expected to witness a passenger traffic growth of 9-11% during FY 2012-13. The Company will work towards achieving the following strategic objectives:

- To make Hyderabad the south and central India's gateway and hub of choice;
- To position Hyderabad as the cargo and logistics hub of India;
- Increase operational efficiency to world class standards.

GMIAL – Maldives

International passenger traffic is expected to grow at 8-10% in FY 2012-13.

The key drivers for GMIAL are:

- Positive traffic outlook driven by China, Russia and India;
- Positive exports cargo outlook driven by growth of fish export from Maldives.

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

- Developing strategic route and destination marketing;
- Exploring cargo development opportunities.

ISGIA – Turkey

The Turkish aviation infrastructure growth mirrored the strong domestic economic recovery.

- Passenger Traffic is expected to grow at 16-18% with a 63:37 ratio of domestic and international passengers;
- The strategic initiatives proposed to meet the future goals are:
  - Attracting more international routes;
  - Improving retail/commercial revenues;
  - Sustain efforts to optimise costs without compromise to service delivery standards.
- Airport connectivity is expected to improve with the proposed subway system and Marmaray railway engineering project which are expected to be commenced in phases until 2014.

Energy Sector

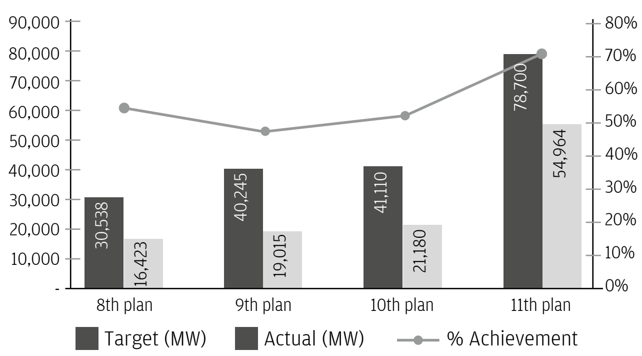
India's power sector has made significant strides this year in the area of capacity addition, with India's total installed capacity reaching 1,92,792 MW as on March 2012. India's power generation capacity addition at the end of the 11th Five Year Plan has reached a noteworthy figure of 55,000 MW, which is more than two and a half times the capacity addition of 21,180 MW in the 10th Five Year Plan. Private developers contributed more than 40% (25,000 MW) of the power capacity addition in the 11th Plan. India's renewable energy has also grown significantly owing to the initiatives such as Jawaharlal Nehru National Solar Mission, encouraging state policies, REC trading, GBI and RPO regulations among others. India is currently the 6th largest country in renewable generation with installed capacity of 22,447 MW (11% of the total installed capacity). Despite these capacity additions, the power sector continues to be in the supply deficit regime with the peak and energy deficits for FY12 being 10.6% and 8.5% respectively.

Fuel issues: Although achievements in terms of capacity addition were significant, fuel related issues and financial health of distribution companies have emerged as major challenges for the sector. The output of various newly commissioned projects was affected due to short supply of fossil fuels both gas and coal. Coal India could not enhance its supplies to meet the growing demand of the power sector due to various issues such as environment/forest clearance, land acquisition among others. The power sector faced a supply deficit of more than 50 million tonnes, which is expected to be met through imports. Even though many Indian developers have sought to hedge risks through ownership of coal mines in other countries, but changes in laws of coal producing and exporting, countries altering their pricing framework has affected the financial viability of the imported coal-based projects.

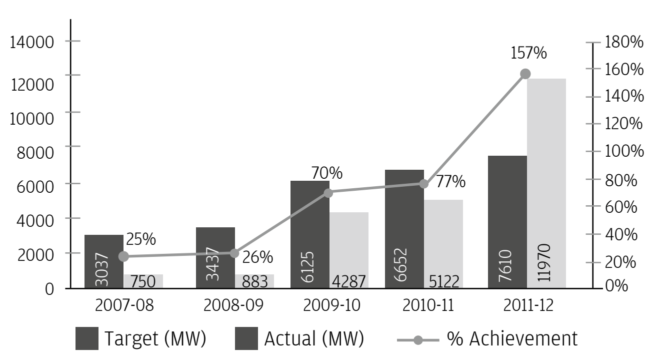
During the financial year, the domestic natural gas supply declined sharply due to substantial reduction in the production of KG D6 fields. Around 9,500 MW of new gas based generation capacity faces the risk of remaining stranded due to non-availability of domestic gas. With no near-term visibility in increase of domestic gas supply, the focus is expected to shift towards Re-gasified Liquefied Natural Gas (RLNG). The Government is contemplating various policy measures to enhance the viability of RLNG for power sector use.

Financial Health of Distribution Company (India) (DISCOMs): The distribution sector situation is grave for most of the state electricity boards with the aggregate accumulated losses for the country crossing one lakh crore rupees. Over last 18 months, around 24 states have revised their electricity tariffs ranging from 10% to 37%. In a landmark order, the Appellate Tribunal of Electricity has ruled that the state DISCOMs should file tariff revision petitions every year, failure to do so would empower the state regulator to initiate suomotu powers for tariff revision. These initiatives are expected to

Energy generation plan wise capacity addition



Private Sector Contribution in 11th Plan

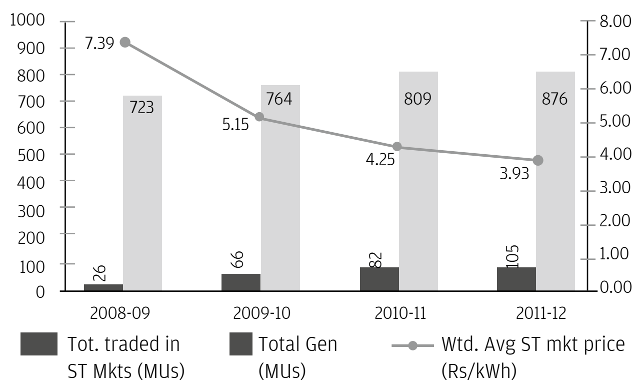


have positive impact on the financial health of DISCOMs. There is a growing realisation that distribution reforms are critical for the entire sector. The recommendations of various committees on distribution sector reforms are being reviewed by Government of India (GOI) for implementation to revive the health of the sector.

Transmission: The aggressive generation capacity addition was backed by equally good amount of investments in the transmission sector. Around 250 thousand kilometres of transmission lines were installed during the 11th Plan. The inter-regional transfer capacity of the National Grid is expected to reach to 63 GW at the end of 12thPlan from a current level of 27.9 GW. The sector also witnessed a wider participation from the private sector for creation of new transmission corridors.

Power trading: Since the setting up of the power exchanges in the country, the share of electricity generation transacted through the Short-Term (ST) markets has increased from 3.5% to 12% from FY 2008-09 to FY 2011-12 while the prices have fallen from average of Rs.7.9/kwh to Rs.4.0/kwh during same time. Going by the trends in the previous years, share of total generation traded in the ST markets is expected to increase, however the price gap between merchant and regulated tariffs continues to narrow.

Trends in energy trading – MU's and price



Recent policy initiatives

Recent initiatives by the Prime Minister's Office to resolve the coal supply crisis and the concessions given to the power sector through budget FY 2012-13 are some examples of positive steps in the right direction. Many policy interventions are expected in near-term to enhance the fuel availability, viability of RLNG for power sector, implementation of reforms in distribution sector among others. Some of the positive policies announced in the recent budget are:

- Exemption of 5% customs duty on thermal coal, natural gas and LNG;
- Extension of 'Sunset Clause' for 1 year to avail the 10-year tax holiday and additional depreciation of 20% in first year;
- ECBs allowed to part finance the rupee debt of existing power projects and reduction of withholding tax on interest payments on ECBs from 20% to 5%;
- Power sector has been allowed to raise tax-free bonds of worth INR 100 bn.

Energy sector performance outlook FY 2011-12

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

- Successfully commissioned two wind projects- 2.1 MW in Gujarat and 1.25 MW in Tamil Nadu;
- Successful commissioning of 25 MW Gujarat Solar Power Project;
- Acquired 30% stake in Sinarmas Group Coal Mines in Indonesia;
- GVPGL successfully registered with UNFCCC under CDM mechanism;
- Megapower status obtained for Kamalanga and Chhattisgarh plant (provisional);
- Vemagiri plant received National Energy Conservation award for the 2nd consecutive year.

The operating highlights of the energy operating assets are as follows:

GMR Power Corporation Limited (GPCL), Chennai

- Average plant load factor of 51% over the year;
- GPCL plant was certified with OHSAS 18001, ISO:14001 and ISO:9001. At Chennai plant, fully integrated Sewage Water Treatment Plant (STP) was set up including Reverse Osmosis (RO) process for treating 10% of Chennai city's total sewage, saving freshwater intake of 5400 m3 per day, which is equivalent to the water consumption by one lakh people. The treated STP water is used for cooling operations and green belt development. Waste Heat Recovery Boilers generate steam for use in indirect heating of fuel storage tanks and pipelines. Solar energy is used to light the boundary fence;
- GPCL has been certified for Energy Management System (EnMS) ISO 50001:2011 by DNV on October 3, 2011 and also achieved SA-8000 (Social Accountability) certifications;
- Online Stack Emissions of GPCL was connected to TNPCB central monitoring station in July 2011;
- Energy savings initiatives resulted in savings of 1.27 Million Units.

GMR Vemagiri Power Generation Limited (GVPGL), Rajahmundry

- Average plant load factor of 59% over the year;
- Gas Turbine uses the advanced Dry Low NOx (DLN 2.0 +) burner system to reduce NOx emissions at source. Waste heat from gas turbine is used for power production in steam turbine through Heat Recovery Steam Generator (HRSG);
- Received National Energy Conservation Award from CEA in December 2011;
- GVPGL has achieved the status of 5S model Company, the only Company in power sector, from ABK-AOTS DOSOKAI, Japan;
- GVPGL is certified with OHSAS 18001, ISO:14001 and ISO:9001.

GMR Energy Limited (GEL), Kakinada

- Average plant load factor of 57% over the year;
- GEL has received ISO 9001:2000, ISO 14001:2004 and OHSAS 18001 from DNV;

- Employee's wellness programme conducted;
- Clean Development Mechanism (CDM) – documentation completed and host country approval obtained;
- Voluntary Carbon Standard (VCS) plant audit carried out successfully;
- Rain water harvesting pits constructed and the water is being used for Green belt;
- Green belt Development – More than 8,000 trees were planted in nine acres of plant area;
- Plant Operating Illumination Level maintained at optimum level based on illumination audit
- Obtained Water Management award from CII;
- Obtained National Safety award from National Safety Council;
- Obtained Leadership & Excellence Award in Safety, Health & Environment from CII- Southern region.

Energy sector outlook for FY 2012-13 and future plan

GMR Energy sector is on track to implement projects which are under different stages of construction and development. Construction activities are in advance stages at EMCO and Kamalanga projects which are due to start commercial operations in FY 2012-13. The focus during the coming financial year would be to:

- Ensure timely completion of the ongoing projects well within the budget;
- Stabilise the operations of the new plants and smooth transition to O&M phase;
- Maximise the returns from operating assets through operational excellence and optimum mix of power sale;
- Ensure fuel security for all the on-going projects;
- Prepare strong Business Development pipe line for future growth, including exploring business opportunities with quick cash flows and asset light models.

Urban Infrastructure and Highways Sector

Highways

The Indian road network consisting of national highways, state highways, major district roads, and urban and rural roads is second largest in the world with a cumulative stretch of about 3.3 million km. The network carries 65% of the country's freight and 80% of its passenger traffic.

National Highways/Expressways, which comprise about 2% of the total road length, carry about 40% of the total road traffic. On their part, state highways and major district roads, which together account for about 13% of the total road length, carry another 40% of the total road traffic.

Currently, about 27% of the national highway stretch is single/intermediate lane, while about 54% is double lane. The capacity of the highways is increasingly becoming a constraint, given the rapid growth in the number of vehicles (CAGR, of more than 8% over the last five years). As per World Bank Report "Every Rupee spent on Roads, creates seven rupees in economic benefits". Given the scenario, the Indian Government has taken many initiatives to improve the country's road infrastructure, the most prominent of which is the National Highway Development Project (NHDP) launched in 1999.

The enormous investment requirement of NHDP necessitates private sector participation for successful completion. Government initiatives have so far been successful in attracting private investment into the sector. Private sector funding of road projects usually takes the BOT route in which the private developer invests in the road development project and earns returns in the form of annuity or toll over the concession period (which can range up to 15-25 years).

Over the last five years, NHAI has been increasingly awarding projects on the BOT—Toll model, which has reduced the funding pressure on the Government and increased the pace of development as well. Projects that are not commercially viable on the BOT—Toll model are considered for other alternatives like viability gap funding (which involves providing an upfront grant to the developer), and BOT-Annuity model.

There has been a surge in project awards by NHAI during the last few years. During the financial year under review, a total of 58 projects spanning close to 7,400 km have been awarded as against 4,553 km during FY 2011, 3,338 km during FY 2010 and 643 km in FY 2009.

Project award is expected to remain robust during next financial year, given the number of projects in the pipeline. Under the NHDP itself, NHAI plans to award about 24,000 km of highway projects over the next few years. Further, many state governments have now started looking at the PPP route for awarding road projects.

Urban infrastructure

Special Economic Zones/ Special Investment Regions

Given several changes in the taxation rules (for example minimum alternate tax) and the proposals in the direct tax code, your Company has considered, the best way forward is having a mixed or diversified development that includes large area development with part of the area designated as SEZ and the rest as domestic tariff areas.

As part of the aerotropolis development in New Delhi and Hyderabad Airports, the Group has started real estate development.

Urban Infrastructure and Highways sector performance outlook FY 2011-12

Highways

Your Company has six operating highway projects across India measuring a total length of around 1684 Lane Km. It comprises both annuity and toll-based assets.

Annuity assets

- GMR Tuni-Anakapalli, a 236 Lane Km stretch road project on NH5, Andhra Pradesh, commenced commercial operation in December 2004. The concession period for the project is seventeen and-a-half years with an operation period of fifteen years;

- GMR Tambaram-Tindivanam, a 372 Lane Km stretch road project on NH45, Tamil Nadu, commenced commercial operation in October 2004. The concession period for the project is seventeen and-a-half years with an operation period of fifteen years;
- GMR Pochanpalli, a 412 Lane Km stretch road project between Adloor-Yellareddy and Gundla Pochanpalli on NH7, Andhra Pradesh, commenced commercial operation in March 2009. The concession period for the project is twenty years with an operation period of seventeen and-a-half years.

Toll Road Assets

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

Road Sector Performance

During the year, your Company has won project for six laning of 555.5 Km long Kishangarh – Udaipur – Ahmedabad (KUA) highway through international competitive bidding. The project is the first mega highway project of the country and will be implemented through the Public Private Partnership (PPP) model on Design, Build, Finance, Operate and Transfer (DBFOT) model under NHDP-V. The Concession Agreement for the Project was signed on November 30, 2011. Your Company is also expected to start collection of toll for Hyderabad-Vijayawada and Hungund-Hospet projects in FY 2012-13.

Engineering Procurement Construction (EPC)

Your Company had entered the EPC business to mitigate execution risk in new project development. EPC Division is now contributing significantly in developing the new Highway assets. EPC Division is constructing the following projects in Highways:

- 65 KM of the Hyderabad-Vijayawada toll project (with the remaining being done by Punj Llyod);
- Complete Chennai Outer Ring Road annuity project;
- 34 KM in Hungund Hospet toll project [12 Kms of six-lane with service Roads and 22 Kms of four-lane highway; remaining is done by Oriental Structural Engineers (OSE)].

Besides the Highways project, EPC Division has also forayed into Energy BoP segment by undertaking the construction of Coal Handling Plant in EMCO. EPC Division is also undertaking construction of township, non-plant structures and miscellaneous works in Kamalanga Thermal Power Plant. All these projects are in advanced stage of completion.

To execute these projects EPC Division has built an over Rs. 90 crore equipment bank which includes Batching Plants, HMP Plants, Boom Placer and other equipment. On the initiatives front, to fulfill demand for trained labour, EPC Division has tied up with Holmesglen, an Australia based agency – for training foremen for its site. The trained foremen in turn act as Master Trainers and train the on-site labourers. To become a technology driven EPC Company, the EPC division has set up a Global Material Research Center under Prof. SK Rao (a retired Professor from IIT Kharagpur) to research in alternative materials for highway construction.

Urban Infrastructure and Highways sector outlook for FY 2012-13 and future plan

With the pipeline of road projects to be awarded by NHAI and state governments remaining strong, there will be ample growth opportunities for highways sector in future. Your Company will be evaluating opportunities in expressways, national and state highways, outer ring roads and OMT segments with a focus on projects having high traffic potential and of strategic importance. However during this year your Company would like to consolidate its assets base by focusing on projects which are getting commissioned this year and securing toll and annuity income on both existing and new assets. Also, this will enable the Company to channelise its energy into timely completion of first megaproject that Company has won last year.

Property development

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

Delhi airport Aerocity

The Delhi airport is expected to include Delhi Aerocity – a world class development constituting hospitality and commercial developments, which may ultimately cover up to 5% of the approximately 5,100-acre land area at the airport. As part of the first phase, the Company has leased out 45 acres of land for the development of the hospitality district. Several leading international and national hotel brands have already commenced construction and will commence operation during the year 2012-13.

GMR Hyderabad Airport City Development

In line with the development strategy for the Hyderabad Airport City at approximately 1,000 acres of commercial land at the Hyderabad airport, a comprehensive master-plan has been prepared for theme-based approach and certain MOUs are already in place.

Environmental Protection and Sustainability

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

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

All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Central Pollution Control Board authorised agencies. Continuous ambient monitoring systems have been set up at appropriate locations in and around the plants and the environmental performance indicators like stack emissions, ambient air quality among others are maintained well within the stipulated norms.

This year a group wide initiative was undertaken to conserve electricity and water through project ‘Bijlee’ and project ‘Paani’ respectively.

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial position as at March 31, 2012 and performance of the Company and its subsidiaries/joint ventures during the Financial Year ended on that date are discussed hereunder:

A. Share capital:Rs. 389.24 crore (March 31, 2011:Rs. 389.24 crore)

(Rs in crore)

	March 31, 2012		March 31, 2011	
Particulars	No. of Equity Shares	Amount	No. of Equity Shares	Amount
Share Capital - beginning of the year of Re. 1 each (March 31, 2011: Re. 1)	3,892,434,782	389.24	3,667,354,392	366.73
Add: Fresh issue of equity shares of Re.1 each fully paid-up to Qualified Institution Buyer’s			225,080,390	22.51
Share capital – end of the year	3,892,434,782	389.24	3,892,434,782	389.24

B. Reserves and surplus: Rs. 7,148.54 crore (March 31, 2011: Rs. 7,278.01 crore)

A summary of reserves and surplus is as follows

(Rs in crore)

Particulars	March 31, 2012	March 31, 2011
Capital reserve on consolidation	115.85	115.85
Capital reserve on acquisition	3.41	3.41
Capital reserve (government grant)	65.49	92.94
Capital redemption reserve	19.50	10.00
Employee stock option outstanding	0.96	1.13
Securities premium	7,269.93	7,012.44
Debenture redemption reserve	80.78	49.09
Foreign currency translation reserve	282.43	59.34
Special reserve u/s 45IC of RBI Act	26.86	20.34
Foreign currency monetary item translation difference account	(2.50)	(7.38)
Sub Total (a)	7,862.71	7,357.16
Deficit in the statement of profit and loss	(714.17)	(79.15)
Total	7,148.54	7,278.01

The reserves and surplus (a) recorded a net increase of Rs. 505.55 crore from Rs. 7,357.16 crore as at March 31, 2011 to Rs. 7,862.71 crore as at March 31, 2012.

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

i. During the year GCORRPL transferred Rs. 25.53 crore from capital reserve (government grant) to intangible assets under development.

ii. Detailed analysis of securities premium Rs. 7,269.93 crore (March 31, 2011:Rs. 7,012.44 crore) account is provided in the following table:

(Rs in crore)

Particulars	March 31, 2012	March 31, 2011
Balance - Beginning of the year	7,012.44	5,168.30
Add: Received on allotment of equity/preference shares	441.36	2,042.08
Add: Write back during the year	-	33.80
Less: Utilised towards debenture/share issue expenses/ redemption premium	142.19	211.44
Less: Transferred to minority interest	10.86	20.30
Less: Utilised towards issue of bonus preference shares by subsidiary to Minority Shareholders	30.82	-
Add: Amount received against calls unpaid [Nil (March 31, 2011:Rs.6,960)]	-	0.00
Closing Balance	7,269.93	7,012.44

There is an increase of Rs. 257.49 crore in the securities premium during the year. The details are as follows:

a. Rs. 441.36 crore received on account of issue of 1,432,528 compulsory convertible preference shares by GMR Airports Limited (‘GAL’).

b. Rs. 142.19 crore is utilised towards debenture issue expenses, share issue expenses and debenture redemption premium in the Company and its subsidiaries.

c. Rs. 10.86 crore is apportioned to minority.

d. Rs. 30.82 crore is utilised towards bonus issue of 314,826 preference shares of Rs. 1,000 each by GAL.

iii. Debenture redemption reserve balance has increased on account of additional net reserves created in GIL Rs. 17.60 crore and GPEL Rs. 14.09 crore by way of transfer from surplus/(deficit) in statement of profit and loss.

iv. Foreign currency translation reserve balance has gone up by Rs. 223.09 crore on account of additions made to reserve while consolidating the overseas entitities. Balance Sheet items are translated at the closing rate as on the date of each Balance Sheet, Statement of Profit and Loss items are translated at the average rate for the year, investments are recorded at the historical value and the exchange differences arising on this are accumulated in foreign currency translation reserve as per the accounting standard.

v. Net deficit in the statement of profit and loss of Rs. 714.17 crore (March 31, 2011: Rs. 79.15 crore)

The increase in loss by Rs. 635.01 crore is on account of:

- Loss for the year of Rs. 603.34 crore (after an exceptional item of Rs.162.12 crore on interest payment by DIAL).
- Allocation of loss to minority on dilution of interest in subsidiaries/joint ventures of Rs. 18.05 crore.
- Appropriation of preference dividend and dividend distribution tax totaling to Rs. 2.02 crore declared by the Company's subsidiaries.
- Transfer to special reserve u/s 45IC of RBI Act of Rs. 6.52 crore in a subsidiary company.
- An amount of Rs. 31.69 crore (net) was transferred to debenture redemption reserve account by GIL and GPEL and transfer of Rs. 9.50 crore to capital redemption reserve on redemption of preference shares issued by GEL.

C. Minority interest : Rs. 1,791.72 crore (March 31, 2011: Rs 1,998.12 crore)

The decrease in minority interest is majorly due to share of losses of Rs. 455.50 crore for the current year and share of brought forwarded losses of Rs. 18.05 crore on account of dilution of interest in the subsidiaries/joint ventures and other losses. The above losses are offset with infusion/addition of new minority interest of Rs. 147.21 crore in GISPL, on selling the stake in its subsidiary GESPL and Rs. 81.92 crore further invested by the minority in GKEL.

D. Preference share capital issued by Subsidiary : Rs. 1,980.13 crore (March 31, 2011: Rs. 1,814.89 crore).

The increase by Rs. 174.74 crore is due to issue of preference share capital by GAL to private equity investors. During the year, an amount of Rs. 9.50 crore was redeemed by GEL out of the opening preference capital.

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

a. Secured loans:Rs. 26,657.16 crore (March 31, 2011: Rs. 17,125.86 crore)

The increase of Rs. 9,531.30 crore is mainly on account of the issue of debentures in GEL, GIL and fresh project loan disbursements mainly in GMIAL, GKEL, GCHEL, GREL, EMCO, GISPL and increase due to loan in acquired company i.e., GCRPL to meet the cost of projects under development.

b. Unsecured loans: Rs. 2,056.21 crore (March 31, 2011 : Rs. 1,769.93 crore)

The increase of Rs. 286.28 crore is mainly due to unsecured loans from body corporate which have gone up by Rs. 136.51 crore in GISPL, and Rs. 250.01 crore from banks in GHIAL which are raised to meet the temporary obligations and also as a strategy to optimise the interest cost before availing the long-term loans, which is offset by repayment of loans by certain entities during the year.

F. Deferred tax liability:Rs. 37.66 crore (March 31, 2011 Rs. 10.18 crore)

The Deferred tax liability has gone up by Rs. 27.48 crore mainly due to increase in the liability in GEL, GIL and in DAFF.

G. Trade payables (Non-current):Rs. 11.67 crore (March 31, 2011 Rs. 10.45 crore)

Trade payables are marginally increased by Rs. 1.22 crore due to increase in payables of Rs. 11.31 crore in GVPGL which is offset by decrease in trade payables in other companies.

H. Other long-term liabilities: Rs. 2,526.52 crore (March 31, 2011: Rs. 2,664.47 crore)

a. The decrease of Rs. 137.95 crore is mainly due to decrease of Rs. 215.01 crore in Advances received and Rs. 165.60 crore in advances/deposits from customers/concessionaires which is offset by increase in non-trade payables and other liabilities by Rs.196.38 crore and Rs. 19.01 crore respectively.

b. The increase/(decrease) in advance/deposits from concessionaires and non- trade payables mainly comprises of:

   i. Rs. 92.71 crore of retention money in GREL is classified as current during the year.

   ii. Decrease in GIL EPC division, Rs. 94.83 crore on account of advance repaid to customers.

   iii. DIAL, Rs. 179.99 crore decrease in deposits from concessionaires and Rs. 118.50 crore on Infrastructure Advances from Commercial Property Developers.

   iv. ISG, Rs. 6.30 crore increased in deposits payable to concessionaires and Rs. 40.16 crore increased in other liabilities.

   v. GHIAL, Rs. 15.45 crore increased in deposits from concessionaires and Rs. 24.90 crore increased in concession fee payable.

   vi. Retention money payable increased by Rs. 157.51 crore, Rs. 48.00 crore, Rs. 17.61 crore and Rs. 32.01 crore in GCHEL, GHVEPL, GCORRPL and GOSEHHHPL respectively.

I. Long-term provisions: Rs. 149.08 crore (March 31, 2011: Rs. 133.17 crore)

The increase of Rs.15.91 crore as compared to last year is mainly due to provision created towards operations & maintenance .

J. Short-term borrowings Rs. 7,315.57 crore (March 31, 2011: Rs. 4,448.23 crore)

The increase of Rs. 2,867.34 crore is mainly on account of increase in bills discounting in GKEL, GCHEL, and EMCO.

K. Trade payables - current: Rs. 1,236.71 crore (March 31, 2011: Rs. 1,030.64 crore)

Increase of Rs. 206.07 crore in current trade payables is mainly due to:

i. GPCL and new subsidiary GCRPL's trade payables increased by Rs. 161.65 crore and Rs. 38.47 crore respectively.

ii. Increase of Rs. 53.08 crore and Rs. 57.41 crore in DIAL and ISG respectively and decrease in GMIAL by Rs. 125.37 crore.

L. Other current liabilities (Other than current maturities of long-term loan): Rs. 4,745.77 crore (March 31, 2011: Rs. 2,564.55 crore)

i. The increase of Rs. 2,181.22 crore is mainly due to increase of Rs. 660.52 crore in advances or deposits received, Rs. 221.36 crore in unearned revenue and non- trade payables by Rs. 1,289.69 crore.

ii. The increase/(decrease) in advance/deposits/non trade payables mainly comprise of:

   a. GIL EPC division, unearned revenue Rs. 145 crore and interest free deposits Rs. 90 crore.

   b. DIAL, Rs. 296.14 crore increased in advances/deposits from customers which is offset by Rs. 83.80 crore.

   c. GPCL, Rs. 259.48 crore advances received against claims from TNEB.

   d. Retention money and other payable increased in energy project companies - GKEL, GCHEPL and EMCO by Rs. 670.59 crore, Rs. 280.07 crore and Rs. 230.96 crore respectively.

   e. Current portion of retention money payable is increased by Rs. 56.00 crore in GHVEPL, Rs. 63.00 crore in GCORRPL and Rs. 86.00 crore in GREL.

M. Short-term provisions: Rs. 182.22 crore (March 31, 2011: Rs. 99.90 crore)

The increase of Rs.82.32 crore as compared to last year is mainly due to Rs. 41.00 crore provisions on employee benefits in GMIAL, Rs. 19.00 crore tax provisions in GCRPL and Rs. 10.00 crore towards employee benefits in GIL.

N. Fixed assets

A statement of movement in fixed assets is given below:

(Rs in crore)

Particulars	March 31, 2012	March 31, 2011
1) Tangible assets	19,502.63	18,863.42
2) Intangible assets		
Goodwill on consolidation	3,174.50	937.34
Carriage ways	3,518.16	3,517.71
Others	1,239.83	1,043.85
3) Assets taken on lease	7.95	7.91
Gross Block	**27,443.08**	**24,370.24**
Less: Accumulated depreciation	4,115.42	3,150.27
Net Block	**23,327.65**	**21,219.96**
Add: Capital work in progress	15,535.90	5,527.35
Add: Intangible assets under development	3,160.12	976.47
Net Fixed Assets	42,023.67	27,723.78
Depreciation/Amortisation as % of gross revenues	11.04	12.20
Accumulated depreciation as % of gross block	14.99	12.93

a. Gross block has gone up by Rs. 3,072.85 crore. The major reasons are as follows:

   - Goodwill has gone up by Rs. 2,237.16 crore mainly on acquisition of PT Golden Energy mines.
   - Rs. 363.47 crore capitalised in GGSPPL on its successful commencement of project.
   - Rs. 92.69 crore in ISG, Rs. 98 crore in MGACEL, Rs. 26 crore in DAPSL and Rs. 30 crore added in GEL during the year.

b. Capital work-in-progress has increased by Rs. 10,008.55 crore primarily from energy project companies GKEL, GCHEPL, EMCO, GREL and GISPL.

c. Intangible assets under development increased by Rs. 2,183.65 crore from road sector companies, GHVEPL, GCORRPL, GOSEHHHPL and GKUAEPL.

O. Investments: Rs. 721.60 crore (March 31, 2011: Rs. 2,974.14 crore)

(Rs in crore)

Particulars	March 31, 2012	March 31, 2011
Long-term Investments		
Debentures of Companies/Body Corporates	100.00	100.00
Preference Shares of Companies	46.73	46.73
Equity shares of Companies/Body Corporates	2.63	2.62
Current Investments		
Debentures	99.12	1,874.13
Mutual funds and other investments	458.80	1,856.70
Equity shares	14.32	32.87
Less: Provision for diminution	-	(938.91)
Total	**721.60**	**2,974.14**

The investments decreased by Rs. 2,252.54 crore primarily on account of following reasons:

- Post disinvestment in Intergen BV by the group company, the investments made in the holding company of Intergen BV were redeemed during the year.
- Investment in mutual funds and other investments have decreased by Rs. 1,397.90 crore during the year on account of shift in investment pattern from liquid mutual funds to bank deposits.

P. Long term loans and advances: Rs. 3,204.46 crore (March 31, 2011: Rs. 4,080.73 crore)

Decrease of Rs. 876.27 Crore in long term loans and advances is mainly on account of:

i. Decrease in Capital advances by Rs. 866.49 crore primarily in project companies KSPL, GKEL, GREL, EMCO, GCORRL, GHVEPL and GOSEHHPL on account of billing towards capex by the EPC Vendors.

ii. Advances recoverable in cash and kind decreased by Rs. 72.28 crore.

iii. Other loans and advances increased by Rs. 62.50 crore primarily in GIL EPC, Energy and Road project companies.

Q. Deferred tax assets: Rs. 135.89 crore (March 31, 2011: Rs. 161.60 crore)

The deferred tax asset has gone down by Rs. 25.71 crore mainly on reversal of Rs. 19.10 crore of deferred tax asset by GHIAL and Rs. 9.60 crore in GVPGL which is offset by creation of deferred tax asset in other companies.

R. Non-current trade receivables: Rs. 133.65 crore (March 31, 2011: Rs. 129.89 crore)

Non Current trade receivables marginally increased by Rs.3.76 crore as compared to last year.

S. Other non-current assets: Rs. 1,581.63 crore (March 31, 2011: Rs. 222.69 crore)

Increase of Rs. 1,358.94 crore is majorly on account of increase in development fund receivable in DIAL by Rs. 700.49 crore, margin money deposits of Rs. 316.63 crore in GCHEPL, ancillary cost of arranging the borrowings in power sector by Rs. 342.97 crore, roads sector by Rs. 17.90 crore and airport sector by Rs. 29.01 crore.

T. Current assets

a. Inventories: Rs. 259.45 crore (March 31, 2011: Rs. 184.58 crore)

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

There is an increase in inventory by Rs. 74.87 crore as per the following particulars:

- Increase in stock of traded goods of Rs. 27.97 crore is on account of full-fledged operations of certain DIAL JVs and increase in fuel stock in Malé airports.
- Increase in raw materials by Rs. 42.24 crore in GIL and GPCL.

b. Trade receivables: Rs. 1,703.70 crore (March 31, 2011: Rs. 577.89 crore)

Increase of Rs. 1,125.81 crore is on account of increase in debtors in GIL EPC division, GEL, GPCL, PT GEMS, GHIAL and GMIAL. All these receivables are considered good and receivable.

c. Cash and bank balances: Rs. 4,256.14 crore (March 31, 2011: Rs. 3,234.62 crore)

Increase of Rs. 1,021.52 crore in the cash, cash equivalents and other bank balances is mainly on account of shift of investment pattern from liquid mutual funds to bank deposits. These monies are held mainly by the project companies pending investment in the respective projects.

d. Short-term loans and advances: Rs. 987.68 crore (March 31, 2011: Rs. 748.69 crore)

Increase of Rs. 238.99 crore is mainly on account of increase of Rs. 44.00 crore in GIL EPC Division, Rs 95.66 crore in ISG.

e. Other current assets: Rs. 1,220.33 crore (March 31, 2011: Rs. 1,299.03 crore)

Other current assets mainly consists of interest accrued but not due on deposits, claims and grants receivables and other receivables. Rs.78.70 crore decreased mainly on account of reduction in unbilled revenue in DIAL.

Overview of our results of operations

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

	For the year ended March 31,	
	2012	2011
Particulars	Amount (Rs. in crore)	Amount (Rs. in crore)
Sales/ income from operations	8,320.11	6,332.14
Other operating income	152.92	133.12
Other income	243.42	311.30
Total Income (including other income)	8,716.45	6,776.56
Expenditure		
Revenue share paid/payable to concessionaire grantors	830.97	651.26
Consumption of fuel/raw materials consumed	1,745.48	1,355.03
Purchase of traded goods/Inc in stock	1,300.02	872.68
Sub-contracting expenses	722.64	496.35
Employee benefits expense	687.83	421.89
Other expenses	1,427.86	1,112.56
Finance costs	1,653.13	1,230.06
Utilisation fees	98.71	71.92
Depreciation/amortisation expense	935.81	789.00
Exceptional items	162.12	798.58
Profit/(loss) before taxation and minority interest/share of profits/(losses) of associate	(848.12)	(1,022.77)

	For the year ended March 31,	
	2012	2011
Particulars	Amount (Rs. in crore)	Amount (Rs. in crore)
Provision for taxation		
Current tax (Including taxes of prior year)	159.75	114.04
Less: MAT credit availed	(4.09)	(16.34)
Deferred tax	55.06	(73.80)
Total tax liability	210.72	(23.90)
Profit/(losses) after taxation and before minority interest/share of profits/(losses) of associate	(1,058.84)	(1,046.67)
Share of profits/(losses) of associates (net)	-	(3.46)
Minority interest - share of (profits)/losses	455.50	120.49
Net profit/(losses) after minority interest/share of profits/(losses) of associate	(603.34)	(929.64)

Sales/Operating Income

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

	For the year ended March 31,			
	2012		2011	
Particulars	Amount (Rs. in crore)	% of Total Income	Amount (Rs. in crore)	% of Total Income
Sales/ Operating Income:				
Airports segment	4,381.29	52.65%	3,021.52	47.72%
Power segment	2,374.99	28.55%	2,226.06	35.15%
Road segment	405.64	4.88%	390.25	6.16%
EPC segment	970.89	11.67%	515.26	8.14%
Others segment	187.30	2.25%	179.05	2.83%
Total Sales/ Operating Income	8,320.11	100.00%	6,332.14	100.00%

The total income has increased by Rs. 1,939.89 crore representing a growth of 28.63%.

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

Operating income from airport segment

Income from our airport segment consists of income from aeronautical sources (principally consisting of landing and parking, passenger service fees and user development fees charged), non-aeronautical sources (consisting principally of income from rentals, trade concessionaires and ground handling) cargo operations and rentals received in connection with commercial development on land that is part of our airport projects.

Income from airport operations has increased by 45% from Rs. 3,021.51 crore for fiscal 2011 to Rs. 4,381.29 crore for fiscal 2012. The airport business has recorded a robust growth on account of increase in passenger traffic in all the airports, full year collection of increased UDF in GHIAL and on account of the full year operations of Malé airport in our airport portfolio as we took over its operations in November 2010.

Operating income from power segment

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

Income from power segment has increased by 6.69 % from Rs. 2,226.06 crore for fiscal 2011 to Rs. 2,374.99 crore for fiscal 2012. The increase is resulting from acquisition of PT GEMS during the year and the results of Homeland Energy, which operates our coal mines in South Africa, increase in revenue in GEL and GPCL due to higher tariff, which is offset by the reduction in PLF in all the power plants.

Operating income from road segment

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

The operating income from road business has increased by 3.94 % from Rs. 390.25 crore for fiscal 2011 to Rs. 405.64 crore for fiscal 2012. The increase is due to increase in toll rates and traffic for the toll-based projects.

Operating income from EPC sector

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

During the current year, the EPC sector has contributed Rs. 970.89 crore to the operating income as against Rs. 515.26 crore in the previous year. The increase is mainly contributed by construction income on account of execution of certain subcontracted portions of turnkey contracts awarded by our power and road projects.

Operating income from Other Sector

Income from other sector includes management services income, investment income and operating income of our aviation business. During the current year, the other sector has contributed Rs. 187.30 crore to the Operating Income as against Rs. 179.05 crore in the previous year.

Expenditure

The expenditure has the following major components:

- Revenue share paid/payable to concessionaire grantors
- Consumption of fuel/raw materials consumed
- Purchase of traded goods/increase in stock
- Subcontract expenses (Operating and maintenance fee)
- Employee expenses (including salaries and allowances and benefits to employees)
- Other expenses (water, technical consultancy fee, insurance for plant and machinery, airport operator fee, cargo handling charges, lease rentals and repairs and maintenance to plant and machinery, office rental, travel, insurance, electricity, consultancy and other professional charges, provision for advances, claims and debts, losses on sale of fixed assets and investments, travelling and conveyance, communication, loss on foreign exchange and other miscellaneous expenses)
- Finance costs (including interest on term loans, interest to others and other finance charges viz., prepayment premiums, guarantee commission, bank charges among others) and
- Utilisation fees
- Depreciation and amortisation

Revenue share paid/payable to concessionaire grantors

The revenue share paid/payable to various airport concessionaires has increased from Rs. 651.26 crore in fiscal 2011 to Rs. 830.97 crore in fiscal 2012.

Consumption of fuel/raw materials

The consumption of fuel and raw material increased from Rs. 1355.03 crore in fiscal 2011 to Rs. 1745.48 crore in fiscal 2012 primarily on account of increase in prices of petro products.

Purchase of traded goods/ increase in stock

Purchase value of the traded goods gone up from Rs.872.68 crore in fiscal 2011 to Rs. 1,300.02 crore in fiscal 2012 mainly on account of full year operations in Malé airport.

Subcontracting expenses

Subcontract expenses gone up from Rs. 496.35 crore in fiscal 2011 to Rs. 722.64 crore in fiscal 2012, due to increase in operation and maintenance expense and construction contracts.

Employee benefits expense

The increase in employee benefit costs is mainly on account of full year operations of Malé airport, full year Terminal-3 (T3) operations at DIAL and periodic increases in employee costs.

Other expenses

Increase in other expenses is mainly on account of full year operations of T3 in DIAL and Malé airports during the fiscal year.

Other income

Other income includes income from investments, profit on sale of investments, reversal of provisions no longer required and other miscellaneous income. Other income has decreased by 21.82% from Rs. 311.30 crore in fiscal 2011 to Rs. 243.37 crore in fiscal 2012.

Financing costs

Financing costs mainly have gone up on account of full year operations of T3 in DIAL airport and increased interest rates and additional borrowings at DIAL for meeting cash deficit on account of delay in Tariff revision.

Utilisation expenses

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

Depreciation and amortisation

Increase in Depreciation and amortisation is mainly on account of full year operations of T3 in DIAL during the fiscal year.

Exceptional items

In fiscal 2012 we have incurred a one time interest cost of Rs. 162.12 crore incurred in DIAL on account of borrowings against development fund. In fiscal 2011, we have incurred a onetime non-recurring loss of Rs. 938.91 crore due to provision for the diminution in value of our investment relating to the arrangements to acquire stake in InterGen, which was ultimately sold in April 2011 and the same was partially offset by a onetime gain from a write-back of Rs. 140.33 crore with respect to our Singapore power plant, which was written off in earlier years.

Loss before taxation and minority interest and share of profits/(losses) of associate

As a result of the foregoing, loss before taxation and before minority interest/share of profits/(losses) of associate decreased from Rs. 1,022.77 crore in fiscal 2011 to Rs. 848.12 crore in fiscal 2012.

Taxes

Provision for taxation has increased from Rs. 23.90 crore in fiscal 2011 to Rs. 210.72 crore in fiscal 2012, mainly due to the increase in current taxes by Rs. 45.71 crore in fiscal 2012 and increase in deferred tax charge during the year of Rs. 128.86 crore due to reversal of deferred tax asset in GHIAL and GVPGL and a lower MAT credits during the year.

Loss after taxation and before minority interest/share of profits/(losses) of associate

As a result of the foregoing, loss after taxation and before minority interest and share of profits of associate has increased from Rs. 1,046.67 crore to Rs. 1,058.84 crore for the fiscal 2012.

Net loss after minority interest/share of profits/(losses) of associate

Net loss after minority interest/share of profits of associate decreased from Rs. 929.64 crore during fiscal 2011 to Rs. 603.34 crore during fiscal 2012. Minority interest represents share of the profits and losses of various subsidiaries which relates to the minority shareholders. The share of minority shareholders for 2011-12 amounts to a loss of Rs. 455.50 crore as against Rs. 120.49 crore for the previous year. The loss from associates is Rs. Nil for the current year as against Rs. 3.46 crore in the previous year.

Corporate Social Responsibility

The vision of GMR Group's CSR activities is to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihood. Towards this, GMR Varalakshmi Foundation (GMRVF), the CSR arm of the Group, works with the communities neighbouring the Group's businesses. The Foundation implements locale-specific, need-based interventions to improve the quality of lives of the target communities. The activities focus on three thrust areas viz. education; health, hygiene and sanitation; empowerment and livelihood.

The Foundation believes that access to quality education is a prerequisite for development. The Foundation runs an engineering College, a degree College, a polytechnic institution among others apart from several schools in under-served areas. In 2011-12, GMR DAV Public School became functional at Kamalanga, Odisha.

20% of the seats in all the GMR schools are set aside for students from under-privileged communities. The Foundation also provides scholarships and facilitates educational loans for poor students to pursue higher education. In 2011-12 alone, scholarships were provided to 763 under-privileged meritorious students and interest free loans were provided to 56 students.

Further, the Foundation is working with over 230 Government schools to improve educational quality and infrastructure facilities reaching out to about 30000 children. Foundation is also making quality pre-school education accessible to over 3500 children by managing and supporting over 130 balabadis and anganwadis. Several innovative, locale-specific initiatives have been taken up by the Foundation which include running of a school bus in hilly remote areas for making the commute to school easier for children, running tent schools for children of migrant labour at Bangalore among others.

Based on the understanding that health is an important dimension of well-being, GMRVF works towards improving the health status of target communities. It runs over 25 medical clinics in areas where medical facilities are inaccessible serving about 6000 people per month. Three Mobile Medical Units are run by the Foundation catering to over 7000 elders and four ambulances are run meeting about 10 emergencies every month. The Foundation has also constructed 19 public toilets in different locations to promote hygiene and sanitation. Further, several health awareness programs are organised for the community to sensitise them on the issues of health and sanitation.

A significant initiative during the year was the inauguration of a 135-bed secondary care hospital in Srikakulam, one of the poorest districts of Andhra Pradesh to offer quality treatment to the communities.

Foundation lays a great emphasis on the economic and social empowerment of women and the youth. It trains about 4000 youths every year in different market-relevant trades through its eight vocational training centres and more than 80% of these youth are settled in wage or self-employment. Three of the vocational training centers at Hyderabad, Bangalore and Rajam got Vocational Training Provider (VTP) status from Government of India during the year. Training and placement opportunities within GMR Group were explored during the year 2011-12 and some new programmes were initiated accordingly. Skilled Cargo Handling and Airport Systems courses at New Delhi are examples of this. Further, vocational training in Electrical trade was provided to under-privileged youth at Chhattisgarh and placements were facilitated to these youth with different vendors of GMR Power Project.

Foundation sees Self Help Groups (SHG) as a promising way to achieve women empowerment and hence it promotes and strengthens women SHGs in its communities. About 250 SHGs have been facilitated so far with more than 3500 members who are receiving thrift and credit linkages, capacity building, skill trainings and marketing support from the Foundation. Different channels were explored to market the products made by these Self Help Groups. These channels include shops at Rajiv Gandhi International Airport, Hyderabad and Indira Gandhi International Airport, New Delhi; organising exhibitions at different corporate offices among others. During 2011-12, a new shop has been opened at Level-C Retail Cluster of Hyderabad Airport. Further, Delhi Airport Parking Services Board has agreed to set up a shop at Multi-level car parking area of Delhi Airport.

Further to the above initiatives, GMRVF has set up more than 70 community libraries across the locations to inculcate reading habits among community members and to provide opportunities for lifelong learning. It also involves youth and children in many of its activities through promotion of youth and children's clubs. More than 80 such clubs with about 1500 members are actively functioning. The Foundation also conducts number of awareness programs on various issues of significance for different sections of communities.

Social Responsibility is one of the core values of GMR Group and many of the employees of the Group actively participate in community development initiatives. In 2011-12, over 2500 employees and their family members volunteered in about 500 programs organised by GMRVF contributing about 5000 hours of their time. Further, GMR colleagues implemented 19 community projects of three months duration under GCM SEF (Group Chairman Social Entrepreneurship) programme.

In the coming year, the Foundation will continue to develop educational facilities in under-served areas, to make quality education accessible to its target communities, especially to the most deserving, through financial and other support. It complements and supplements the efforts of the Government in providing quality education to under-privileged children.

Last year, the Foundation made its foray into healthcare institutions and set up GMR CARE Hospital, 135-bed secondary care hospital, to provide affordable quality health care facilities in the backward district of Srikakulam in Andhra Pradesh. The effort this year will be to develop this into a healthcare centre of excellence.

GMRVF continuously explores the market to understand the skill requirements of the industry, as well as the aspirations of unemployed youth and accordingly it trains the youth in different skills to improve their employability. It actively seeks partnerships with different industry leaders for providing best quality training in different market relevant skills. In the coming year, more such strategic partnerships will be explored.

GMRVF will continue to work with communities around the Group's existing and upcoming businesses and assets in an effort to enhance the quality of their lives and livelihoods, in a manner to ensure a win-win situation for the communities and the corporate.

Risk and Concerns

Our business in the Infrastructure sector exposes the Company to a variety of risks. Consequently, our Enterprise Risk Management (ERM) philosophy is to integrate the process for managing risk across the organisation and throughout its businesses and lifecycle to enable protection and enhancement of stakeholder value and ensure an institution in perpetuity.

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

The Company seeks to continuously improve its ERM processes and framework which is aligned with the 'ISO 31000 : 2009 - Risk Management Principles and Guidelines standard'.

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

Subsequently, prioritisation of the risks for each sector has been undertaken through workshops with the Sector/Business Steering Committees, wherein top risks for the Sector and Group Corporate Services have been identified. These top risks were then aggregated at the Group level and debated in detail at the workshop with the Group Holding Board (GHB).

These top risks are regularly being profiled and treatment plans are being developed to mitigate them. A formal risk escalation mechanism has also been put in place that ensures all identified critical risks are reported on a regular basis to the next level of management for approval of the proposed treatment plans and also to enable continuous monitoring and review.

We have in place a robust Bid Risk Framework for carrying out detailed risk analysis for all the bids/opportunities that come up to the Board for approval. In addition to qualitative aspects, we also focus on quantitative impact of risks through sensitivity and scenario analysis, usage of tools and techniques and highlighting of major value drivers for each business. These endeavours ensure risk-informed decision making, throughout the entire Value Chain (i.e. Pre Bid- Bid – Project – Asset) of your Company's Business.

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

Business Resilience: In order to build business resilience across the Group and deal with eventualities, the ERM Team has a process of drawing up Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP) for our key locations/assets. We have significantly progressed on the BCP & DRP exercise for identifying high impact events for our key assets and putting in place appropriate processes & risk treatment plans to avoid/ reduce the impact.

Linkages: Strong linkage with Corporate Strategy enables sharper focus on key strategic risks. The top risks identified through the ERM process serves as a critical input for the Company's Strategic Planning/Annual Operating plan exercise. ERM team also shares the results of its exercise with the Management Assurance Group (MAG) to enable it to draw plans for risk-based audit.

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

Reporting: The ERM Team regularly presents the risk assessment and minimisation procedures adopted to assess the reliability of the risk management structure and efficiency of the process to the management and the audit committee of the Board.

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

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

Project development, acquisition and management: Based on the analysis of external environment and a group wide stress test carried out, management takes conscious decisions to continue to be selective in bids and acquisition of new projects. The focus is as always on consolidation of our existing portfolio, sweating of assets and completion of the existing projects within time, cost and quality parameters. The Group has also strengthened internal processes in the areas of procurement, IT enablement, project planning and monitoring to come up with GMR way of project management.

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

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

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

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

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

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

Internal control systems and their adequacy

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

SAP system which has been implemented across all group companies. During the year, the Group has also initiated proactive fraud risk preventive framework. Some significant features of the internal control systems include the following:

- Delegation of power and responsibility matrix with authority limits defined for incurring capital and revenue expenditure;
- Corporate policies on accounting and major processes;
- Well-defined processes for formulating and reviewing annual and long-term business plans;
- Preparation and monitoring of annual budgets for all operating activities, projects and service functions;
- A well-established multi-disciplinary internal audit team, which review and report to the management and the audit committee about the compliance to internal controls, corporate governance, statutory compliance, efficiency and effectiveness of operations, key process risks, and information integrity and security;

- Proactive fraud risk preventive framework has been established;
- Formation of Ethics and Intelligence Group to ensure the Governance process;
- Audit Committees of the Boards of Directors regularly reviews the audit plans, significant audit findings, compliance to suggested audit recommendations adequacy of internal controls, compliance to Accounting Standards as well as reasons for changes in accounting policies and practices, if any;
- Regular audits are being carried out for all operations, IT systems including projects and international entities;
- Audit of HR and FMS systems carried out across Group levels;
- Bid documents/records of all new projects including M & A deals are being critically reviewed for probable risks;
- Effective project management and technical audits are being carried out;
- Safety and security including environment related controls are continuously reviewed for operational effectiveness and efficiency;
- Strict compliance to all regulations and corporate governance issues;
- Documentation of major business processes, including financial closing, computer controls;
- Entity-level controls and testing of key controls as a part of compliance to applicable rules and regulations;
- Identifying and mitigating key business risks through an Enterprise Risk Management programme;
- Set up of internal audit unit at Malé.

Developments in Human Resources and Organisation Development at GMR Group

"No institution can possibly survive if it needs geniuses or supermen to manage it. It must be organized in such a way as to be able to get along under a leadership composed of average human beings." – **Peter F. Drucker**

The prime focus in people and organisation building at GMR Group this year has been in putting a robust process around **Identifying, Developing and Deploying** potential leaders in critical position across the enterprise. The emphasis has been towards grooming leaders within rather than hiring from outside which we call as **'Make v/s Buy'** ratio. The shift is towards **'Make'**.

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

In order to enable the development of future leaders the multi-tier leadership development program has been enhanced right from entry level (Executive) to Senior levels (Vice -President). The content of the programme has been redesigned based on the need (shift from project to asset).Leadership Development Program (LDP) II targeted at high potential AVP and VP was delivered in partnership with IIM Bangalore. A new programmewas launched for the high potential General Manager, Associate General Manager segment called 'Emerging Leaders Program' in association with IIM – Kozikhode, which has been successfully executed to facilitate 31 members. Young-Gen and staff training and Enhancement programmes have been covered across the enterprise and the first batch has successfully passed out. A structured Graduate Engineering Trainee (GET), Management Trainee (MT) program has been introduced in line with GMR competency framework.

Focus on Senior Leadership Team development continued through development centres assessment centres based on which Individual Development Plans (IDPs) for them has been put in place. Further, the competency framework specifically for this section has been reworked keeping in mind the future requirement of the organisation.

As part of the institutional building process, 'Leader-led Sessions' was introduced on Values and Beliefs (V&B) across the enterprise. These programs are facilitated by Senior Leadership Team (SLT) members across businesses for their respective teams. The same shall be implemented for all the seven tenets of V&B. Over and above the Leader-led Session, an e-learning course on V&B as well as 'Code of Business Conduct and Ethics' have been launched. The intention is to ensure that all employees of the organisation go through these two programmes as part of culture building.

Virtual Management development program was strengthened by increasing the number of courses from 120 to 180, covering the four pillars (Leading Self, Leading others, Leading Change and Leading Business) and 11 competencies. Our focus would be to enable learning virtually to ensure maximum coverage as per the training needs identified for each employee of the organisation.

As part of our drive to align all HR process to our competency frame work we have conducted a competency awareness program across the organisation. The first process that we have made competency based is 'the recruitment process' for which 100 senior executives across the enterprise have been trained in 'Competency Based Interviewing skills' to enhance the quality of hiring.

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

Being a core Infrastructure developer with multinational presence and an organisation with a passion to build world class assets, our focus on Commercial and Contracts, Engineering, Procurement, Construction, Operations and Maintenance **(CEPCOM)** continues to be high on priority. The Technical Competency Dictionary was updated covering all businesses, functions and levels, followed by competency mapping and assessment for most of the sectors. Based on the outcome of competency mapping and assessment, each of the sectors has initiated technical training programs to fill the identified gaps in the respective sectors.

Focus on Performance Management Process (PMP) continues so as to deliver the organizational objectives. In order to enable managers to execute the PMP process in a robust way e-learning course has been launched on 'Managing Performance' to sharpen their edge.

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

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

Financial Section

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

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 and its jointly controlled entities [collectively hereinafter referred to as 'the Group' and individually as 'components' (refer note 2 to the accompanying consolidated financial statements of the Group)] as at March 31, 2012, the related consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date annexed thereto ('consolidated financial statements'), which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's Management, have been prepared by the Management on the basis of separate financial statements and other financial information regarding components and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

3. a) The financial statements and other financial information of 2 subsidiaries, whose financial statements reflect total assets of Rs. 15,213.93 crore as at March 31, 2012, total revenue (including other income) of Rs. 2,155.67 crore, total loss of Rs. 1,068.67 crore and net cash inflow amounting to Rs. 6.93 crore for the year then ended (before adjustments on consolidation) have been audited jointly along with other auditors.

   b) We did not audit the financial statements and other financial information of (i) 111 subsidiaries (including 10 subsidiaries consolidated for the period January 1, 2011 to December 31, 2011) whose financial statements reflect total assets of Rs. 38,355.67 crore as at March 31, 2012, total revenue (including other income) of Rs. 3,856.75 crore, total profit of Rs. 71.70 crore and net cash inflow amounting to Rs. 701.08 crore for the year then ended (before adjustments on consolidation); and (ii) 25 jointly controlled entities (including 2 jointly controlled entities consolidated for the period January 1, 2011 to December 31, 2011 and 12 jointly controlled entities consolidated for the period November 17, 2011 to December 31, 2011) whose financial statements include the Group's share of total assets of Rs. 2,363.08 crore as at March 31, 2012, total revenue (including other income) of Rs. 1,105.50 crore, total loss of Rs. 95.25 crore and net cash inflow amounting to Rs. 13.23 crore for the year / period then ended (before adjustments on consolidation). These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion on the consolidated financial statements, is based solely on the report of such other auditors.

   c) We did not audit the financial statements and other financial information of (i) 4 subsidiaries whose financial statements reflect total assets of Rs. 58.56 crore as at March 31, 2012, total revenue (including other income) of Rs. 53.28 crore, total profit of Rs. 34.71 crore and net cash inflows amounting to Rs. 15.40 crore for the year then ended (before adjustments on consolidation); and (ii) 5 jointly controlled entities whose financial statements include the Group's share of total assets of Rs. 233.02 crore as at March 31, 2012, total revenue (including other income) of Rs. 140.38 crore, total profits of Rs. 9.73 crore and net cash inflow amounting to Rs. 18.52 crore for the year then ended (before adjustments on consolidation). These financial statements and other financial information have been incorporated in the consolidated financial statements of the Group based on un-audited financial statements as provided by the Management of the Company as audited financial statements of such component entities as at and for the year ended March 31, 2012 are not available.

4. Without qualifying our opinion, we draw attention to note 34(viii)(k) to the consolidated financial statements for the year ended March 31, 2012 in connection with carrying value of net assets of Rs. 227.79 crore (after

providing for losses till date of Rs. 80.07 crore) as regards investment in GMR Ambala Chandigarh Expressways Private Limited (GACEPL). Though GACEPL has been incurring losses since the commencement of commercial operations, based on Management's internal assessment and legal opinion obtained by the Management of GACEPL, the Management of the Group is of the view that the carrying value of the net assets (after providing for losses till date) as regards investment in GACEPL is appropriate.

5. Without qualifying our opinion, we draw attention to note 34(viii)(b) to the consolidated financial statements for the year ended March 31, 2012. Delhi International Airport Private Limited ('DIAL') is in the process of reconciling the balances with vendors in relation to the cost of Terminal 3 of Indira Gandhi International Airport, capitalised during the previous year. Pending such reconciliation, DIAL has done such capitalisation on the basis of its best estimate.

6. Without qualifying our opinion, we draw attention to note 34(iv)(e) to the consolidated financial statements for the year ended March 31, 2012. In view of the uncertainty over collection, DIAL and GMR Hyderabad International Airport Limited have decided to recognise revenue from Air India effective October 1, 2011 only when such uncertainty over ultimate collection is removed. Further, the Management of the Group has represented that they have taken steps to recover the amounts and are of the opinion that the receivables amounting to Rs. 187.48 crore as at March 31, 2012 from Air India are fully recoverable. Accordingly, no adjustments have been made to the accompanying consolidated financial statements.

7. Without qualifying our opinion, we draw attention to note 34(iv)(f) to the consolidated financial statements regarding outstanding dues from Kingfisher Airlines Limited aggregating to Rs. 24.09 crore. There appears to be uncertainty relating to the ability of the party to pay these outstanding dues for the reasons referred in the aforementioned note. The Management of the Group has represented that they have taken steps to recover the amounts and are of the opinion that the receivables are fully recoverable. Accordingly, no adjustments have been made to the accompanying consolidated financial statements.

8. Without qualifying our opinion, we draw attention to note 34(iv)(a) to the consolidated financial statements which indicate that the entire matter relating to claims / counter claim arising out of the Power Purchase Agreement and Land Lease Agreement, filed by GMR Power Corporation Limited and Tamil Nadu Electricity Board, is sub-judice before the Hon'ble Supreme Court of India and has not attained the finality.

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

    (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2012;

    (b) in the case of the consolidated statement of profit and loss, of the loss of the Group for the year ended on that date; and

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place: Bengaluru
Date: May 29, 2012

Consolidated Balance Sheet as at March 31, 2012

(Rs. in crore)

Particulars	Notes	March 31, 2012	March 31, 2011
Equity and Liabilities			
Shareholders' funds			
Share capital	3	389.24	389.24
Reserves and surplus	4	7,148.54	7,278.01
		7,537.78	7,667.25
Preference shares issued by subsidiaries		1,980.13	1,814.89
Minority interest		1,791.72	1,998.12
Non-current liabilities			
Long-term borrowings	5	25,366.70	16,746.86
Deferred tax liability (net)	38	37.66	10.18
Trade payables	6	11.67	10.45
Other long term liabilities	6	2,526.52	2,664.47
Long term provisions	7	149.08	133.17
		28,091.63	19,565.13
Current liabilities			
Short-term borrowings	8	7,315.57	4,448.23
Trade payables	9	1,236.71	1,030.64
Other current liabilities	9	8,092.44	4,713.48
Short-term provisions	7	182.22	99.90
		16,826.94	10,292.25
Total		**56,228.20**	**41,337.64**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	16,089.78	16,279.24
Intangible assets	11	7,237.87	4,940.72
Capital work-in-progress	31(a)	15,535.90	5,527.35
Intangible assets under development	31(b)	3,160.12	976.47
Non-current investments	12	149.36	149.35
Deferred tax asset (net)	38	135.89	161.60
Long term loans and advances	13	3,204.46	4,080.73
Trade receivables	14	133.65	129.89
Other non-current assets	15	1,581.63	222.69
		47,228.66	32,468.04
Current assets			
Current investments	16	572.24	2,824.79
Inventories	17	259.45	184.58
Trade receivables	14	1,703.70	577.89
Cash and bank balances	18	4,256.14	3,234.62
Short-term loans and advances	13	987.68	748.69
Other current assets	15	1,220.33	1,299.03
		8,999.54	8,869.60
Total		**56,228.20**	**41,337.64**
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of consolidated financial statements

As per our report of even date

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Subba Rao Amarthaluru
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 29, 2012

Place: Bengaluru
Date : May 29, 2012

Consolidated statement of Profit and Loss for the year ended March 31, 2012

(Rs. in crore)

Particulars	Notes	March 31, 2012	March 31, 2011
Income			
Revenue from operations:			
Sales / income from operations	19	8,320.11	6,332.14
Other operating income	20	152.92	133.12
Other income	21	243.42	311.30
Total - (A)		**8,716.45**	**6,776.56**
Expenses			
Revenue share paid / payable to concessionaire grantors		830.97	651.26
Consumption of fuel		1,446.45	1,272.10
Cost of materials consumed	22	299.03	82.93
Purchase of traded goods	23	1,327.99	958.31
(Increase) / decrease in stock in trade	24	(27.97)	(85.63)
Sub-contracting expenses		722.64	496.35
Employee benefits expenses	25	687.83	421.89
Other expenses	26	1,427.86	1,112.56
Utilisation fees	34(iii)	98.71	71.92
Depreciation and amortisation expenses	27	935.81	789.00
Finance costs	28	1,653.13	1,230.06
Total - (B)		**9,402.45**	**7,000.75**
(Loss) before exceptional items, tax expenses, minority interest and share of profit / (loss) of associates (A - B)		**(686.00)**	**(224.19)**
Exceptional items (net)	29	162.12	798.58
(Loss) before tax expenses, minority interest and share of profit / (loss) of associates		**(848.12)**	**(1,022.77)**
Tax expenses			
Current tax		159.45	113.94
Tax adjustments for prior years		0.30	0.10
Less: MAT credit entitlement		(4.09)	(16.34)
Deferred tax expense / (credit)		55.06	(73.80)
(Loss) before minority interest and share of profit / (loss) of associates		**(1,058.84)**	**(1,046.67)**
Share of profit / (loss) of associates (net)		-	3.46
Minority interest - share of (profit) / loss		455.50	120.49
(Loss) for the year		**(603.34)**	**(929.64)**
Earnings per equity share (Rs.) - Basic and diluted (per equity share of Re. 1 each)	30	(1.55)	(2.40)
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of consolidated financial statements

As per our report of even date

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Subba Rao Amarthaluru
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 29, 2012

Place: Bengaluru
Date : May 29, 2012

Consolidated cash flow statement for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
(Loss) / Profit before tax expenses, minority interest and share of profit / (loss) of associates	(848.12)	(1,022.77)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortisation	935.81	789.00
Provision for diminution in value of investments	11.76	941.07
Liabilities / provisions no longer required, written back	(3.34)	(196.24)
Amortisation of ancillary borrowing costs	43.47	9.48
Loss on sale of fixed assets (net) / fixed assets written off	1.87	3.13
Provision / write off of doubtful advances and trade receivables	53.43	14.13
Effect of changes in exchange rates	80.85	15.22
Mark to market losses on derivative instruments	0.94	(2.00)
Net gain on sale of investments	(162.59)	(104.16)
Interest expenses and bank charges	1,770.84	1,222.58
Interest income	(194.34)	(231.24)
Dividend income on current investments	(0.64)	(0.90)
Operating profit before working capital changes	**1,689.94**	**1,437.30**
Movements in working capital :		
Increase in trade payables and other liabilities	810.86	1,214.83
Increase in trade receivables	(1,057.63)	(308.67)
Increase in inventories	(59.68)	(39.63)
Decrease / (increase) in other assets	252.92	(8.79)
Increase in loans and advances	(285.13)	(258.34)
Increase / (decrease) in provisions	56.05	(11.59)
Cash generated from operations	**1,407.33**	**2,025.11**
Direct taxes paid (net of refunds)	(76.40)	(243.41)
Net cash flow from operating activities (A)	**1,330.93**	**1,781.70**
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets	(10,813.34)	(6,967.32)
Proceeds from sale of fixed assets	21.50	79.61
Purchase of long term investments	-	(729.53)
Proceeds from sale of long term investments	1,775.01	-
Purchase / sale of current investments (net)	608.83	1,449.51
Proceeds from dilution in subsidiary	200.57	-
Purchase consideration paid on acquisition of subsidiaries / joint ventures	(2,684.07)	(96.49)
(Investments) / redemption of bank deposits (net) (having original maturity of more than three months)	(247.33)	(977.64)
Interest received	241.10	261.97
Dividend received	0.64	0.90
Net cash flow used in investing activities (B)	**(10,897.09)**	**(6,978.99)**
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds on issue of equity shares (including securities premium)	-	1,400.00
Proceeds on issue of preference shares (including securities premium)	585.26	2,289.48
Redemption of preference shares (including redemption premium)	(9.50)	(15.00)
Payment of debenture / share issue expenses	(142.19)	(270.15)
Issue of common stock in consolidated entities (including share application money)	110.53	190.69
Proceeds from borrowings	16,952.89	7,592.07
Repayment of borrowings	(5,124.69)	(4,058.69)
Interest and finance charges paid	(2,244.29)	(1,240.07)
Dividend paid (including dividend distribution taxes)	(4.82)	(8.68)
Net cash flow from financing activities (C)	**10,123.19**	**5,879.65**

Consolidated cash flow statement for the year ended March 31, 2012 (Contd.)

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Net increase in cash and cash equivalents (A + B + C)	557.03	682.36
Cash and cash equivalents as at April 1,	2,107.57	1,394.62
Cash and cash equivalents on acquisitions during the year	400.08	32.48
Effect of exchange differences on cash & cash equivalents held in foreign currency	120.82	(1.89)
Cash and cash equivalents as at March 31,	**3,185.50**	**2,107.57**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	14.43	4.99
Cheques / drafts on hand	18.68	31.76
With banks:		
- on current accounts	1,635.94	1,101.76
- on deposit accounts (having original maturity of less than or equal to three months)	1,516.45	969.06
	3,185.50	**2,107.57**

Note:

1. The above consolidated cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' as referred to in section 211(3C) of the Companies Act, 1956 and the reallocation required for this purpose are as made by the Group.
2. The above consolidated cash flow statement has been compiled from and is based on the consolidated balance sheet as at March 31, 2012 and the related consolidated statement of profit and loss for the year ended on that date.
3. Refer note 5 and note 8 as regards restriction on balances with banks arising in connections with the borrowings made by the Group.
4. Balances in current accounts includes share application money pending refund Rs. 0.05 crore (March 31, 2011: Rs. 0.05 crore)
5. Previous year figures have been regrouped and reclassified to conform to those of the current year. Also refer note 46.

As per our report of even date

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Subba Rao Amarthaluru
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 29, 2012

Place: Bengaluru
Date : May 29, 2012

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

1. DESCRIPTION OF BUSINESS

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

Power sector

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

Airport sector

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

Development of Highways

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

Construction business

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

Others

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

2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include accounts of the subsidiaries (accounted as per Accounting Standard (AS) - 21), associates (accounted as per AS 23) and joint ventures (accounted as per AS 27). Subsidiary undertakings are those companies in which the Company, directly or indirectly, has an interest of more than one half of voting power or otherwise controls the composition of the Board/Governing Body so as to obtain economic benefits from its activities. Subsidiaries are consolidated from the date on which effective control is transferred to the Group till the date such control ceases. The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended). The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group as in the previous year except for the change in accounting policy explained in 2.1(a) below.

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the balance sheet, statement of profit and loss and cash flow statement of the Company and its subsidiaries. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between the entities in the Group are eliminated unless cost can not be recovered. The excess of the cost to the Company of its investments in subsidiaries / joint ventures, over its proportionate share in equity of the investee Company as at the date of acquisition is recognised in the consolidated financial statements as Goodwill and disclosed under Intangible assets. In case the cost of investment in subsidiaries is less than the proportionate share in equity of the investee company as on the date of investment, the difference is treated as capital reserve and shown under reserves and surplus.

The gains or losses arising from the dilution of interest on issue of additional shares to third parties is recorded as capital reserve. Gains or losses arising on the direct sale by the Company of its investment in its subsidiaries are transferred to the statement of profit and loss. Such gains or losses are the difference between the sale proceeds and the net carrying values of the investments.

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

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2012	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
1	GMR Energy Limited (GEL)	India	Subsidiary	97.91%	97.91%	97.91%	97.91%
2	GMR Power Corporation Limited (GPCL)	India	Subsidiary	49.93%	49.93%	51.00%	51.00%
3	GMR Vemagiri Power Generation Limited (GVPGL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
4	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
5	Badrinath Hydro Power Generation Private Limited (BHPL)	India	Subsidiary	96.93%	96.93%	99.00%	99.00%
6	GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary	71.57%	71.57%	73.10%	73.10%
7	GMR Kamalanga Energy Limited (GKEL)	India	Subsidiary	78.33%	78.33%	80.00%	80.00%
8	Himtal Hydro Power Company Private Limited (HHPPL)	Nepal	Subsidiary	78.33%	78.33%	80.00%	80.00%
9	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Subsidiary	98.01%	98.01%	100.00%	100.00%
10	GMR Lion Energy Limited (GLEL)	Mauritius	Subsidiary	98.01%	98.01%	100.00%	100.00%
11	GMR Upper Karnali Hydropower Limited (GUKPL)	Nepal	Subsidiary	71.55%	71.55%	73.00%	73.00%
12	GMR Energy Trading Limited (GETL)	India	Subsidiary	99.60%	99.60%	99.99%	99.99%
13	GMR Consulting Services Private Limited (GCSPL)	India	Subsidiary	96.93%	96.93%	99.00%	99.00%
14	GMR Coastal Energy Private Limited (GCEPL)	India	Subsidiary	96.93%	96.93%	99.00%	99.00%
15	GMR BajoliHoli Hydropower Private Limited (GBHHPL)	India	Subsidiary[10]	97.91%	96.93%	100.00%	99.00%
16	GMR Londa Hydropower Private Limited (GLHPPL)	India	Subsidiary[10]	97.91%	96.93%	100.00%	99.00%
17	GMR Kakinada Energy Private Limited (GKEPL)	India	Subsidiary[10]	97.91%	96.93%	100.00%	99.00%
18	Rampia Coal Mine and Energy Private Limited (RCMEPL)	India	Joint Venture	17.03%	17.03%	17.39%	17.39%
19	GMR Chhattisgarh Energy Limited (GCHEPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
20	GMR Energy (Cyprus) Limited (GECL)	Cyprus	Subsidiary	98.01%	98.01%	100.00%	100.00%
21	GMR Energy (Netherlands) B.V. (GENBV)	Netherlands	Subsidiary	98.01%	98.01%	100.00%	100.00%
22	PT Dwikarya Sejati Utma (PTDSU)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
23	PT Duta Sarana Internusa (PTDSI)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
24	PT Barasentosa Lestari (PTBSL)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
25	GMR Rajahmundry Energy Limited (GREL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
26	SJK Powergen Limited (SJK)	India	Subsidiary	68.54%	68.54%	70.00%	70.00%
27	PT Unsoco (PT)	Indonesia	Subsidiary	98.01%	98.01%	100.00%	100.00%
28	EMCO Energy Limited (EMCO)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
29	Homeland Energy Group Limited (HEGL)	Canada	Subsidiary	54.67%	54.67%	55.84%	55.84%
30	Homeland Energy Corp (HEC)	Mauritius	Subsidiary	54.67%	54.67%	100.00%	100.00%
31	Homeland Mining & Energy SA (Pty) Limited (HMES)	South Africa	Subsidiary	54.67%	54.67%	100.00%	100.00%
32	Homeland Energy (Swaziland) (Pty) Limited (HESW)	Swaziland	Subsidiary	41.00%	41.00%	75.00%	75.00%
33	Homeland Mining & Energy (Botswana) (Pty) Limited (HMEB)	Botswana	Subsidiary	54.67%	54.67%	100.00%	100.00%
34	Homeland Coal Mining (Pty) Limited (HCM)	South Africa	Subsidiary	54.67%	54.67%	100.00%	100.00%
35	Nhalalala Mining (Pty) Limited (NML)	South Africa	Joint Venture	27.34%	27.34%	50.00%	50.00%
36	Tshedza Mining Resource (Pty) Limited (TMR)	South Africa	Joint Venture	27.34%	27.34%	50.00%	50.00%
37	Corpclo 331 (Pty) Limited (CPL)	South Africa	Subsidiary	54.67%	54.67%	100.00%	100.00%
38	Ferret Coal Holdings (Pty) Limited (FCH)	South Africa	Subsidiary	54.67%	54.67%	100.00%	100.00%
39	Wizard Investments (Pty) Limited (WIL)	Botswana	Subsidiary	38.27%	38.27%	70.00%	70.00%
40	Ferret Coal (Kendal) (Pty) Limited (FCK)	South Africa	Subsidiary	40.46%	40.46%	74.00%	74.00%
41	Manoka Mining (Pty) Limited (MMPL)	South Africa	Subsidiary	35.54%	35.54%	65.00%	65.00%
42	GMR Maharashtra Energy Limited (GMAEL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2012	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
43	GMR Bundelkhand Energy Private Limited (GBEPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
44	GMR Uttar Pradesh Energy Private Limited (GUPEPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
45	GMR Hosur Energy Limited (GHOEL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
46	GMR Gujarat Solar Power Private Limited (GGSPPL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
47	Karnali Transmission Company Private Limited (KTCPL)	Nepal	Subsidiary	98.01%	98.01%	100.00%	100.00%
48	Marsyangdi Transmission Company Private Limited (MTCPL)	Nepal	Subsidiary	98.01%	98.01%	100.00%	100.00%
49	GMR Indo-Nepal Energy Links Limited (GINELL)	India	Subsidiary[10]	97.91%	97.79%	100.00%	99.98%
50	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	Subsidiary[10]	97.91%	97.79%	100.00%	99.98%
51	GMR Renewable Energy Limited (GREEL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
52	Aravali Transmission Service Company Limited (ATSCL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
53	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary	97.91%	97.91%	100.00%	100.00%
54	GMR Energy Projects (Mauritius) Limited (GEPML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
55	Island Power Intermediary Pte Limited (IPIPL)	Singapore	Subsidiary[1]	-	100.00%	-	100.00%
56	GMR Energy Singapore Pte Limited (formerly known as Island Power Company Pte Limited) (GESPL)	Singapore	Subsidiary[2]	70.00%	100.00%	70.00%	100.00%
57	GMR Supply Singapore Pte Limited (Formerly known as Island Power Supply Pte Limited) (GSSPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
58	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
59	GMR Highways Limited (GMRHL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
60	GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL)	India	Subsidiary	60.48%	60.48%	74.00%	74.00%
61	GMR Tuni Anakapalli Expressways Private Limited (GTAEPL)	India	Subsidiary	60.48%	60.48%	74.00%	74.00%
62	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary	99.46%	99.46%	100.00%	100.00%
63	GMR Jadcherla Expressways Private Limited (GJEPL)	India	Subsidiary	99.90%	99.90%	100.00%	100.00%
64	GMR Pochanpalli Expressways Limited (GPEPL)	India	Subsidiary	99.90%	99.90%	100.00%	100.00%
65	GMR Ulundurpet Expressways Private Limited (GUEPL)	India	Subsidiary	99.90%	99.90%	100.00%	100.00%
66	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	India	Subsidiary	90.00%	90.00%	90.00%	90.00%
67	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	India	Subsidiary	89.79%	89.79%	90.00%	90.00%
68	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)	India	Subsidiary	51.00%	51.00%	51.00%	51.00%
69	GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary[3]	61.20%	63.00%	63.00%	63.00%
70	Gateways for India Airports Private Limited (GFIAL)	India	Subsidiary	86.49%	86.49%	86.49%	86.49%
71	Hyderabad Menzies Air Cargo Private Limited (HMACPL)	India	Subsidiary[3]	31.21%	32.13%	51.00%	51.00%
72	Hyderabad Airport Security Services Limited (HASSL)	India	Subsidiary[3]	61.20%	63.00%	100.00%	100.00%
73	GMR Hyderabad Airport Resource Management Limited (GHARML)	India	Subsidiary[3]	61.20%	63.00%	100.00%	100.00%
74	GMR Hyderabad Aerotropolis Limited (HAPL)	India	Subsidiary[3]	61.20%	63.00%	100.00%	100.00%
75	GMR Hyderabad Aviation SEZ Limited (GHASL)	India	Subsidiary[3]	61.20%	63.00%	100.00%	100.00%
76	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)	India	Subsidiary[3]	61.20%	63.00%	100.00%	100.00%
77	MAS GMR Aerospace Engineering Company Private Limited (MGAECL)	India	Joint Venture[4]	30.60%	31.50%	50.00%	50.00%
78	TVS GMR Aviation Logistics Limited (TVS GMR)	India	Joint Venture[4]	29.99%	30.87%	49.00%	49.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2012	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
79	Hyderabad Duty Free Retail Limited (HDFRL)	India	Subsidiary[3]	61.20%	63.00%	100.00%	100.00%
80	GMR Airport Developers Limited (GADL)	India	Subsidiary	96.20%	96.20%	99.02%	99.02%
81	MAS GMR Aero Technic Limited (MGATL)	India	Joint Venture[4]	30.60%	31.50%	50.00%	50.00%
82	GADL International Limited (GADLIL)	Isle of Man	Subsidiary	96.20%	96.20%	100.00%	100.00%
83	GADL (Mauritius) Limited (GADLML)	Mauritius	Subsidiary	96.20%	96.20%	100.00%	100.00%
84	GMR Airport Handling Services Company Limited (GAHSCL)	India	Subsidiary[3]	61.20%	63.00%	100.00%	100.00%
85	Asia Pacific Flight Training Academy Limited (APFT)	India	Subsidiary[3,9]	60.28%	25.20%	98.50%	40.00%
86	Delhi International Airport Private Limited (DIAL)	India	Subsidiary[3]	52.82%	53.53%	54.00%	54.00%
87	Delhi Aviation Services Private Limited (DASPL)	India	Joint Venture[4]	26.41%	26.77%	50.00%	50.00%
88	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary[3]	52.82%	53.53%	100.00%	100.00%
89	East Delhi Waste Processing Company Private Limited (EDWPCPL)	India	Subsidiary[2]	26.94%	75.27%	51.00%	99.99%
90	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	Joint Venture[4]	21.13%	21.41%	40.00%	40.00%
91	Devyani Food Street Private Limited (DFSPL)	India	Joint Venture[4]	21.13%	21.41%	40.00%	40.00%
92	Delhi Select Services Hospitality Private Limited (DSSHPL)	India	Joint Venture[4]	21.13%	21.41%	40.00%	40.00%
93	Delhi Duty Free Services Private Limited (DDFS)	India	Joint Venture[4]	26.36%	26.71%	49.90%	49.90%
94	Delhi Aviation Fuel Facility Private Limited (DAFF)	India	Joint Venture[4]	13.73%	13.92%	26.00%	26.00%
95	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	India	Joint Venture[4]	13.73%	13.92%	26.00%	26.00%
96	Delhi Cargo Service Center Private Limited (DCSCPL)	India	Joint Venture[4]	13.73%	13.92%	26.00%	26.00%
97	Wipro Airport IT Services Limited (WAISL)	India	Joint Venture[4]	13.73%	13.92%	26.00%	26.00%
98	Delhi Airport Parking Services Private Limited (DAPSL)	India	Joint Venture[4]	26.36%	26.71%	49.90%	49.90%
99	TIM Delhi Airport Advertising Private Limited (TIM)	India	Joint Venture[4]	26.36%	26.71%	49.90%	49.90%
100	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum VeIsletme Sirketi (ISG)	Turkey	Joint Venture	40.00%	40.00%	40.00%	40.00%
101	Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi (SGH)	Turkey	Joint Venture	29.00%	29.00%	29.00%	29.00%
102	GMR Hotels and Resorts Limited (GHRL)	India	Subsidiary[3]	61.20%	63.00%	100.00%	100.00%
103	GMR Airports Limited (formerly known as GMR Airports Holding Limited) (GAHL)	India	Subsidiary	97.15%	97.15%	97.15%	97.15%
104	GMR Aviation Private Limited (GAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
105	GMR Krishnagiri SEZ Limited (GKSEZ)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
106	Advika Properties Private Limited (APPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
107	Aklima Properties Private Limited (AKPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
108	Amartya Properties Private Limited (AMPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
109	Baruni Properties Private Limited (BPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
110	Bougainvillea Properties Private Limited (BOPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
111	Camelia Properties Private Limited (CPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
112	Deepesh Properties Private Limited (DPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
113	Eila Properties Private Limited (EPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
114	Gerbera Properties Private Limited (GPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
115	Lakshmi Priya Properties Private Limited (LPPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
116	Honeysuckle Properties Private Limited (HPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2012	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
117	Idika Properties Private Limited (IPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
118	Krishnapriya Properties Private Limited (KPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
119	Larkspur Properties Private Limited (LAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
120	Nadira Properties Private Limited (NPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
121	Padmapriya Properties Private Limited(PAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
122	Prakalpa Properties Private Limited (PPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
123	Purnachandra Properties Private Limited (PUPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
124	Shreyadita Properties Private Limited (SPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
125	Pranesh Properties Private Limited (PRPPL)	India	Subsidiary[5]	100.00%	-	100.00%	-
126	Sreepa Properties Private Limited (SRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
127	GMR SEZ and Port Holdings Private Limited (GSPHPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
128	GMR Corporate Affairs Private Limited (GCAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
129	Dhruvi Securities Private Limited (DSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
130	Kakinada SEZ Private Limited (KSPL)	India	Subsidiary	51.00%	51.00%	51.00%	51.00%
131	GMR Power Infra Limited (GPIL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
132	GMR Infrastructure (Mauritius) Limited (GIML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
133	GMR Infrastructure (Cyprus) Limited (GICL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	100.00%
134	GMR Infrastructure Overseas Sociedad Limitada (GIOSL)	Spain	Subsidiary	100.00%	100.00%	100.00%	100.00%
135	GMR Infrastructure (UK) Limited (GIUL)	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%
136	GMR International (Malta) Limited (GMRIML)	Malta	Subsidiary	100.00%	100.00%	100.00%	100.00%
137	Limak GMR Construction JV (CJV)	Turkey	Joint Venture	50.00%	50.00%	50.00%	50.00%
138	GMR Infrastructure (Global) Limited (GIGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
139	GMR Energy (Global) Limited (GEGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
140	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)	Turkey	Joint Venture	40.00%	40.00%	40.00%	40.00%
141	GMR Malé International Airport Private Limited (GMIAL)	Maldives	Subsidiary[11]	76.99%	76.87%	77.00%	77.00%
142	GMR Malé Retail Private Limited (GMRPL)	Maldives	Subsidiary[6]	95.72%	-	99.50%	-
143	GMR Coal Resources Pte Limited (formerly known as GMR Infrastructure Investments (Singapore) Pte Limited) (GCRPL)	Singapore	Subsidiary[3]	98.01%	100.00%	100.00%	100.00%
144	GMR Holdings Overseas Spain SLU (GHOSS)	Spain	Subsidiary[1]	-	100.00%	-	100.00%
145	Laqshya Hyderabad Airport Media Private Limited (Laqshya)	India	Joint Venture[7]	29.99%	-	49.00%	-
146	GMR Infrastructure Overseas Limited (GIOL)	Mauritius	Subsidiary[5]	100.00%	-	100.00%	-
147	Radhapriya Properties Private Limited (RPPL)	India	Subsidiary[5]	100.00%	-	100.00%	-
148	GMR Kishangarh Ahmedabad Udaipur Expressways Private Limited (GKUAEPL)	India	Subsidiary[6]	100.00%	-	100.00%	-
149	GMR Business Process and Services Private Limited (GBPSPL)	India	Subsidiary[6]	100.00%	-	100.00%	-
150	GMR Airport Global Limited (GAGL)	Isle of Man	Subsidiary[5]	96.20%	-	100.00%	-
151	GMR Highways Projects Private Limited (GHPPL) (formerly known as GMR Kishangarh Ahmedabad Expressways Private Limited)	India	Subsidiary[6]	100.00%	-	100.00%	-
152	PT Golden Energy Mines Tbk (PTGEMS)	Indonesia	Joint venture[7]	29.40%	-	30.00%	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

Sl. No.	Name of the company	Country of incorporation	Relationship as at March 31, 2012	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
153	PT Roundhill Capital Indonesia (RCI)	Indonesia	Joint venture[8]	29.11%	-	29.70%	-
154	PT Borneo Indobara (BIB)	Indonesia	Joint venture[8]	28.84%	-	29.43%	-
155	PT Kuansing Inti Makmur (KIM)	Indonesia	Joint venture[8]	29.40%	-	30.00%	-
156	PT Karya Cemerlang Persada (KCP)	Indonesia	Joint venture[8]	29.40%	-	30.00%	-
157	PT Bungo Bara Utama (BBU)	Indonesia	Joint venture[8]	29.40%	-	30.00%	-
158	PT Bara Harmonis Batang Asam (BHBA)	Indonesia	Joint venture[8]	29.40%	-	30.00%	-
159	PT Berkat Nusantara Permai (BNP)	Indonesia	Joint venture[8]	29.40%	-	30.00%	-
160	PT Tanjung Belit Bara Utama (TBBU)	Indonesia	Joint venture[8]	29.34%	-	29.94%	-
161	PT Trisula Kencana Sakti (TKS)	Indonesia	Joint venture[8]	20.58%	-	21.00%	-
162	PT Mangaala Alam Lestari (MAL)	Indonesia	Joint venture[8]	29.40%	-	30.00%	-
163	PT Nusa Indah Permai (NIP)	Indonesia	Joint venture[8]	29.40%	-	30.00%	-

The reporting dates of the subsidiaries and joint ventures coincide with that of the parent Company except in case of HEGL and its subsidiaries and joint ventures (refer Sl. No. 29 to 41 above) and PTGEMS and its subsidiaries and joint ventures (refer Sl. No. 152 to 163 above), whose financial statements for the period ended on and as at December 31, 2011 were considered for the purpose of the audited consolidated financial statements of the Group.

The financial statements of other subsidiaries / joint ventures / associates have been drawn up to the same reporting date as of the Company, i.e. March 31, 2012.

1. Wound up / sold during the year
2. Disinvested during the year
3. Dilution due to change in holding structure of the subsidiaries during the year
4. Dilution due to change in holding structure of the joint ventures during the year
5. Subsidiary acquired during the year
6. Subsidiary incorporated during the year
7. Joint Venture agreement executed during the year
8. Became joint ventures consequent to PTGEMS becoming joint venture of the Group
9. Became subsidiary consequent to infusion of equity share capital
10. Further infusion of Equity Share Capital during the year
11. Further infusion of Equity Share Capital consequent to GAGL becoming subsidiary of the Group

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES

a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act 1956, has become applicable to the Group, for preparation and presentation of its consolidated financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of consolidated financial statements. However, it has significant impact on presentation and disclosures made in the consolidated financial statements. The Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Amortisation of carriageways related to toll based projects

During the year ended March 31, 2012, the Group has retrospectively revised the method of amortisation of its carriageways for toll based projects from amortisation on the units of usage basis, whereby amortisation is calculated based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the periods to amortisation based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period in terms of Ministry of Corporate Affairs (MCA) notification dated April 17, 2012 for companies engaged in the business of development of highways on build, operate and transfer model and are toll based projects.

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

The excess amortisation provided in the books of account till March 31, 2011 as per the earlier basis to the extent of Indian Rupees (Rs.) 48.15 crore has been written back during the year ended March 31, 2012.This change in accounting policy has resulted in decrease in amortisation expenses and corresponding decrease in loss for the year by Rs. 48.15 crore.

b) Use of estimates

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

Change in accounting estimates

During the year ended March 31, 2012, the Group has revised the estimated useful life of its tangible assets from minimum rate prescribed under Schedule XIV of the Companies Act, 1956 to the rates prescribed under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation, 2009 in terms of MCA Circular No: 31/2011 dated May 31, 2011 ('CERC regulations') for companies engaged in the business of generation and sale of energy. Accordingly, the written down value of fixed assets as at April 1, 2011, is being depreciated on a prospective basis over the remaining estimated useful life. This change in accounting estimate has resulted in decrease in depreciation and amortisation expenses and corresponding decrease in loss for the year by Rs. 15.40 crore.

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Power sector business:

In case of power generating companies, revenue from energy units sold as per the terms of the PPA and Letter of Intent ('LOI') (collectively hereinafter referred to as 'the PPAs') is recognised on an accrual basis and includes unbilled revenue accrued up to the end of the accounting year. Revenue from energy units sold on a merchant basis is recognised based on the units of energy delivered and the rate agreed with the customers.

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

Claims for delayed payments charges and any other claims, which the Group is entitled to, under the PPAs, are accounted for in the year of acceptance.

Development of highways:

In case of companies involved in construction and maintenance of roads, toll revenue from operation is recognised on accrual basis which coincides with the collection of toll. In annuity based projects, revenue recognition is based on annuity accrued on time basis in accordance with the provisions of the

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

concessionaire agreement entered into with NHAI or with respective State Governments. Claims raised on NHAI under concessionaire agreement are accounted for in the year of acceptance.

Airport sector business:

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

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

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

Revenue share paid / payable to Concessionaire / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective airports has been disclosed under “other expenses”.

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

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

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

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

Construction business:

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

Others:

i. Dividend income is recognised when the right to receive dividend is established by the reporting date.

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

iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other operating income” for companies engaged in investing activities and under the head “other income” for other companies in the statement of profit and loss.

iv. Benefits arising out of duty free scrips utilised for the acquisition of fixed assets or inventory are recognised as income once it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

v. On disposal of current investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. Such income is included under the head “other operating income” for companies engaged in investing activities and under the head “other income” for other companies in the statement of profit and loss.

Revenue earned in excess of billings has been included under “other assets” as unbilled revenue and billings in excess of revenue have been disclosed under “other liabilities” as unearned revenue.

Expenditure including pre-operative and other incidental expenses incurred by the Group on projects that are in the process of commissioning, being recoverable from the respective entities created for carrying out these projects, are not charged to the statement of profit and loss and are treated as advances to the respective entities.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

d Operation and maintenance contracts

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

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

e) Fixed assets

Tangible assets

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

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

From accounting periods commencing on or after December 7, 2006, the Group adjusts exchange differences arising on translation / settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

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

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

Intangible assets

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

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

f) Exploration and evaluation expenditure

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

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

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

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

g) Deferred stripping costs

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

The life of mine ratio is based on proved and probable reserves of the mine. The life of mine waste-to-ore ratio is a function of the pit design(s) and therefore changes to that design will generally result in changes to the Ratio. Changes in other technical or economic parameters that impact on reserves will also have

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

an impact on the life of mine ratio even if they do not affect the pit design(s). Changes to the life of mine ratio are accounted for prospectively.

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

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

h) Leases

For lessee:

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

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

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

For lessor:

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

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

i) Depreciation / Amortisation

In case of entities under CERC Regulations:

Depreciation on plant and machinery is provided using straight line method at the rate of 5.28% per annum as on March 31, of the year till a period of 12 years from the date of commencement of commercial operations. After a period of 12 years from the date of commencement of commercial operations, the remaining written down value at the end of 12th year from the date of commercial operations shall be depreciated over the balance useful life of the asset estimated by the management or in the manner prescribed under CERC Regulations.

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

Other Entities:

For domestic subsidiaries, joint ventures and associates, other than as stated aforesaid and below, the Group provides depreciation on fixed assets, using straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 or rates based onuseful lives of the assets which are estimated by the management whichever are higher, except for assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition.

Leasehold land is amortised over the tenure of the lease except in case of power plant where it is amortised from the date of commercial operation. Leasehold improvements are amortised over the primary period of the lease or estimated useful life whichever is shorter.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

For overseas subsidiaries, joint ventures and associates, the Group provides depreciation based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, joint ventures and associates. In view of different sets of environment in which such foreign subsidiaries, joint ventures and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These companies follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries, joint ventures and associates with those of the domestic subsidiaries, joint ventures and associates.

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

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

Intangible assets

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

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

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

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

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

Intangible assets representing carriageways and airport concessionaire rights are amortised over the concession period, ranging from 17 to 20 years and 20 to 60 years respectively, which is beyond the maximum period of 10 years as specified in the AS 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective concessionaire agreements.

Software is amortised based on the useful life of 6 years on a straightline basis as estimated by the management.

j) Impairment of tangible and intangible assets

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

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

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

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

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

k) Investments

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

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

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

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

l) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares: Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes all applicable costs in bringing goods to their present location and condition.

Contract work-in-progress: Costs incurred that relate to future activities on the contract are recognised as contract work-in-progress. Contract work-in-progress comprises of construction cost and other directly attributable overhead valued at cost.

Traded / Finished goods: Traded goods are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

m) Employee benefits

a. Defined contribution plans

Contributions paid / payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc., in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due.
The Group makes monthly contributions and has no further obligations under such plans beyond its contributions.

b. Defined benefit plans

The liability as at the balance sheet date is provided for based on the actuarial valuation, based on projected unit credit method at the balance sheet date, carried out by an independent actuary. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the statement of profit and loss as an income or expense.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

c. Other long term employee benefits

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

d. Short term employee benefits

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

n) Foreign currency transactions.

Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

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

iii. Exchange differences

Exchange differences arising on a monetary item that, in substance, forms part of the Group's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

From accounting periods commencing on or after December 7, 2006, the Group accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

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

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

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain / loss arising on forward contracts which are long-term foreign currency monetary items is recognised in accordance with paragraph (iii)(1) and (iii)(2) above.

v. Translation of integral and non-integral foreign operation

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

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

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

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

Any goodwill or capital reserve arising on acquisition of non-integral operation is translated at closing rate.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue; share split; and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Government grants and subsidies

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

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

Where the grant or subsidy relates to an asset, the grant amount (net of direct amount incurred to earn aforesaid grant) is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

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

q) Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 ('IT Act') enacted in India and tax laws prevailing in the respective tax jurisdictions where the entities in the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

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

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the entities in the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the entities in the Group are entitled to a tax holiday under IT Act enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the entities in the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the entities in the Group re-assess unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

The carrying amount of deferred tax assets are reviewed at each reporting date. The entities in the Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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

r) Segment reporting policies

Identification of segments:

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Inter segment transfers:

The Group accounts for intersegment sales / transfers at cost plus appropriate margins.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

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

Segment accounting policies:

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

s) Provisions

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

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

t) Derivative instruments

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

u) Shares issue expenses and premium on redemption

Share issue expenses incurred are expensed in the year of issue and debenture / preference share issue expenses and redemption premium payable on preference shares / debentures are expensed over the term of preference shares / debentures. These are adjusted against the securities premium account of the respective entities aspermitted by Section 78 of the Companies Act, 1956 to the extent of balance available in such securities premium account.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

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

v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

w) Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

x) Employee stock compensation cost

In respect of HEGL, a subsidiary in Canada, officers, directors, employees and consultants are offered stock-based compensation. Measurement and disclosure of the employee share-based payment plans is done in the consolidated financial statements in accordance with Securities Exchange Board of India (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on 'Accounting for Employee Share-based Payments', issued by the ICAI. The said subsidiary accounts all stock-based payments using a fair value-based method of accounting. The fair value of each stock option granted is accounted over the vesting period. The fair value is calculated using the Black-Scholes option pricing model.

y) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 3 | SHARE CAPITAL		
Authorised share capital		
7,500,000,000 (March 31, 2011: 7,500,000,000) equity shares of Re. 1 each	750.00	750.00
Issued, subscribed and fully paid-up		
3,892,430,282 (March 31, 2011: 3,892,430,282) equity shares of Re.1 each	389.24	389.24
Issued, subscribed but not fully paid-up shares		
4,500 (March 31, 2011: 4,500) equity shares of Re. 1 each not fully paid up [Rs. 2,250 (March 31, 2011: Rs. 2,250)]	0.00	0.00
Total issued, subscribed and paid-up share capital]	**389.24**	**389.24**

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

Equity shares	March 31, 2012		March 31, 2011	
	Number	Rs. in crore	Number	Rs. in crore
At the beginning of the year	3,892,434,782	389.24	3,667,354,392	366.73
Add: Issued to Qualified Institutional Buyers[1]	-	-	225,080,390	22.51
Outstanding at the end of the year	3,892,434,782	389.24	3,892,434,782	389.24

1. Pursuant to the resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re.1 each have been allotted to Qualified Institutional Buyers at a premium of Rs. 61.20 per share on April 21, 2010 aggregating to Rs. 1,400.00 crore.

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Every member holding equity shares there in shall have voting rights in portion to his / her shares of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 3 | SHARE CAPITAL (Contd.)

(c) Shares held by the Holding Company / Ultimate Holding Company and / or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its Holding Company, Ultimate Holding Company and their subsidiaries / associates are as below:

Particulars	March 31, 2012 Number	March 31, 2011 Number
GMR Holdings Private Limited (GHPL), the Holding Company		
Equity shares of Re. 1 each fully paid up	2,736,221,862	2,726,840,000
Rajam Enterprises Private Limited (REPL), an associate of the Holding Company		
Equity shares of Re. 1 each fully paid up	5,170,000	5,170,000
GMR Infra Ventures LLP (GIVLLP), an associate of the Holding Company		
Equity shares of Re. 1 each fully paid up	30,000,000	30,000,000
GMR Enterprises Private Limited (GEPL), an associate of the Holding Company		
Equity shares of Re. 1 each fully paid up	4,830,000	4,830,000
Welfare Trust of GMR Infra Employees (GWF), an associate of the Company		
Equity shares of Re. 1 each fully paid up	17,999,800	16,699,800

(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
1,057,747,230 (March 31, 2011: 1,057,747,230) equity shares of Re. 1 each were allotted during the year ended March 31, 2006 as fully paid bonus shares by capitalization of free reserves of the Company.	105.77	105.77
Equity shares allotted as fully paid-up for consideration other than cash.[1]	2.60	2.60

1. During the year ended March 31, 2010, 46,800,000 equity shares of Rs. 10 each of DIAL were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of Rs. 149.72 crore, which was discharged by allotment of 26,038,216 equity shares of the Company of Re. 1 each at an issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards share premium).

(e) Details of shareholders holding more than 5% shares in the Company

Equity shares	March 31, 2012		March 31, 2011	
	Number	% holding in the class	Number	% holding in the class
Equity shares of Re. 1 each fully paid				
GHPL	2,736,221,862	70.30%	2,726,840,000	70.05%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownership of shares.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 4 RESERVES AND SURPLUS		
Capital reserve on consolidation		
Balance as per the last financial statements	115.85	113.34
Add: Additions during the year	-	2.51
Closing balance	**115.85**	**115.85**
Capital reserve on acquisition (as per the last financial statements) (refer note 4(a))	**3.41**	**3.41**
Capital reserve (government grant)		
Balance as per the last financial statements (refer note 4(b))	92.94	67.41
Add: Grant received during the year (refer note 4(c))	-	28.44
Less: Transferred to minority interest ([refer note 4(b))	1.92	2.91
Less: Transferred to intangible assets under development (refer note 4(c))	25.53	-
Closing balance	**65.49**	**92.94**
Capital redemption reserve		
Balance as per the last financial statements	10.00	-
Add: Amount transferred from surplus balance in the statement of profit and loss	9.50	10.00
Closing balance	**19.50**	**10.00**
Debenture redemption reserve		
Balance as per the last financial statements	49.09	35.07
Add: Amount transferred from surplus balance in the statement of profit and loss	50.66	45.83
Less: Amount transferred to statement of profit and loss on redemption	18.97	31.81
Closing balance	**80.78**	**49.09**
Employee stock option outstanding		
Balance as per the last financial statements	1.13	-
Add: Gross employee stock compensation for options on account of acquisitions during the year	-	1.13
Less: Gross employee stock compensation for options forfeited during the year	0.17	-
Closing balance	**0.96**	**1.13**
Securities premium account		
Balance as per the last financial statements	7,012.44	5,168.30
Add: Write back during the year (refer note 4(d))	-	33.80
Add: Received on allotment of equity / preference shares	441.36	2,042.08
Add: Received against calls unpaid - Rs. Nil (March 31, 2011: Rs. 6,950)	-	0.00
Less: Utilised towards debenture / share issue expenses / redemption premium (net of taxes and MAT credit)	142.19	211.44
Less: Transfer to minority interest	10.86	20.30
Less: Utilised towards issue of bonus preference shares by a subsidiary to minority shareholders	30.82	-
Closing balance	**7,269.93**	**7,012.44**
Foreign currency translation reserve		
Balance as per the last financial statements	59.34	(1.33)
Add: Movement during the year	223.09	60.67
Closing balance	**282.43**	**59.34**
Foreign currency monetary item translation difference account		
Balance as per the last financial statements	(7.38)	(0.53)
Add: Movement during the year	4.88	(6.85)
Closing balance	**(2.50)**	**(7.38)**
Special Reserve u/s 45IC of Reserve Bank of India Act ('RBI Act') [refer note 4(e)]		
Balance as per the last financial statements	20.34	18.51
Add: Movement during the year	6.52	1.83
Closing balance	**26.86**	**20.34**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 4 RESERVES AND SURPLUS (Contd.)		
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	(79.15)	895.61
(Loss) for the year	(603.34)	(929.64)
Less: Appropriations		
Add: Transfer from debenture redemption reserve	18.97	31.47
Less: Transferred to special reserve u/s 45IC of RBI Act	6.52	1.83
Less: Transfer to debenture redemption reserve	50.66	45.83
Less: Transfer of profit / (loss) to minority on dilution of interest in subsidiaries / joint ventures	(18.05)	8.16
Less: Preference dividend declared by a subsidiary	0.84	6.24
Less: Dividend distribution tax on preference dividend declared by a subsidiary	1.18	4.53
Less: Transferred to capital redemption reserve on redemption of preference shares by a subsidiary	9.50	10.00
Total appropriations	(31.68)	(45.12)
Net surplus / (deficit) in the statement of profit and loss	**(714.17)**	**(79.15)**
Total reserves and surplus	**7,148.54**	**7,278.01**

Note 4(a)

GAPL purchased the aircraft division of GMR Industries Limited (GIDL) under slump sale on October 01, 2008 for a purchase consideration of Rs. 29.00 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of Rs. 3.41 crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognised as capital reserve.

Note 4(b)

During the financial year 2005-06, GHIAL had received a grant of Rs. 107.00 crore from Government of Andhra Pradesh ('GoAP') towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project and accordingly, the Group's share amounting to Rs. 67.41 crore as at March 31, 2011 was included in Capital reserve (government grant) under note 4 - Reserves and Surplus. During the year ended March 31, 2012, pursuant to dilution in Group's effective holding in GHIAL, Rs. 1.92 crore has been transferred to minority interest.

Note 4(c)

During the year ended March 31, 2011, GCORRPL had received project support fund of Rs. 28.44 crore from the Government of Tamilnadu (GoTN) as per the concession agreement and the Group's share amounts to Rs. 25.53 crore. The total project support fund is Rs. 300.00 crore and the same will be disbursed on quarterly basis based on the progress of the project and the expenditure incurred by the concessionaire on the civil works as per the disbursement methodology of the project fund as specified in clause 30.2.1 of the concession agreement entered into by GCORRPL with GoTN. During the year ended March 31, 2012, the grant received by GCORRPL during earlier years aggregating to Rs. 25.53 crore (net off Rs. 2.91 crore transferred to minority interest in earlier years) has been adjusted with intangible assets under development.

Note 4(d)

During the year ended March 31, 2009, GEL had issued 4,250 secured redeemable non convertible debentures of Rs. 0.10 crore each, to Axis Bank Limited which were due for redemption on October 6, 2013. The redemption premium of Rs 23.82 crore was provided in the statement of profit and loss during the year ended March 31, 2009 and redemption premium of Rs.77.28 crore was adjusted against the security premium account during the year ended March 31, 2010 in the consolidated financial statements. During the year ended March 31, 2011, GEL had negotiated with the lenders and redeemed the debentures at a premium of Rs. 54.49 crore and the excess provision towards redemption premium of Rs. 33.80 crore was adjusted against the security premium account based on a legal opinion and the balance provision towards redemption premium of Rs. 12.80 crore was recognised as other income in the previous year.

Note 4(e)

As required by section 451C of Reserve bank of India Act, 20% of GAHL's and DSPL's net profit of the year is transferred to a special reserve. The said reserve can be used only for the purpose as may be specified by the Reserve Bank of India from time to time.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 5 LONG-TERM BORROWINGS				
Bonds / debentures				
Debentures (secured)	1,700.89	588.90	35.13	20.10
Debentures (unsecured)	350.00	425.00	75.00	75.00
Term loans				
Indian rupee term loans from banks (secured)	11,208.57	7,617.26	1,198.94	1,127.23
Indian rupee term loans from financial institution (secured)	2,718.18	3,610.27	957.19	15.39
Foreign currency loans from banks (secured)	8,067.19	3,468.71	543.84	386.70
Foreign currency loans from financial institution (secured)	-	53.77	-	7.97
Indian rupee term loans from banks (unsecured)	237.93	-	362.08	350.00
Indian rupee term loans from financial institutions (unsecured)	280.77	288.71	-	-
Foreign currency loans from banks (unsecured)	0.17	-	-	-
Indian rupee term loans from others (unsecured)	46.17	27.21	0.10	0.10
Foreign currency loans from others (unsecured)	117.56	-	-	-
Supplier’s credit (secured)	75.82	79.70	15.16	13.28
Supplier’s credit (unsecured)	61.00	61.00	-	-
Other loans and advances				
Bills discounted (secured)	-	-	134.70	134.70
Finance lease obligation (secured)	0.76	0.90	0.79	0.98
Negative grant (unsecured)	186.64	210.38	23.74	17.48
From the State Government of Andhra Pradesh (unsecured)	315.05	315.05	-	-
	25,366.70	**16,746.86**	**3,346.67**	**2,148.93**
The above amount includes				
Secured borrowings	23,771.41	15,419.51	2,885.75	1,706.35
Unsecured borrowings	1,595.29	1,327.35	460.92	442.58
Amount disclosed under the head “other current liabilities” (note 9)	-	-	(3,346.67)	(2,148.93)
Net amount	**25,366.70**	**16,746.86**	**-**	**-**

1 During the year ended March 31, 2012, GEL has issued 8,000 secured, redeemable and non convertible debentures of Rs. 0.10 crore (Rs. 1,000,000) each to ICICI Bank Limited (‘ICICI’). The debentures are secured by way of first ranking:(a) pari passu charge on the fixed assets of GVPGL; (b) pari passu pledge over 30% of fully paid-up equity shares of Rs. 10 each of GEL held by GREEL; (c) pari passu pledge over 30% of fully paid-up equity shares of Rs. 10 each of GVPGL held by GEL; (d) pari passu charge over GVPGL excess cash flow account, as defined in the subscription agreement executed between GEL and ICICI (e) exclusive charge over Debt Service and Reserve Account (‘DSRA’) maintained by GEL with ICICI. The debentures are redeemable at a premium yielding 14.25% p.a. till March 2013 and after March 2013 with a yield of base rate of ICICI plus 4.25% p.a. in thirty seven quarterly unequal instalments starting from March 2012. As at March 2012, GEL has partially redeemed these debentures and the revised face value of these debentures after redemption is Rs. 0.10 crore (Rs. 997,500) per debenture.

2 During the year ended March 31, 2012, the Company has entered into an agreement to issue 7,000 secured, redeemable, non convertible debentures of Rs. 0.10 crore (Rs. 1,000,000) each to ICICI. As at March 31, 2012, the Company issued 3,500 secured, redeemable, non convertible debentures of Rs. 0.10 crore (Rs. 1,000,000) each to ICICI. The debentures are secured by way of first ranking:(a) pari passu charge on the fixed assets of GVPGL; (b) pari passu pledge over 30% of fully paid-up equity shares of Rs. 10 each of GEL held by GREEL; (c) pari passu pledge over 30% of fully paid-up equity shares of Rs. 10 each of GVPGL held by GEL; (d) pari passu charge over GVPGL excess cash flow account, as defined in the subscription agreement executed between the Company and ICICI; (e) exclusive charge over DSRA maintained by the Company with ICICI. The debentures are redeemable at a premium yielding 14.50% p.a. till March 2013 and after March 2013 with a yield of base rate of ICICI plus 4.50% p.a. in thirty seven quarterly unequal instalments commencing from March 2012. As at March 31, 2012, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is Rs. 0.10 crore (Rs. 997,500) per debenture.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

3 Secured, redeemable and non convertible debentures of Rs. 0.10 crore each issued by GPEPL amounting to Rs. 588.89 crore (March 31, 2011: Rs. 609.00 crore) bear an interest of 9.38% per annum and are secured by way of pari passu first charge over GPEPL's movable and immovable properties, both present and future, including plant and machinery. Further, it is secured by the rights, title, interest, benefit, claims, of GPEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GPEPL in respect of monies lying to the credit of trust and retention account (TRA) and other accounts. These debentures are redeemable half yearly in 34 unequal instalments starting from April 2010 to October 2026.

4 During the year ended March 31, 2010, the Company issued 5,000 unsecured redeemable, non convertible debentures of Rs. 0.10 crore each to ICICI which are redeemable at a premium yielding 14.00% p.a. and are repayable in 5 annual unequal instalments commencing from April 2011. As at March 31, 2012, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is Rs. 0.09 crore (Rs. 850,000) per debenture.

5 Secured Indian rupee term loan from a financial institution of Rs. 1,000.00 crore (March 31, 2011: Rs. 1,000.00 crore) carries an interest of 11.75% p.a. The loan is repayable in 10 equated annual instalments commencing from December 2012. The loan is secured by an exclusive first charge on barge mounted plant of GEL and pledge of 10.27 crore (March 31, 2011: 6.60 crore) equity shares of Re. 1 each of the Company, held by GHPL.

6 Secured Indian rupee term loan from financial institutions of Rs. 215.00 crore (March 31, 2011 : Rs. 215.00 crore) of KSPL is secured by first charge on entire movable and immovable properties, both present and future of KSPL and is repayable in July 2012 or upon financial closure of the project, whichever is earlier. The loan carries an interest rate of 11.90% p.a.

7 Secured Indian rupee term loan from financial institutions of Rs. 250.00 crore (March 31, 2011 : Rs. 250.00 crore) of KSPL is secured by first charge on entire movable and immovable properties, both present and future of KSPL and is repayable in March 2013 or upon financial closure of the project, whichever is earlier. The loan carries an interest rate base rate of the lender minus 2.75% p.a.

8 Secured Indian rupee term loan from financial institutions of Rs. 35.34 crore (March 31, 2011 : Rs. 39.00 crore) of GAPL is secured by way of hypothecation of aircrafts of GAPL. The loan is repayable in quarterly instalments of Rs. 1.22 crore each and carries an interest rate of 9.40% to 12.35% p.a.

9 Secured Indian rupee term loans from banks and financial institutions of Rs. 1,153.35 crore (March 31, 2011 : Rs. 514.85 crore) of GHVEPL are secured by way of pari passu first charge over GHVEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of the GHVEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GHVEPL in respect of monies lying to the credit of TRA and other accounts. The loans carries interest of 10.75% p.a. and are repayable in 46 unequal quarterly instalments commencing from April 2013.

10 Secured Indian rupee term loans from banks and financial institutions of Rs. 481.62 crore (March 31, 2011 : Rs. 492.76 crore) of GUEPL are secured by way of pari passu first charge over GUEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of GUEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GUEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 5.96 crore equity shares of GUEPL held by GMRHL. The loans carries an interest at base rate plus spread as approved by the lenders and are repayable in 48 unequal quarterly instalments commencing from January 2011.

11 Secured Indian rupee term loans from banks of Rs. 278.05 crore (March 31, 2011 : Rs. 280.52 crore) of GACEPL are secured by way of pari passu first charge over GACEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of GACEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GACEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 2.33 crore and 2.42 crore equity shares of GACEPL held by GIL and GEL respectively. The loans carries an interest at base rate plus spread as approved by the lenders and are repayable in 48 unequal quarterly instalments commencing from August 2010.

12 Secured Indian rupee term loans from banks of Rs. 308.05 crore (March 31, 2011 : Rs. 338.66 crore) of GTTEPL are secured by way of mortgage of all the present and future immovable fixed assets of the GTTEPL, hypothecation of movable fixed assets of the GTTEPL and the annuity / receivables, investments made out of the balance lying in TRA, assignment of all contractor guarantee, performance bond guarantee and liquidated damages, assignment of all the rights, titles, interest in the assets of the project and all project documents, assignment of all insurance policies, pledge of 51% of equity shares, assignment of revolving LC issued by NHAI, corporate guarantee by GHPL to cover any short fall in the amount payable in respect of the facility in the event of termination due to any event of default other than NHAI event of default. The loans carries an interest of 7.50% p.a. $\pm$ 10% spread, now fixed at 8.25% p.a. and are repayable in 29 unequal half yearly instalments commencing from May 2005.

13 Secured Indian rupee term loans from banks of Rs. 316.97 crore (March 31, 2011 : Rs. 325.19 crore) of GJEPL are secured by way of pari passu first charge over GJEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

GJEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GJEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 3.53 crore equity shares of the GJEPL held by GMRHL. The loans carries an interest at base rate plus spread as approved by the lenders and are repayable in 48 unequal quarterly instalments commencing from January 2011.

14 Secured Indian rupee term loans from banks of Rs. 331.49 crore (March 31, 2011 : Rs. 70.88 crore) of GCORRPL are secured by way of first charge on all immovable and movable properties, both present and future; assignment of all rights, titles and interests in respect of all assets and a first charge on all revenues and receivables and by way of pledge of 26% of paid up equity capital of the GCORRPL. The loans carries an interest rate of lead bank's interest rate plus margin of 2.00% p.a, reset from time to time, provided that rate of interest up to the scheduled project completion date is fixed at 10.75% p.a. and are repayable in 27 unequal half yearly instalments commencing from June 2013.

15 Secured Indian rupee term loan from banks of Rs. 238.00 crore (March 31, 2011 : Rs. 261.70 crore) of GTAEPL are secured by way of mortgage of all the present and future immovable fixed assets of the GTAEPL, hypothecation of movable fixed assets of GTAEPL and the annuity / receivables, investments made out of the balance lying in TRA, assignment of all contractor guarantee, performance bond guarantee and liquidated damages, assignment of all the rights, titles, interest in the assets of the project and all project documents, assignment of all insurance policies, pledge of 51% of equity shares of GTAEPL, assignment of revolving letter of credit issued by NHAI, corporate guarantee from GHPL to cover any short fall in the amount payable in respect of the facility in the event of termination due to any event of default other than NHAI event of default. The loans carries an interest of 7.50% p.a. ± 10% spread, now fixed at 8.25% p.a. and is repayable in 29 unequal half yearly instalments commencing from November 2005.

16 Secured Indian rupee term loans from banks and financial institutions of Rs. 563.00 crore (March 31, 2011: Rs. 182.00 crore) of GOSEHHHPL are secured by way of hypothecation of all movable assets of GOSEHHHPL both present and future, first charge / assignment on all intangible assets GOSEHHHPL but not limited to goodwill, right and undertakings, both present and future, uncalled capital of GOSEHHHPL both present and future, GOSEHHHPL's bank accounts including debt service escrow accounts and first charge / assignment / security interest on GOSEHHHPL's rights, title and interest in the project documents including the substitution agreement. Further secured by way of pledge of 51% of the equity shares of GOSEHHHPL held by its shareholders. The loans carries an interest rate ranging from 7.50% to 7.75% p.a plus applicable spread rate, reset from time to time and are repayable in 46 unequal quarterly instalments from April 2014 to July 2025.

17 Secured Indian rupee term loans from banks and financial institutions of Rs. 3,650.00 crore (March 31, 2011: Rs. 3,650.00 crore), of DIAL are secured by first rank pari passu charge on all the future revenues and receivables of DIAL and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under Operation Management and Development Agreement ('OMDA') and further secured by the pledge and non disposable undertaking of shares of DIAL held by GIL, GEL, GAHL, Malaysia Airports (Mauritius) Private Limited ('MAMPL') and Fraport AG Frankfurt Airport Services Worldwide ('FAG'). The loans carries an interest rate of base rate plus agreed spread, which is subject to reset at the end of agreed interval . The interest rate ranges from 11.50% to 12.00 % p.a (March 31, 2011: 9.00% to 13.00% p.a). The loan is repayable in 48 quarterly equated instalments starting after 63 months from the first drawdown i.e. March 2008.

18 Secured Indian rupee term loans from banks of Rs. 1,153.11 crore (March 31, 2011: Rs. 828.63 crore) of DIAL are secured by pari passu first charge on development fund fee receipts. Further, the Company has given undertaking to lenders for meeting the shortfall in the repayment of loan by DIAL. The loans outstanding as at the balance sheet date carries interest at fixed rate of Interest of 11.74% p.a. The DF loan outstanding as at March 31, 2011 and repaid during the current year carried interest rate ranging from 10.75% to 14.00 % p.a. (March 31, 2011: 10.75% to 12.75% p.a). The current loan is repayable from collection of DF receipts and repayment would be higher of DF collection and repayment commitments as per the loan agreement.

19 Secured foreign currency loans from banks of Rs. 1,803.55 crore (March 31, 2011: Rs. 1,579.90 crore) of DIAL are secured by first rank pari passu charge on all the future revenues and receivables of DIAL and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA and further secured by the pledge of shares of shareholders of DIAL held by GIL, GEL, GAHL, MAMPL and FAG. The loans carry an interest at LIBOR plus agreed spread. DIAL had entered into interest rate swap (IRS) arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 7.76% p.a. The loans are repayable in unequal half yearly instalments starting from March 2013 and will end on March 2021.

20 Secured Indian rupee loans from banks and financial institutions and foreign currency loans from banks of Rs. 1,493.72 crore (March 31, 2011: Rs. 1,508.04 crore) of GHIAL are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land and first paripassu charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the TRA, DSRA and further secured by pledge of 16.41 crore and 2.87 crore equity shares, both present and future, held or to be held, as the case may be, by both GAHL and MAMPL respectively upto 51% of the paid up share capital of GHIAL. The foreign currency loans from banks of Rs. 579.71 crore (March 31, 2011: Rs. 536.04 crore) carry an interest rate of LIBOR plus agreed spread. However GHIAL has entered into IRS arrangement to convert floating rate of

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 7.30% p.a. The Indian rupee term loans from banks and financial institutions carries interest at base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate ranges from 10.50% to 13.75 % p.a (March 31, 2011: 10.50% to 12.50% p.a). Foreign currency loans from banks and Indian rupee loans from banks and financial institutions are repayable in 56 equated quarterly instalment commencing from July 2010.

21 Secured Indian rupee loans from financial institutions of Rs. Nil (March 31, 2011: Rs. 11.53 crore) of CDCTM are secured against charge on project assets and surplus account in accordance with escrow agreement entered with the financial institutions with pari pasu clause and pledge of shares of CDCTM held by Celebi Hava Servisi A.S, Turkey (CHSAS). Further, secured against corporate guarantee from CHSAS. The loans carried an interest rate of base rate of the lender plus 1.75% p.a. and were repaid during the year.

22 Secured Indian rupee term loan from banks of Rs. 37.45 crore (March 31, 2011: Rs. 9.79 crore) of CDCTM are secured against charge on project assets and surplus account in accordance with escrow agreement entered with banks with pari pasu clause and pledge of shares of CHSAS. Further, secured against corporate guarantee from CHSAS. The rate of interest is base rate of the lenders plus 1.25% to 1.50% p.a. The loan is repayable in 28 equal quarterly instalments commencing from June 2012.

23 Secured Indian rupee term loans from banks and financial institutions of Rs. 1,693.62 crore (March 31, 2011 : Rs. 699.88 crore) of GREL are secured by first charge on all movable, immovable properties including stock of raw material and consumables, all book debts, cash flows receivables, TRA, DSRA, other reserves and any other bank accounts of GREL, both present and future. Further secured by way of assignments / hypothecation of security interest of all the rights, title, interest, benefits, claims and demands of the GREL in the project documents. Further, secured by way of pledge of 25.17 crore equity shares of GREL held by GEL. The rate of interest is base rate of the lead bank plus 3.00% to 3.25% p.a. The loans are repayable in 46 equated quarterly instalments commencing from April 2013.

24 Secured Indian rupee term loan from banks and financial institutions of Rs. 1,031.76 crore (March 31, 2011 : Rs. 646.69 crore) of GKEL are secured by first mortgage and charge by way of registered mortgage of GKEL's immovable properties, present and future / a first charge by way of hypothecation of all GKEL's movables fixed assets including movable plant and machinery, machinery spares, tools and accessories, present and future, GKEL's stock of raw materials, semi-finished and finished goods and consumable goods, a first charge on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, intangibles, goodwill, uncalled capital, present and future / first charge on the TRA including the DSRA and other reserves and any other bank accounts, wherever maintained present and future first charge by way of assignment or creation of charge of all the right, title, interest, benefits, claims and demands whatsoever of GKEL in the project documents / in the clearances / in any letter of credit, guarantee, performance bond provided by any party to the project documents and all insurance contracts / insurance proceeds pledge of shares (in the demat form) representing a minimum of 51% of the total paid up equity share capital of GKEL. From the date of repayment of 50% of loan, the number of shares under the pledge may be reduced to 26% of the paid up equity share capital of GKEL. All the securities set out above shall rank pari passu amongst the lenders of the project for an aggregate rupee term loans of Rs. 3,405.00 crore and working capital lenders for an amount acceptable to the lenders. The interest rate ranges from 11.50% to 14.50 % p.a and are repayable in 48 equal quarterly instalments from the earlier of 12 months from scheduled project completion date i.e in August 2012 or 51 months from the date of financial closure i.e. in May 2009 as per the loan agreement, whichever is earlier.

25 Secured Indian rupee term loans from banks and financial institutions of Rs. 327.61 crore (March 31, 2011 : Nil) of GCHEPL are secured by way of a first charge on all the movables including current assets, all bank accounts, all rights, title, interest, benefits, claims, and demand of GCHEPL in project documents, all clearances, licenses, permits, approvals, consents, letters of credit, guarantees, all insurance contracts, all intellectual property etc and immovable property at Warora, Maharashtra. The loan has a tenure of ten to fifteen years. The loan carries an interest rate of 13.25% p.a except for one lender which charges the rate prevailing at the each rupee disbursement. GCHEPL shall repay 70% of the loans in 40 equal quarterly instalments commencing from March 2015 and the balance of 30% by a single instalment on March 2025, except for one lender to whom the loan is paid in 60 equal quarterly instalments commencing from March 2015.

26 Secured Indian rupee term loans from banks and financial institutions of Rs. 534.60 crore (March 31, 2011 : 197.50 crore) of EMCO are secured by way of a first charge and registered mortgage of all the immovable properties and movables including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods and book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further secured by pledge of shares representing 51% of the total paid up equity share capital of EMCO. The loan carries an interest rate of BPLR of the lead lender less 3.75% p.a. EMCO shall repay 70.09% of the loan in 43 equal quarterly instalments commencing from September 2013 and the balance of 29.91% shall be paid by a single instalment in June 2024.

27 Secured Indian rupee term loans from financial institutions of Rs. 375.00 crore (March 31, 2011 : 600.00 crore) of SJK are secured by way of pledge of shares held by the GEL in the equity share capital of the SJK, representing 51% of the total paid up equity share capital of SJK and also, irrevocable and unconditional corporate guarantee of GEL. The rate of interest is 12.40% p.a (March 31, 2011 : 10.50% p.a) and is repayable in May 2012.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

28 Secured Indian rupee term loans from banks and financial institutions of Rs. 20.00 crore (March 31, 2011 : Nil) of EDWPCPL are secured by way of hypothecation / mortgage of all movable assets, receivables, bank balances and intangible assets of EDWPCPL. The rate of interest is 15.00% p.a. The loans are repayable in 40 equal quarterly instalments payable commencing from the 9th quarter from the date of first disbursement, i.e July 2011.

29 Secured foreign currency loans from a banks of Rs. 389.28 crore (March 31, 2011: Rs. 345.32 crore) of GIML are secured by way of pledge of 6.91 crore (March 31, 2011 : 6.91 crore) shares of GISPL and further secured by way of corporate guarantee given by the Company. The rate of interest is LIBOR plus 3.50% to 6.45% p.a. (March 31, 2011 : LIBOR plus 3.50%). The lenders have a call option excisable in August 2012 for full repayment of loans. The loan has been treated as current maturities of long term borrowings pending the outcome of the call option as at the balance sheet date. The loans are repayable in 3 equal annual instalments commencing from August 2013, in case the call option is not exercised.

30 Secured foreign currency loans from banks and financial institutions of Rs. 36.26 crore (March 31, 2011 : Rs. 40.32 crore) of LGM are secured by corporate guarantee given by the Company and further secured by pledge of shares of LGM held by its shareholders. The rate of interest is Euribor plus 550bps and repayable in 14 equal half yearly instalments commencing from December 2010.

31 Secured foreign currency loans from banks amounting Rs. 592.60 crore (March 31, 2011: Rs. 315.98 crore) of GMIAL are secured by first charge / assignment of all receivables of GMIAL from the project or otherwise, first charge of existing and future movable properties, all banks accounts including without limitation, the escrow accounts and each of the other accounts required to be created by GMIAL under any project document or contract, all intangible assets including but not limited to the goodwill, undertaking, uncalled capital and intellectual property rights, assignments of all the rights, titles, and interests of GMIAL from all contractors, insurances, licenses in, to, and under all assets of the project, all project documents, which GMIAL is a party to including contractor guarantees, liquidated damages and all other contracts relating to the project, a first charge or assignment of all the rights, titles, interests, benefits, claims and demands whatsoever of GMIAL in any letter of credit, guarantee, performance bonds, provided by EPC contractors, or any party to the project documents, lender's security package listed in the project documents, including substitution rights and termination payments due in respect of the project in specified circumstances and pledge of 51% of the equity share capital of GMIAL. All the securities created would be shared on pari passu basis amongst the lenders participating in the facility and the lenders providing the operations and maintenance bonds, works bonds, capex LCs and working capital facilities and interest and currency hedge providers. The rate of interest is LIBOR plus 550 bps. The loan is repayable in 16 unequal half yearly instalments commencing from June 2015.

32 Secured foreign currency loans from banks and financial institutions of Rs. 924.09 crore (March 31, 2011: Rs. 755.28 crore) of ISG are secured against present and future receivables, rights, income, claims, interest, benefits and all kinds of receivables arising out of or in connection with other agreements. Further secured by pledge of shares of ISG held by the Company and a subsidiary of the Company. The rate of interest is Euribor plus spread i.e. 500 bps. The loan is repayable in 18 unequal half yearly instalments commencing from June 2013.

33 Foreign currency loans from banks of Rs Nil (March 31, 2011: Rs.163.75 crore), of GVPGL were secured by way of pari passu first charge on all the immovable and movable assets of GVPGL including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movables assets, all cash flows, book debts and receivables and any other revenues of whatsoever nature and wherever arising, all intangibles including but not limited to goodwill, uncalled capital, both present and future. Further secured by the right, title, interest, benefits, claims and demands of GVPGL in respect of the project documents, clearances, letter of credit, guarantee, performance bond provided by any party to the project documents, insurance contracts and insurance proceeds both present and future, secured by first charge on the TRA and other reserves and all other bank accounts of GVPGL, wherever maintained. Further the loans were secured by way of pledge of 14.11 crore equity shares of GVPGL held by GEL. The rate of interest was one to six months LIBOR plus 350 to 700 bps. Foreign currency loan from banks and financial institutions were repayable in 34 equal quarterly instalments commencing from July 2010. GVPGL has prepaid all the foreign currency loan from banks and financial institutions during the year ended March 31, 2012.

34 Foreign currency loans from banks of Rs.255.17 crore (March 31, 2011 : Nil) of GISPL are secured by way of a charge over the DSRA to be created and a corporate guarantee provided by a shareholder. The interest rate ranges from 3.65% to 5.08% p.a. The loans are repayable in 8 equal quarterly instalments commencing from July 2014.

35 Foreign currency loans from banks of Rs. 109.30 crore (March 31, 2011 : Nil) of GISPL are secured by way of a charge over the DSRA to be created and a corporate guarantee provided by a shareholder. The interest rate ranges from 3.65% to 5.08% p.a. The loans are repayable after 48 months from the first drawdown date . i.e. in November 2011.

36 Foreign currency loans from banks of Rs.1,190.44 crore (March 31, 2011 : Nil) of GESPL are secured against debentures in respect of rights and interest over project assets, project documents, project accounts, insurances, all shares certificates, instruments of transfer and stock transfer forms. The rate of interest is 2.91% p.a. The loans are repayable in 28 half yearly instalments commencing from December 2014.

37 Secured foreign currency loans from banks of Rs.102.61 crore (March 31, 2011: Rs. Nil) of HEGL are secured by way of charge on all the assets of HEGL.

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NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

The loan bears interest at LIBOR plus 400 bps p.a, with tenure of 6 years from first drawdown date i.e. July 2011 with repayment starting from third year onwards.

38 Secured foreign currency loans from banks of Rs. 206.12 crore (March 31, 2011: Rs.180.56 crore) of GENBV are secured by pledge of shares of GENBV and guaranteed by the Company. The rate of interest is LIBOR plus 550 bps. The loan shall be repaid in 3 annual equal instalments commencing from February 2013.

39 Secured foreign currency loan from banks of Rs. 2,421.91 crore (March 31, 2011: Nil) of GCRPL are secured by a charge over the shares of GCRPL and guaranteed by the Company. The rate of interest is one month LIBOR plus 3.73% p.a. 5% of the loans are repayable within 24 months from the first utilisation date i.e in October 2011, 10% within 36 months from the first utilisation date, 10% within 48 months from the first utilisation date and the final instalment of 75% on the maturity date i.e. in October 2016.

40 Secured Indian rupee term loans from banks of Rs. 59.00 crore (March 31, 2011: Nil) of the Company are secured by an exclusive first charge on assets to be acquired out of the proceeds of the loan and second charge on the current assets of EPC division of the Company. The rate of interest is base rate of the lender plus 2.50% p.a and are repayable in 3 half yearly instalments commencing from February 2013.

41 Secured Indian rupee term loans from banks of Rs. 138.64 crore (March 31, 2011: Rs. 137.70 crore) of GHRL are secured by first pari passu charge by way of equitable mortgage of GHRL's immovable properties pertaining to the hotel project (including assignment of leasehold rights in the case of leasehold land, if any) and assets of the project consisting of land admeasuring 5.37 acres tighter with all the buildings, structures etc on such land; further secured by first pari passu charge on the whole of stocks of raw materials, goods-in-process, semi-finished goods and finished goods, consumable stores and spares, book debts, bills, movable plant and machinery, machinery spares, tools and accessories and other movables, whole of equipments including its spares, tools and accessories, software, whether installed or not and whether in the possession or under the control of the company or not, all bank accounts (whether escrow and no lien or otherwise) and all estate, rights, title, interest, benefits, claims and demands, trade receivables, all cash flows and receivables and proceeds of GHRL. Further secured by corporate guarantee given by the GHIAL. The interest rate is 11.00% to 13.00% p.a (March 31, 2011 : 10.00% to 12.00%) . The loans are repayable in 48 unequal quarterly instalment beginning from December 31, 2012.

42 Secured Indian rupee term loans from banks of Rs. 32.19 crore (March 31, 2011: Rs. 25.09 crore) of DASPL are secured by first charge on DASPL's escrow accounts (i.e. after payment of statutory dues and payment of concession fee to DIAL). The interest rate is base rate of the lender minus 2.75% p.a. The loans are repayable in 32 quarterly instalments commencing from July 2011.

43 Secured Indian rupee term loans from banks of Rs. 69.40 crore, (March 31,2011: Rs.72.98 crore) of HASSL are secured by equitable mortgage of leasehold right and title in respect of leasehold land belonging to GHIAL and other immovable properties and first charge on all movables, including movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles and other movable assets, book debts, operating cash flows, receivables, intangibles, uncalled capital, commissions, revenues, present and future and assignment of all claim and demands from insurance, TRA, DSRA of HASSL and further secured by pledge of 0.37 crore equity shares of HASSL held by GHIAL. The rate of interest is PLR plus 3.00% p.a. The loan is repayable in 21 equal quarterly instalments commencing from March 2012.

44 Secured Indian rupee term loans from banks of Rs. 40.00 crore (March 31,2011: Rs. Nil) of GHASL are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land and first paripassu charge on all movable and immovable assets, operating cash flows, book debts, receivables, commissions, revenue of whatsoever nature, both present and future, and an exclusive charge on all bank accounts of the project, including TRA, escrow accounts etc. The rate of interest is PLR plus 2.50% p.a with yearly reset. The loan is repayable in 120 unequal instalments commencing from April 2013.

45 Secured Indian rupee term loans from banks of Rs. 116.00 crore (March 31, 2011: Rs 61.50 crore) of MGAECL are secured by first pari-passu charge of equitable mortgage by deposit of title deeds over immovable properties of MGAECL admeasuring 16.46 acres of leasehold lands, hypothecation of all the movable assets of MGAECL including, but not limited to plant and machinery, machinery spares, tools and accessories, current assets of the project, all rights, title, interests, benefits, claims and demands whatsoever of MGAECL with respect to the insurance contracts, both present and future and all rights, claims and benefits to all monies receivable there under in respect of all the insured assets of the project both, present and future, book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future of the project, all bank accounts of the project. Further secured by pledge of 26% of the paid up share capital of MGAECL held by one of its shareholders. The rate of interest is 11.00% to 13.00% p.a. (March 31, 2011 : 11.00% to 12.00% p.a). The loan is repayable in 40 unequal quarterly instalments commencing from February 2014.

46 Secured Indian rupee term loans from banks of Rs. 3.21 crore (March 31, 2011: Rs. 3.63 crore) of DFSPL are secured against exclusive charge on receivables of DFSPL through an escrow account maintained by DFSPL, non-disposal undertaking from Devyani International Limited for 60% shareholding in DFSPL, escrow receivables of DFSPL, corporate guarantee of Devyani International Limited (DIL). The rate of interest is base rate of the lender plus 2.25% p.a. The loan is repayable in 28 equal quarterly instalments commencing from September 2011.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

47 Secured Indian rupee term loans from banks of Rs. 3.50 crore (March 31, 2011: Rs. 3.10 crore) of DSSHPL are secured by way of charge on furniture and fixtures and equipments of DSSHPL installed at various outlets and security deposit of Rs. 0.80 crore by DSSHPL with DIAL and pledge of 30% of the shareholding of DSSHPL held by DIL. The rate of interest is base rate of the lender plus agreed premium minus 1.50% p.a. The loan is repayable in 25 unequal quarterly instalments commencing from March 2011.

48 Secured Indian rupee term loans from banks of Rs. 109.98 crore (March 31, 2011: Rs. 113.97 crore) of DDFS are secured by hypothecation of DDFS`s entire stocks of raw material, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future ,in a form and manner satisfactory to banks, first charge on movable fixed assets of the DDFS, both present and future, pledge of 30% of share holding in DDFS worth Rs. 24.00 crore, escrow agreement between the lenders and DDFS for first and exclusive charge on receivables. The rate of interest is 12.50% p.a . The loan is repayable in 36 unequal quarterly instalments commencing from December 2011.

49 Secured Indian rupee term loans from banks of Rs. 47.79 crore (March 31, 2011: Rs. 55.36 crore) of DAFF are secured by charge on receivables / cash flows / revenue under escrow account after payment of statutory dues and DIAL's license fees. The rate of interest is base rate plus 1.25% to 1.50% p.a. The loans are repayable in 48 quarterly equated instalments commencing from July 2011.

50 Secured Indian rupee term loans from banks of Rs. 89.04 crore (March 31, 2011: Rs. 93.84 crore) of DAPSL are secured by exclusive first charge on all present and future receivable belonging to DAPSL after meeting certain payments. The rate of interest is 12.50% to 13.75 % p.a (March 31, 2011: 11.50% to 12.50 % p.a). The loans are repayable in 36 unequal quarterly instalments commencing from April 2011.

51 Secured Indian rupee term loans from banks of Rs. 35.52 crore (March 31, 2011: Rs 10.66 crore) of DCSCPL are secured by first charge by way of hypothecation of all the current assets, all the tangible and intangible assets and pledge of 30% of the shares of DCSCPL held by one of its shareholders. The rate of interest is BPLR minus 250 bps on floating basis. The loan is repayable in 30 unequal instalments commencing from October 2012.

52 Secured Indian rupee term loans from banks of Rs. 7.14 crore (March 31, 2011: Rs. 7.30 crore) of TFS are secured by pledge of 30% of the shareholding in TFS and by way of lien on escrow account. The rate of interest is 11.25% to 12.00% p.a. The loan is repayable in 28 equal quarterly instalments commencing from July 2011.

53 Secured Indian rupee term loans from banks of Rs. 11.44 crore (March 31,2011: Rs 9.23 crore) of HDFRL are secured by current assets including stock, book debts, movable assets, software, whether installed or not and whether in possession or under the control of HDFRL or not, all bank accounts, a pledge of 30% of shares of total equity held by GHIAL. As on March 31, 2012, HDFRL has pledged 0.06 crore equity shares out of total equity of 0.50 crore which is 12% of the paid up share capital of HDFRL. HDFRL is in process of securing pledge of balance 0.09 crore equity shares as per the sanction terms. The rate of interest is base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate for the year ranges from 11.50% to 12.75% (March 31, 2011 : 11.00%). The loans are repayable in 22 unequal quarterly instalments commencing from March 2012.

54 Secured Indian rupee term loans from banks of Rs. 10.88 crore (March 31, 2011:Rs. 11.50 crore) of TIM are secured by a charge on receivables and subservient charge on security deposit of Rs. 35.00 crore given to DIAL after statutory dues and license fees payable to DIAL. The rate of interest is 12.50% p.a. The loans are repayable in 24 quarterly equal instalments commencing from December 2011.

55 Secured Indian rupee term loans from banks of Rs. 1.23 crore (March 31, 2011: Rs. Nil) of Laqshya are secured by first pari passu charge on current and fixed assets of Laqshya. Further secured by a corporate guarantee given by Laqshya Media Private Limited. The rate of interest is 9.00% p.a. The loans are repayable in 4 unequal quarterly instalments from February 2013.

56 Secured Indian rupee term loan from banks of Rs. 31.44 crore (March 31, 2011: Rs. 36.04 crore) of GEL are secured by way of an equitable mortgage of immovable properties comprising of land and building acquired with the loan proceeds. The rate of interest is benchmark primary lending rate minus 1.00% p.a. The loan was repayable in 120 equated instalments of Rs. 0.74 crore each till August 2011. With effect from September 2011, the loan is repayable in 87 monthly instalments of Rs. 0.41 crore each.

57 Secured Indian rupee term loans from banks of Rs. 150.00 crore (March 31, 2011: Rs. 142.64 crore) of GBHHPL are secured by a corporate guarantee of GEL and subsequent charge on movable fixed and current assets of the GBHHPL. The rate of interest is base rate plus 2.45% p.a. The lenders have a call option excisable in September 2012 for full repayment of loans. The loans have been treated as current maturities of long term borrowings pending the outcome of the call option as at the balance sheet date. The loan is repayable in 14 unequal instalments commencing from March 2019, in case the call option is not exercised.

58 Secured Indian rupee term loans from banks of Rs. 184.00 crore (March 31, 2011: Nil) of GGSPPL are secured by way of pledge of shares aggregating 51% of the total paid up capital of GGSPPL and first charge by way of mortgage of immovable properties of GGSPPL. The rate of interest is 13.00% p.a. The loan is repayable in 47 unequal quarterly instalments commencing from July 2012.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

59 Secured Indian rupee term loans from banks of Rs. 20.00 crore (March 31, 2011: Nil) of MTSCL are secured by way of a first ranking mortgage/ hypothecation/ assignment/ security interest/ pledge on the immovable property comprising of land and building both present and future acquired, movable current assets both present and future, pledge of shares representing 30% of the total equity shares of MTSCL, all rights, titles, permits, interests in respect of MTSCL in respect of all the assets, project documentation including all insurance contracts and clearances. The rate of interest is base rate plus spread of 2.75% p.a. The loan is repayable in 28 equated monthly instalment commencing from March 2014.

60 Secured Indian rupee term loans from banks of Rs. 14.46 crore (March 31, 2011: Nil) of ATSCL are secured by way of a first ranking mortgage / hypothecation / assignment / security interest / pledge on the immovable property comprising of land and building both present and future acquired, movable, current assets both present and future, pledge of shares representing 30% of the total equity share capital of ATSCL, all rights, titles, permits, and interests of ATSCL in respect of all the assets, project documentation including all insurance contracts and clearances. The rate of interest is base rate plus spread of 2.75% p.a. The loans are repayable in 28 equated monthly instalments commencing from March 2014.

61 Unsecured Indian rupee term loan from a financial institution of Rs. 275.00 crore (March 31, 2011 : Rs. 275.00 crore) of the Company carries periodic rates of interest as agreed with the lenders and is payble on yearly basis. The loan is repayable in 3 equated annual instalments commencing from August 2013. The loan is secured by way of corporate guarantee issued by GHPL and pledge of 16.92 crore (March 31, 2011: 12.31 crore) equity shares of Re. 1 each of the Company, held by GHPL.

62 Unsecured Indian rupee loans from banks of Rs. 250.01 crore (March 31, 2011 : Nil) of GHIAL are guaranteed by the Company. The rate of interest is base rate plus agreed spread, which is subject to reset at the end of agreed interval, which is presently 11.75% p.a. The loans are repayable in 43 unequal quarterly instalments commencing from October 2012.

63 Unsecured Indian rupee loans from banks of Rs. 350.00 crore (March 31, 2011 : Rs. 350.00 crore) of GEL carry an interest rate of 9.50% to 12.25% p.a. The loans are repayable by way of a bullet payment after one year from the date of disbursement.

64 Unsecured foreign currency loan from bank Rs. 0.17 crore (March 31, 2011: Nil) of KIM carry an interest rate of 14.50% p.a. The loan is repayable in 5 unequal instalments over the next 5 years.

65 Unsecured Indian rupee loans from a financial institution of Rs. 5.77 crore (March 31, 2011 : Rs. 13.71 crore) of WAISL carries an interest rate of 10.55% p.a The loan is repayable in 5 monthly instalments commencing from August 2017.

66 Unsecured Indian rupee loans from others of Rs. 26.00 crore (March 31, 2011 : Rs. 26.00 crore) in relation to GTAEPL and GTTEPL carries an interest rate of 1.00% p.a. and are repayable as mutually agreed between the parties after November 2019.

67 Secured supplier credit of Rs. 90.98 crore (March 31, 2011: Rs. 92.98 crore) of GAPL is secured by way of hypothecation of aircrafts and guarantee issued by the Company. The rate of interest is six months LIBOR plus spread of 115 bps .The interest rate is hedged at 3.66% p.a. The loan is repayable in 16 equal half yearly equal instalments commencing from April 2010.

68 Unsecured supplier credit of Rs. 61.00 crore (March 31, 2011 : Rs. 61.00 crore) of GVPGL is interest free and is repayable in a single instalment on December 31, 2018. The rights, benefits and obligations under this suppliers' credit were assigned to Grandhi Enterprises Private Limited (GREPL), on terms accepted by GVPGL as at March 31, 2011. During the year ended March 31, 2012, GREPL has assigned the credit facilities to Prolific Finvest Private Limited ('assignee'), on terms accepted by GVPGL. The assignee on acceptance by GVPGL may convert the above facility in to fully convertible debentures at par to be issued by GVPGL.

69 Bills discounted of Rs. 134.70 crore (March 31, 2011 : Rs. 134.70 crore) of GEL are secured by first charge over the current assets of GEL and second charge over the entire fixed assets of GEL. The security would be shared on a paripassu basis with existing charge holders.

70 Finance lease obligations of Rs. 1.55 crore (March 31, 2011 : Rs. 1.88 crore) are secured by underlying assets taken on finance lease arrangement. Lease term is around 5 years and carries an interest 10.00% to 13.00% p.a.

71 Negative grant of Rs. 126.50 crore (March 31, 2011 : Rs. 126.50 crore) of GUEPL is interest free. Negative grant is repayable in unequal yearly instalments over next 7 years. Refer note 34(ii).

72 Negative grant of Rs. 83.88 crore (March 31, 2011 : Rs. 101.36 crore) of GACEPL is interest free. Negative grant is repayable in unequal yearly instalments over next 6 years. Refer note 34(ii).

73 Interest free loan from others of Rs. 315.05 crore (March 31, 2011 : Rs. 315.05 crore) of GHIAL received from the GoAP is repayable in 5 equal instalments commencing from 16th anniversary of the commercial operations date of GHIAL i.e. March 2008.

74 Unsecured loan from others of Rs. 117.56 crore (March 31, 2011 : Nil) of GISPL carries an interest rate of 6.50% to 6.72% p.a. The tenor of the loan is 10 years and is to be repaid by half yearly instalments commencing from December 2014.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

75 Unsecured loan others of Rs. 4.55 crore (March 31, 2011 : Nil) of EDWPCPL carries an interest rate of 15.00% p.a and is repayable in 40 equal quarterly instalments commencing from 9th quarter from the date of first disbursement i.e. April 2011.

76 Unsecured loan from others of Rs. 14.51 crore (March 31, 2011 : Nil) of Laqshya is interest free. The loan is repayable in unequal annual instalments over next 9 years.

77 Unsecured loan from others of Rs. 1.20 crore (March 31, 2011 : Rs. 1.30 crore) of HMACPL is interest free. The loan is repayable in 15 equal annual instalments of Rs. 0.10 crore each commencing from March 2010.

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 6 | OTHER LONG-TERM LIABILITIES		
Trade payables	**11.67**	**10.45**
Others		
Advance / deposits received from customers	284.54	499.55
Unearned revenue	2.37	-
Deposits / advances from concessionaires	274.86	478.23
Deposits / advances from commercial property developers	1,427.18	1,389.41
Concession fee payable	80.51	55.61
Non trade payable	415.91	219.53
Other liabilities	41.15	22.14
	2,526.52	**2,664.47**
	2,538.19	**2,674.92**

(Rs. in crore)

Particulars	Long-term		Short-term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE | 7 | PROVISIONS				
Provision for employee benefits				
Provision for gratuity (refer note 36)	3.92	0.01	0.80	0.56
Provision for leave benefits	-	-	31.42	16.50
Provision for voluntary retirement compensation (refer note 39)	108.57	118.48	19.36	19.73
Provision for other employee benefits	-	-	61.04	33.64
	112.49	**118.49**	**112.62**	**70.43**
Other provisions				
Provision for taxation (net)	-	-	39.93	4.86
Provision for wealth tax	-	-	0.05	0.03
Provision for debenture redemption premium	-	-	7.88	0.75
Provision for preference shares redemption premium	-	-	12.95	10.17
Provision for operation and maintenance (net of advances)	36.59	14.68	8.20	10.27
Proposed preference dividend	-	-	-	2.74
Provision for tax on proposed preference dividend	-	-	0.59	0.65
	36.59	**14.68**	**69.60**	**29.47**
	149.08	**133.17**	**182.22**	**99.90**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 8 SHORT TERM BORROWINGS		
Secured:		
Cash credit and overdraft from banks	74.66	135.51
Letters of credit / bills discounted	5,183.00	1,851.21
Indian rupee short term loans from banks	120.52	396.82
Foreign currency short term loans from banks	108.58	170.95
Indian rupee short term loans from financial institutions	125.28	-
Unsecured:		
Bonds	3.45	-
Indian rupee short term loans from banks	1,382.42	1,893.35
Indian rupee short term loans from financial institutions	192.00	-
Indian rupee short term loans from others	125.66	0.39
	7,315.57	**4,448.23**
The above amount includes		
Secured borrowings	5,612.04	2,554.49
Unsecured borrowings	1,703.53	1,893.74
	7,315.57	**4,448.23**

1 Cash credit from banks of Rs. 45.01 crore (March 31, 2011: Rs. 30.01 crore) of GHIAL is secured by way of first paripassu charge by way of hypothecation of the stocks, consumable stores and spares, other movables including book debts, bills, outstanding monies receivable, both present and future and whole of the moveable properties including moveable plant and machinery, machinery spares, tools and accessories, whether stored or not or in the course of transit or on high seas or on order of delivery, but not limited to documents of title to goods. The rate of interest is 12.75% p.a (March 31, 2011: 11.50% to 12.75% p.a).

2 Cash credit from banks of Rs. 0.80 crore (March 31, 2011: Rs. 0.53 crore) of HDFRL is secured by current assets including stock, book debts, movable assets, software, whether installed or not and whether in possession or under the control of HDFRL or not, all bank accounts, a pledge of 30% of shares of total equity share capital held by GHIAL. As on March 31, 2012, HDFRL has pledged 0.06 crore equity shares out of total equity of 0.50 crore which is 12% of the paid up share capital of HDFRL. HDFRL is in process of securing pledge of balance 0.09 crore equity shares as per the sanction terms. The rate of interest is 11.00% to 12.75% p.a (March 31, 2011: 11.00 % p.a).

3 Cash credit from banks of Rs. 1.57 crore (March 31, 2011: Rs. 0.87 crore) of TIM is secured by charge on receivables and subservient charge on security deposit of Rs. 17.15 crore deposited with DIAL by TIM, after statutory dues and license fees payable to DIAL. The rate of interest is base rate of the lender plus 1.75% p.a.

4 Bank overdraft of Rs. 0.04 crore (March 31, 2011: Nil) of GPCL is secured by way of first charge on inventories and book debts of GPCL. The rate of interest is base rate of the lender plus 4.75% p.a.

5 Bank overdraft of Rs. 24.83 crore (March 31, 2011: Nil) of GETL is secured against bank deposits of GETL. The rate of interest is 10.90% p.a.

6 Cash credit from banks of Rs. 2.41 crore (March 31, 2011: Rs. 3.02 crore) of GAPL are secured by way of hypothecation of aircraft and charge over receivables of GAPL. The rate of interest is 13.25% to 14.60% p.a. (March 31, 2011: 13.25 % p.a.)

7 Bank overdraft of Rs. Nil (March 31, 2011: Rs. 101.08 crore) of the Company were secured on first charge on current assets of the EPC division of the Company. The rate of interest is 11.20% p.a (March 31, 2011 : 11.20% p.a).

8 Domestic letters of credit of Rs. 1,074.47 crore (March 31, 2011 : Rs. 610.52 crore) and foreign letters of credit of Rs. 783.41 crore (March 31, 2011: Nil) of GCHEPL are sub limit to rupee term loans as per the facility agreement entered into by GCHEPL and are secured in the same manner and terms and conditions as that of rupee term loans of GCHEPL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have been discounted with banks. Rate of interest of domestic letters of credit is 9.82% to 11.75% p.a (March 31, 2011: 9.52% to 11.75%) and foreign letters of credit is 0.99% to 4.05%, p.a.

9 Domestic letters of credit of Rs. 237.79 crore (March 31, 2011 : Rs. 47.59 crore) and foreign letters of credit of Rs. 1,028.08 crore (March 31, 2011: Rs. 92.48 crore) of GKEL are sub limit to rupee term loans as per the facility agreement entered into by GKEL and are secured in the same manner and terms and conditions as that of rupee term loans of GKEL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 8 | SHORT TERM BORROWINGS (Contd.)

been discounted with banks. Rate of interest of letters of credit is 9.62% to 10.79% p.a (March 31, 2011: 9.62% to 10.79% p.a) and foreign letters of credit is 0.85% to 3.66% p.a. (March 31, 2011 : 0.85% to 3.66% p.a.)

10 Domestic letters of credit of Rs. 504.85 crore (March 31, 2011 : Rs. 158.47 crore) and foreign letters of credit of Rs. 762.96 crore (March 31, 2011: Rs. 80.79 crore) of EMCO are sub limit to rupee term loans as per the facility agreement entered into by EMCO and are secured in the same manner and terms and conditions as that of rupee term loans of EMCO. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have been discounted with banks. The rate of interest of domestic letters of credit is 8.95% to 12.00% p.a (March 31, 2011: 7.55% to 10.00%.p.a) and foreign bills letters of credit is 0.85% to 4.00% p.a (March 31, 2011: 0.85 % to 2.48% p.a).

11 Domestic letters of credit of Rs. 348.61 crore (March 31, 2011 : Rs. 547.19 crore) and foreign letters of credit of Rs. 420.21 crore (March 31, 2011: Rs. 314.17 crore) of GREL are sub limit to rupee term loans as per the facility agreement availed by GREL and are secured in the same manner and terms and conditions as that of rupee term loans of GREL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have been discounted with banks. The rate of interest of domestic letters of credit is 9.95% to 11.30% p.a (March 31, 2011: 8.00% to 10.50%) and foreign bills letters is 1.95% to 3.05% p.a (March 31, 2011: 1.41 % to 2.07% p.a).

12 Bills discounted of Rs. 22.62 crore (March 31, 2011; Nil) of GEL are secured by a first charge over the current assets of GEL and second charge over the entire fixed assets of GEL. The rate of interest is 11.00% to 11.75% p.a.

13 Secured short term loans from banks and financial institutions of Rs. 240.23 crore (March 31, 2011: Rs. 137.87 crore) of KSPL are secured by way of a charge on fixed deposits of the Company. The rate of interest is 8.50 % to 10.50% p.a. (March 31, 2011: 8.50 % to 10.50% p.a).

14 Secured short term loans from banks of Rs. 108.58 crore (March 31, 2011: Rs. 170.95 crore) of ISG are secured against present and future receivables, rights, income, claims, interest, benefits, into and under its receivables and all kinds of receivables arising out of or in connection with other agreements. Further, secured by pledge of shares of ISG held by the Company and one subsidiary. The rate if interest is 6.10 % plus agreed margin.

15 Secured short term loans from banks of Rs. 2.50 crore (March 31, 2011: Rs. 3.95 crore) of DDFS are secured by hypothecation of the DDFS`s entire stocks of raw material, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, first charge on movable fixed assets of the DDFS, both present and future, pledge of 30% of share holding in DDFS worth Rs. 24.00 crore, escrow agreement between the lenders and DDFS for first and exclusive charge on receivables. The rate of interest is 12.50 % p.a (March 31, 2011: 12.50% p.a).

16 Secured short term loans from financial institutions of Rs. 3.06 crore (March 31, 2011: Nil) of DASPL are secured by a first charge on DASPL's escrow account, after payment of statutory dues and fees of DIAL. The rate of interest is 13.00% p.a.

17 Secured short term loans from banks of Rs. Nil (March 31, 2011: Rs. 255.00 crore) of GBHPL are secured by a subservient charge on movable, fixed and current assets of GBHPL. The rate of interest is base rate of the lender plus 2.00% p.a.

18 Unsecured short term loans from banks of Rs. Nil (March 31, 2011 : Rs. 100 crore) of GHVEPL carries an interest rate of 10.50% p.a (March 31, 2011 : 10.50% p.a)

19 Unsecured short term loans from banks of Rs. 731.50 crore (March 31, 2011 : Rs. 600.00 crore) of DIAL are guaranteed by the Company. The rate of interest is 12.00% to 13.50% p.a (March 31, 2011: 10.50% to 11.50% p.a).

20 Unsecured short term loans from banks of Rs. Nil (March 31, 2011 : Rs. 442.00 crore) of GHIAL carried an interest rate of 11.00% p.a (March 31, 2011 : 8.75% to 11.00% p.a).

21 Unsecured short term loans from banks of Rs. 500.00 crore (March 31, 2011 : Rs. 500.00 crore) of the Company carry an interest rate of 12.00% to 12.50% p.a (March 31, 2011: 12.00% to 12.50% p.a).

22 Unsecured short term loans from banks of Rs. 150.00 crore (March 31, 2011 : Rs. 250.00 crore) of GEL carry an interest rate 9.00% to 11.00% p.a (March 31, 2011: 9.00% p.a).

23 Unsecured short term loans from banks of Rs. 0.92 crore (March 31, 2011 : Rs. 1.35 crore) of other companies under airport segment are repayable on demand and carry an interest rate 9.00% to 12.00% p.a (March 31, 2011: 9.00% to 12.00% p.a).

24 Unsecured short term loans from financial institutions of Rs. 192.00 crore (March 31, 2011 : Nil) of GHIAL is guaranteed by the Company. The rate of interest is the rate existing on the date of disbursement plus agreed spread.

25 Unsecured short term loans from others of Rs. 95.00 crore (March 31, 2011 : Nil) of the Company from GMR Projects Private Limited (GPPL) carries an interest rate of 11.00% p.a.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 8 | SHORT TERM BORROWINGS (Contd.)

26 Unsecured short term loans from others of Rs. 30.00 crore (March 31, 2011 : Nil) of EDWPCPL from IL&FS Renewable Energy Limited, a minority shareholder in EDWPCPL carries an interest rate of 11.00% p.a.

27 Unsecured short term loans from others of Rs. 0.56 crore (March 31, 2011 : Rs. 0.39 crore) of other companies in airport segment carry an interest rate of 9.00% to 13.00% p.a. (March 31, 2011 : 9.00% to 13.00% p.a).

28 Convertible bonds of Rs. 3.45 crore (March 31, 2011 : Nil) have been issued by MAL to PT Bumi Kencana Eka Sakti (BKES) pursuant to an agreement between MAL and BKES. The convertible bonds are repayable on the maturity date which is within twelve months from the date of agreement and carry an interest of 12.00% p.a. Further, BKES has the right to convert the bonds whether in part or in whole the value of the bonds to be compensated with the conversion shares with nominal value of Indonesian Rp.0.10 crore per share at any time before maturity date.

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 9 | OTHER CURRENT LIABILITIES		
Trade payables (including acceptances)	**1,236.71**	**1,030.64**
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	3,346.67	2,148.93
Deposits / advances from concessionaires	11.21	5.70
Deposits / advances from commercial property developers	119.00	74.00
Interest accrued but not due on borrowings	114.50	138.62
Others		
Advance/ deposits from customers	1,248.29	638.28
Unpaid share application money refund - not claimed	0.05	0.05
Book overdraft	19.59	0.17
Non trade payables	2,824.80	1,535.11
Statutory dues payable	122.65	114.30
Unearned revenue	242.87	21.51
Other liabilities	42.81	36.81
	8,092.44	**4,713.48**
	9,329.15	**5,744.12**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 10 | TANGIBLE ASSETS

(Rs. in crore)

Particulars	Freehold land	Leasehold land	Runways and others	Buildings	Plant and machinery	Leasehold improvements	Office equipments (including computers)	Furniture and fixtures	Vehicles and aircrafts	Leased assets - plant and machinery	Leased assets - office equipments	Leased assets - vehicles	Total
Cost or Valuation													
As at April 1, 2010	146.66	73.15	1,581.38	3,331.48	3,621.49	128.19	526.84	139.81	451.32	2.46	5.39	0.06	10,008.23
Additions	58.56	12.65	469.14	5,282.09	3,711.86	25.35	21.93	147.21	58.44	-	-	-	9,787.23
Additions on inclusion of subsidiaries/ joint ventures	-	4.68	-	3.17	90.00	1.21	1.88	0.10	1.39	-	-	-	102.43
Disposals	-	(0.21)	-	(7.67)	(15.86)	-	(2.32)	(6.15)	(81.00)	-	-	-	(113.21)
Adjustments against development fund	-	-	(70.14)	(1,105.54)	(621.05)	-	(0.01)	(20.22)	-	-	-	-	(1,816.96)
Other adjustments	-	-	-	-	9.90	-	-	-	-	-	-	-	9.90
Exchange differences	-	-	(1.26)	26.98	(3.32)	-	(0.40)	(0.34)	(0.85)	-	-	-	20.81
Borrowing costs	-	-	31.42	530.40	300.34	-	-	10.74	-	-	-	-	872.90
As at March 31, 2011	**205.22**	**90.27**	**2,010.54**	**8,060.91**	**7,093.36**	**154.75**	**547.92**	**271.15**	**429.30**	**2.46**	**5.39**	**0.06**	**18,871.33**
Additions	35.56	20.80	49.79	454.05	568.87	78.40	16.89	25.99	13.02	-	-	-	1,263.37
Additions on inclusion of subsidiaries/ joint ventures	0.27	0.02	-	10.04	30.86	-	0.05	3.04	1.31	-	-	0.10	45.69
Disposals	(0.52)	(0.36)	(8.24)	(6.52)	(4.31)	(4.65)	(0.79)	(6.80)	(1.13)	-	-	-	(33.32)
Adjustments against development fund	-	-	(48.17)	(762.04)	(414.54)	-	-	(12.19)	-	-	-	-	(1,236.94)
Other adjustments	-	(11.96)	-	-	-	-	-	-	-	-	-	(0.06)	(12.02)
Exchange differences	-	-	22.88	255.12	96.96	1.63	4.67	11.18	10.22	-	-	-	402.66
Borrowing costs	-	-	7.30	131.89	68.36	-	0.15	2.10	0.01	-	-	-	209.81
As at March 31, 2012	**240.53**	**98.77**	**2,034.10**	**8,143.45**	**7,439.56**	**230.13**	**568.89**	**294.47**	**452.73**	**2.46**	**5.39**	**0.10**	**19,510.58**
Depreciation													
As at April 1, 2010	-	-	86.99	209.49	1,472.54	5.53	107.75	27.27	43.73	0.50	3.06	-	1,956.86
Charge for the year	-	-	66.28	207.14	256.86	4.70	51.39	19.13	24.69	0.25	1.47	-	631.91
Depreciation on account of inclusion of subsidiaries/ joint ventures	-	-	-	0.29	7.81	0.84	1.07	0.06	0.51	-	-	-	10.58
Disposals	-	-	-	(1.29)	(0.78)	-	(0.20)	(1.57)	(7.97)	-	-	-	(11.81)
Other adjustments	-	-	-	-	0.95	-	-	-	-	-	-	-	0.95
Exchange differences	-	-	-	3.72	(0.08)	-	-	-	(0.04)	-	-	-	3.60
As at March 31, 2011	**-**	**-**	**153.27**	**419.35**	**1,737.30**	**11.07**	**160.01**	**44.89**	**60.92**	**0.75**	**4.53**	**-**	**2,592.09**
Charge for the year	-	-	73.43	311.24	327.16	7.95	55.19	18.63	26.60	0.74	0.86	0.01	821.81
Depreciation on account of inclusion of subsidiaries/ joint ventures	-	-	-	0.55	6.15	-	0.03	1.43	0.28	-	-	0.08	8.52
Disposals	-	-	-	(0.93)	(3.79)	(2.37)	(0.32)	(4.81)	(0.73)	-	-	-	(12.95)
Other adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	0.01	8.73	0.07	0.92	0.32	0.92	0.36	-	-	0.00	11.33
As at March 31, 2012	**-**	**-**	**226.71**	**738.94**	**2,066.89**	**17.57**	**215.23**	**61.06**	**87.43**	**1.49**	**5.39**	**0.09**	**3,420.80**
Net Block													
As at March 31, 2011	**205.22**	**90.27**	**1,857.27**	**7,641.56**	**5,356.06**	**143.68**	**387.91**	**226.26**	**368.38**	**1.71**	**0.86**	**0.06**	**16,279.24**
As at March 31, 2012	**240.53**	**98.77**	**1,807.39**	**7,404.51**	**5,372.67**	**212.56**	**353.66**	**233.41**	**365.30**	**0.97**	**0.00**	**0.01**	**16,089.78**

Notes:

1. Buildings with a gross book value of Rs. 6,473.58 crore (March 31, 2011: Rs. 6,562.52 crore) and runways are on leasehold land
2. Foreign exchange differences in gross block:
   a. Foreign exchange gain of Rs. 90.55 crore (March 31, 2011: Rs. 44.48 crore) on account of the effect of translation of assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS 11.
   b. Foreign exchange loss of Rs. 312.11 crore (March 31, 2011 : Rs. 23.67 crore, foreign exchange gain) in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets.
3. Foreign exchange differences in accumulated depreciation represents foreign exchange loss of Rs. 11.33 crore (March 31, 2011 : Rs. 3.60 crore) on account of the effect of translation of assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of Accounting Standard-11.
4. Other adjustment in plant and machinery Rs Nil (March 31, 2011 : Rs 9.90 crore) on account of cancellation of duty drawback refund order received by GVPGL in the year 2009-10 which was pereviously adjusted against the cost of fixed assets. Refer note 32(b)(a).
5. Disposals from gross block during the year ended March 31, 2012 includes reversal of outstanding liabilities amounting to Rs. 17.87 crore pertaining to project construction which are no longer payable now in case of GHIAL and reversal of depreciation thereon amounting to Rs. 1.53 crore under depreciation charge of the year.
6. Other adjustments in lease hold land during the year ended March 31, 2012 includes reclassification of Rs. 11.96 crore to capital advances with respect to PTDSU.
7. Development fund of Rs. 1,236.94 crore (March 31, 2011 : Rs. 1,816.96 crore) received towards development of aeronautical assets in DIAL is reduced from the gross block above. Refer note 34(vii).
8. Depreciation for the year includes Rs. 10.72 crore (March 31, 2011 : Rs. 1.05 crore) relating to certain consolidated entities in the project stage, which is included in capital work in progress in note 31(a) and intangible assets under development in note 31(b).
9. Refer note 34(viii)(f) for demerger scheme of GHIAL pursuant to which assets of GHIAL have been transferred to GHRL.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 11 | INTANGIBLE ASSETS

(Rs. in crore)

Particulars	Goodwill on consolidation	Airport concessionaire rights	Capitalised software	Carriageways	Minining properties (including deferred exploration and stripping costs)	Technical know-how	Total
Cost or Valuation							
As at April 1, 2010	841.43	457.91	64.94	3,517.13	-	-	4,881.41
Additions	83.61	444.08	15.34	0.58	26.67	-	570.28
Additions on inclusion of subsidiaries/ joint ventures	-	-	-	-	47.17	-	47.17
Disposals	-	(0.10)	-	-	-	-	(0.10)
Exchange differences	12.30	(8.74)	0.01	-	(3.43)	-	0.14
Borrowing costs	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2011	**937.34**	**893.15**	**80.29**	**3,517.71**	**70.41**	**-**	**5,498.90**
Additions	-	39.71	10.32	0.46	81.02	17.03	148.54
Additions on inclusion of subsidiaries/ joint ventures	2,172.75	-	1.84	-	46.08	-	2,220.67
Disposals	(17.71)	-	(0.13)	-	-	-	(17.84)
Exchange differences	82.12	53.42	0.05	-	(1.39)	-	134.20
Borrowing costs	-	-	-	-	-	-	-
Other adjustments	-	(51.98)	-	-	-	-	(51.98)
As at March 31, 2012	**3,174.50**	**934.30**	**92.37**	**3,518.17**	**196.12**	**17.03**	**7,932.49**
Amortisation							
As at April 1, 2010	-	19.35	17.56	347.81	-	-	384.72
Charge for the year	-	16.36	11.80	141.23	2.44	-	171.83
Amortisation on account of inclusion of subsidiaries/ joint ventures	-	-	-	-	1.99	-	1.99
Disposals	-	(0.02)	-	-	-	-	(0.02)
Exchange differences	-	(0.01)	-	-	(0.16)	-	(0.17)
Other adjustments	-	-	(0.17)	-	-	-	(0.17)
As at March 31, 2011	**-**	**35.68**	**29.19**	**489.04**	**4.27**	**-**	**558.18**
Charge for the year	-	27.55	14.24	84.64	1.61	1.44	129.48
Amortisation on account of inclusion of subsidiaries/ joint ventures	-	-	0.15	-	7.11	-	7.26
Disposals	-	-	(0.13)	-	-	-	(0.13)
Exchange differences	-	1.02	-	-	0.12	-	1.14
Other adjustments	-	(1.31)	-	-	-	-	(1.31)
As at March 31, 2012	**-**	**62.94**	**43.45**	**573.68**	**13.11**	**1.44**	**694.62**
Net Block							
As at March 31, 2011	**937.34**	**857.47**	**51.10**	**3,028.67**	**66.14**	**-**	**4,940.72**
As at March 31, 2012	**3,174.50**	**871.36**	**48.92**	**2,944.49**	**183.01**	**15.59**	**7,237.87**

1. Foreign exchange difference in goodwill on consolidation represents foreign exchange gain of Rs. 82.12 crore (March 31, 2011: Rs. 12.30 crore) on account of effect of translation of goodwill arising out of consolidation of foreign subsidiaries / joint ventures which are consolidated as non integral foreign operations as per the requirements of Accounting Standard-11
2. Foriegn exchange differences in gross block includes foreign exchange gain of Rs. 52.08 crore (March 31, 2011: Rs. 12.16 crore, foreign exchange loss) on account of the effect of translation of intangible assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of Accounting Standard-11.
3. Foreign exchange differences in accumulated amortisation represents foreign exchange loss of Rs. 1.14 crore (March 31, 2011 : Rs. 0.17 crore) on account of the effect of translation of intangible assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of Accounting Standard-11.
4. Amortisation on carriage ways for the year ended March 31, 2012 is net off write back of Rs. 48.15 crore due to change in the method of amortisation. Also refer note 2.1(a).
5. Amortisation for the year includes Rs. 4.76 crore (March 31, 2011 : Rs. 0.10 crore) relating to certain consolidated entities in the project stage, which are included in capital work in progress in note 31(a) and intangible assets under development in note 31(b).
6. Refer note 34(viii)(f) for demerger scheme of GHIAL pursuant to which assets of GHIAL have been transferred to GHRL.
7. Additions on inclusion of subsidiaries/ joint ventures in goodwill during the year ended March 31, 2012 includes additional payment of Rs. 10.00 crore and Rs. 47.00 crore made to the sellers of EMCO and SJK respectively on the satisfaction of the conditions specified as per the shareholding agreement with the sellers of these Companies.
8. Disposal in goodwill arising on account of dilution of group's holding in GESPL during the year ended March 31, 2012. Refer note 34(viii)(q).

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 12 NON-CURRENT INVESTMENTS		
Long term - at cost, unquoted		
A. In Equity shares of Companies - Trade		
Vemagiri Power Services Limited		
[5,000 (March 31, 2011 : 5,000) equity shares of Rs. 10 each, fully paid up]	0.01	0.01
Power Exchange India Limited		
[2,500,000 (March 31, 2011 : 2,500,000) equity shares of Rs. 10 each, fully paid up]	2.50	2.50
B. In Equity shares of Body Corporates - Trade		
GMR Holding Overseas Investments Limited		
[5 (March 31, 2011: 5) equity shares of USD 1 each] (Rs. 234 (March 31, 2011: Rs. 234))	0.00	0.00
GMR Holding (Malta) Limited		
[58 (March 31, 2011: 58) equity shares of EUR 1 each] (Rs. 3,924 (March 31, 2011: Rs. 3,924))	0.00	0.00
PT DSSP Power Sumsel		
[2 (March 31, 2011: Nil) equity shares with nominal value of Indonesia Rp 1,000,000 per share]	0.01	-
C. In Debentures of Companies - Trade		
Kakinada Infrastructure Holdings Private Limited		
[100 (March 31, 2011 : 100) 0.1% cumulative optionally convertible Debentures of Rs. 10,000,000 each]	100.00	100.00
D. In Preference shares of Companies - Other than trade		
Rushil Constructions (India) Private Limited		
[4,673,000 (March 31, 2011 : 4,673,000) preference shares of Rs. 100 each, fully paid up]	46.73	46.73
E. In Equity shares of Companies - other than trade		
Business India Publications Limited		
[5,000 (March 31, 2011: 5,000) equity shares of Rs. 10 each, fully paid up]	0.06	0.06
Ujjivan Financial Services Private Limited		
[50,000 (March 31, 2011: 50,000) equity shares of Re. 1 each, fully paid up]	0.05	0.05
Total (A+B+C+D+E)	**149.36**	**149.35**

Notes:

Aggregate amount of non-current unquoted investments - Rs. 149.36 crore (March 31, 2011 : Rs. 149.35 crore)

(Rs. in crore)

Particulars		Non-current		Current	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 13 LOANS AND ADVANCES					
Capital advances					
Unsecured, considered good		1,944.00	2,810.49	-	-
	(A)	**1,944.00**	**2,810.49**	**-**	**-**
Security deposit					
Unsecured, considered good		298.25	317.50	5.45	25.38
	(B)	**298.25**	**317.50**	**5.45**	**25.38**
Advances recoverable in cash or kind					
Unsecured, considered good		187.65	259.93	435.54	260.85
Unsecured, considered doubtful		-		0.59	0.59
		187.65	**259.93**	**436.13**	**261.44**
Provision for doubtful advances		-	-	(0.59)	(0.59)
	(C)	**187.65**	**259.93**	**435.54**	**260.85**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 13 LOANS AND ADVANCES (Contd.)				
Other loans and advances				
Unsecured, considered good				
Share application money	-	6.72	-	-
Advance income-tax (net), including paid under protest	89.54	81.89	39.52	98.87
MAT credit entitlement	44.44	37.55	0.62	-
Prepaid expenses	10.96	2.94	319.74	134.72
Loan to others	350.87	490.32	149.43	53.95
Loans to employees	4.96	1.54	8.99	9.10
Deposits / balances with statutory / government authorities	273.79	71.85	28.39	165.82
	774.56	**692.81**	**546.69**	**462.46**
Unsecured, considered doubtful				
Balances with statutory / government authorities	1.27	0.70	-	-
	1.27	**0.70**	**-**	**-**
Provision for doubtful advances	(1.27)	(0.70)	-	-
(D)	**774.56**	**692.81**	**546.69**	**462.46**
Total (A+B+C+D)	**3,204.46**	**4,080.73**	**987.68**	**748.69**
Capital advances includes advances to related parties:				
Oriental Structures Engineers Private Limited (OSEPL)	10.86	101.20	-	-
IL&FS Environmental infrastructure & Services Limited (IEISL)	29.93	-	-	-
Airports Authority of India (AAI)	1.33	-	-	-
Security deposit includes deposits with related parties:				
GMR Family Fund Trust (GFFT)	29.94	-	-	-
GMR Bannerghatta Properties Private Limited (GBPPL)	1.63	17.37	-	-
GMR Hebbal Towers Private Limited (GHTPL)	135.00	135.00	-	-
Corporate Infrastructure Services Limited (CISL)	8.59	13.22	-	
Raxa Security Services Limited (RSSL)	4.95	-	-	-
Advances recoverable in cash or kind includes advances to related parties:				
AAI	-	-	2.92	1.34
Laqshya Media Private Limited (LMPL)	-	-	0.52	-
Celebi Ground Handling Delhi Private Limited (CELBI GHDPL)	-	-	0.28	0.13
Cambata Aviation Private Limited (CAPL)	-	-	2.99	1.82
Bird World Wide Flight Services India Private Limited (BWWFSIPL)	-	-	1.96	0.87
Track India Private Limited (TIPL)	-	-	0.10	-
CHSAS	-	-	0.21	-
Loan to others includes loans to related parties:				
Welfare Trust of GMR Infra Employees (GWT)	115.00	115.00	-	-
GMR Projects Private Limited (GPPL)	100.00	110.00	10.00	-
U E Development India Private Limited (UEDIPL)	-	13.02	14.93	-
Crossridge Investments Limited (CIL)	59.33	51.91	-	-
GMR Varalakshmi Foundation (GVF)	-	-	12.89	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 14 TRADE RECEIVABLES AND OTHER ASSETS				
Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	133.65	129.89	503.05	87.44
Unsecured, considered doubtful	2.12	3.65	15.96	0.47
	135.77	**133.54**	**519.01**	**87.91**
Provision for doubtful trade receivables	(2.12)	(3.65)	(15.96)	(0.47)
(A)	**133.65**	**129.89**	**503.05**	**87.44**
Other receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,200.65	490.45
Unsecured, considered doubtful	-	-	0.28	3.17
	-	**-**	**1,200.93**	**493.62**
Provision for doubtful trade receivables	-	-	(0.28)	(3.17)
(B)	**-**	**-**	**1,200.65**	**490.45**
Total (A+B)	**133.65**	**129.89**	**1,703.70**	**577.89**

(Rs. in crore)

Particulars	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 15 OTHER ASSETS				
Unsecured, considered good unless stated otherwise				
Non-current bank balances [refer note 18]	442.33	138.59	-	-
(A)	**442.33**	**138.59**	**-**	**-**
Unamortised expenditure				
Ancillary cost of arranging the borrowings	431.74	41.87	35.85	19.86
(B)	**431.74**	**41.87**	**35.85**	**19.86**
Others				
Interest accrued on fixed deposits	-	-	21.00	23.07
Interest accrued on current investments	-	-	4.68	10.15
Interest accrued on long term investments	-	3.52	-	35.70
Development fund receivable [refer note 34(vii)]	700.49	-	820.63	650.80
Non trade receivable (net of provision of Rs 20.68 crore (March 31, 2011 Rs. Nil))	0.52	32.53	67.92	117.42
Grant receivable from authorities	-	-	0.04	0.04
Unbilled revenue	6.55	6.18	270.21	441.99
(C)	**707.56**	**42.23**	**1,184.48**	**1,279.17**
Total (A+B+C)	**1,581.63**	**222.69**	**1,220.33**	**1,299.03**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 16 | CURRENT INVESTMENTS		
Current maturities of long term investments, unquoted		
In Debentures of Body Corporates - Trade		
GMR Holding (Malta) Limited		
19,234,619 (March 31, 2011 : 415,000,000) compulsory convertible debentures of USD 1 each]	99.12	1,874.13
(i)	**99.12**	**1,874.13**
Current		
Other than trade, Quoted (valued at lower of cost and fair value)		
A. Investment In Equity shares of Companies		
Karur Vysya Bank Limited		
[229,018 (March 31, 2011 : 156,800) equity shares of Rs. 10 each, fully paid up]	6.99	3.89
Aviva Corporation Limited		
[4,000,000 (March 31, 2011 : 4,000,000) common shares without par value]	3.03	3.82
Southern Andes Energy Inc		
[4,704,219 (March 31, 2011 : 4,704,219) unlimited common shares without par value]	3.91	8.34
ING Vysya Bank Limited		
[Nil (March 31, 2011 : 13,175) equity shares of Rs. 10 each, fully paid up]	-	0.37
Brigade Enterprises Limited		
[Nil (March 31, 2011 : 274,746) equity shares of Rs. 10 each, fully paid up]	-	3.87
Gokaldas Exports Limited		
[Nil (March 31, 2011 : 50,000) equity shares of Rs. 5 each, fully paid up]	-	0.76
Kalyani Steels Limited		
[Nil (March 31, 2011: 25,000) equity shares of Rs. 10 each, fully paid up]	-	0.57
Reliance Communications Limited		
[Nil (March 31, 2011 : 50,000) equity shares of Rs. 5 each, fully paid up]	-	0.79
Siemens Limited		
[Nil (March 31, 2011 : 12,000) equity shares of Rs. 2 each, fully paid up]	-	0.88
Sterilite Industries (India) Limited		
[Nil (March 31, 2011 : 91,104) equity shares of Re. 1 each, fully paid up]	-	1.89
NTPC Limited		
[Nil (March 31, 2011 : 98,000) equity shares of Rs. 10 each, fully paid up]	-	1.97
Tata Consultancy Services Limited		
[Nil (March 31, 2011 : 3,279) equity shares of Re. 1 each, fully paid up]	-	0.27
HEG Limited		
[Nil (March 31, 2011 : 1,484) equity shares of Rs. 10 each, fully paid up]	-	0.05
Hindustan Petroleum Corporation Limited		
[Nil (March 31, 2011 : 8,402) equity shares of Rs. 10 each, fully paid up]	-	0.27
Indian Oil Corporation Limited		
[Nil (March 31, 2011 : 6,206) equity shares of Rs. 10 each, fully paid up]	-	0.19
HDFC Bank Limited		
[Nil (March 31, 2011 : 1,335) equity shares of Rs. 10 each, fully paid up]	-	0.26
Oil India Limited		
[Nil (March 31, 2011 : 2,978) equity shares of Rs. 10 each, fully paid up]	-	0.36
ONGC Limited		
[Nil (March 31, 2011 : 10,412) equity shares of Rs. 5 each, fully paid up]	-	0.30
Zensar Technologies Limited		
[Nil (March 31, 2011 : 20,930) equity shares of Rs. 5 each, fully paid up]	-	0.30
HDFC Limited		
[Nil (March 31, 2011 : 7,030) equity shares of Rs. 2 each, fully paid up]	-	0.38
Aries Agro Limited		
[Nil (March 31, 2011 : 15,381) equity shares of Rs. 10 each, fully paid up]	-	0.20

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 16 CURRENT INVESTMENTS (Contd.)		
Bharth Earth Movers Limited [Nil (March 31, 2011 : 4,767) equity shares of Rs. 10 each, fully paid up]	-	0.28
Indoco Remidies Limited [Nil (March 31, 2011 : 5,255) equity shares of Rs. 10 each, fully paid up]	-	0.23
Deepak Fertilisers and Petrochemicals Corporation Limited [Nil (March 31, 2011 : 13,934) equity shares of Rs. 10 each, fully paid up]	-	0.24
Balmer Lawrie and Company Limited [Nil (March 31, 2011 : 4,915) equity shares of Rs. 10 each, fully paid up]	-	0.33
Zuari Industries Limited [Nil (March 31, 2011 : 2,448) equity shares of Rs. 10 each, fully paid up]	-	0.20
Excel Crop Care Limited [Nil (March 31, 2011 : 12,268) equity shares of Rs. 5 each, fully paid up]	-	0.28
ISMT Limited [Nil (March 31, 2011 : 63,529) equity shares of Rs. 5 each, fully paid up]	-	0.35
Cipla Limited [Nil (March 31, 2011 : 4,768) equity shares of Rs. 2 each, fully paid up]	-	0.15
Larsen and Toubro Limited [Nil (March 31, 2011 : 1,800) equity shares of Rs. 2 each, fully paid up]	-	0.30
Patni Computers Systems Limited [Nil (March 31, 2011 : 3,778) equity shares of Rs. 2 each, fully paid up]	-	0.18
Standard Chartered IDR [Nil (March 31, 2011 : 19,465) equity shares of Re. 0.5 each, fully paid up]	-	0.21
(ii)	**13.93**	**32.48**
Other than trade, unquoted		
A. Investment in Mutual Funds		
Axis Liquid Fund Institutional - Growth Scheme [55,550 (March 31, 2011 : 80,573) units of Rs. 1,000 each]	6.60	8.73
ICICI Prudential - Super Institutional Plan - Growth Option [1,828,471 (March 31, 2011 : 34,115,390) units of Rs. 100 each]	28.95	494.16
ICICI Prudential Institutional - Liquid Plan - Super Institutional Growth [18,494,345 (March 31, 2011 : 336,901) units of Rs. 100 each]	290.14	4.88
HDFC Liquid Fund - Premium Plan - Growth [2,897,921 (March 31, 2011 : 192,495) units of Rs. 10 each]	6.22	0.38
Birla Sunlife Infrastructure Fund - Plan - Dividend - Payout [4,720,000 (March 31, 2011 : 4,720,000) units of Rs. 10 each]	4.72	5.90
UTI Liquid Cash Plan Institutional - Growth Option [33,742 (March 31, 2011 : 30,488) units of Rs. 1,000 each]	5.93	4.90
Kotak Liquid Fund Premium Plan Daily Dividend Reinvestment Option [6,791,746 (March 31, 2011 : 503,807) units of Rs. 10 each]	13.60	1.00
Reliance Liquidity Fund - Growth Option [9,963,746 (March 31, 2011 : 4,069,122) units of Rs. 10 each]	16.09	6.00
Reliance Floating Rate Fund, Daily Dividend Plan [287,921 units (March 31, 2011 : 269,740) units of Rs. 10 each]	0.29	0.27
Birla Sun Life Cash Plus - Institutional Premium Growth [1,809,683 (March 31, 2011 : Nil) units of Rs. 100 each]	33.31	-
Birla Sunlife Cash Plus Institutional - Daily Dividend [300,255 (March 31, 2011 : Nil) units of Rs. 100 each]	3.01	-
Birla Sun Life Dynamic Bond - Retail Plan Quarterly Dividend [113,720 (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 16 CURRENT INVESTMENTS (Contd.)		
ICICI Prudential Flexible Income Plan Regular Dividend Weekly [126,831 units (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
IDFC Super Saverincome Short Term Plan A (Regular) Dividend Monthly [128,423 units (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
Union KBC Liquid Fund Growth [80,162 (March 31, 2011 : Nil) units of Rs. 1,000 each]	8.60	-
Tata Liquid Fund SHIP - Appreciation [43,146 (March 31, 2011 : Nil) units of Rs. 1,000 each]	8.54	-
IDFC Cash Fund Super Institutional Plan -C Growth [191,750 (March 31, 2011 : Nil) units of Rs. 1,000 each]	24.82	-
Birla Sun life Savings Fund Retail-Weekly Dividend [13,274 (March 31, 2011 : Nil) units of Rs. 1,000 each]	0.13	-
DSP Black Rock Short Term Dividend [117,876 units (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
DSP Black Rock Liquidity Fund - Institutional Plan - Growth [106,917 (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
Templeton India Low Duration Fund - Quarterly Dividend [125,081 (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
Templeton India Short Term Income Plan- Dividend [1,139 units (March 31, 2011 : Nil) units of Rs. 1,000 each]	0.13	-
HDFC Cash Management Fund- Treasury Advantage Plan Dividend Monthly [131,802 (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
HDFC Short Term Plan Dividend [125,221 (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
Fidelity Short Term Income Fund Dividend [129,085 (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
ICICI Prudential Short Term Plan Dividend [109,099 (March 31, 2011 : Nil) units of Rs. 10 each]	0.13	-
DSP Black Rock Liquidity Fund - Institutional Plan - Growth [Nil (March 31, 2011 : 47,762) units of Rs. 1,000 each]	-	6.70
Birla Sun Life Cash Plus - Institutional Premium Growth [Nil (March 31, 2011 : 191,757,199) units of Rs. 10 each]	-	300.75
Birla Sunlife Cash Plus Institutional - Daily Dividend [Nil (March 31, 2011: 6,794,041) units of Rs. 10 each]	-	6.81
IDFC Cash Fund Super Institutional Plan - Growth [NIL (March 31, 2011 : 244,002,021) units of Rs. 10 each]	-	290.81
UTI - Liquid Plus Fund Institutional Plan [NIL (March 31, 2011 : 1,321,674) units of Rs. 1,000 each]	-	212.63
Reliance Liquid Fund Weekly Dividend [Nil (March 31, 2011 : 890,426) units of Rs. 10 each]	-	1.36
SBI Premier Liquid Fund Institutional - Growth [Nil (March 31, 2011 : 10,468,538) units of Rs. 10 each]	-	16.12
Templeton India Treasury Management Account Super Institutional Plan - Growth [Nil (March 31, 2011 : 10,372) units of Rs. 1,000 each]	-	1.51
SBI SFH Ultra Daily Dividend Plan, short term [Nil (March 31, 2011 : 3,648,885) units of Rs. 10 each]	-	0.95
Reliance Money Manager, Daily Dividend Plan [Nil (March 31, 2011 : 56,833) units of Rs. 100 each]	-	1.48
Franklin Templeton India Treasury Management Account-Super Institutional Plan - Growth [Nil (March 31, 2011 : 341,315) units of Rs. 1,000 each]	-	49.71

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars		March 31, 2012	March 31, 2011
NOTE 16 CURRENT INVESTMENTS (Contd.)			
Religare Liquid Fund -Super institutional -Growth [Nil (March 31, 2011 : 41,264) units of Rs. 1,000 each]		-	5.60
B. Investment in Non-Government Securities			
9% Shriram Transport Company Limited [42,284 (March 31, 2011 : 42,284) units of Rs. 1,000 each]		4.23	4.23
8.40% ONGC Videsh Limited [Nil (March 31, 2011 : 100) units of Rs. 1,000,000 each]		-	9.72
8.90% Power Grid Corporation Limited [Nil (March 31, 2011: 40) units of Rs. 1,250,000 each]		-	4.94
7.70% 2013 Hindustan Petroleum Corporation Limited [Nil (March 31, 2011 : 200) units of Rs.1,000,000 each]		-	19.38
8.70% 2011 Power Finance Corporation Limited [Nil (March 31, 2011 : 250) units of Rs. 1,000,000 each]		-	24.52
8.84% 2015 Power Grid Corporation Limited [Nil (March 31, 2011 : 80) units of Rs. 1,250,000 each]		-	9.85
C. Investments in Venture Capital Funds:			
Faering Capital India Evolving Fund [24,000 (March 31, 2011 : 15,000) Units of Rs. 1,000 each]		2.19	1.50
D. Investment in Certificate of Deposits			
Punjab National Bank Limited [Nil (March 31, 2011 : 10,000) units of Rs. 100,000 each]		-	95.89
Union Bank of India Limited [Nil (March 31, 2011 : 2,500) units of Rs. 100,000 each]		-	23.45
Corporation Bank Limited [Nil (March 31, 2011 : 5,000) units of Rs. 100,000 each]		-	48.85
Bank of India Limited [Nil (March 31, 2011 : 2,500) units of Rs. 100,000 each]		-	24.02
HDFC Bank Limited [Nil (March 31, 2011 : 2,500) units of Rs. 100,000 each]		-	24.51
State Bank of Travancore Limited [Nil (March 31, 2011: 2,500) units of Rs. 100,000 each]		-	24.24
State Bank of Bikaner and Jaipur Limited [Nil (March 31, 2011 : 2,500) units of Rs. 100,000 each]		-	24.33
Andhra Bank Limited [Nil (March 31, 2011 : 5,000) units of Rs. 100,000 each]		-	48.80
IDBI Bank Limited [Nil (March 31, 2011 : 2,500) units of Rs. 100,000 each]		-	24.33
State Bank of Mysore Limited [Nil (March 31, 2011 : 2,500) units of Rs. 100,000 each]		-	23.49
	(iii)	**458.80**	**1,856.70**
Other than Trade, Unquoted			
A. Investment In Equity shares of Companies			
Sri Rayalaseema Paper Mills Limited [323,210 (March 31, 2011: 323,210) equity shares of Rs. 10 each, fully paid up]		0.39	0.39
	(iv)	**0.39**	**0.39**
Less: Provision for diminution in the value of current maturities of long term investments	**(v)**	**-**	**(938.91)**
Total - (vi) = (i)+(ii)+(iii)+(iv)-(v)		**572.24**	**2,824.79**

Notes:

(a) Aggregate market value of current quoted investments - Rs. 15.47 crore (March 31, 2011 : Rs. 33.06 crore)

(b) Aggregate amount of current unquoted investments - Rs. 558.31 crore (March 31, 2011 : Rs. 2,792.31 crore)

(c) Aggregate provision for diminution in the value of current investment - Rs. 11.76 crore (March 31, 2011 : Rs. 1.46 crore)

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 17 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw materials	78.50	36.26
Work-in-progress	3.82	0.25
Traded goods/ finished goods	125.52	97.55
Stores, spares and components	51.61	50.52
	259.45	**184.58**

(Rs. in crore)

Particulars	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 18 CASH AND BANK BALANCES				
Cash and cash equivalents				
Cheques/ drafts on hand	-	-	18.68	31.76
Cash on hand	-	-	14.43	4.99
Balances with banks:				
- On current accounts*	-	-	1,635.94	1,101.76
- Deposits with less than three months maturity	-	-	1,516.45	969.06
	-	**-**	**3,185.50**	**2,107.57**
Other bank balances				
- Deposits with maturity for more than 12 months	22.31	9.78	23.22	169.40
- Deposits with maturity for more than 3 months but less than 12 months	-	-	546.46	721.56
- Restricted deposits **	420.02	128.81	500.96	236.09
	442.33	**138.59**	**1,070.64**	**1,127.05**
Amount disclosed under non-current assets [refer note 15]	442.33	138.59	-	-
	-	**-**	**4,256.14**	**3,234.62**

* Includes share application money pending refund Rs. 0.05 crore (March 31, 2011: Rs. 0.05 crore)

** Restricted deposits includes margin money deposit and deposits with banks that are pledged by the Group with the Government and other authorities and with the lenders against long term and short term borrowings availed by the Group.

Refer note 5 and note 8 as regards restriction on balances with banks arising in connections with the borrowings made by the Group.

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 19 SALES / INCOME FROM OPERATIONS		
Sale of products		
Power segment:		
Income from sale of electrical energy	2,042.65	1,893.20
Income from mining activities	199.25	75.31
	2,241.90	**1,968.51**
Traded goods		
Power segment:		
Income from sale of electrical energy	133.09	257.55
	133.09	**257.55**
Airports segment:		
Non - aeronautical		
Fuel trading	1,370.37	715.82
Duty free items	281.17	122.30
	1,651.54	**838.12**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 19 SALES / INCOME FROM OPERATIONS (Contd.)		
Sale of services		
Airports segment:		
Aeronautical	1,014.02	881.61
Non - aeronautical	1,367.03	940.31
Cargo operations	265.24	282.43
Income from commercial property development	83.46	79.05
	2,729.75	**2,183.40**
Roads segment:		
Annuity income from expressways	248.55	248.33
Toll income from expressways	157.09	141.92
	405.64	**390.25**
EPC segment:		
Construction revenue	970.89	515.26
	970.89	**515.26**
Others segment:		
Income from hospitality services	87.31	68.95
Income from management and other services	99.99	110.10
	187.30	**179.05**
Sales / Income from operations	**8,320.11**	**6,332.14**

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 20 OTHER OPERATING REVENUE		
Interest income on		
Bank deposits	59.46	26.70
Long-term investments	-	41.06
Current investments	16.39	9.44
Others	0.06	-
Dividend income on current investments	0.64	0.90
Net gain on sale of current investments	76.37	55.02
	152.92	**133.12**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 21 | OTHER INCOME		
Interest income on		
Bank deposits	61.38	67.30
Current investments	4.31	21.50
Others	52.74	65.24
Provisions no longer required, written back	3.34	55.91
Net gain on sale of investments		
Long-term investments (note 34(viii)(q))	37.11	-
Current investments	49.11	49.14
Lease income	0.89	0.79
Miscellaneous income (net of expenses directly attributable to such income of Rs. Nil (March 31, 2011: Rs. Nil))	34.54	51.42
	243.42	**311.30**

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 22 | COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	36.26	56.50
Add: Purchases	341.27	62.69
	377.53	**119.19**
Less: Inventory at the end of the year	78.50	36.26
	299.03	**82.93**

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 23 | PURCHASE OF TRADED GOODS		
Purchase of electrical energy	92.98	219.53
Purchase of fuel	1,111.70	654.31
Purchase of duty free items	123.31	84.47
	1,327.99	**958.31**

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 24 | (INCREASE) / DECREASE IN STOCK IN TRADE		
Stock as at April 1,	97.55	11.92
Less: Stock as at March 31,	125.52	97.55
	(27.97)	**(85.63)**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 25 | EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	610.21	370.31
Contribution to provident and other fund	22.07	12.62
Gratuity expense	2.72	1.65
Other employment benefits	3.21	2.59
Staff welfare expenses	49.62	34.72
	687.83	**421.89**

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 26 | OTHER EXPENSES		
Consumption of stores and spares	48.62	26.74
Electricity and water charges	166.65	147.09
Prompt payment rebate	24.24	40.22
Open access charges paid	31.44	25.77
Airport service charges/ operator fees	52.08	39.29
Cargo handling charges	12.62	8.93
Freight	16.42	1.22
Rent [includes land lease rentals of Rs. 6.56 crore (March 31, 2011: Rs. 5.82 crore)]	84.11	63.88
Rates and taxes	42.67	36.44
Insurance	36.58	30.76
Repairs and maintenance		
Plant and machinery	129.70	91.97
Buildings	36.38	32.27
Others	70.39	64.10
Manpower charges	18.15	37.19
Advertising and sales promotion	67.40	35.56
Travelling and conveyance	56.20	43.88
Communication costs	11.47	11.72
Printing and stationery	8.54	7.74
Legal and professional fees	178.00	128.29
Directors' sitting fees	8.61	1.40
Adjustments to the carrying amount of current investments	11.76	2.16
Provision / write off of doubtful advances and trade receivables	53.43	14.13
Foreign exchange fluctuations expenses (net)	59.18	17.15
Donation	12.02	12.10
Loss on sale of fixed assets (net) / fixed assets written off	1.87	3.13
Office maintenance	80.26	82.77
Security expenses	47.05	37.85
Logo fees	14.63	7.41
Miscellaneous expenses	47.39	61.40
	1,427.86	**1,112.56**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 27 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of tangible assets	811.09	617.87
Amortisation of intangible assets	124.72	171.13
	935.81	**789.00**

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 28 FINANCE COSTS		
Interest	1,555.14	1,179.61
Bank charges	24.75	37.12
Amortisation of ancillary borrowing costs	43.47	9.48
Mark to market loss / (gain) on derivative instruments	0.94	(2.00)
Exchange difference to the extent considered as an adjustment to borrowing costs (net)	28.83	5.85
	1,653.13	**1,230.06**

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 29 EXCEPTIONAL ITEMS		
Provision for diminution in the value of investment (refer note 34(viii)(i))	-	938.91
Amounts written off in earlier years written back (refer note 34(viii)(j))	-	(140.33)
Interest on loans against development fund (refer note 34(vii))	162.12	-
	162.12	**798.58**

Particulars	March 31, 2012	March 31, 2011
NOTE 30 EARNINGS PER SHARE (EPS)		
Nominal value of equity shares (Re. per share)	1.00	1.00
Weighted average number of equity shares used in computing earnings per share	3,892,432,532	3,880,098,989
(Loss) after minority interest and share of profit / (loss) of associates (Rs. in crore)	(603.34)	(929.64)
EPS - Basic and Diluted (Rs.)	(1.55)	(2.40)

Notes:

(a) During the year Rs. 0.00 crore (Rs. 2,250) (March 31, 2011: 0.00 crore (Rs. 2,250)) was receivable towards equity shares and for the computation of weighted average number of equity shares outstanding at the end of the year, these have been considered as partly paid-up shares.

(b) The Group does not have any dilutive securities.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars		March 31, 2012	March 31, 2011
NOTE 31(a) CAPITAL WORK IN PROGRESS			
Capital expenditure incurred on tangible assets		12,563.00	12,197.93
Salaries, allowances and benefits to employees		490.50	409.65
Contribution to provident and other funds		16.49	11.88
Staff welfare expenses		21.60	10.46
Rent		112.28	74.87
Repairs and maintenance			
Buildings		3.07	0.43
Others		48.17	24.55
Rates and taxes		26.94	16.22
Insurance		56.72	22.13
Legal and professional fees		869.81	638.29
Travelling and conveyance		217.07	171.35
Communication costs		11.44	7.74
Depreciation of tangible assets		20.85	12.95
Amortisation of intangible assets		4.41	3.10
Interest costs		2,342.83	1,532.43
Amortisation of ancillary borrowing costs		32.81	133.28
Bank charges		379.12	332.71
Printing and stationery		2.28	0.04
Exchange differences (net)		149.71	(23.28)
Miscellaneous expenses		180.82	125.66
	(i)	**17,549.92**	**15,702.39**
Less: Other Income			
Interest income on bank deposits		30.37	12.00
Net gain on sale of current investments		99.71	82.76
Miscellaneous income (net of expenses directly attributable to such income Nil (March 31, 2011: Nil))		2.70	2.00
	(ii)	**132.78**	**96.76**
Total - (iii) = (i) - (ii)		**17,417.14**	**15,605.63**
Less: Apportioned over the cost of tangible assets		1,881.24	10,078.28
	(iv)	**1,881.24**	**10,078.28**
Total - (v) = (iii) - (iv)		**15,535.90**	**5,527.35**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 31(b) | INTANGIBLE ASSETS UNDER DEVELOPMENT		
Capital expenditure incurred on intangible assets	2,875.50	790.36
Salaries, allowances and benefits to employees	70.37	30.53
Contribution to provident and other funds	3.64	0.70
Staff welfare expenses	4.03	0.45
Rent	7.61	5.99
Repairs and maintenance		
Others	6.22	2.55
Rates and taxes	2.17	1.90
Insurance	6.59	4.22
Legal and professional fees	98.68	39.57
Travelling and conveyance	16.46	7.65
Communication costs	1.66	0.90
Depreciation of tangible assets	1.63	0.31
Amortisation of intangible assets	0.35	0.06
Interest costs	142.33	11.51
Amortisation of ancillary borrowing costs	42.25	23.36
Bank charges	14.27	6.89
Printing and stationery	0.09	0.04
Miscellaneous expenses	60.05	49.63
(i)	**3,353.90**	**976.62**
Less: Other Income		
Interest income on bank deposits	0.19	0.04
Net gain on sale of current investments	4.12	0.11
Miscellaneous income (net of expenses directly attributable to such income Nil (March 31, 2011: Nil))	0.03	-
(ii)	**4.34**	**0.15**
Total - (iii) = (i) - (ii)	**3,349.56**	**976.47**
Less: Government grant received (refer note 31(b)(i) and 31(b)(ii)) below	189.44	-
(iv)	**189.44**	**-**
Total - (v) = (iii) - (iv)	**3,160.12**	**976.47**

Note 31(b)(i) - GOSEHHHPL is entitled to a grant of Rs. 340.19 crore as cash support by way of an outright grant for meeting the project cost from NHAI subject to the satisfaction of the conditions as per Article 25 of the Concession Agreement. The grant is to be deposited in escrow account and is to be utilised towards the project cost. As at March 31, 2012, GOSEHHHPL has received a grant of Rs. 82.74 crore against the aforesaid sanction and the same has been deducted from the cost of Intangible assets under development.

Note 31(b)(ii) - GCORRPL is entitled to a grant of Rs. 300.00 crore as project support fund by way of a grant, which is to be disbursed on quarterly basis based on the progress of the project and the expenditure incurred by the concessionaire on the civil works as per the disbursement methodology of the project fund as specified in clause 30.2.1 of the concession agreement entered into by GCORRPL with the Government of Tamilnadu (GoTN). During the year ended March 31, 2011, GCORRPL had received project support fund of Rs. 28.44 crore from GoTN as per the concession agreement and the Group's share amounting to Rs. 25.53 crore was disclosed under "Capital reserve - government grant". During the year ended March 31, 2012, GCORRPL has received government grant of Rs. 78.26 crore and the government grant received (including the grant received during the previous year) amount into Rs. 106.70 crore as at March 31, 2012 has been adjusted against "Intangible assets under development".

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 32(a) CONTINGENT LIABILITIES		
Corporate guarantees	251.93	5,395.96
Bank guarantees outstanding	855.38	1,983.54
Claims against the Group not acknowledged as debts	294.28	349.66
Matters relating to income tax under dispute	86.73	1.26
Matters relating to indirect taxes duty under dispute	99.81	141.44
Arrears of cumulative dividends on preference share capital issued by subsidiary	1.62	-

b. Others in addition to 32(a) above:

a) During the year ended March 31, 2010, GVPGL was granted a refund of customs duty of Rs. 69.09 crore which was paid earlier towards the import of plant and machinery. Considering that the cost of plant and machinery included the customs duty, the refund was adjusted to the cost of the asset and related depreciation expense of Rs. 11.19 crore, charged from the date of capitalisation till the date of grant of such refund, was credited to the statement of profit and loss during the year ended March 31, 2010. GVPGL received a refund of Rs. 59.11 crore.

   a. During the year ended March 31, 2011, GVPGL had received an intimation from the Office of the Joint Director General of Foreign Trade ('DGFT') for cancellation of duty drawback refund Order received in 2009-10 to the extent of Rs 9.99 crore, in view of which, GVPGL had restored the capitalisation of customs duty and adjusted the cost of the asset and the related depreciation expense of Rs. 2.39 crore, chargeable from the date of capitalisation till the date of cancellation of such refund, was adjusted with the depreciation for the year ended March 31, 2011.

   b. During the year ended March 31, 2012, GVPGL has received a further intimation from DGFT for cancellation of duty drawback refund Order of Rs. 59.11 crore received in 2009-10, thereby seeking refund of the amount GVPGL received earlier. Based on an expert's opinion, the management of the Group is confident that the duty drawback refund granted earlier was appropriate and that the cancellation of the duty drawback refund is not tenable as the intimation cannot be applied retrospectively. Accordingly, no adjustment has been made with regard to the refund of 59.11 crore already received by GVPGL in these consolidated financial statements of the Group.

   c. GVPGL has filed a writ petition with the Hon'ble High Court of Delhi in November 2011 as regards the aforesaid matter, which is pending settlement as at March 31, 2012.

b) During the year ended March 31, 2011, GPCL had received a refund of customs duty of Rs. 29.57 crore which was paid earlier towards the import of the plant and machinery, which was passed on to Tamil Nadu Electricity Board ("TNEB") as a pass through as per the terms of the PPA. During the year ended March 31, 2012, GPCL has received intimation for cancellation of the duty draw back refund received earlier. The Group does not foresee any liability in respect of the same demand as the liability, if any, is to be recovered from TNEB, the ultimate beneficiary of the refund received earlier. However pending settlement of the matter, the same has been considered as a contingent liability in these consolidated financial statements of the Group.

c) During the year ended March 31, 2012, GVPGL has received a demand of Rs. 48.21 crore for the period September 2006 to November 2011 from the Chief Electrical Inspectorate, State Government of Andhra Pradesh (GoAP), whereby GoAP has imposed electricity duty on generation and sale of electrical energy calculated at the rate of six paise for each electricity unit generated by GVPGL since commencement of commercial operations. Based on an internal assessment and an expert opinion, the management of the Group is confident that the provisions of Electricity Duty Act and Rules, 1939 ('Electricity Rules') in respect of payment of electricity duty are not applicable to GVPGL. Accordingly electricity duty liability of Rs 52.02 crore for the period September 2006 to March 2012 has been considered as a contingent liability in these consolidated financial statements of the Group.

d) During the year ended March 31, 2012, GEL has received an intimation from the Chief Electrical Inspectorate, GoAP, whereby GoAP has demanded electricity duty on generation and sale of electrical energy amounting to Rs. 11.06 crore calculated at the rate of six paise for each electricity unit generated by the Company for the period from June 2010 to December 2011. GEL has filled a writ petition with Hon'ble High Court of judicature of Andhra Pradesh at Hyderabad against the intimation by GoAP and it has granted a stay order on deposit of amount demanded.

   Based on an internal assessment and legal opinion obtained by GEL, the management of the Group is confident that the provisions of Electricity Rules in respect of payment of electricity duty are not applicable to GEL and accordingly, electricity duty liability of Rs.12.36 crore for the period June 2010 to March 31, 2012 has been considered as a contingent liability in these consolidated financial statements of the Group.

e) During the year ended March 31, 2012, Municipal Corporation of Delhi ('MCD') has demanded property tax of Rs 59.24 crore on the land and properties at Delhi Airport. DIAL has filed a writ petition in the Delhi High Court challenging the applicability of the DMC (Amendment) Act, 1957 on the land and properties at the Delhi Airport and has deposited an amount of Rs 13.68 crore under protest. Based on the legal opinion obtained, the management of the Group is confident of success in the writ petition and hence amount of Rs 59.24 crore has been considered as a contingent liability in these consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 32(a) | CONTINGENT LIABILITIES (Contd.)

f) The Supreme Court of India has passed an order dated September 15, 2011, stating that notification dated July 26, 2004, issued by the Central Government under the Contract Labour (Regulation and Abolition) Act, 1970 abolishing employment of contract labour in respect of the trolley retrieval at the IGI Airport, New Delhi is also applicable to DIAL. The Supreme Court had directed DIAL to pay a compensation of Rs 0.05 crore to each of 136 trolley retrievers, who were employed on contract labour by the AAI till 2003. Based on the legal opinion obtained, the management of the Group is of the view that, among other things, the aforesaid notification is not applicable to DIAL. Further, the management of the Group is of the opinion that if the liability (if any) falls on DIAL, the same is recoverable from the AAI. Therefore, no adjustment has been made to these consolidated financial statements of the Group. Since the Supreme Court of India has directed DIAL to pay compensation and pending confirmation from the AAI for payment of aforesaid liability as at March 31, 2012, this has been disclosed as contingent liability in these consolidated financial statements of the Group.

g) In case of DIAL, with effect from June 1, 2007, the Airports Authority of India has claimed service tax on the annual fee payable to them considering the same as rental from immovable property. DIAL has disputed the grounds of the levy under provisions of the OMDA. As the matter is under dispute and pending with the Hon'ble High Court of Delhi, the impact of the same, if any, has not been considered in these consolidated financial statements of the Group.

h) GAHL has issued non-cumulative compulsorily convertible non-participatory preference shares (CCPS) to Investor I and Investors II, pursuant to which, GIL and GAHL have provided the Investor I and Investors II various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreement and Investment Agreement [refer note 34(vi)(c)].

i) During the year ended March 31, 2011, GEL has issued fully paid up CCCPS, convertible upon the occurrence of QIPO of GEL at an agreed IRR. In case of non occurrence of QIPO within 3 years of the closing date, as defined in the terms of agreement between the parties, Investors have the right to require GIL to purchase the CCCPS or if converted, the equity shares in GEL at an agreed upon IRR [refer note 34(vi)(b)].

j) As per the terms of the agreement dated June 28, 2010 entered into with Maldives Airport Company Limited ('MACL') and Republic of Maldives, GMIAL was granted an exclusive right to collect retain and appropriate Airport Development Charges ('ADC') amounting to USD 27 (including insurance charge of USD 2) per international passenger from January 1, 2012. Maldivian civil court in its judgment dated December 8, 2011 disallowed the levy of ADC. Pursuant to the judgment of Maldivian civil court , GMIAL issued a letter dated December 26, 2011 to MACL and Ministry of Finance & Treasury (MoFT), Malé, seeking relief and proposed to adjust the short fall due to non collection of ADC against future Variable annual concession fees payable as per the terms of the concession agreement. MACL and MoFT, vide letter dated January 5, 2012, accorded its consent and authorized GMIAL to set off / adjust the actual loss suffered by GMIAL against variable annual concession fees.

However subsequent to the year end, MACL and MoFT retracted its earlier letter dated January 5, 2012 and communicated their disagreement to any setoff / adjustment against the variable fees.

GMIAL, basis consent received earlier from MACL and MoFT paid the variable concession fees for the period January 1, 2012 to March 31, 2012 after adjusting ADC amounting to USD 0.82 crore. MACL vide letter dated May 13, 2012 requested GMIAL to refund the adjusted amount without any further delay.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Group is confident that GMIAL is entitled to set off / adjust ADC from the Variable fees. Pending resolution of dispute through the dispute resolution mechanism as stated in the aforementioned agreement, ADC amounting to USD 0.82 crore deducted from Variable fees has been considered as a contingent liability in these consolidated financial statements of the Group.

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 33 | CAPITAL AND OTHER COMMITMENTS		
a. Capital commitments:		
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	19,577.68	16,625.10

b. Other Commitments:

1. The Group has entered into various concession agreements, as detailed below, in the roads sector whereby the Group is committed to comply with certain key terms and conditions of the respective concession agreements entered into with NHAI and the State Government of Tamilnadu ('GoTN') pertaining to construction of roads / highways in accordance with the timelines and milestones as defined in the respective concession agreements, achievement of date of commencement of commercial operations ('COD') as per the respective concession agreements, construction, management, operation and maintenance of roads / highways in accordance with the respective concession agreements, performance of the obligations under the respective financing agreements, non transfer or change in ownership without the prior approval of NHAI / GoTN and transfer of the roads / highways projects on termination of relevant agreements or in case of defaults as defined in the respective concession agreements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 33 | CAPITAL AND OTHER COMMITMENTS (Contd.)

Name of the Entity	Name of the Concessionaires	Project Status	Period of concession agreement as per Concession Agreements
GTAEPL	NHAI	Operational	17.50 years from COD i.e. May 09, 2002.
GTTEPL	NHAI	Operational	17.50 years from COD i.e. May 09, 2002.
GJEPL	NHAI	Operational	20 years from the Appointed date, defined as 180 days from the date of signing of Concession Agreement i.e. February 20, 2006.
GUEPL	NHAI	Operational	20 years from the Appointed date, defined as 180 days from the date of signing of Concession Agreement i.e. April 19, 2006
GPEPL	NHAI	Operational	20 years from the Appointed date, defined as 180 days from the date of signing of Concession Agreement i.e. March 31, 2006
GACEPL	NHAI	Operational	20 years from the Appointed date, defined as 180 days from the date of signing of Concession Agreement i.e. November 16, 2005
GOSEHHHPL	NHAI	Under construction	19 years from the Appointed date, defined as the date of achievement of financial closure.
GCORRPL	GoTN	Under construction	20 years from the appointed date, defined as the date of achievement of financial closure.
GHVEPL	NHAI	Under construction	25 years from the appointed date, defined as the date of achievement of financial closure.
GKUAEL	NHAI	Under construction	26 years from the Appointed date, defined as the date of achievement of financial closure.

2. The Group has entered into various agreements, as detailed below, for development, rehabilitation, expansion, modernisation, operation and maintenance of various airports in and outside India. Pursuant to these agreements, the Group is committed to comply with various terms of the respective agreements which pertains to payment of fees, development / expansion of Airport in accordance with the timelines and milestones as defined in the respective agreements, achievement of COD as per the respective agreements, development, management, operation and maintenance of airports in accordance with the respective agreements, performance of various obligations under the respective financing agreements, non transfer or change in ownership without the prior approval of respective airports Concessionaires, compliance with the applicable laws and permits as defined in the respective agreements, transfer of the airport on termination of agreement or in case of defaults as defined in the respective agreements etc.

Name of the Entity	Name of the Concessionaires	Name of the project	Period of agreement	Fees payable
DIAL	AAI	Indira Gandhi International Airport, Delhi	30 years starting from May 3, 2006 which can be extended by another 30 years on satisfaction of certain terms and conditions of Operation, Management and Development Agreement ('OMDA').	45.99% of all its gross revenue (as defined in OMDA)
GHIAL	Ministry of Civil Aviation, Government of India	Rajiv Gandhi International Airport, Hyderabad	30 years starting from March 23, 2008 which can be extended by another 30 years on satisfaction of certain terms and conditions of the Concession agreement.	4% of all its gross revenue (as defined in Concession agreement).
GMIAL	Maldives Airport Company Limited and the Republic of Maldives	Ibrahim Nasir International Airport, Maldives	25 years starting from handover date i.e; November 25, 2010 which can be extended by another 10 years on satisfaction of certain terms and conditions as agreed between GMIAL and the Concessionaires.	• Fixed annual fee amounting to USD 0.15 crore per year. • Variable annual fees equal to specified percentage of gross revenues for the period from November 25, 2010 till end of the concession period. • Fuel concession fees equal to specified percentage of gross fuel sales for the period from November 25, 2010 till end of the concession period.
ISG	Under secretariat for Defense Industries (Administration)	Sabiha Gokcen International Airport, Turkey	21 year and 300 days, starting from May 1, 2008	Euro 217.60 crore payable in annual installments starting from January 1, 2011 over the period of the agreement.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 33 | CAPITAL AND OTHER COMMITMENTS (Contd.)

3. Entities in power sectors have entered into Power Purchase Agreement ('PPA'), as detailed below, with customers, pursuant to which these entities have committed to make available minimum Plant Load Factor ('PLF') over the period of tariff year, as defined in the PPA. The PPA's contain provision for disincentives and penalties in case of certain defaults.

Name of the Entity	Customers	Total Capacity (MW)	Contracted capacity (MW)	Period of PPA	Minimum PLF of the Contracted capacity (MW)
GVPGL	Andhra Pradesh Power Distribution Companies	387.625	370.00	23 years from COD (i.e. September 16, 2006)	80.00%
GPCL	Tamil Nadu Electricity Board	200.00	196.00	15 years from COD (i.e. February 15, 1999)	68.49%
EMCO	Maharashtra State Electricity Distribution Company Limited	600.00	200.00	25 years starting from March 17, 2014	80.00%
GKEL	Bihar State Electricity Board	1400.00	260.00	25 years from the date of commencement of supply of power	80.00%
GCHEPL	Chattisgarh State Power Trading Company Limited	1370.00	411.00	20 years from the date of commencement of supply of power	35% of the installed capacity i.e 1370 MW.

4. GGSPL has entered into a PPA for 25 years from COD i.e. March 4, 2012, with Gujarat Urja Vikas Nigam Limited (GUVNL) wherein it has committed to sell and GUVNL has committed to purchase all available capacity of the project limited to the installed capacity of 25 MW.
5. GKEL has entered into a PPA for 25 years, from the date of commercial operation of the 4th unit, with Grid Corporation of Orissa Limited (GRIDCO) wherein it has committed to sell and GRIDCO has committed to purchase aggregate contracted capacity of 25% of total installed capacity. In addition, GRIDCO has the right to receive power generated by GKEL beyond 80% PLF and the entire infirm power (electricity generated prior to commercial operation of the unit of the generating station) generated.
6. GEL has entered into an Agreement for Sale of Power for 25 years, from the COD of GKEL Project, with PTC India Limited (PTC) wherein it has committed to sell and PTC has committed to purchase 323 MW (gross) of the power generated from GKEL Project at a predetermined price for sale to Haryana Power Generation Corporation Limited (HPGCL).
7. GEL and GVPGL have entered into Gas Sales and Purchase Agreements (GSPA) wherein they have committed to purchase and suppliers have committed to sell 80% of the Adjusted Monthly Contract Quantity, as defined under GSPA, of natural gas in each Contract month and 90% of the Adjusted Annual Contract Quantity, as defined under GSPA, of natural gas in each contract year at a price which is linked to the average price of Brent Crude Oil as per the terms agreed between the parties.
8. GEL and GVPGL have entered into Gas Transportation Agreements with gas transporters wherein gas transporters have committed to transport natural gas from Gadimoga to plant, in the State of Andhra Pradesh. The transportation charges shall be the maximum rate that the transporter is permitted by Law to charge for the transportation services from time to time.
9. GPCL has entered into a fuel supply agreement with seller wherein GPCL has committed to purchase from or through the seller and the seller has committed to supply fuel required for the operation of the project to enable GPCL to fulfill its obligations under the PPA. In each tariff year (other than the final tariff year of the term), the aggregate quantity of fuel to be purchased hereunder by GPCL from or through the seller shall not exceed 370,000 MT per annum for each tariff year (or the relevant pro rata portion of such quantity in the case of a tariff year is less than twelve months period) including fuel obtained by GPCL through the seller from sources outside India.
10. GVPGL has entered into Long Term Assured Part Supply and Maintenance Agreement with sub-contractors wherein GVPGL has committed to pay fixed quarterly charges in addition to variable quarterly charges, which are based on the actual fired hours of the plant. Further, GVPGL has committed to pay incentives on attainment of certain parameters by the sub-contractors.
11. As per the terms of Airport operator agreement, DIAL is required to pay every year 3% of previous year's gross revenue as operator fee to Airport operator for an exclusive period of seven years from the date of the agreement i.e. May 2006. Further, DIAL is also liable to pay (Euro 1.5 million) approximately amounting to Rs. 10.80 crore during financial year 2013-14.
12. DIAL has entered into a tripartite Master Service Agreement ('MSA') with WAISL and Wipro Limited by which DIAL is committed to pay annually to WAISL if the receivable of WAISL falls short of subsistence level (as defined in the said MSA). Also in case of delay in payment of dues from customers to WAISL, DIAL would fund the deficit on a temporary basis till the time WAISL collects the dues from aforementioned customers. As at March 31, 2012, DIAL has funded Rs. 17.31 crore (March 31, 2011: Rs Nil) towards shortfall in collection from customers.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 33 | CAPITAL AND OTHER COMMITMENTS (Contd.)

13. GTAEPL and GTTEPL have entered into maintenance agreement with a sub-contrator for a period of 17.5 years from date of agreement, i.e. May 09, 2002 wherein GTAEPL and GTTEPL have committed to pay fixed monthly charges. These fixed monthly charges are subject to escalation of 1.50% every year.
14. BIB and the Government of Republic of Indonesia entered into Coal Sale agreement dated March 28, 2011 for the period January 1, 2011 to December 31, 2015 pursuant to which BIB is required to pay to Indonesian Government an amount equivalent to 13.5% of proceeds from sale of BIB's coal. Further, based on Indonesian Government regulation No. 45/2003, all Companies holding mining rights have an obligation to pay an exploitation fee equivalent to certain percentage, ranging from 3% - 5% of sales, net of selling expenses.
15. GCRPL (as the buyer) and PTGEMS (as the seller) have entered into a Coal Sales Agreement for Sale and Purchase of Coal, whereby GCRPL and PTGEMS have committed to, respectively, take delivery and to deliver, minimum 90% of the Annual Tonnage as specified in the Agreement for each Delivery Year, based on the agreed pricing mechanism. GCRPL is also committed to use the coal for the Agreed Use, provided that it shall not sell any Coal to any person domiciled or incorporated in Indonesia.
16. GESPL has entered into Vested and Unvested Gas Sales Agreements wherein GESPL has committed to purchase from the seller and the seller has committed to supply gas based on the pricing formula as defined in the agreements required for the operation of the project. Under the contract, GESPL also has certain minimum take or pay obligations. Gas to be supplied under the Vested agreement would help GESPL to fulfil its obligation under the Vesting Contract entered into with the Market Support Services Licensee of Energy Market Authority of Singapore (EMA) to supply an allocated quantity of electricity at a pre-determined price.
17. The Group has entered into agreements with the lenders of certain subsidiary entities wherein it has committed to hold at all times at least 51% of the equity share capital of these subsidiary entities and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders.
18. The Group has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of its project stage subsidiaries, to the extent as defined in the agreements executed with the respective lenders.
19. Refer note 37(b) for commitments relating to lease arrangements.
20. Refer note 34(ii) as regards negative grant payable to concessionaries of road entities.
21. Refer note 34(vi), for commitments arising out of convertible preference shares.
22. Shares of the certain subsidiaries/ joint ventures have been pledged as security towards loan facilities sanctioned to the Group.

NOTE | 34 | OTHERS

i) Foreign currency transactions

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

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

a. Exchange loss amounting to Rs. 312.11 crore (March 31, 2011: exchange gain of Rs. 23.67 crore) has been adjusted to the cost of depreciable assets in these consolidated financial statements of the Group.

b. An amount of Rs. 4.88 crore (March 31, 2011: Rs. 6.85 crore), net of amortisation, being the exchange loss on long term monetary asset has been accumulated in the 'Foreign currency monetary item translation difference account' and is being amortised in the statement of profit and loss over the balance period of such long term monetary asset but not beyond March 31, 2020. The unamortised balance as at March 31, 2012 amounts to a debit balance of Rs. 2.50 crore (March 31, 2011: Rs. 7.38 crore).

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 34 | OTHERS (Contd.)

(ii) Negative grant

In accordance with the terms of the concession agreements entered into with NHAI by GACEPL, GJEPL and GUEPL dated November 16, 2005, February 20, 2006 and April 19, 2006 respectively, the companies have an obligation to pay an amount of Rs. 507.96 crore by way of Negative Grant to NHAI and pursuant to which an amount of Rs. 297.58 crore has been paid as at March 31, 2012 (March 31, 2011 : Rs. 280.10 crore) and the balance amount of Rs. 210.38 crore (March 31, 2011 : Rs. 227.86 crore) has been disclosed as negative grant in these consolidated financial statements of the Group (refer note 5).

(Rs. in crore)

Name of the subsidiary	Date of Concession Agreement	Total negative grant	Repayment details	Payable as at March 31, 2012	Payable as at March 31, 2011
GACEPL	November 16, 2005	174.75	Unequal yearly installments over next 6 years	83.88	101.36
GJEPL	February 20, 2006	82.70	Not Applicable	-	-
GUEPL	April 19, 2006	250.51	Unequal yearly installments over next 7 years	126.50	126.50
Total		**507.96**		**210.38**	**227.86**

(iii) Utilisation fees

Pursuant to the implementation agreement between Undersecretariat for Defense Industries (Administration) and consortium consisting of Limak Insaat Sanayi Ve Ticaret A.S., the Company and MAHB, utilisation fee of Euro 193.20 crore was payable in annual installments over the final 17 years of the 20 year concession period, starting from 2011. The concession period has been extended by a total of 665 days through February 2030 for an additional concession fee totaling approximately Euro 24.40 crore, which is accounted as below:

(i) Utilization fees is charged as per units of usage method, based on revenue projections with a corresponding credit to utilisation fees liability.

(ii) Prepaid utilisation fees as at March 31, 2012 amounts to Rs. 139.62 crore (March 31, 2011: Rs. 31.03 crore), which has been included in current prepaid expenses in note 13.

(iv) Trade receivables

a. In case of GPCL, claims/ counterclaims arising out of the PPA and Land Lease Agreement (LLA) in respect of the dues recoverable from TNEB on account of sale of energy including reimbursement towards interest on working capital, MAT, rebate, start / stop charges and payment of land lease rentals to TNEB respectively were pending settlement / reconciliation with TNEB. In this regard, GPCL had approached Tamil Nadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/ counterclaims. A favourable order was received from TNERC on April 16, 2010 and in pursuance of the order, GPCL had filed its claim on April 30, 2010 amounting to Rs. 481.68 crore and recognised Rs. 79.55 crore as income.

   TNEB filed a petition against TNERC order in Appellate Tribunal for Electricity (APTEL). In terms of an interim Order on November 19, 2010 from APTEL, TNEB deposited Rs. 537.00 crore (March 31, 2011: Rs. 280.00 crore) including interest on delayed payment of claim amount. APTEL vide its Order dated February 28, 2012, upheld the claim of GPCL and further directed GPCL to verify and pay counter claims of TNEB in respect of the benefits earned, if any, by GPCL with regard to delayed payment towards fuel supply that are not in terms of Fuel Supply Agreement (FSA). GPCL has appealed to the Hon'ble Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by APTEL on credit period of Fuel Supplies in terms of FSA.

   In accordance with the Group's accounting policy, pending acceptance of claims by TNEB and considering adjudication of petition is pending before the Hon'ble Supreme Court, the Group has not recognised the balance claim of Rs. 402.13 crore.

   In accordance with the above, the amount received towards claim as aforementioned and claim towards Land Lease Rentals after the date of order is being disclosed as advance from customer in these consolidated financial statements of the Group pending adjudication of petition before the Hon'ble Supreme Court. Further GPCL has been legally advised that in view of appeal filed by TNEB against the order of APTEL in Hon'ble Supreme Court, the entire matter is now sub-judice and has not attained the finality.

b. The Government of Karnataka vide its Order No. EN 540 NCE 2008 dated January 1, 2009 (the Order) invoked Section 11 of the Electricity Act, 2003 (Electricity Act) and directed GEL to supply power to the State Grid during the period January 01, 2009 to May 31, 2009 at a specified rate. The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22, 2009. GEL had an existing contract with a buyer till January 31, 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue recognition in respect of power supplied during January 2009 has been made in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to Rs. 44.04 crore.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 34 | OTHERS (Contd.)

Based on the interim directions of the Hon'ble High Court of Karnataka in the month of March 2009, Karnataka Electricity Regulatory Commission ('KERC') has recommended a higher band of tariff than the specified rate in the Order. However, revenue recognition for the four months ended June 5, 2009 has been made, on a prudent basis, as per the rate specified in the Order.

The Hon'ble High Court of Karnataka, in its Order dated March 26, 2010, has dismissed the petition of GEL challenging the Order invoking section 11(1) of the Electricity Act, 2003 with a direction that if the Order has any adverse financial impact on GEL, then a remedy is provided to GEL to approach the appropriate commission under the Electricity Act empowered to offset the adverse financial impact in such a manner as it considers appropriate. GEL has filed a Special Leave Petition before the Hon'ble Supreme Court of India to appeal against the said Order of the Hon'ble High Court of Karnataka, and has sought ex-parte ad-interim Order staying the operation of the said Order and to direct Electricity Supply Companies (ESCOMs) to pay minimum rate prescribed by KERC. Additionally, during the year ended March 31, 2012, GEL has filed a petition before KERC to decide on the adverse financial impact suffered by GEL because of invoking of powers u/s 11 (1), in reply to which the Government of Karnataka undertakings ('respondents') have filed their reply on April 26, 2012 contesting GEL's claim of Rs. 166.75 crore and have made a counter claim of Rs. 223.53 crore against GEL on account of adverse impact suffered by the respondents.

In view of the SLP filed with Hon'ble Supreme Court, legal opinion obtained and the petition with KERC, the management of the Group is confident that there will not be any adverse financial impact to GEL with regard to these transactions and no adjustment has been made in these consolidated financial statements of the Group pending final resolution of the matter.

c. As at March 31, 2012, the power segment companies have receivables (including unbilled revenue) from Tamil Nadu Electricity Board ('TNEB') and TANGEDCO Limited ('TANGEDCO') aggregating to Rs. 850.76 crore (March 31, 2011: Rs. 278.40 crore). Based on an internal assessment and various discussions that the Group had with TNEB and TANGEDCO, the management of the Group is confident of recovery of such receivables and accordingly, no adjustment has been made in these consolidated financial statements of the Group.

d. As at March 31, 2012, GVPGL has a total receivable of Rs 10.98 crore (March 31, 2011: Rs. 8.93 crore including unbilled revenue of Rs. 0.27 crore) towards MAT reimbursement claim recognised by GVPGL. MAT reimbursement claim is not acknowledged by the customer of GVPGL. GVPGL based on its internal assessment, is confident of recovery of such receivables and accordingly, no adjustment has been made in these consolidated financial statements of the Group.

e. As at March 31, 2012, GHIAL and DIAL have receivables (including unbilled revenue) from Air India Limited ('Air India') aggregating to Rs. 187.48 crore (March 31, 2011: Rs. 87.55 crore). Considering the delays in realisation of the dues from Air India and the uncertainty over the timing of the ultimate collection involved, GHIAL and DIAL as a measure of prudence, have decided to recognise revenue from Air India from October 1, 2011 only when such uncertainty is removed as required by Para 9.2 of Accounting Standard - 9, 'Revenue Recognition'. However, based on internal assessment and various discussions the Group has had with Air India and other Governmental Authorities, the management of the Group is confident of recovery of such receivables as at March 31, 2012 and hence no adjustments has been made in these consolidated financial statements of the Group.

f. As at March 31, 2012, GHIAL and DIAL have receivables from Kingfisher Airlines Limited ('KAL') aggregating to Rs. 24.09 crore (March 31, 2011: Rs. 36.93 crore). Due to financial difficulties, during the current year, KAL has scaled down its operations significantly. The Group has taken necessary steps to recover the amounts from KAL and is of the view that the receivables are fully recoverable and hence no adjustment has been made in these consolidated financial statements of the Group.

(v) Passenger Service Fee (PSF)

a. In case of DIAL and GHIAL the PSF charged from the departing passengers has two components, viz., Facilitation Component (FC) and Security Component (SC). Ministry of Civil Aviation ('MoCA') had issued a Standard Operating Procedure ('SOP') for accounting / auditing of PSF (SC) according to which, amounts collected towards PSF (SC) are held by the airport infrastructure companies in fiduciary capacity on behalf of the Government of India and are deposited in an escrow account utilised for meeting the security related expenses of the airports. It is also stipulated in the escrow account agreement that MoCA will have supervening powers to direct the escrow bank on the issues regarding operations as well as withdrawal from the escrow account.

The PSF (SC) accounts are required to be maintained separately in accordance with the procedures laid down in Standard operating procedures and are subject to audit by the Comptroller & Auditor General of India (C&AG).

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 34 | OTHERS (Contd.)

Following are the details of PSF (SC) account balances, which have been audited by one of the joint auditors of DIAL and GHIAL for the year ended March 31, 2011.

(Rs. in crore)

Description	Year ended March 31, 2012 (Unaudited)		Year ended March 31, 2011 (Audited)	
PSF (SC) (net of collection charges)	293.82		253.88	
Interest and other income	7.14	300.96	2.49	256.37
Less: Expenses		307.21		245.32
Net Income (expenses)		**(6.25)**		**11.05**
Add: Surplus brought forward		198.65		187.60
Secured loan from Corporation bank		197.95		190.00
Total		**390.35**		**388.65**
Fixed assets (net) (including capital work in progress)		362.03		376.49
Receivables including trade receivables		86.94		49.86
Other assets*		101.11		97.91
Cash and bank balance in escrow account (including term deposits)		10.36		12.88
		560.44		537.14
Less: Other liabilities		170.09		148.49
Total		**390.35**		**388.65**

*Includes an amount of Rs. 33.31 crore and Rs. 33.23 crore (March 31, 2011: Rs. 33.31 crore and Rs. 33.23 crore) paid under protest for Assessment year 2007-08 and 2008-09 respectively, related to taxability of PSF (SC).

(vi) Preference shares issued by subsidiaries

a. During the year ended March 31, 2010, GEL issued 0.0001% 200,000,000 non-cumulative redeemable preference shares of Rs. 10 each fully paid up amounting to Rs. 200.00 crore along with a securities premium of Rs. 100.00 crore to ICICI. GEL shall redeem 5% of the subscription amount outstanding under each tranche on the completion of 13th, 24th, 36th and 48th month from the date on which the subscription money was remitted and remaining outstanding amount shall be redeemed on December 31, 2014. The applicable yield shall be 14% per annum for tranches subscribed prior to December 31, 2010 and for tranches subscribed on or after January 1, 2011 onwards, the applicable yield shall be 14% or ICICI Bank Benchmark Advance Rate plus the applicable liquidity premia plus 0.25% per annum, whichever is higher. The 5% of the subscription amount outstanding has been redeemed on the completion of 13th month and 24th month during the year ended March 31, 2011 and March 31, 2012 respectively.

b. During the year ended March 31, 2011, GEL had issued following fully paid up compulsorily convertible cumulative preference shares ('CCCPS') :

Investor Company	No. of preference shares	Amount (Rs. in crore)
Claymore Investments (Mauritius) Pte Limited	9,300,000	930.00
IDFC Private Equity Fund III	2,500,000	250.00
Infrastructure Development Finance Company Limited	500,000	50.00
IDFC Investment Advisors Limited	500,000	50.00
Ascent Capital Advisors India Private Limited	500,000	50.00
Argonaut Ventures	650,000	65.00
Total		**1,395.00**

CCCPS are convertible upon the occurrence of qualifying initial public offering (QIPO) of GEL at an agreed internal rate of return (IRR). In case of non occurrence of QIPO within 3 years of the closing date, as defined in the terms of agreement between the parties, Investors have the right to require the Company to purchase the CCCPS or if converted, the equity shares in GEL at an agreed upon IRR.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 34 | OTHERS (Contd.)

c. During the year ended March 31, 2011, GAHL has issued 2,298,940 non-cumulative compulsory convertible non-participatory preference shares (CCPS1) bearing 0.0001% dividend on the face value of Rs. 1,000 each fully paid up amounting to Rs. 229.89 crore at a premium of Rs. 2,885.27 each totaling to Rs. 663.31 crore to Macquaire SBI Infrastructure Investments 1 Limited, ("Investor I") for funding and consolidation of airport related investments by the Group. Further, during the current year GAHL issued 1,432,528 non-cumulative compulsory convertible non-participatory preference shares (CCPS 2) bearing 0.0001% dividend on the face value of Rs. 1,000 each fully paid up amounting to Rs. 143.25 crore at a premium of Rs. 3,080.90 each totaling to Rs. 441.35 crore to Standard Chartered Private Equity (Mauritius) III Limited, JM Financial - Old Lane India Corporate Opportunities Fund I Limited, JM Financial Trustee Company Private Limited, JM Financial Products Limited and Build India Capital Advisors LLP ("Investors II"). GIL and GAHL have provided Investor I and Investors II various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreements and Investment agreements executed between GIL, GAHL, Investor I and Investors II.

(vii) Development Fee (DF) Order

a. Airport Economic Regulatory Authority (AERA) DF Order No. 28/2011-12 and AERA tariff Order No. 03/2012-13 on determination of Aeronautical Tariff; issued on November 14, 2011 and April 24, 2012 respectively

(i) MoCA vide its Order dated February 9, 2009, granted an ad-hoc approval for levy of Development Fees ('DF') to DIAL from the embarking passengers at Delhi airport to meet the estimated funding gap (on NPV basis as at March 1, 2009 i.e. permissibility of collection of interest on securitization of DF receipts, from passengers) and advised DIAL to furnish the final project cost for final determination of DF. In response to certain petitions filed before it, the Hon'ble High Court of Delhi had stayed collection of DF by DIAL effective June 1, 2011 until the application for stay was dealt with by the AERA Appellate Tribunal. After a detailed consultative process, AERA issued an Order no.28/2011-12 on November 14, 2011 duly taking into account the project cost, overall funding gap and permitted DIAL to collect an additional DF of Rs. 1,230.27 crore in stage 1 and Rs. 701.00 crore in stage 2 on NPV basis (in addition to Rs 1,484.08 crore already collected from airlines) in two stages. The first stage of collection is effective from December 1, 2011 for an estimated period of 18 months.

The management of the Group had accrued additional DF aggregating to Rs. 1,238.35 crore on December 1, 2011 in addition to Rs. 1,827.00 crore accrued earlier. DIAL had not accrued DF amounting to Rs. 350.00 crore earmarked for construction of ATC tower, construction of which is under progress as at March 31, 2012.

(ii) While calculating such additional DF amount:

a) AERA, for the purpose of determining the eligible DF amount, has disallowed certain project costs amounting Rs. 204.14 crore, mainly on account of fair value of certain portion of projects being lower than cost and construction of excess gross floor area. DIAL is of the view that the aforesaid project costs amounting to Rs. 204.14 crore were capitalised in accordance with the provisions of the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 and therefore do not require any adjustment in these consolidated financial statements of the Group;

b) In accordance with earlier SOP approved and issued by AAI dated February 19, 2009 read with MoCA Order dated February 9, 2009 DIAL was adjusting collection charges against DF receipts. However, AERA vide its subsequent Order no. 28/2011-12 has observed that in terms of section 22A of Airport Authority of India Act 1994 (amended from time to time) ('AAI Act') as well as section 13(1)(b) of AERA Act 2008, the function of AERA is limited only to determining the rate / amount of DF and manner of collection and administration cost incurred thereupon is an issue, which had already been prescribed by way of rules by Central Government. In view of the fact that DF rules notified by MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from DF receipts, DIAL has reduced DF collection charges aggregating to Rs. 10.47 crore from the DF grant, which was earlier adjusted against the DF receivable.

c) The DF amount collected from airlines so far as considered by AERA for determination of additional DF has not been computed based on the principle of NPV as allowed earlier by MoCA in its Order dated February 9, 2009. In its DF Order, issued on November 14, 2011, AERA had stated that treatment of interest paid on debts raised by DIAL on securitization of DF and liability would be considered at the stage of tariff determination. Further, based on submissions made by DIAL and other stakeholders, AERA in its Order No. 03/2012-13 issued on April 24, 2012 considered the aforesaid interest amount aggregating to Rs. 350.50 crore for the period from March 1, 2009 till November 30, 2011 as an operating cost for the purpose of tariff determination and not to be adjusted against the DF receipts.

In view of the aforesaid Order and the fact that DIAL has used DF loans obtained against DF receivables for the construction of the airport, DIAL has capitalised a portion of interest aggregating to Rs. 188.38 crore till the date of commencement of operations of the domestic and international terminals at the airport and interest aggregating to Rs. 162.12 crore subsequent to such commencement of operations is charged to the statement of profit and loss.

Interest so paid aggregating to Rs. 162.12 crore during the year ended March 31, 2012 has been disclosed as an exceptional item in these consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 34 | OTHERS (Contd.)

b. The Central Government has framed Airport Authority of India (Major Airports) Development Fee Rules, 2011 (collectively referred as 'DF Rules') vide its notification dated August 2, 2011. The said rules prescribe the guidelines for operation and administration of DF being collected at major airports in India. As per DF Rules and Section 22A of the AAI Act, AAI may levy on / collect from the embarking passengers at an airport, the DF at the rates as may be prescribed by the relevant authority i.e. AERA. Further such DF amount shall be credited to AAI escrow account and will be regulated and utilised in accordance with DF SOP dated November 30, 2011 issued by the AAI. In view of AAI's rights under the DF rules, DIAL has been appointed by the AAI to collect DF on behalf of AAI at Delhi Airport and deposit the same to the designated AAI DF escrow account. In view of the provisions of the DF Rules and DF SOP, the management of the Group believes that DIAL's responsibility is restricted only to the billing on behalf of AAI. Accordingly, billing to Airlines is not recorded in these consolidated financial statements of the Group. The Group accounts the DF on receipt of the same from AAI escrow account based on the Group's application for release of the DF amounts for repayment of DF loan in accordance with the drawdown schedule.

The Statement showing amounts billed to the Airlines, payable to AAI and balance in the Escrow bank account in the name of AAI to the extent not reflected in the Group's accounts as at March 31, 2012 are as follows:

(Rs. in crore)

Particulars	DF as per MoCA Order dated February 9, 2009		DF as per AERA Order No. 28/2011-12		Total	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Receivable from Airlines towards DF	97.06	-	108.33	-	205.39	-
Payable to AAI towards DF	-	97.06	-	123.60	-	220.66
Bank balances (AAI Escrow)	-	-	15.27	-	15.27	-
Total	**97.06**	**97.06**	**123.60**	**123.60**	**220.66**	**220.66**

(viii) Others

a. DIAL has received advance development costs of Rs 620.13 crore (March 31, 2011: Rs 620.13 crore) from various Developers at Commercial Property District towards facilitating the development of common infrastructure there in. As per the term of the agreement, DIAL will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instruction and specifications in the agreement. Further, DIAL has no right to escalate the development cost and in case, any portion of the advance development cost is not utilized by DIAL towards development of any infrastructure facility, the same shall be returned to the Developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2012, DIAL has incurred development expenditure of Rs 230.10 crore (March 31, 2011: Rs 156.60 crore) which has been adjusted against the aforesaid advance and balance amount is disclosed in long term and current liabilities in these consolidated financial statements of the Group.

b. DIAL had entered into contracts with various vendors in connection with construction of Terminal 3 and its related assets. Terminal 3 was completed and capitalised during the year ended March 31, 2011. In view of the significant size of the contracts and other complexities, DIAL is in the process of reconciling the balances with the aforesaid vendors and as such, has capitalised the said cost on the basis of its best estimate. The management of the Group believes that differences, if any, arising out of such reconciliation, will not be material to these consolidated financial statements of the Group.

c. In case of DIAL, with effect from June 1, 2007, the Airports Authority of India has claimed service tax on the annual fee payable to them considering the same as rental from immovable property. DIAL has disputed the grounds of the levy under provisions of the OMDA. As the matter is under dispute and pending with the Hon'ble High Court of Delhi, the impact of same, if any, has not been considered in these consolidated financial statements of the Group.

d. During the year March 31, 2012, with a view to restructure the holdings in Indian and International airport business, the Company has transferred 612,500,000 equity shares and 238,139,998 equity shares of DIAL and GHIAL respectively held by it to GAHL, a subsidiary of the Company, at cost. GAHL is 97.15% subsidiary of the Company.

e. During the year ended March 31, 2011, pursuant to a restructuring, to facilitate expansion of the energy business both in India as well as globally, the Company has transferred its entire shareholding in GEL to GREEL, a subsidiary of the Company, at cost.

f. In accordance with the scheme of arrangement under section 391 to 394 of the Companies Act, 1956, as approved by the Hon'ble high court of Andhra Pradesh vide Order dated June 22, 2010, the hotel division of GHIAL, has been transferred to and vested with the GHRL, a subsidiary of GHIAL, with effect from appointed date April 01, 2009. The said Order has been filed with Registrar of Companies, Andhra Pradesh on September 25, 2010. The standalone financial statements of GHIAL and GHRL have given effect to the scheme during the year ended March 31, 2011. However the scheme did not have any impact on these consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 34 | OTHERS (Contd.)

g. DIAL has incurred a net loss of Rs. 1,085.40 crore during the year ended March 31, 2012 and has accumulated loss as at March 31, 2012 of Rs. 1,453.21 crore resulting in substantial erosion of net worth as at the year end. AERA vide its powers conferred under section 13(1) (a) of AERA Act, 2008 passed an Aeronautical tariff hike Order No.03/2012-13 issued on April 24, 2012. The aforesaid Order increased the Aeronautical tariffs to be levied at Delhi airport for the fourth and fifth tariff year (i.e. 2012-13 and 2013-2014) of the first five year control period (i.e. 2009-10 to 2013-14) which is effective from May 15, 2012 and April 1, 2013 respectively. AERA has also approved the rates of UDF in terms of the provisions of section 13 (1) (b) of the AERA Act, 2008 read with Rule 89 of the Aircraft Rules 1937.

   DIAL has met all its obligations as on March 31, 2012 and based on the Order received and DIAL's business plan, the management of the Group is confident that DIAL will be able to meet its financial obligations as they arise.

h. As at March 31, 2012, GHRL has accumulated losses of Rs. 61.18 crore (March 31, 2011: Rs. 43.93 crore). The accumulated losses for the year ending March 31, 2012 are more than fifty percent of the net-worth of GHRL. Also, GHRL has incurred cash loss during the year ended March 31, 2012. The management of the Group expects that there will be significant increase in the operations of GHRL that will lead to improved cash flows and long term sustainability. GHIAL has undertaken to provide such financial support as necessary, to enable GHRL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these consolidated financial statements of the Group do not include any adjustments relating to the recoverability and classification of carrying amounts of assets or the amounts and classification of liabilities that may be necessary if GHRL is unable to continue as a going concern.

i. The Company, through its step-down subsidiary, GEGL had entered into necessary arrangements to acquire 50% economic stake in InterGen. N.V. and had subscribed Rs. 1,874.13 crore (USD 41.52 crore) in Compulsory Convertible Debentures (CCD), issued for this purpose, by GHML, a step down subsidiary of GHPL. GHML had funded the investment in InterGen N.V. through the combination of external borrowings and the balance was funded through CCDs as above. The carrying value of the investment in the CCDs along with the interest accrued thereon as at year ended March 31, 2011 was Rs. 1,909.83 crore (USD 42.31 crore).

   During the year ended March 31, 2011, GIML, a subsidiary of the Company, and which, through its step-down subsidiary, held 50% economic stake in InterGen N.V. as stated above, entered into an agreement to sell the investment in InterGen N.V. for USD 123.20 crore to Overseas International Inc. Limited, an associate of China Huaneng Group.

   In April 2011, the transaction was consummated for the aforesaid consideration after obtaining the necessary regulatory approvals. On consummation of the transaction, GHML has repaid the loans from the banks in full and CCDs issued to GEGL in part and the Group has recorded a loss of Rs. 938.91 crore, which was disclosed as an exceptional item in these consolidated financial statements of the Group for the year ended March 31, 2011.

j. The Group had acquired GESPL during May 2009. GESPL had impaired and charged to statement of profit and loss during 2007, an amount of SGD 4.24 crore (Rs. 140.33 crore) paid as advance to EPC vendors under an EPC contract for its 765 MW gas based power plant as it was unable to secure the supply and transportation of gas. Subsequent to its acquisition, the Group has revived the project. GESPL has been able to secure the supply and transportation of gas and renegotiated with the EPC vendors whereby, the EPC vendors have agreed during August 2010 to give credit for the advance paid by GESPL. The advance paid has been restored with reversal of impairment loss accounted earlier and was disclosed as an exceptional item in the consolidated financial statements of the Group for the year ended March 31, 2011.

k. The Group has an investment of Rs. 307.86 crore (representing loans of Rs. 91.27 crore and investments in equity and preference shares of Rs. 216.59 crore) (March 31, 2011: Rs. 276.31 crore (representing loans of Rs. 59.72 crore and investments in equity and preference shares of Rs. 216.59 crore)) as at March 31, 2012. GACEPL has been incurring losses since the commencement of commercial operations. The management of the Group believes that these losses are primarily attributable to a loss of revenue arising as a result of diversion of partial traffic on parallel roads. Based on an internal assessment and a legal opinion, the management of the Group is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the management of the Group is of the view that the carrying value of net assets of Rs. 227.79 crore (after providing for losses till date of Rs. 80.07 crore) as regards investment in GACEPL as at March 31, 2012 is appropriate.

l. The cost of investment in HEGL as at March 31, 2012 amounting to Rs. 343.14 crore (including an unsecured loan of Rs. 175.20 crore) substantially exceeds the net worth / market value of shares in HEGL. The management of the Group is of the view that such shortfall in the net worth/decline in market value of shares in HEGL is purely temporary in nature and the mines owned by HEGL have significant reserves and value potential which reflect intrinsic value in excess of carrying value of investments and loan in HEGL and accordingly, the management of the Group is of the view that the carrying value of net assets of Rs. 269.28 crore after providing for losses till December 31, 2011, (considering that HEGL along with the subsidiaries and joint ventures is consolidated on a three months lag) as regards investment in HEGL as at March 31, 2012 is appropriate.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 34 | OTHERS (Contd.)

m. The consolidated financial statements of PTDSU and its subsidiaries (PTDSI and PTBSL) have accumulated deficit of USD 0.35 crore (March 31, 2012: USD 0.28 crore). PTBSL, a coal property Company remains in the exploration phase and is consistently in the need of capital injection for its exploration costs. The management of the Group has committed to provide funding through stockholder loan in the form of Mandatory Convertible Bond until PTBSL commences commercial operation. The management of the Group is not aware of any material uncertainties that may cast significant doubt upon these entities ability to continue as a going concern and hence these consolidated financial statements of the Group do not include any adjustments relating to the recoverability and classification of carrying amounts of assets or the amounts and classification of liabilities.

n. The Group is engaged in the business of generation and sale of energy from its two gas based power plants of 220MW and 387.63MW situated at Kakinada and Vemagiri respectively. Further, the Group has investments in gas based power plants which are under construction stage. In view of lower supplies/ availability of natural gas to the power generating companies in India, the Group is facing shortage of natural gas supply and delays in securing gas linkages. The Group is actively pursuing/making representations with various government authorities to secure the natural gas linkage /supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. The Group is closely monitoring the macro situation and is evaluating various approaches/alternatives to deal with the situation and the management of the Group is confident that the Government of India would take necessary steps/initiatives in this regard to improve the situation.

o. The Company has given an interest free loan of Rs. 115.00 crore (March 31, 2011: Rs. 115.00 crore) to GWT. Based on the confirmation received from GWT, the trust has utilised the proceeds of the loan received from the Company in the following manner:

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Equity shares of GIL	101.55	98.05
Equity shares of GAHL	11.28	11.28
Investment in mutual funds	2.17	5.67
Total	**115.00**	**115.00**

p. KSPL, a subsidiary of the Company, has acquired land for development of Special Economic Zone and initiated various rehabilitation and resettlement initiatives thereafter for relocating the inhabitants residing on the land acquired. The amount of expenditure incurred by KSPL towards rehabilitation and resettlement initiatives amounting to Rs. 55.94 crore (March 31, 2011: 42.22 crore) has been treated as part of the land acquisition cost and is classified under capital work-in-progress. Considering that the negotiations with the beneficiaries towards obtaining possession of land necessitating the rehabilitation is in progress, no provision has been made towards the potential cost that is likely to be incurred by KSPL towards rehabilitation and settlement.

q. During the year ended March 31, 2012, the Group has completed the sale of 30% shares in GESPL to PETRONAS Power Sdn Bhd, a subsidiary of Petronas International Corporation Limited and has recognised a profit of Rs. 37.11 crore arising on such sale of shares, which has been disclosed under other income. GESPL is developing a 800MW combined cycle gas turbine power plant in Jurong, Island, Singapore and has achieved financial closure during the current year.

r. The Company and its subsidiary have made an investment of Rs. 376.47 crore (including loans of Rs. 70.74 crore and investment in equity shares of Rs. 305.73 crore) in its joint venture ISG as at March 31, 2012. The Group’s share of ISG’s accumulated losses / negative reserves as at March 31, 2012 amounts to Rs. 306.09 crore. This has resulted in substantial erosion of net worth as at March 31, 2012. Based on ISG’s business plan, the management of the Group is confident that ISG will be able to meet its financial obligations as they arise.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 35 | DERIVATIVE INSTRUMENTS:

(i) Interest rate swaps (IRS) outstanding as at the balance sheet date:

a. In case of DIAL, as per the conditions precedent to disbursement of External Commercial Borrowing (ECB) loan, the DIAL has entered into an IRS agreements from floating rate of interest to fixed rate of interest against its foreign currency loan of USD 35.00 crore. Since the critical terms of the IRS and the principal terms of the loan are same, based on the internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.

Particulars of Derivatives	Purpose	
Interest rate swap outstanding as at balance sheet date: USD 35.00 crore	Hedge of variable interest outflow on ECB. Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 month's LIBOR:	
	ECB Amount (USD)	Interest Rate
	10.00 crore	4.99%
	7.50 crore	2.76%
	2.50 crore	1.98%
	15.00 crore	1.96%

b. GAPL has entered into an IRS contract with Axis Bank Limited from floating rate of interest to fixed rate of interest against its foreign currency loan amounting to USD 1.77 crore covering the period from October 12, 2010 to October 06, 2017. Based on the internal assessment carried out by the management of the Group, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.

c. In case of GHIAL, as per the conditions precedent to disbursement of foreign currency loan, of USD 12.50 crore, GHIAL has entered into swap agreement from floating rate of interest to fixed rate of interest covering the period of the foreign currency loan from September 10, 2007 to April 01, 2024. Since the critical terms of the IRS and the underlying foreign currency loan are the same, based on the internal assessment carried out by the management of the Group, the impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan, is considered to be immaterial and accordingly no adjustment has been made in these consolidated financial statements of the Group.

d. ISG has entered into an IRS agreement with Royal Bank of Scotland for swapping floating rate of interest to fixed rate of interest for its loan of Euro 33.60 crore covering the period June 30, 2008 to June 29, 2018. The net impact of the mark to market loss on valuation of the IRS amounting to Euro 0.88 crore (equivalent 40% share in Rs. 23.83 crore) had been provided, during the year ended March 31, 2010 in the consolidated financial statements of the Group. Based on the internal assessment carried out by the management of the Group during the year ended March 31, 2012, the impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan, is considered to be immaterial and accordingly no adjustment has been made in these consolidated financial statements of the Group in this regard.

e. GIML had entered into swap agreement with ICICI Bank UK PLC for swapping floating rate of interest to fixed rate of interest for its GBP denominated loan equivalent of USD 7.65 crore covering the period August 17, 2009 to August 11, 2011.

The net impact of the mark to market loss on valuation of the IRS as at March 31, 2010 amounting to USD 0.04 crore (Rs. 2.10 crore) provided in the consolidated financial statements of the Group was reversed in the previous year based on internal assessment / external valuation carried out by the management of the Group. During the year ended March 31, 2012, the agreement has expired and appropriate adjustment has been made in these consolidated financial statements of the Group towards closure of the IRS.

f. GMIAL has entered into IRS agreement with Axis Bank Limited for swapping floating rate of interest to fixed rate of interest against the loan of USD 9.00 crore covering the period December 31, 2011 to December 31, 2015.

Since the critical terms of the IRS and the underlying foreign currency loan are the same, based on the internal assessment carried out by the management of the Group, the impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan, is considered to be immaterial and accordingly no adjustment has been made in these consolidated financial statements of the Group.

g. GESPL has entered into an IRS agreement with consortium of four banks comprising of Standard Chartered Bank, West LB, CIMB Group, and National Australia Bank for swapping floating rate of interest to fixed rate of interest against the loan of SGD 49.77 crore covering the period July 15, 2011 to June 30, 2028.

Based on the internal assessment carried out by the management of the Group during the year ended March 31, 2012, the impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan, is considered to be immaterial and accordingly no adjustment has been made in these consolidated financial statements of the Group in this regard.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 35 | DERIVATIVE INSTRUMENTS (Contd.)

(ii) Un-hedged foreign currency exposure for monetary items is as follows:

Currency	Cash and balance with banks	Fixed assets non - current investments and current investments	Trade receivables, Inventory, Long term and Short term advances and other non-current and current assets	Trade payables, other long term and current liabilities and Long term and short term provisions	Long-term borrowings, short term borrowings and current maturities of long term borrowings
Australian Dollar (in crore)	-	-	-	-	-
	-	-	-	(0.01)	-
Canadian Dollar (in crore)	0.63	5.22	1.53	0.85	1.98
	(0.93)	(6.31)	(1.98)	(1.40)	(0.03)
Swiss Franc (in crore)	-	-	0.00	0.00	-
	(0.00)	-	-	(0.03)	-
Chinese Yuan (in crore)	0.08	-	0.00	-	-
	(0.02)	-	(0.01)	-	-
Danish Krone (in crore)	-	-	-	0.00	-
	-	-	-	-	-
Euro (in crore)	1.54	13.86	3.86	3.97	15.75
	(1.38)	(14.55)	(2.14)	(2.90)	(15.45)
Great British Pound (in crore)	0.06	0.16	0.20	0.13	4.78
	(0.02)	(0.21)	(0.32)	(0.25)	(4.64)
Indonesian Rupiah (in crore)	56,473.53	21,720.99	21,189.22	10,643.01	646.40
	(100.48)	(19.57)	-	-	-
Malaysian Ringgit (in crore)	-	-	-	0.01	-
	-	-	-	-	-
Nepalese Rupee (in crore)	2.87	90.85	2.61	2.05	-
	(5.77)	(96.36)	(0.86)	(1.51)	-
Singapore Dollar (in crore)	8.43	47.01	5.64	0.72	41.32
	(0.24)	(11.30)	(0.22)	(0.16)	-
Turkish Lira (in crore)	0.09	-	-	-	-
	(0.24)	-	-	-	-
United States Dollar (in crore)	22.16	16.99	13.41	25.77	166.49
	(9.50)	(37.78)	(4.91)	(14.23)	(74.40)
Amount (Rs. in crore)	1,958.10	4,274.00	1,402.87	1,746.00	11,816.61
	(578.25)	(3,379.39)	(475.89)	(913.61)	(4,672.39)

Note: Previous year figures are mentioned in brackets.

Forward contract outstanding as at balance sheet date:

GEL	USD 0.75 crore - Rs. 38.65 crore (USD 0.1 crore – Rs. 4.51 crore)	Hedge of payables with respect to fuel purchase
GKEL	CNY 72.88 crore - Rs. 503.36 crore (CNY 279.55 crore – Rs. 1,930.72 crore) USD 24.20 Million - Rs. 124.70 crore (USD Nil- Rs. Nil)	Forward contract against payment for offshore supplies and discounted letter of credit
GIML	GBP 2.50 crore (Rs. 203.64 crore) (USD Nil- Rs. Nil)	Forward cover for hedging of loan availed
EMCO	USD 0.10 crore - Rs. 5.15 crore (USD Nil- Rs. Nil)	Forward contract for hedging of highly probable future cash outflows
GAPL	USD 0.13 crore - Rs. 6.70 crore (USD Nil- Rs. Nil)	Forward contract for hedging the supplier credit

Note: Previous year figures are mentioned in brackets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 36 | EMPLOYEE BENEFITS

a) Defined contribution plan

Contribution to provident and other funds under included in Capital work in progress (note 31(a)), Intangible assets under development (note 31(b)) and employee benefits expenses (note 25) are as under:

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Contribution to provident fund	15.98	9.48
Contribution to superannuation fund	9.99	6.59
	25.97	16.07

b) Defined benefit plan

Certain entities in the Group are covered by a funded defined benefit gratuity plan. As per the scheme, an employee who has completed five years or more of service gets gratuity equivalent to 15 days salary (last drawn salary) for each completed year of service.

Contribution to provident funds under included in capital work in progress (note 31(a)) and employee benefits expenses (note 25) are as under:

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Contribution to provident fund	4.27	4.60
	4.27	**4.60**

Provident Fund

DIAL contributed Rs. 4.27 crore (March 31, 2011: Rs. 4.60 crore) towards provident fund during the year ended March 31, 2012. The Guidance on Implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. Based on the actuarial valuation and on the assumptions provided below there is a shortfall of Rs. 0.66 crore (March 31, 2011: Rs. 0.49 crore) as at March 31, 2012.

The details of the fund and plan asset position are as follows:

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Plan assets at year end, at fair value	48.86	37.07
Present value of benefit obligation at year end	49.52	37.56
Net (liability) recognized in the balance sheet	(0.66)	(0.49)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	March 31, 2012	March 31, 2011
Discount Rate	8.50%	8.00%
Fund Rate	8.60%	8.60%
EPFO Rate	8.60%	8.60%
Withdrawal Rate	5.00%	5.00%
Mortality	LIC (1994-96) ultimate	LIC (1994-96) ultimate

Gratuity Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Statement of profit and loss

Net employee benefit expense

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Current service cost	4.42	3.98
Interest cost on benefit obligation	1.08	0.70
Expected return on plan assets	(1.43)	(0.86)
Net actuarial (gain) / loss recognised	2.26	(0.46)
Past service cost	-	0.14
Net benefit expense	6.33	3.50

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 36 | EMPLOYEE BENEFITS (Contd.)

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Actual return on plan assets	1.81	0.95

Balance sheet

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Defined benefit obligation	21.08	13.48
Fair value of plan assets	16.36	12.91
Plan asset / (liability)	(4.72)	(0.57)

Changes in the present value of the defined benefit obligation

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Opening defined benefit obligation	13.48	8.48
New acquisitions	-	0.76
Interest cost	1.08	0.70
Current service cost	4.42	3.98
Past service cost	-	0.14
Benefits paid	(0.54)	(0.21)
Actuarial (gains) / losses on obligation	2.64	(0.37)
Closing defined benefit obligation	21.08	13.48

Changes in the fair value of plan assets are as follows

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Opening fair value of plan assets	12.91	8.38
New acquisitions	-	0.54
Expected return on plan assets	1.43	0.86
Contributions by employer	2.18	3.25
Benefits paid	(0.54)	(0.21)
Actuarial gains / (losses) on plan assets	0.38	0.09
Closing fair value of plan assets	16.36	12.91

The Group expects to contribute Rs. 3.21 crore (March 31, 2011: Rs. 1.14 crore) towards gratuity fund in next year.

The major category of plan assets as a percentage of the fair value of total plan assets are as follows

Particulars	March 31, 2012	March 31, 2011
	%	%
Investments with insurer managed funds	100	100

The principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2012	March 31, 2011
	%	%
Discount rate	8.50	8.00
Expected rate of return on assets	9.40	8.00
Expected rate of salary increase	6.00	6.00
Employee turnover	5.00	5.00
Mortality Rate	Refer note 3 below	Refer note 3 below

Notes :

1. The long term estimate of the expected rate of return on fund assets has been arrived at based on the the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.
2. The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
3. As per Life Insurance Corporation of India (94-96) Ultimate Mortality Table.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 36 | EMPLOYEE BENEFITS (Contd.)

Amounts for the current and previous four years are as follows:

(Rs. in crore)

Particulars	Gratuity				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	21.08	13.48	8.48	4.25	2.87
Plan assets	16. 36	12.91	8.38	5.58	3.30
Surplus / (deficit)	(4.72)	(0.57)	(0.10)	1.33	0.43
Experience adjustments on plan liabilities	2.64	(0.37)	(0.46)	(0.51)	(0.54)
Experience adjustments on plan assets	0.38	0.09	0.07	0.02	(0.08)

NOTE | 37 | LEASES

a. Finance lease

The Group has entered into finance lease arrangements in respect of certain assets for periods of 3 to 5 years. The lease has a primary period, which is non-cancellable. The agreements provide for revision of lease rental in the event of changes in taxes, if any, leviable on the lease rentals. There are no exceptional/restrictive covenants in the lease agreements.

(Rs. in crore)

Particulars	As at March 31, 2012		As at March 31, 2011	
	Minimum lease payment	Present value of minimum lease	Minimum lease payment	Present value of minimum lease
(i) Payable not later than 1 year	0.88	0.79	1.03	0.98
(ii) Payable later than 1 year and not later than 5 years	0.95	0.76	1.29	0.90
(iii) Payable later than 5 years	-	-	-	-
Total – (i)+(ii)+(iii) = (iv)	1.83	1.55	2.32	1.88
Less: Future finance charges (v)	0.28	-	0.44	-
Present value of minimum lease payments [(iv) – (v)]	1.55	-	1.88	-

Lease payment made during the year Rs. 1.03 crore (March 31, 2011: Rs. 1.68 crore).

b. Operating leases

The Group has entered into certain cancellable operating lease agreements mainly for office premises and hiring equipments and certain non-cancellable operating lease agreements towards office premises and hiring office equipments. The lease rentals charged during the year (included in note 31(a), note 31(b) and note 25) and the maximum obligation on the long term non-cancellable operating lease payable as per the agreements are as follows:

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Payment		
Lease rentals under cancellable leases and non-cancellable leases	118.66	85.58
Receipt		
Lease rentals under cancellable leases	0.89	0.79
Obligations on non-cancellable leases:		
Not later than one year	26.50	18.12
Later than one year and not later than five years	111.32	63.83
Later than five years	99.14	87.14

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 38 | DEFERRED TAX

Deferred tax liability / asset comprises mainly of the following:

(Rs. in crore)

Sl. No.	Particulars	March 31, 2012		March 31, 2011	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
	Deferred tax liability :				
1	Depreciation	-	811.71	-	516.82
2	Carry forward losses	85.51	-	37.00	-
3	Carry forward depreciation	580.11	-	348.98	-
4	Intangibles (Airport concession rights)	84.32	-	76.93	-
5	Others	24.11	-	43.73	-
	Sub – total (A)	**774.05**	**811.71**	**506.64**	**516.82**
	Deferred tax liability (net)		37.66		10.18
	Deferred tax asset:				
1	Depreciation	-	334.43	-	302.67
2	Carry forward losses	20.06	-	20.15	-
3	Carry forward depreciation	442.01	-	441.28	-
4	Others	8.25	-	2.84	-
	Sub – total (B)	**470.32**	**334.43**	**464.27**	**302.67**
	Deferred tax asset (net)	135.89		161.60	
	Total (A+B)	**1,244.37**	**1,146.14**	**970.91**	**819.49**
	Deferred tax asset / (Deferred tax liability) (net)	98.23		151.42	
	Change for the year		53.19		(70.95)
	Foreign currency translation reserve		0.03		(2.85)
	Deferred tax asset / (liability) on account of acquisition during the year		1.84		-
	Charge / (credit) during the year		55.06		(73.80)

i. In case of GPCL, GTAEPL and GTTEPL, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the IT Act, deferred tax has not been recognised by these Companies.

ii. GHIAL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the IT Act with regard to income from airport operations. Considering that GHIAL had brought forward losses of Rs. 57.60 crore (March 31, 2011: Rs. 59.83 crore), unabsorbed depreciation of Rs. 740.31 (March 31, 2011: Rs. 748.55 crore), and other items of Rs. 14.77 crore (March 31, 2011: Nil) as at March 31, 2012 under IT Act, the management of the Group, based on the projected future taxable income, expects to avail such tax holiday from the assessment year 2018-19.

GHIAL has continued recognition of deferred tax asset (net) amounting to Rs. 83.80 crore (March 31, 2011: 102.89 crore) on carry forward business loss, unabsorbed depreciation and other items available for set-off from future taxable income before commencement of the expected tax holiday period. The management of the Group, based on an internal assessment and legal opinion, believes that there is virtual certainty, with convincing evidence, of availability of such future taxable income as it is entitled to levy regulated charges at the airport as per the Concession agreement read along with Order Nos. 13 and 14/2010–11 and Direction 5/2010–11 of AERA which ensure a reasonable rate of return to the airport operator, considering the fair rate of return on regulatory assets base, operations and maintenance expenses, depreciation and taxes.

Based on an independent expert's opinion, the aforementioned net deferred tax asset has been recognised in respect of all the timing differences which have originated up to March 31, 2012 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period.

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

iv. GVPGL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2006-07, under Section 80IA of the IT Act, with regard to income from generation of power. Considering that GVPGL had unabsorbed depreciation of Rs. 543.35 crore as at April 1, 2011 under IT Act, the management of the Group, based on the projected future taxable income and tax planning strategies, expects to avail such tax holiday from the assessment year 2015-16.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 38 | DEFERRED TAX (Contd.)

During the year ended March 31, 2010, based on an expert opinion, GVPGL had recognised deferred tax asset amounting to Rs. 147.00 crore on carry forward business loss and unabsorbed depreciation available for set-off from future taxable income before commencement of the expected tax holiday period. The management of the Group believes that there is virtual certainty, with convincing evidence, of availability of such future taxable income in view of the power pricing mechanism in the PPA entered into with the Andhra Pradesh Power Distribution Companies for supply of 370 MW out of the total capacity of 387.625 MW, as amended, for a period of 23 years set to expire in 2029 and the agreement entered into by GVPGL with Reliance Industries Limited, Niko(Neco) Limited and BP Exploration (Alpha) Limited for the supply of natural gas for a period till March 31, 2014 pursuant to allocation of natural gas from KG D-6 being made available to GVPGL under firm allocation basis by the Ministry of Petroleum and Natural Gas, Government of India, vide their letter dated November 18, 2009.

The management of the Group has recognised deferred tax asset/ liability in respect of all the timing differences which have originated up to March 31, 2012 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period, and are confident that the deferred tax asset will be realised before March 31, 2014 basis the future projections for the next two years.

NOTE | 39 | PROVISIONS

(Rs. in crore)

Particulars	As at April 1, 2011	Provision made during the year	Amount written back during the year	Amount used during the year	As at March 31, 2012
Provision for operations and maintenance	24.95	24.62	4.08	0.70	44.79
	(20.09)	(18.00)	(3.83)	(9.31)	(24.95)
Provision for voluntary retirement compensation	138.21	37.94	-	48.22	127.93
	(170.88)	(-)	(-)	(32.67)	(138.21)

Note: Previous year figures are mentioned in brackets.

DIAL has provided Rs. 288.82 crore (March 31, 2011: Rs 250.88 crore) towards reimbursement of voluntary retirement compensation payable to AAI on expiry of the initial operational support period as per the terms and conditions of OMDA. It has been recognised and amortised over the initial and extended period of OMDA.

NOTE | 40 | INFORMATION ON JOINT VENTURES AS PER ACCOUNTING STANDARD – 27

Name of the joint venture	Country of incorporation	Percentage of effective ownership (directly or indirectly) as on	
		March 31, 2012	March 31, 2011
ISG	Turkey	40.00%	40.00%
SGH	Turkey	29.00%	29.00%
CJV	Turkey	50.00%	50.00%
LGM	Turkey	40.00%	40.00%
RCMEPL	India	17.03%	17.03%
TVS GMR***	India	29.99%	30.87%
MGATL***	India	30.60%	31.50%
MGAECL***	India	30.60%	31.50%
TFS***	India	21.13%	21.41%
DAFF***	India	13.73%	13.92%
TIM***	India	26.36%	26.71%
DASPL***	India	26.41%	26.77%
DFSPL***	India	21.13%	21.41%
DSSHPL***	India	21.13%	21.41%
DDFS***	India	26.36%	26.71%
APFT****	India	-	25.20%

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 40 | INFORMATION ON JOINT VENTURES AS PER ACCOUNTING STANDARD – 27 (Contd.)

Name of the joint venture	Country of incorporation	Percentage of effective ownership (directly or indirectly) as on	
		March 31, 2012	March 31, 2011
WAISL***	India	13.73%	13.92%
CDCTM***	India	13.73%	13.92%
DCSCPL***	India	13.73%	13.92%
DAPSL***	India	26.36%	26.71%
NML	South Africa	27.34%	27.34%
TMR	South Africa	27.34%	27.34%
Laqshya*	India	29.99%	-
PTGEMS*	Indonesia	29.40%	-
RCI**	Indonesia	29.11%	-
BIB**	Indonesia	28.84%	-
KIM**	Indonesia	29.40%	-
KCP**	Indonesia	29.40%	-
BBU**	Indonesia	29.40%	-
BHBA**	Indonesia	29.40%	-
BNP**	Indonesia	29.40%	-
TBBU**	Indonesia	29.34%	-
TKS**	Indonesia	20.58%	-
MAL**	Indonesia	29.40%	-
NIP**	Indonesia	29.40%	-

* Joint venture agreements executed during the year.

** Became joint ventures consequent to PTGEMS becoming joint venture during the year.

*** Dilution due to change in the holding structure of the joint ventures during the year.

**** Became subsidiary during the year consequent to infusion of share capital.

The Group's aggregate share of each of the assets, liabilities, income and expenses, etc. (after elimination of the effect of transactions between the Group and the joint ventures) related to its interests in the joint ventures, as included in these consolidated financial statements of the Group are as follows:

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Non-current assets		
Fixed assets	1,468.72	1,167.12
Capital work-in-progress and Intangible assets under development	78.53	105.53
Deferred tax asset (net)	3.56	0.92
Long term loans and advances	33.59	39.01
Trade receivables	0.97	-
Other non-current assets	3.61	2.24
Current assets		
Current investments	1.86	2.70
Inventories	70.46	47.10
Trade receivables	111.20	69.98
Cash and other bank balances	491.07	178.18
Short term loans and advances	284.26	83.54
Other current assets	2.28	2.16

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 40 | INFORMATION ON JOINT VENTURES AS PER ACCOUNTING STANDARD – 27 (Contd.)

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Non-current liabilities		
Long term borrowings	1,428.62	1,191.66
Trade payables	-	1.12
Deferred tax liabilities (net)	5.54	2.02
Other long term liabilities	130.95	101.36
Long term provisions	4.24	2.04
Current liabilities		
Short term borrowings	120.74	186.92
Trade payables	166.69	73.28
Other current liabilities	129.42	101.36
Short term provisions	25.51	3.82
Income		
Sales and operating income	1,105.74	862.28
Other income	14.18	2.82
Expenses		
Sub-contracting expenses	42.41	6.43
Raw material consumed	16.24	10.17
Purchase of traded goods	504.05	455.81
(Increase) or Decrease in stock in trade	(3.58)	(33.37)
Employee benefits expenses	93.72	78.58
Other expenses	204.86	140.04
Finance costs	154.53	119.61
Depreciation and amortisation expenses	191.51	141.37
Provision for tax	15.04	(9.38)
Other Matters		
Capital commitments	23.01	70.80
Contingent liabilities	-	-
Claims against the joint ventures not acknowledged as debts	-	0.21
Reserves as at April 1,	(7.00)	37.16
Add: Group's share of loss for the year	(98.86)	(44.16)
Reserves as at March 31,	(105.86)	(7.00)

NOTE | 41 | SEGMENT REPORTING

a) The segment reporting of the Group has been prepared in accordance with AS 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

b) For the purpose of reporting, business segments are primary segments and the geographical segment is a secondary segment.

c) The business segments of the Group comprise of the following:

Segment	Description of activity
Airports	Development and operation of airports
Power	Generation of power and provision of related services and exploration and mining activities
Roads	Development and operation of roadways
EPC	Handling of engineering, procurement and construction solution in the infrastructure sector
Others	Urban Infrastructure and other residual activities

d) Geographical segment is categorised as 'India' and 'Outside India' and is based on the domicile of the customers.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 41 | SEGMENT REPORTING (Contd.)

e) Various business segments comprise of the following companies:

Power Segment	
GEL	CPL
GPCL	FCH
GVPGL	WIL
GBHPL	FCK
BHPL	MMPL
GMEL	GMAEL
GKEL	GBEPL
HHPPL	GUPEPL
GEML	GHOEL
GLEL	GGSPPL
GUKPL	KTCPL
GETL	MTCPL
GCSPL	GINELL
GCEPL	GINPCL
GBHHPL	GREEL
GLHPPL	ATSCL
GKEPL	MTSCL
RCMEPL	GEPML
GCHEPL	GESPL
GECL	GSSPL
GENBV	GISPL
PTDSU	GPIL
PTDSI	EDWPCPL
PTBSL	GCRPL
GREL	PTGEMS
SJK	RCI
PT	BIB
EMCO	KIM
HEGL	KCP
HEC	BBU
HMES	BHBA
HESW	BNP
HMEB	TBBU
HCM	TKS
NML	MAL
TMR	NIP

Roads Segment	
GTTEPL	GMRHL
GTAEPL	GHVEPL
GACEPL	GCORRPL
GJEPL	GOSEHHHPL
GPEPL	GHPPL
GUEPL	GKUAEPL

Airport Segment	
GHIAL	DAPL
GFIAL	DASPL
HMACPL	TFS
HASSL	DFSPL
GHARML	DSSHPL
HAPL	DDFS
GHASL	DAFF
GHMSL	CDCTM
MGAECL	DCSCPL
TVS GMR	DAPSL
HDFRL	TIM
MGATL	GAHL
GAHSCL	ISG
APFT	SGH
Laqshya	GMIAL
DIAL	GAGL
GMRPL	

Others Segment	
GHRL	GEGL
WAISL	LGM
GAPL	GIOL
GKSEZ	GIL - Others Segment
APPL	PUPPL
AKPPL	SPPL
AMPPL	SRPPL
BPPL	GSPHPL
BOPPL	GCAPL
CPPL	DSPL
DPPL	KSPL
EPPL	PRPPL
GPL	RPPL
LPPPL	GBPSPL
HPPL	GIML
IPPL	GICL
KPPL	GIOSL
LAPPL	GIUL
NPPL	GMRIML
PAPPL	GIGL
PPPL	

EPC Segment	
GADL	CJV
GADLIL	GIL - EPC Segment
GADLML	

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

f. The details of segment information is given below

Business segment

(Rs. in crore)

Particulars	Power		Roads		Airports		EPC		Others		Inter Segment		Unallocated		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue																
Revenue from customers	2,374.99	2,226.06	405.64	390.25	4,381.29	3,021.52	970.89	515.26	187.30	179.05	-	-	-	-	8,320.11	6,332.14
Other operating revenue	-	-	-	-	-	-	-	-	152.92	133.12	-	-	-	-	152.92	133.12
Inter segment revenue	-	-	-	-	24.09	25.11	263.67	0.32	236.80	160.20	(524.56)	(185.63)	-	-	-	-
Total revenue (a)	**2,374.99**	**2,226.06**	**405.64**	**390.25**	**4,405.38**	**3,046.63**	**1,234.56**	**515.58**	**577.02**	**472.37**	**(524.56)**	**(185.63)**	**-**	**-**	**8,473.03**	**6,465.26**
Other income (excluding interest income) (b)	56.23	221.75	5.85	16.62	40.55	52.07	1.43	3.60	23.85	7.87	(2.92)	(4.32)	-	-	124.99	297.59
Expenditure																
Revenue share paid/ payable to concessionaire grantors	-	-	-	-	830.97	651.26	-	-	-	-	-	-	-	-	830.97	651.26
Consumption of fuel	1,434.45	1,265.73	-	-	-	-	-	-	16.13	9.34	(4.13)	(2.97)	-	-	1,446.45	1,272.10
Cost of materials consumed	-	-	-	-	9.02	5.02	334.62	68.51	11.37	9.40	(55.98)	-	-	-	299.03	82.93
Purchase of traded goods and increase / decrease in stocks in trade	92.98	219.53	-	-	1,207.04	653.15	-	-	-	-	-	-	-	-	1,300.02	872.68
Sub-contracting expenses	212.81	158.99	24.13	26.10	0.90	-	640.61	302.08	-	15.81	(155.81)	(6.63)	-	-	722.64	496.35
Employee benefits expenses	55.83	35.17	9.96	12.52	452.77	280.77	90.07	49.89	110.88	48.31	(31.68)	(4.77)	-	-	687.83	421.89
Other expenses	388.84	200.58	22.36	31.60	934.02	800.26	143.69	33.89	112.13	1,011.40	(173.18)	(26.26)	-	-	1,427.86	2,051.47
Utilisation fees	-	-	-	-	98.71	71.92	-	-	-	-	-	-	-	-	98.71	71.92
Depreciation/ amortisation	150.20	145.78	85.57	142.13	658.81	464.68	6.91	4.29	40.76	38.44	(6.44)	(6.32)	-	-	935.81	789.00
Total expenditure (c)	**2,335.11**	**2,025.78**	**142.02**	**212.35**	**4,192.24**	**2,927.06**	**1,215.90**	**458.66**	**291.27**	**1,132.70**	**(427.22)**	**(46.95)**	**-**	**-**	**7,749.32**	**6,709.60**
Segment Results (a)+(b)-(c)	**96.11**	**422.03**	**269.47**	**194.52**	**253.69**	**171.64**	**20.09**	**60.52**	**309.60**	**(652.46)**	**(100.26)**	**(143.00)**	**-**	**-**	**848.70**	**53.25**
Unallocated income/(expense)															-	
Interest expense													(1,815.25)	(1,230.06)	(1,815.25)	(1,230.06)
Interest Income													118.43	154.04	118.43	154.04
Interest expenses(net)													**(1,696.82)**	**(1,076.02)**	**(1,696.82)**	**(1,076.02)**
Profit/ (loss) before tax	96.11	422.03	269.47	194.52	253.69	171.64	20.09	60.52	309.60	(652.46)	(100.26)	(143.00)	(1,696.82)	(1,076.02)	(848.12)	(1,022.77)
Tax expenses													210.72	23.90	210.72	23.90
Net profit/(loss) for the year	**96.11**	**422.03**	**269.47**	**194.52**	**253.69**	**171.64**	**20.09**	**60.52**	**309.60**	**(652.46)**	**(100.26)**	**(143.00)**	**(1,907.54)**	**(1,099.92)**	**(1,058.84)**	**(1,046.67)**
Other information																
Segment assets	25,975.25	13,344.92	6,928.57	5,493.39	18,908.12	17,805.31	1,223.11	495.25	10,710.69	12,788.11	(8,275.54)	(9,233.64)	-		55,470.20	40,693.34
Unallocated segment assets													758.00	644.30	758.00	644.30
Total Assets	**25,975.25**	**13,344.92**	**6,928.57**	**5,493.39**	**18,908.12**	**17,805.31**	**1,223.11**	**495.25**	**10,710.69**	**12,788.11**	**(8,275.54)**	**(9,233.64)**	**758.00**	**644.30**	**56,228.20**	**41,337.64**
Segment Liabilities	5,509.27	2,981.60	1,065.21	903.17	2,756.06	2,494.08	967.55	366.00	412.00	271.31	(3,757.91)	(1,549.39)	-		6,952.18	5,466.77
Unallocated segment liabilities													37,966.39	24,387.90	37,966.39	24,387.90
Total Liabilities	**5,509.27**	**2,981.60**	**1,065.21**	**903.17**	**2,756.06**	**2,494.08**	**967.55**	**366.00**	**412.00**	**271.31**	**(3,757.91)**	**(1,549.39)**	**37,966.39**	**24,387.90**	**44,918.57**	**29,854.67**
Capital expenditure	11,780.52	5,358.40	1,809.20	1,146.95	(194.22)	1,077.40	27.19	54.56	75.15	1,057.72					13,497.84	8,695.03
Depreciation and amortisation expenses	150.20	145.78	85.57	142.13	658.81	464.68	6.91	4.29	40.76	38.44	(6.44)	(6.32)	-	-	935.81	789.00
Other non cash expenses	37.10	3.03	-		22.35	13.05			6.68	939.12	-	-	-	-	66.13	955.20

Also refer note 29 for exceptional items

The Group has two geographical segments: India and outside India

(Rs. in crore)

Geographical segments	Revenue		Assets		Capital expenditure	
	2012	2011	2012	2011	2012	2011
India	6,304.70	5,283.89	46,478.40	36,750.23	9,200.21	7,417.70
Outside India	2,168.33	1,181.37	9,749.80	4,587.41	4,297.63	1,277.33
Total	**8,473.03**	**6,465.26**	**56,228.20**	**41,337.64**	**13,497.84**	**8,695.03**

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 42 | DISCLOSURE IN TERMS OF ACCOUNTING STANDARD-7 - CONSTRUCTION CONTRACTS

(Rs. in crore)

Sl. No.	Particulars	March 31, 2012	March 31, 2011
1	Contract revenue recognised during the year	970.89	515.26
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	1,347.17	1,242.06
3	Amount of customer advances outstanding for contracts in progress	167.63	169.84
4	Retention money due from customers for contracts in progress	79.54	29.29
5	Gross amount due from customers for contract works as an asset	87.55	68.25
6	Gross amount due to customers for contract works as a liability	144.96	-

NOTE | 43 | ACQUISITIONS DURING THE YEAR

a. The Group has the acquired following subsidiaries / joint venture during the year ended March 31, 2012:

o GAGL	o KCP
o Laqshya	o BBU
o PTGEMS	o BHBA
o GIOL	o BNP
o PRPPL	o TBBU
o RCI	o TKS
o BIB	o MAL
o KIM	o NIP
o RPPL	

b. The Group had acquired following subsidiaries / joint ventures during the year ended March 31, 2011:

o HEGL	o KSPL
o GADL	o LAPPL
o ATSCL	o PAPPL
o MTSCL	o DPPL
o GAHSCL	o WIL
o HEC	o CPL
o HMES	o FCH
o HESW	o GADLIL
o HMEB	o GADLML
o HMMPL	
o HCM	

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 43 | ACQUISITIONS DURING THE YEAR (Contd.)

c. The effect of the acquisition of subsidiaries / joint ventures on the financial position for the respective years at the reporting date and the results for the reporting period.

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
Reserves and surplus	4.13	(43.57)
Capital reserve on consolidation	-	2.46
Long term borrowings	14.68	472.60
Short term borrowings	3.54	267.03
Other long term liabilities	1.23	78.23
Long term provisions	18.95	2.40
Short term provisions	0.00	1.54
Trade payables	24.90	54.48
Other current liabilities	18.17	57.42
Goodwill on consolidation	2,142.15	86.37
Tangible assets	42.72	188.44
Intangible assets	48.97	0.22
Capital work-in-progress	51.33	636.82
Non-current investments	0.22	0.34
Deferred tax asset (net)	2.34	0.51
Current investments	-	21.84
Long term loans and advances	17.57	235.20
Other non-current assets	-	6.97
Inventories	16.58	15.18
Trade receivables - current	45.11	24.91
Cash and cash equivalents	339.73	85.78
Short term loans and advances	6.39	22.52
Other current assets	44.73	14.66
Sales and operating income	69.67	95.26
Other income	4.12	13.89
Other expenses	60.56	108.86
Employee benefits expenses	5.39	16.95
Finance costs	2.37	8.04
Depreciation of tangible assets	1.36	2.39
Profit / (loss) before tax	4.11	(27.09)
Provision for taxation	(0.02)	(0.98)
Profit / (loss) after tax	4.13	(26.11)

NOTE | 44 | EMPLOYEE STOCK OPTIONS:

HEGL, an overseas subsidiary of the Group has provided various share-based payment schemes to its employees as well as non-employees. During the period ended December 31, 2011, the following Stock option scheme was in operation:

Particulars		
Date of grant	February 10, 2009	December 16, 2009
Number of options granted	3,500,000	5,545,000
Method of Settlement (Equity/Cash)	Equity	Equity
Vesting Period	5 Years	5 Years
Exercise Period	5 Years	5 Years
Vesting Conditions	Terminates after 90 days from cessation of employment	Terminates after 90 days from cessation of employment

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 44 | EMPLOYEE STOCK OPTIONS (Contd.)

The details of activity under stock options have been summarised below:

(Rs. in crore)

Particulars	December 31, 2011		December 31, 2010	
	Number of options	Weighted Average Exercise Price (CAD)	Number of options	Weighted Average Exercise Price (CAD)
Outstanding at the beginning of the period	4,250,000	0.14	6,461,250	0.13
Granted during the period	-	-	-	-
Forfeited during the period	650,000	0.14	2,211,250	0.95
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	3,600,000	0.14	4,250,000	0.14
Exercisable at the end of the period	3,600,000	0.14	4,250,000	0.14

Weighted average fair value of options granted on the date of grant is CAD 0.06.

The details of exercise price for stock options outstanding at the end of the period ended December 31, 2011

Exercise price per share	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (CAD)
0.20	640,000 (765,000)	2 years and 2 Months	0.12 (0.12)
0.12	2,960,000 (3,485,000)	2 years and 11 Months	0.05 (0.05)

Previous year numbers are in bracket.

Stock options granted

The weighted average fair value of stock options granted during the period was CAD Nil (December 31, 2010 : CAD Nil). The BlackScholes valuation model has been used for computing the weighted average fair value considering the following inputs:

(Rs. in crore)

Particulars	December 31, 2011	December 31, 2010
Weighted average share price (in CAD)	0.07	0.06
Exercise price (in CAD)	0.14	0.13
Expected volatility (%)	133%	71%
Expected life	2.00	1.50
Expected dividends	-	-
Average risk-free interest rate (%)	0.97%	3.60%
Expected dividend rate	-	-

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the HEGL life; HEGL expects the volatility of its share price to reduce as it matures. To allow for the effects of early exercise, it was assumed that the employees will exercise the options one and half year after the vesting date.

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS

a. Names of the related parties and description of relationship:

S. No.	Relationship	Name of the parties
(i)	Holding company	GMR Holdings Private Limited (GHPL)
(ii)	Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures	AAI
		Bharat Petroleum Corporation Limited (BPCL)
		BWWFSIPL
		CAPL
		Cargo Service Center India Private Limited (CSCIPL)
		CELBI GHDPL
		CHSAS
		DIL
		FAG
		GoAP
		IDFS Trading Private Limited (IDFSTPL)
		IL & FS Financials Services limited (IL&FS)
		IEISL
		IL&FS Urban Infrastructure Services Ltd (IUISL)
		IL & FS Renewable Energy Limited (ILFS Renw)
		India Development Funds (IDF)
		Indian Oil Corporation Limited (IOCL)
		Infrastructure Development Finance Company Limited (IDFC)
		LMPL
		LGM Guvenik (LGMG)
		Limak Insaat San.Ve Tic. A.S. (LISVT)
		Limak Yatrim (LY)
		Malaysia Airports (Mauritius) Private Limited (MAMPL)
		MAHB
		Malaysian Aerospace Engineering Sdn. Bhd. (MAE)
		Malaysian Airline System Bhd. (MAS)
		Menzies Aviation Cargo (Hyderabad) Limited (MACHL)
		Menzies Aviation India Private Limited (MAIPL)
		Menzies Aviation PLC (UK) (MAPUK)
		Menzies Aviation Bobba (Bangalore) Private Limited (MABBPL)
		Menzies Bobba Ground Handling Services Private Limited (MBGHSPL)
		OSEPL
		Oriental Tollways Private Limited (OTPL)
		Rushil Construction (India) Private Limited (RCIPL)
		Somerset India Fund (SIF)
		SSP Catering India Private Limited (SSPCIPL)
		Tenega Parking Services (India) Private Limited (TPSIPL)
		Times Innovative Media Limited (TIML)
		Track India Private Limited (TIPL)
		TVS Communications Solutions Limited (TVSCSL)
		TVS Logistics Services Limited (TVSLSL)
		Travel Foods Services (Delhi) Private Limited (TFSDPL)
		UEDIPL
		Wipro Limited (WL)
		Yalorvin Limited (YL)
		NAPC Limited (NAPC)
		Kakinada Infrastructure Holdings Private Limited (KIHPL)
		Veda Infra-Holdings (India) Private Limited (VIHIPL)

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

a. Names of the related parties and description of relationship:

S. No.	Relationship	Name of the parties
		India Infrastructure Fund (IIF)
		Tottenham Finance Limited (TFL)
		Odean Limited (OL)
		Greenwich Investments Limited (Greenwich)
		Brindaban Man Pradhang
		Nepal Electricity Authority (NEA)
		M/S G. S. Atwal & Co.
		Mehment Senk Aipsoy (MSA)
		Classic Number Trading 87 (Pty) Limited (CNTL)
		Riverside Park Trading 164 (Pty) Limited (RPTL)
		Lanco Group Limited (LGL)
		Reliance Infrstructure Limited (RIL)
		Navabharat Power Private Limited (NPPL)
		Sterlite Energy Limited (SEL)
		Arcelormittal India Limited (AIL)
		Petronas International Corporation Limited (PICL)
		PT Dian Swastatika Sentosa Tbk (PT Dian)
		Homeland Energy Management Limited
		African spirit trading 307 (propriatary) limited
(iii)	Enterprises where key management personnel and their relatives exercise significant influence (where transactions have taken place)	GMR Varalakshmi Foundation (GVF)
		Rajam Enterprises Private Limited (REPL)
		CISL
		GMR Enterprises Private Limited (GEPL)
		GREPL
		GWT
		GFFT
(iv)	Fellow subsidiary (where transactions have taken place)	GBPPL
		RSSL
		GMR Sports Private Limited (GSPL)
		CIL
		Delhi Golf Link Properties Private Limited (DGLPPL)
		GMR Holdings (Overseas) Limited (GHOL)
		GHTPL
		GPPL
		GHML
(v)	Key management personnel and their relatives	Mr. G.M.Rao (Chairman)
		Mrs. G.Varalakshmi
		Mr. G.B.S.Raju (Director)
		Mr. Kiran Kumar Grandhi (Director)
		Mr. Srinivas Bommidala (Director) (Resigned as Managing Director w.e.f. October 1, 2011)
		Mr. B. V. N. Rao (Managing Director) (Managing Director w.e.f. October 1, 2011)
		Mr. O Bangaru Raju (Director)

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 Group and other body corporates. Similarly, GHPL has pledged certain shares held in the Company as security towards the borrowings of the Group.

c) Remuneration to key managerial personal does not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the Company as a whole

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
Investment in equity shares		
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GEPL	-	0.01
Allotment of equity shares in subsidiaries		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
IOCL	-	8.56
BPCL	-	8.56
TIML	4.99	0.01
CELBI GHDPL	2.08	-
BWWFSIPL	2.08	-
CAPL	2.08	-
LMPL	4.99	-
MAMPL	-	125.00
YL	-	13.20
AAI	-	325.00
IDFSTPL	-	6.80
MAE	8.95	7.92
MAHB	-	31.20
DIL	-	0.24
TFSDPL	-	0.96
SIF	-	0.94
FAG	-	125.00
ILFS Renw	30.48	-
CSCIPL	-	6.70
OSEPL	-	59.80
OTPL	-	52.90
Preference shares issued		
Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures		
RCIPL	-	8.32
Refund of share application money received		
Holding company		
GHPL	-	14.10
Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures		
YL	-	0.02
TIML	0.57	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
Share application money received		
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures		
ILFS Renw	-	15.48
TFSDPL	-	0.29
TIML	-	6.36
TVSLSL	0.50	-
DIL	1.27	-
CELBI GHDPL	-	2.08
BWWFSIPL	-	0.50
OSEPL	-	59.80
OTPL	-	52.90
MAE	8.95	7.92
Loans/ advances repaid by		
- **Fellow subsidiary**		
GHML	26.12	-
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GREPL	-	15.10
GVF	-	27.75
GEPL	-	15.00
Loans/ advances (including capital advances) given to		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
OSEPL	-	101.20
IEISL	29.93	-
AAI	1.33	1.33
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GREPL	-	6.32
GVF	12.89	-
GEPL	-	15.00
GWT	-	115.00
- **Fellow subsidiary**		
GPPL	-	110.00
CIL	-	11.29
RSSL	-	0.65
GHML	26.12	-
Loans taken		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
IL&FS	34.55	-
DIL	0.56	-
TFSDPL	-	1.59
- **Fellow subsidiary**		
GPPL	95.00	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
Loans repaid to		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
TFSDPL	-	1.60
MAIPL	0.10	0.10
Investment in cumulative convertible debentures (CCDs)		
- **Fellow subsidiary**		
GHML	0.22	725.68
Redemption of investments in CCDs		
- **Fellow subsidiary**		
GHML	875.52	-
Purchase of fixed assets		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
BPCL	0.42	24.37
WL	1.64	0.03
MBGHSPL	-	0.01
- **Fellow subsidiary**		
RSSL	0.06	-
GPPL	4.19	8.17
Sub-ordinate debt		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
UEDIPL	-	26.00
Assets acquired on lease		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
AAI	-	0.19
Deposits given		
- **Fellow subsidiary**		
GBPPL	-	8.22
DGLPPL	-	1.00
GHTPL	-	135.00
RSSL	4.95	0.15
- **Enterprises where key management personnel and their relatives exercise significant influence**		
CISL	-	13.22
GFFT	28.57	-
Deposit refund received		
- **Fellow subsidiary**		
DGLPPL	1.00	-
GBPPL	19.59	-
- **Key management personnel**		
Mr. B. V. N. Rao	0.01	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
Equity dividend declared by subsidiaries		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
MACHL	2.50	2.00
Preference dividend declared by subsidiaries		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
MACHL	2.15	2.15
Revenue		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
LGMG	0.43	0.61
LMPL	0.66	-
TIML	0.43	-
MAHB	-	0.01
Income from management and other services		
- **Fellow subsidiary**		
GHOL	-	14.13
GSPL	0.49	-
Income from operations		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
AAI	2.70	2.41
Fees received for services rendered		
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GVF	0.11	0.06
GFFT	0.08	-
- **Fellow subsidiary**		
GSPL	0.21	0.76
Fee paid for services received		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
WL	8.06	8.53
MAE	-	2.78
TVSCSL	5.01	-
TVSLSL	0.30	-
AAI	0.28	0.17
CELBI GHDPL	0.82	0.13
BWWFSIPL	2.27	0.99
CAPL	5.24	2.36
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GEPL	0.01	0.01

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
Interest income		
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GREPL	-	0.26
GEPL	-	0.15
- **Fellow Subsidiary**		
GHML	0.10	41.06
GPPL [Amounting to Rs. 0.60 crore (March 31, 2011: Rs. 32,877)]	0.60	0.00
Airport operator fees		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
FAG	38.29	35.91
Intangible assets under development - Success fees		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
MAHB	-	13.45
Intangible assets under development - Reversal of success fees		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
MAHB	13.45	-
Sub-contracting expenses		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
UEDIPL	14.95	14.77
Advances paid towards sub-contracting expenses		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
UEDIPL	1.91	13.02
Revenue share paid/payable to concessionaire grantors		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
AAI	704.08	598.81
Rent paid		
- **Fellow subsidiary**		
GBPPL	12.51	15.51
DGLPPL	0.22	2.37
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GFFT	5.77	-
Managerial remuneration to		
- **Key management personnel and their relatives**		
Mr. G. M. Rao	7.53	3.48
Mr. Srinivas Bommidala	4.17	1.55
Mr. B. V. N. Rao	2.31	2.52
Mr. Kiran Kumar Grandhi	3.15	3.50
Mr. O. B. Raju	0.83	0.80

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
Logo fee paid / payable to		
- **Holding company**		
GHPL	14.63	7.41
Technical and consultancy fee		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
CHSAS	-	0.75
AAI	0.04	0.35
FAG	10.80	17.09
LY	0.98	1.35
TPSIPL [Amounting to Rs. Nil (March 31, 2011: 2,490)]	-	0.00
DIL	0.08	0.04
MAHB	2.98	-
TIML	1.32	-
MAPUK	4.77	4.52
- **Fellow subsidiary**		
RSSL	1.19	3.39
GPPL	1.72	1.24
Other expenses - others		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
AAI	0.09	0.24
TPSIPL [Amounting to Rs. 0.40 crore (March 31, 2011: Rs. 5,496)]	0.40	0.00
LISVT [Amounting to Rs. 0.03 crore (March 31, 2011: Rs. 24,244)]	0.03	0.00
MAHB	0.58	-
BPCL	0.02	0.19
WL	-	0.03
DIL	0.32	0.80
CSCIPL	0.26	-
IOCL [Amounting to Rs. 15,600 (March 31, 2011: Nil)]	0.00	-
LMPL	0.40	-
LGMG	15.04	14.70
- **Fellow subsidiary**		
GSPL	-	1.02
RSSL	45.02	26.84
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GREPL	0.75	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
Reimbursement of expenses incurred on behalf of the Group		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
TIML	-	0.94
MAS	0.16	1.21
MAE	0.18	0.76
CELBI GHDPL [Amounting to Rs. 0.01 crore (March 31, 2011: Rs. 13,735)]	0.01	0.00
TIPL	-	0.05
TFSDPL	-	0.45
CHSAS	0.55	0.32
CSCIPL	1.52	0.17
LMPL	0.08	-
SSPCIPL	-	0.23
YL	0.76	0.96
IDFSTPL [Amounting to Rs. 0.01 crore (March 31, 2011: Rs. 5,440)]	0.01	0.00
CELBI GHDPL	0.03	0.06
TPSIPL [Amounting to Nil (March 31, 2011: Rs. 2,490)]	-	0.00
- **Fellow subsidiary**		
GSPL [Amounting to Nil (March 31, 2011: Rs. 15,575)]	-	0.00
RSSL	0.01	0.20
GBPPL [Amounting to Nil (March 31, 2011: Rs. 40,000)]	-	0.00
- **Holding company**		
GHPL [Amounting to Nil (March 31, 2011: Rs. 17,100)]	-	0.00
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GFFT	0.09	-
GVF	0.87	-
Expenses incurred by the Group on behalf of		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
YL [Amounting to Nil (March 31, 2011: Rs. 48,821)]	-	0.00
AAI	1.72	2.01
CELBI GHDPL	0.28	0.16
TIML [Amounting to Rs. 0.06 crore (March 31, 2011: Rs. 27,994)]	0.06	0.00
TIPL [Amounting to Nil (March 31, 2011: Rs. 24,768)]	-	0.00
CHSAS	-	0.07
- **Fellow subsidiary**		
GBPPL [Amounting to Nil (March 31, 2011: Rs. 40,428)]	-	0.00
GSPL	0.01	0.46
RSSL	0.01	-
Donations		
- **Enterprises where key management personnel and their relatives exercise significant influence**		
GVF	6.35	5.99
Voluntary retirement compensation scheme		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
AAI	37.94	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
Personnel expenses		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
DIL	0.07	0.07
Rent received		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
CELBI GHDPL	0.12	0.05
Purchase of aircraft turbo fuel (net of return)		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
IOCL	-	5.22
BPCL	-	2.42
Ground handling commission paid		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
CELBI GHDPL	0.06	0.01
BWWFSIPL	0.13	0.07
CAPL	0.28	0.17
Construction cost paid to		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
OSEPL	378.79	118.19
IEISL	42.86	-
IL&FS	0.70	-
IUISL	0.14	-
- **Fellow subsidiary**		
GPPL	-	54.92
Interest paid		
- **Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures**		
AAI	0.68	1.88
TFSDPL	-	0.02
UEDIPL	0.26	0.26
BPCL	0.29	-
- **Fellow subsidiary**		
GPPL	0.06	-
Balance payable/ (receivable)		
- **Holding company**		
GHPL	3.46	6.46

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
- Shareholders' having substantial interest / associate enterprises/ joint venture enterprises/ enterprises exercising significant influence over the subsidiaries and joint ventures		
AAI	158.10	141.62
FAG	28.85	18.39
MAE	1.92	3.15
LGMG	0.97	0.53
MAHB	0.23	1.99
MAS	3.20	0.79
IOCL [Amounting to Rs. 14,020 (March 31, 2011: Nil)]	0.00	-
BPCL	0.66	-
UEDIPL	37.41	28.76
DIL	0.73	0.52
TFSDPL	-	0.03
SSPCSPL	-	0.45
TIML	1.88	7.38
TIPL	(0.10)	-
IEISL	(15.53)	-
IUISL	0.01	-
CSCIPL	1.62	0.01
WL	3.52	1.03
LMPL	14.06	-
OSEPL	24.25	(45.57)
MAIPL	1.20	1.30
MAPUK	0.95	2.05
GoAP	315.05	315.05
ILFS Renw	-	15.48
CHSAS	(0.19)	(0.21)
TPSIPL [Amounting to Rs. 0.10 crore (March 31, 2011: Rs. 1,943)]	0.10	0.00
CELBI GHDPL	(0.28)	(0.13)
BWWFSIPL	(1.96)	(0.87)
CAPL	(2.99)	(1.82)
YL	0.77	0.96
IDFSTPL [Amounting to Rs. 0.10 crore (March 31, 2011: Rs. 10,902)]	0.10	0.00
LY	0.46	4.17
LISVT [Amounting to Rs. Nil (March 31, 2011: Rs. 25,048)]	-	0.00
TVSLSL	0.48	-
IL&FS	0.52	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	(27.94)	-
GVF	(13.07)	0.20
REPL (Refer note (i) below)	-	61.00
CISL	(8.59)	(13.22)
GWT	(115.00)	(115.00)

Notes to the Consolidated Financial Statements for the year ended March 31, 2012

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

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

(Rs. in crore)

Nature of Transaction	March 31, 2012	March 31, 2011
- **Fellow subsidiary**		
GPPL	5.90	(108.15)
CIL	(59.33)	(51.91)
DGLPPL	-	(0.90)
GSPL	0.04	0.02
RSSL	(0.34)	4.78
GHTPL	(135.00)	(135.00)
GBPPL	(1.50)	(16.35)
GHOL	-	(14.57)
GHML	(99.16)	(1,874.13)
- **Key management personnel and their relatives**		
Mr. G. M. Rao	1.86	-
Mr. Srinivas Bommidala	0.96	-
Mr. B. V. N. Rao	-	0.01

(i) Refer note 5 on assignment of supplier's credit during the year.

(ii) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

(iii) Refer note 34 (viii) (i) on impairment in the value of CCD's subscribed by the Group.

NOTE | 46 |

Till the year ended March 31, 2011, the Group was using pre-revised Schedule VI to the companies Act, 1956, for preparation and presentation of its consolidated financial statements. During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Group. The Group has reclassified previous year figures to conform to this year's classification.

NOTE | 47 |

Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements of the Group have been rounded off or truncated as deemed appropriate by the management of the Group.

As per our report of even date

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Subba Rao Amarthaluru
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 29, 2012

Place: Bengaluru
Date : May 29, 2012

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

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, 2012 and also the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto ('financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Without qualifying our opinion, we draw attention to Note 29 to the accompanying financial statements as at and for the year ended March 31, 2012 in connection with an investment of Rs. 307.86 Crore (including loans of Rs. 91.27 Crore and investment in equity / preference shares of Rs. 216.59 Crore made by the Company and its subsidiaries) in GMR Ambala Chandigarh Expressways Private Limited (GACEPL). Though GACEPL has been incurring losses since the commencement of commercial operations, based on management's internal assessment and legal opinion obtained by the management of GACEPL, such investment has been carried at cost.

5. Further to our comments in the Annexure referred to above, we report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the balance sheet, the statement of profit and loss 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;

   v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;

      b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place: Bengaluru
Date: May 29, 2012

Annexure referred to in paragraph 3 of our report of even date
Re: GMR Infrastructure Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) (a) The Company has granted unsecured loans (including unsecured debentures) to nine entities covered in the register maintained under section 301 of the Act. The maximum amount involved during the year (excluding interest) was Rs. 2,779.06 Crore and the year-end balance of loans (excluding interest) granted to such parties was Rs. 2,779.06 Crore.

(b) In our opinion and according to the information and explanations given to us and considering the economic interest of the Company in the above entities, the rate of interest and other terms and conditions for such loans/ debentures are not prima facie prejudicial to the interest of the Company.

(c) In respect of unsecured loans (including unsecured debentures) granted, repayment of the principal amount and payment of interest is as stipulated or demanded as per mutually agreed terms.

(d) There is no overdue amount of loans/ debentures granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.

(e) The Company has not taken any loans except that it has issued unsecured debentures to one Company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year (excluding interest) was Rs. 250 Crore and the year-end balance of debentures (excluding interest) outstanding was Rs. 250 Crore.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such unsecured debentures are not prima facie prejudicial to the interest of the Company.

(g) In respect of unsecured debentures issued, repayment of the principal and payment of interest is as stipulated or demanded as per mutually agreed terms.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. In case of purchase of certain fixed assets and inventory, the management has represented that because of the unique and specialized nature of the items involved, alternate quotations could not be obtained in certain cases. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed thereunder.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, related to the construction activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete.

(ix) (a) Undisputed statutory dues including provident fund (after considering allowed five days of grace period), employees' state insurance, sales-tax, wealth-tax, service tax, customs duty, income tax, excise duty, investor education and protection fund, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there have been slight delays in remittance of profession tax dues in a few cases.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) *The Company has given a guarantee in respect of a loan taken by a group Company from a bank in respect of which it has not charged any commission nor was any adequate explanation provided to us of the benefit to the Company for giving such a guarantee.* In respect of other guarantees given by the Company for loans taken by others from banks or financial institutions, the terms and conditions, in our opinion, are not prima-facie prejudicial to the interest of the Company.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us, the Company has issued 3,500 secured debentures of Rs. 0.10 Crore each, during the period covered by our audit report. The outstanding amount as at March 31, 2012 in respect of these secured debentures is Rs. 349.13 Crore. The Company has created security in respect of debentures issued. Further, the Company has unsecured debentures of Rs. 425.00 Crore outstanding as at March 31, 2012 on which no security is required to be created.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place: Bengaluru
Date: May 29, 2012

Balance Sheet as at March 31, 2012

(Rs. in Crore)

Particulars	Notes	March 31, 2012	March 31, 2011
Equity and liabilities			
Shareholders' funds			
Share capital	3	389.24	389.24
Reserves and surplus	4	6,838.03	6,780.34
		7,227.27	**7,169.58**
Non-current liabilities			
Long-term borrowings	5	1,904.63	1,700.00
Deferred tax liability (net)	7	3.90	1.27
Other long-term liabilities	6	14.89	109.72
Long-term provisions	8	0.39	0.43
		1,923.81	**1,811.42**
Current liabilities			
Short-term borrowings	9	852.00	601.08
Trade payables	10	172.26	151.42
Other current liabilities	10	592.06	186.12
Short-term provisions	8	22.88	12.46
		1,639.20	**951.08**
Total		**10,790.28**	**9,932.08**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	99.31	80.19
Intangible assets	12	2.16	1.64
Capital work-in-progress		1.57	2.47
Non-current investments	13	6,692.26	6,817.62
Long-term loans and advances	14	1,683.09	1,953.16
Trade receivables	15.1	79.53	33.20
Other non-current assets	15.2	6.10	5.65
		8,564.02	**8,893.93**
Current assets			
Current investments	16	211.51	220.40
Inventories	17	31.71	10.57
Trade receivables	15.1	295.44	83.42
Cash and bank balances	18	525.15	474.18
Short-term loans and advances	14	904.74	85.81
Other current assets	15.2	257.71	163.77
		2,226.26	**1,038.15**
Total		**10,790.28**	**9,932.08**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Subba Rao Amarthaluru
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 29, 2012

Place: Bengaluru
Date : May 29, 2012

Statement of Profit and Loss for the year ended March 31, 2012

(Rs. in Crore)

Particulars	Notes	March 31, 2012	March 31, 2011
Income			
Revenue from operations	19	1,381.87	727.40
Other income	20	48.41	5.46
Total (i)		**1,430.28**	**732.86**
Expenses			
Cost of materials consumed	21	334.62	68.51
Subcontracting expenses		544.81	295.65
Employee benefits expenses	22	89.31	66.54
Other expenses	23	115.76	57.14
Depreciation and amortisation expenses	24	7.58	4.91
Finance costs	25	197.35	174.14
Total (ii)		**1,289.43**	**666.89**
Profit before tax [(i) - (ii)]		**140.85**	**65.97**
Tax expenses			
Current tax		36.71	23.66
Less: MAT credit entitlement		(17.38)	(16.36)
Reversal of current tax of earlier years		(1.40)	(1.52)
Deferred tax		2.62	1.31
Total tax expense		**20.55**	**7.09**
Profit for the year		**120.30**	**58.88**
Earnings per equity share [nominal value of share Re. 1 each (March 31, 2011: Re. 1)]			
Basic and diluted	26	0.31	0.15
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Subba Rao Amarthaluru
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 29, 2012

Place: Bengaluru
Date : May 29, 2012

Cash flow statement for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	140.85	65.96
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	7.58	4.91
Adjustments to the carrying amount of current investments	0.94	0.23
Provisions/ liabilities no longer required, written back	-	(0.81)
(Profit)/ loss on sale of investments (net)	(40.45)	(46.95)
(Profit)/ loss on sale of fixed assets	(0.01)	0.03
Unrealised foreign exchange differences (net)	(44.03)	(0.79)
Dividend income	(0.35)	-
Interest income	(237.52)	(137.82)
Finance costs	197.35	174.14
Operating profit before working capital changes	**24.36**	**58.90**
Movement in working capital:		
(Increase)/ decrease in inventories	(21.14)	2.11
(Increase)/ decrease in loans and advances	(18.32)	(133.90)
(Increase)/ decrease in other assets	(8.90)	(113.09)
(Increase)/ decrease in trade receivables	(258.35)	(79.27)
Increase/ (decrease) in trade payables, other liabilities and provisions	206.16	301.64
Cash generated from/ (used in) operations	**(76.19)**	**36.39**
Direct taxes paid (net of refunds)	(44.18)	(28.68)
Net cash from/ (used in) operating activities	**(120.37)**	**7.71**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, Capital work-in-progress and capital advances	(22.46)	(55.44)
Proceeds from sale of fixed assets	0.01	0.02
Purchase of non-current investments (including share application money)	(483.94)	(2,534.14)
Proceeds from sale of non-current investments (including refund of share application money)	996.66	1,690.32
Purchase/ sale of current investments (net)	(196.74)	705.42
Loans given to subsidiary companies	(1,938.29)	(961.81)
Loans repaid by subsidiary companies	1,088.59	631.14
Loans given to others	-	(115.00)
Interest received	152.02	84.34
Dividend received	0.35	-
Net cash from/ (used in) investing activities	**(403.80)**	**(555.15)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	409.00	-
Repayment of long term borrowings	(75.88)	-
Proceeds from short term borrowings	977.00	601.07
Repayment of short term borrowings	(726.08)	(800.00)
Proceeds from shares allotted to Qualified Institutional Buyers	-	1,400.00
Share issue expenses	-	(40.46)
Payment of debenture redemption premium	(61.03)	(75.00)
Received against calls unpaid [Rs. Nil (March 31, 2011: Rs 7,450)]	-	0.00
Debenture issue expenses	-	(18.86)
Finance costs paid	(196.54)	(174.15)
Net cash from/ (used in) financing activities	**326.47**	**892.60**

Cash flow statement for the year ended March 31, 2012 (Contd.)

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Net increase / (decrease) in cash and cash equivalents	**(197.70)**	**345.16**
Cash and cash equivalents at the beginning of the year	**403.64**	**58.48**
Cash and cash equivalents at the end of the year	**205.94**	**403.64**
Components of cash and cash equivalents		
Cash on hand	0.03	0.02
Balances with scheduled banks		
- On current accounts	108.85	96.90
- Cheques on hand	17.17	29.02
- On deposit accounts	79.89	277.70
Total cash and cash equivalents (note 18)	**205.94**	**403.64**

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements as referred to in scheme 211 (3C) of the Companies Act, 1956.
2. Previous year figures have been regrouped and reclassified to conform to those of the current year. Refer note 45.
3. The above cash flow statement has been compiled from and is based on the balance sheet as at March 31, 2012 and the related statement of profit and loss for the year ended on that date.

As per our report of even date

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

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

G. M. Rao
Executive Chairman

B. V. N. Rao
Managing Director

Subba Rao Amarthaluru
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 29, 2012

Place: Bengaluru
Date : May 29, 2012

Notes to Financial Statements for the year ended March 31, 2012

1. Corporate Information

GMR Infrastructure Limited ('GIL' or 'the Company') is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (Act). Its stocks are listed on two stock exchanges in India. The Company carries its business in the following verticals:

a. Engineering Procurement Construction (EPC)

The Company is engaged in handling EPC solutions in the infrastructure sector.

b. Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Act. The financial statements have been prepared on an accrual basis and under the historical convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy as explained below.

NOTE | 2.1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Change in accounting policies

Presentation and disclosure of financial statements

During the year March 31, 2012, the revised Schedule VI notified under the Act, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Use of estimates

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

c. Tangible assets

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

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

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

d. Depreciation on tangible assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Act, whichever is higher. The Company has used the following rates to provide depreciation on its fixed assets.

Assets	Rates (SLM)
Plant and equipments	4.75%
Office equipments	4.75%
Furniture and fixtures	6.33%
Vehicles	9.50%
Computers	16.21%

Asset individually costing less than Indian Rupees (Rs.) 5,000 are fully depreciated in the year of acquisition.

e. Intangible assets

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

Software is amortised based on the useful life of 6 years on a straight line basis as estimated by the management.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

f. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows

Notes to Financial Statements for the year ended March 31, 2012

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

that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

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

g. Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalised.

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

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

h. Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i. Investments

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

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

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

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

j. Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Notes to Financial Statements for the year ended March 31, 2012

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work in progress comprising construction costs and other directly attributable overheads are valued at cost.

k. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from construction activity

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

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Income from management/ technical services

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

Interest

Interest on investments and bank deposits are recognised on a time proportion basis taking into account the amounts invested and the rate applicable.

l. Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

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

(iii) Exchange differences

From accounting periods commencing on or after December 7, 2006, the Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item but not beyond accounting period ending on or before March 31, 2020.
3. All other exchange differences are recognised as income or as expenses in the period in which they arise.

m. Retirement and other employee benefits

(i) Defined contribution plans

Retirement benefit in the form of provident fund, superannuation fund and pension fund is a defined contribution scheme. The contributions to these respective funds are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the monthly contribution payable to these respective funds.

(ii) Defined benefit plan

The Company has gratuity liability which is a defined benefit plan for its employees. The cost of providing gratuity under the plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gain and loss of plan is recognised in full in the period in which they occur in the statement of profit and loss.

(iii) Other long term employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Notes to Financial Statements for the year ended March 31, 2012

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

(iv) Short term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

n. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

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

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for credit available in respect of MAT under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

p. Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common cost**s**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

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

q. Shares/ debentures issue expenses and premium redemption

Shares issue expenses incurred are expensed in the year of issue and debenture/ preference share issue expenses and redemption premium payable on preference shares/ debentures are expensed over the term of preference shares/ debentures. These are adjusted to the securities premium account as permitted by Section 78(2) of the Act to the extent of balance available in such securities premium account.

Notes to Financial Statements for the year ended March 31, 2012

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

r. Provisions

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

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

s. Contingent liabilities

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

t. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash/ cheques/ drafts on hand and short-term investments with an original maturity of three months or less.

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 3 | SHARE CAPITAL		
Authorised share capital		
7,500,000,000 (March 31, 2011: 7,500,000,000) equity shares of Re. 1 each	750.00	750.00
Issued, subscribed and fully paid-up shares		
3,892,430,282 (March 31, 2011: 3,892,430,282) equity shares of Re.1 each	389.24	389.24
Issued, subscribed but not fully paid-up shares		
4,500 (March 31, 2011: 4,500) equity shares of Re. 1 each not fully paid up [Rs. 2,250 (March 31, 2011: Rs. 2,250)]	0.00	0.00
Total issued, subscribed and paid-up share capital	**389.24**	**389.24**

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

Equity shares	March 31, 2012		March 31, 2011	
	Number	Rs. in crore	Number	Rs. in crore
At the beginning of the year	3,892,434,782	389.24	3,667,354,392	366.73
Add: Issued to Qualified Institutional Buyers[1]	-	-	225,080,390	22.51
Outstanding at the end of the year	**3,892,434,782**	**389.24**	**3,892,434,782**	**389.24**

1. Pursuant to the resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re.1 each have been allotted to Qualified Institutional Buyers at a premium of Rs. 61.20 per share on April 21, 2010 aggregating to Rs. 1,400.00 Crore.

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Every member holding equity shares there in shall have voting rights in portion to his / her shares of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 3 | SHARE CAPITAL (Contd.)

(c) Shares held by Holding / ultimate Holding Company and / or their subsidiaries / associates

Out of equity shares issued by the Company, shares held by its Holding Company, ultimate Holding Company and their subsidiaries / associates are as below:

Particulars	March 31, 2012 Number	March 31, 2011 Number
GMR Holdings Private Limited (GHPL), the Holding Company		
Equity shares of Re. 1 each fully paid up	2,736,221,862	2,726,840,000
Rajam Enterprises Private Limited (REPL), an associate of the Holding Company		
Equity shares of Re. 1 each fully paid up	5,170,000	5,170,000
GMR Infra Ventures LLP (GIVLLP), an associate of the Holding Company		
Equity shares of Re. 1 each fully paid up	30,000,000	30,000,000
GMR Enterprises Private Limited (GEPL), an associate of the Holding Company		
Equity shares of Re. 1 each fully paid up	4,830,000	4,830,000
Welfare Trust of GMR Infra Employees (GWT), an associate of the Company		
Equity shares of Re. 1 each fully paid up	17,999,800	16,699,800

(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash:

(Rs. in crore)

Particulars	March 31, 2012	March 31, 2011
1,057,747,230 (March 31, 2011: 1,057,747,230) equity shares of Re. 1 each were allotted during the year ended March 31, 2006 as fully paid bonus shares by capitalization of free reserves of the Company.	105.77	105.77
Equity shares allotted as fully paid-up for consideration other than cash.[1]	2.60	2.60

1. During the year ended March 31, 2010, 46,800,000 equity shares of Rs. 10 each of Delhi International Airport Private Limited (DIAL) were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of Rs. 149.72 Crore, which was discharged by allotment of 26,038,216 equity shares of the Company of Re. 1 each at an issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards share premium).

(e) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2012		March 31, 2011	
	Number	% holding in the class	Number	% holding in the class
Equity shares of Re. 1 each fully paid				
GHPL	2,736,221,862	70.30%	2,726,840,000	70.05%

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownership of shares.

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 4 RESERVES AND SURPLUS		
(a) Securities premium account		
Balance as per the last financial statements	6,440.71	5,192.54
Add: received during the year on issue of equity shares [Refer Note 3 (a) [1]]	-	1,377.49
Less: utilised towards debenture issue expenses	-	18.86
Less: utilised towards provision for debenture redemption premium (net of taxes and MAT credit)	62.61	70.00
Less: utilised towards share issue expenses	-	40.46
Add: received against calls unpaid Rs. Nil (March 31, 2011: Rs. 6,950)	-	0.00
Closing Balance	**6,378.10**	**6,440.71**
(b) Debenture redemption reserve		
Balance as per the last financial statements	40.99	3.27
Add: amount transferred from surplus balance in the statement of profit and loss	36.57	37.72
Less: amount transferred to general reserve	18.96	-
Closing Balance	**58.60**	**40.99**
(c) General reserve		
Balance as per the last financial statements	-	-
Add: amount transferred from debenture redemption reserve	18.96	-
Closing Balance	**18.96**	**-**
(d) Surplus in the statement of profit and loss		
Balance as per last financial statements	298.64	277.48
Profit for the year	120.30	58.88
Less: Appropriations		
Transfer to debenture redemption reserve	36.57	37.72
Net surplus in the statement of profit and loss	**382.37**	**298.64**
Total reserves and surplus	**6,838.03**	**6,780.34**

(Rs. in Crore)

Particulars	Non-current portion		Current maturities	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 5 LONG-TERM BORROWINGS				
Debentures				
3,500 (March 31, 2011: Nil) 0% secured, redeemable and non-convertible debentures of Rs. 997,500 each. [1]	345.63	-	3.50	-
5,000 (March 31, 2011: 5,000) 0% unsecured, redeemable and non-convertible debentures of Rs. 8,50,000 each. [2]	350.00	425.00	75.00	75.00
Term loans				
Indian rupee term loan from a financial institution (unsecured). [3,4]	1,175.00	1,275.00	100.00	-
Indian rupee term loan from a bank (secured). [5]	34.00	-	25.00	-
	1,904.63	**1,700.00**	**203.50**	**75.00**
The above amount includes				
Secured borrowings	379.63	-	28.50	-
Unsecured borrowings	1,525.00	1,700.00	175.00	75.00
Amount disclosed under the head "other current liabilities" (note 10)			(203.50)	(75.00)
Net amount	**1,904.63**	**1,700.00**	**-**	**-**

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 5 | LONG-TERM BORROWINGS (Contd.)

1. During the year ended March 31, 2012, the Company has entered into an agreement to issue 7,000 unsecured, redeemable, non convertible debentures of Rs. 1,000,000 each to ICICI Bank Limited ('ICICI'). As at March 31, 2012, the Company issued 3,500 unsecured, redeemable, non convertible debentures of Rs. 1,000,000 each to ICICI. The debentures are secured by way of first ranking:(a) pari passu charge on the fixed assets of GMR Vemagiri Power Generation Limited (GVPGL), a subsidiary Company; (b) pari passu pledge over 30% of fully paid-up equity shares of Rs. 10 each of GMR Energy Limited (GEL) held by GMR Renewable Energy Limited (GREEL); (c) pari passu pledge over 30% of fully paid-up equity shares of Rs. 10 each of GVPGL held by GEL; (d) pari passu charge over GVPGL excess cash flow account, as defined in the subscription agreement executed between the Company and ICICI; (e) exclusive charge over Debt Service and Reserve Account ('DSRA') maintained by the Company with ICICI. The debentures are redeemable at a premium yielding 14.50% p.a. (March 31, 2011: Nil) till March 25, 2013 and after March 25, 2013 with a yield of base rate of ICICI plus 4.50% p.a. in thirty seven quarterly unequal installments commencing from March 25, 2012. As at March 31, 2012, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is Rs. 997,500 per debenture.
2. During the year ended March 31, 2010, the Company had issued 5,000 unsecured redeemable, non convertible debentures of Rs. 1,000,000 each to ICICI which are redeemable at a premium yielding 14% p.a. (March 31, 2011: 14% p.a.) and are repayable in 5 annual unequal installments commencing from April 2011. As at March 31, 2012, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is Rs. 850,000 per debenture.
3. Indian rupee term loan from Life Insurance Corporation of India (LIC) of Rs. 275 Crore which carries periodic rates of interest as agreed with the lenders and is payable on a yearly basis. The loan is repayable in 3 equated annual installments commencing from August 2013. The loan is secured by way of corporate guarantee issued by GHPL and pledge of 169,178,714 (March 31, 2011: 123,978,027) equity shares of Re. 1 each of the Company, held by GHPL.
4. Indian rupee term loan from LIC of Rs. 1,000 Crore carries interest @ 11.75% p.a. (March 31, 2011: 11.75% p.a.) is payable on a half yearly basis. The loan is repayable in 10 equated annual installments commencing from December 2012. The loan is secured by exclusive first charge on barge mounted plant of a subsidiary Company and pledge of 102,669,405 (March 31, 2011: 66,000,000) equity shares of Re. 1 each of the Company, held by GHPL.
5. The Company has been sanctioned an Indian rupee term loan from a bank of Rs. 75 crore, which carries interest @ BBR plus 2.5% p.a. (March 31, 2011: Nil) and is payable on a monthly basis. The loan is repayable in 3 equal installments at the end of 12th, 18th and 24th month from the date of first disbursement, i.e., February 16, 2012. The loan is secured by an exclusive first charge on assets to be acquired out of the proceeds of the loan and second charge on the current assets of EPC division of the Company. Of the above Rs. 75 Crore, Company has availed Rs. 59 Crore as at March 31, 2012.

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 6 | OTHER LONG-TERM LIABILITIES		
Advance from customers	-	101.10
Retention money [1]	14.89	8.62
	14.89	**109.72**

1. Retention money is payable on the completion of the contracts or after the completion of the defect liability period as defined in the respective contracts.

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 7 | DEFERRED TAX LIABILITY (NET)		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	6.31	3.62
Gross deferred tax liability	**6.31**	**3.62**
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	2.41	2.35
Gross deferred tax asset	**2.41**	**2.35**
Net deferred tax liability	**3.90**	**1.27**

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	Long-term		Short-term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 8 PROVISIONS				
Provision for employee benefits				
Provision for gratuity (Refer note 27)	0.39	0.43	0.12	0.23
Provision for leave benefits	-	-	4.72	4.51
Provision for other employee benefits	-	-	12.34	6.97
	0.39	**0.43**	**17.18**	**11.71**
Other provision				
Provision for debenture redemption premium	-	-	5.70	0.75
	-	-	5.70	0.75
	0.39	**0.43**	**22.88**	**12.46**

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 9 SHORT-TERM BORROWINGS		
Bank overdraft (secured) [1]	-	101.08
Short term loans from banks (unsecured) [2]	500.00	500.00
Intercorporate deposits from related parties repayable on demand (unsecured) [3]	102.00	-
Debentures		
2,500 (March 31, 2011: Nil) 0.01% unsecured, non-convertible debentures of Rs. 1,000,000 each [4]	250.00	-
	852.00	**601.08**
The above amount includes		
Secured borrowings	-	101.08
Unsecured borrowings	852.00	500.00
	852.00	**601.08**

1. Bank overdraft is secured by first charge on current assets of the EPC division of the Company and carries an interest rate @ 13.75% p.a. (March 31, 2011: 11.20% p.a.).
2. Represents loan taken from various banks which are repayable by way of a bullet payment within one year from the date of disbursement and carries interest rate ranging from 12% to 12.50% (March 31, 2011: 12% to 12.50%).
3. The Company has accepted intercorporate deposit of Rs. 7.00 Crore from its subsidiary, GMR Airport Developers Limited (GADL) which is repayable within 90 days from the date of such deposit and carries interest @ 9.5% p.a. (March 31, 2011: Nil) payable monthly. Further, the Company has accepted intercorporate deposit of Rs. 95.00 Crore from its fellow subsidiary, GMR Projects Private Limited (GPPL), which is repayable on demand and carries interest @ 11% p.a. (March 31, 2011: Nil) payable on a monthly basis.
4. The Company has issued 0.01% non-convertible, unsecured debentures of Rs. 1,000,000 each to GMR Airports Limited (GAHL) (formerly known as GMR Airports Holding Limited). These debentures are redeemable at par on or before 5 years at the option of the subscriber or the Company from the date of allotment, viz., January 06, 2012.

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 10 | OTHER CURRENT LIABILITIES		
Trade payable (refer note 32) [1]	172.26	151.42
(A)	**172.26**	**151.42**
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	203.50	75.00
Interest accrued but not due on borrowings	15.88	15.07
Unearned revenue	144.99	-
Share application money refund [2]	0.05	0.05
Advances from customers (refer note 32)	172.64	81.72
Retention money	28.01	2.14
Non trade payable (refer note 32)	21.12	9.57
TDS payable	4.91	1.59
Other statutory dues	0.96	0.98
(B)	**592.06**	**186.12**
Total (A+B)	**764.32**	**337.54**

1. Refer note 38 for details of dues to micro and small enterprises.

2. There is no amount due and outstanding to be credited to Investor education and protection fund.

NOTE | 11 | TANGIBLE ASSETS

(Rs. in Crore)

Particulars	Freehold Land	Office Equipments	Computer Equipments	Plant and Equipments	Furniture and Fixtures	Vehicles	Total
Gross block (at cost)							
At April 1, 2010	0.08	2.65	4.77	13.63	0.77	2.17	24.07
Additions	-	2.95	1.71	54.69	1.01	2.02	62.38
Disposals	-	0.05	0.00	-	-	0.09	0.14
At March 31, 2011	**0.08**	**5.55**	**6.48**	**68.32**	**1.78**	**4.10**	**86.31**
Additions	-	1.08	1.51	20.34	0.99	2.30	26.22
Disposals	-	-	-	-	-	0.09	0.09
At March 31, 2012	**0.08**	**6.63**	**7.99**	**88.66**	**2.77**	**6.31**	**112.44**
Depreciation							
At April 1, 2010	-	0.25	0.83	0.11	0.22	0.18	1.59
Charge for the year	-	0.27	0.84	2.73	0.37	0.41	4.62
Disposals	-	-	-	-	-	0.09	0.09
At March 31, 2011	**-**	**0.52**	**1.67**	**2.84**	**0.59**	**0.50**	**6.12**
Charge for the year	-	0.33	1.12	4.78	0.36	0.51	7.10
Disposals	-	-	-	-	-	0.09	0.09
At March 31, 2012	**-**	**0.85**	**2.79**	**7.62**	**0.95**	**0.92**	**13.13**
Net Block							
At March 31, 2011	**0.08**	**5.03**	**4.81**	**65.48**	**1.19**	**3.60**	**80.19**
At March 31, 2012	**0.08**	**5.78**	**5.20**	**81.04**	**1.82**	**5.39**	**99.31**

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 12 | INTANGIBLE ASSETS

(Rs. in Crore)

Particulars	Computer Software	Total
Gross block (at cost)		
As at April 1, 2010	1.42	1.42
Additions	0.69	0.69
Disposals	-	-
At March 31, 2011	**2.11**	**2.11**
Additions	1.00	1.00
Disposals	-	-
At March 31, 2012	**3.11**	**3.11**
Amortisation		
At April 1, 2010	0.18	0.18
Charge for the year	0.29	0.29
Disposals	-	-
At March 31, 2011	**0.47**	**0.47**
Charge for the year	0.48	0.48
Disposals	-	-
At March 31, 2012	**0.95**	**0.95**
Net block		
At March 31, 2011	**1.64**	**1.64**
At March 31, 2012	**2.16**	**2.16**

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 13 | NON-CURRENT INVESTMENTS		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
A. In Subsidiary Companies		
- Domestic Companies		
GMR Hyderabad International Airport Limited (GHIAL)* (refer note 44) [Rs. 10,000 (March 31, 2011: Rs. 238.14 Crore)]	0.00	238.14
[1,000 (March 31, 2011: 238,139,998) equity shares of Rs. 10 each]		
GMR Pochanpalli Expressways Limited (GPEPL) [57,132,000 (March 31, 2011: 57,132,000) equity shares of Rs. 10 each]	57.13	57.13
GMR Jadcherla Expressways Private Limited (GJEPL) [48,779,550 (March 31, 2011: 48,779,550) equity shares of Rs. 10 each]	48.78	48.78
GMR Ambala Chandigarh Expressways Private Limited (GACEPL)* [23,272,687 (March 31, 2011: 23,272,687) equity shares of Rs. 10 each]	23.27	23.27
Delhi International Airport Private Limited (DIAL)* (refer note 44) [245,000,000 (March 31, 2011: 857,500,000) equity shares of Rs. 10 each]	245.00	911.67
GMR Ulundurpet Expressways Private Limited (GUEPL) [82,282,500 (March 31, 2011: 82,282,500) equity shares of Rs. 10 each]	82.28	82.28
GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) [Rs. 49,000 (March 31, 2011: Rs. 49,000)] [4,900 (March 31, 2011: 4,900) equity shares of Rs. 10 each]	0.00	0.00
GAHL [340,869,304 (March 31, 2011: 340,869,304) equity shares Rs. 10 each]	679.83	679.83
GMR Aviation Private Limited (GAPL) [86,440,000 (March 31, 2011: 86,440,000) equity shares of Rs. 10 each]	86.44	86.44

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 13 NON-CURRENT INVESTMENTS (Contd.)		
Gateways for India Airports Private Limited (GFIAL) [8,649 (March 31, 2011: 8,649) equity shares of Rs. 10 each]	0.01	0.01
GMR Krishnagiri SEZ Limited (GKSEZ) [117,500,000 (March 31, 2011: 117,500,000) equity shares of Rs. 10 each]	117.50	117.50
GMR SEZ & Port Holdings Private Limited (GSPHPL) [47,989,999 (March 31, 2011: 47,989,999) equity shares of Rs. 10 each]	47.99	47.99
GMR Highways Limited (GMRHL) [20,000,000 (March 31, 2011: 20,000,000) equity shares of Rs. 10 each]	20.00	20.00
GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL) [2,050,000 (March 31, 2011: 2,050,000) equity shares of Rs. 10 each]	2.05	2.05
GMR Corporate Affairs Private Limited (GCAPL) [4,999,900 (March 31, 2011: 4,999,900) equity shares of Rs. 10 each]	5.00	5.00
GMR Chennai Outer Ring Road Private Limited (GCORRPL)* [9,300,000 (March 31, 2011: 9,300,000) equity shares of Rs. 10 each]	9.30	9.30
GMR Energy Trading Limited (GETL) [42,119,897 (March 31, 2011: 42,119,897) equity shares of Rs. 10 each]	42.12	42.12
Dhruvi Securities Private Limited (DSPL) [8,059,694 (March 31, 2011: 8,059,694) equity shares of Rs. 10 each]	39.70	39.70
GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)* [59,801,692 (March 31, 2011: 15,664,692) equity shares of Rs. 10 each]	59.80	15.67
GREEL [500,000 (March 31, 2011: 500,000) equity shares of Rs. 10 each]	0.50	0.50
GMR Power Infra Limited (GPIL) [849,490 (March 31, 2011: 99,940) equity shares of Rs. 10 each]	0.85	0.10
GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEPL) [50,000 (March 31, 2011: Nil) equity shares of Rs. 10 each]	0.05	-
- Body Corporates		
GMR Energy (Mauritius) Limited (GEML) [Rs. 202 (March 31, 2011: Rs. 202)] [5 (March 31, 2011: 5) equity share of USD 1 each]	0.00	0.00
GMR Infrastructure (Mauritius) Limited (GIML) (refer note 42) [320,550,001 (March 31, 2011: 320,550,001) equity share of USD 1 each]	1,477.99	1,477.99
GMR Energy (Singapore) Pte Limited (GESPL) (Formerly Island Power Company Pte Limited) [4,059,436 (March 31, 2011: 4,059,436) equity share of SGD 1 each]	10.41	10.41
GMR Coal Resources Pte Limited (GCRPL) (Formerly GMR Infrastructure Investments (Singapore) Pte Limited) [30,000 (March 31, 2011: Nil) equity share of SGD 1 each]	0.11	-
GMR Malé International Airport Private Limited (GMIAL) [Rs. 4,917 (March 31, 2011: Nil)] [154 (March 31, 2011: Nil) equity share of Mrf 10 each]	0.00	-
B. In Joint Venture		
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG)* [86,984,800 (March 31, 2011: 86,984,800) equity shares of YTL 1 each]	266.76	266.76
(i)	**3,322.87**	**4,182.64**

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 13 | NON-CURRENT INVESTMENTS (Contd.)		
Unquoted preference shares		
C. In Subsidiary Companies		
GEL [121,359,147 (March 31, 2011: 121,359,147) 1% non-cumulative redeemable preference shares of Rs.10 each]	121.36	121.36
GEL [280,493,375 (March 31, 2011: 265,493,375) 1% cumulative redeemable preference shares of Rs.10 each]	280.49	265.49
GPEPL [4,450,000 (March 31, 2011: 4,450,000) 8% non-cumulative redeemable preference shares of Rs. 100 each]	44.50	44.50
GJEPL [5,310,000 (March 31, 2011: 5,310,000) 8% non-cumulative redeemable preference shares of Rs. 100 each]	53.10	53.10
GACEPL [66,000 (March 31, 2011: 66,000) 8% non-cumulative redeemable preference shares of Rs. 100 each]	0.66	0.66
GUEPL [10,002,000 (March 31, 2011: 10,002,000) 8% non-cumulative redeemable preference shares of Rs. 100 each]	100.02	100.02
GMRHL [62,654,000 (March 31, 2011: 39,100,000) 8% non-cumulative redeemable preference shares of Rs. 100 each]	626.54	391.00
GCORRPL [2,192,500 (March 31, 2011: 2,192,500) 6% non-cumulative redeemable convertible preference shares of Rs. 100 each]	21.93	21.93
GCAPL [15,000,000 (March 31, 2011: 15,000,000) 8% non-cumulative redeemable preference shares of Rs. 10 each]	15.00	15.00
DSPL [202,000,000 (March 31, 2011: 200,000,000) 8% compulsory convertible preference shares of Rs. 10 each]	1,010.00	1,000.00
GHVEPL [428,740 (March 31, 2011: Nil) 6% non-cumulative redeemable convertible preference shares of Rs. 100 each]	4.29	-
GAHL [10,731,700 (March 31, 2011: Nil) class B compulsorily convertible preference shares of Rs. 1000 each] [1]	-	-
(ii)	**2,277.89**	**2,013.06**
1. GAHL have alloted these shares as bonus shares in their share allotment and transfer committee meeting held on August 04, 2011.		
Unquoted debentures		
D. In Subsidiary Companies		
GKSEZ [135 (March 31, 2011: 185) 12% unsecured optionally convertible cumulative debentures of Rs. 10,000,000 each]	135.00	185.00
GKSEZ [228 (March 31, 2011: Nil) 12% optionally convertible cumulative debentures of Rs. 1,000,000 each]	22.80	-
GAPL [18,565 (March 31, 2011: 18,565) 2% unsecured optionally convertible debentures of Rs. 100,000 each]	185.65	185.65
GSPHPL [100 (March 31, 2011: 100) 1% unsecured optionally convertible cumulative unsecured debentures of Rs. 10,000,000 each]	100.00	100.00
GSPHPL [12,885 (March 31, 2011: Nil) 0.1% unsecured convertible cumulative debentures of Rs. 100,000 each]	128.85	-

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 13 NON-CURRENT INVESTMENTS (Contd.)		
GCAPL [1,500,000 (March 31, 2011: 1,500,000) 5% unsecured non-convertible redeemable debentures of Rs. 100 each]	15.00	15.00
GCAPL [13,500,000 (March 31, 2011: 13,500,000) 1% unsecured non-convertible redeemable debentures of Rs. 100 each]	135.00	135.00
Deepesh Properties Private Limited (DPPL) [1,000 (March 31, 2011: Nil) 0.1% unsecured optionally convertible cumulative debentures of Rs. 100,000 each]	10.00	-
Padmapriya Properties Private Limited (PAPPL) [1,230 (March 31, 2011: Nil) 0.1% unsecured optionally convertible cumulative debentures of Rs. 100,000 each]	12.30	-
GEL [3,500 (March 31, 2011: Nil) 14.50% unsecured non-convertible redeemable debentures of Rs. 997,500 each]	349.13	-
Less: Current portion of non-current invesments (refer note 16)	(3.50)	-
(iii)	**1,090.23**	**620.65**
Unquoted equity shares		
E. In other Body Corporates		
GMR Infrastructure (Overseas) Limited (GIOL) (Formerly known as GMR Holdings (Overseas) Investments Limited) [Rs. 4,903 (March 31, 2011: Rs. 234)] [100 (March 31, 2011: 5] equity shares of USD 1 each]	0.00	0.00
GMR Holdings (Malta) Limited (GHML)* [Rs. 3,924 (March 31, 2011: Rs. 3,924)] [58 (March 31, 2011: 58) equity shares of EURO 1 each]	0.00	0.00
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi (SGH)*	1.27	1.27
[4,300 (March 31, 2011: 4,300) equity shares of YTL 100 each]		
(iv)	**1.27**	**1.27**
Total (i)+(ii)+(iii)+(iv)	**6,692.26**	**6,817.62**
Aggregate amount of unquoted investments	**6,692.26**	**6,817.62**

* Details of investments pledged as security in respect of the loans availed by the Company and the investee Companies.

The following unquoted investments included above have been pledged as security in respect of the borrowings of the Company or the investee Companies:

(Rs. in Crore)

Description	March 31, 2012	March 31, 2011
GHIAL [Nil (March 31, 2011: 164,149,015) equity shares of Rs. 10 each fully paid up]	-	164.15
GACEPL [23,272,687 (March 31, 2011: 23,272,687) equity shares of Rs.10 each fully paid up]	23.27	23.27
DIAL [99,324,324 (March 31, 2011: 170,270,270) equity shares of Rs.10 each fully paid up]	99.32	181.03
GCORRPL [2,418,000 (March 31, 2011: 2,418,000) equity shares of Rs.10 each fully paid up]	2.42	2.42
GOSEHHHPL [7,988,993 (March 31, 2011: 7,988,993) equity shares of Rs.10 each fully paid up]	7.99	7.99
GHML [Rs. 3,924 (March 31, 2011: Rs. 3,924)] [58 (March 31, 2011: 58) equity shares of Euro 1 each fully paid up]	0.00	0.00
ISG [86,984,800 (March 31, 2011: 86,984,800) equity shares of YTL 1 each fully paid up]	266.76	266.76
SGH [4,300 (March 31, 2011: 4,300) equity shares of YTL 100 each fully paid up]	1.27	1.27

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 14 LOANS AND ADVANCES				
Capital advances				
Unsecured, considered good	5.33	7.27	-	-
(A)	**5.33**	**7.27**	**-**	**-**
Security deposit				
Unsecured, considered good (refer note 32)	7.86	8.49	-	-
(B)	**7.86**	**8.49**	**-**	**-**
Loan and advances to related parties				
Unsecured, considered good (refer note 32)	1,472.80	1,726.39	771.07	37.94
(C)	**1,472.80**	**1,726.39**	**771.07**	**37.94**
Advances recoverable in cash or kind				
Unsecured considered good	0.42	46.17	130.17	45.92
(D)	**0.42**	**46.17**	**130.17**	**45.92**
Other loans and advances (unsecured considered good)				
Advance income-tax (net of provision for taxation)	28.48	19.61	-	-
MAT credit entitlement	41.50	20.76	-	-
Prepaid expenses	-	-	2.42	0.89
Loan to others [1]	115.00	115.00	-	-
Loans to employees	0.41	0.38	1.08	1.06
Balances with statutory / government authorities	11.29	9.09	-	-
(E)	**196.68**	**164.84**	**3.50**	**1.95**
Total (A+B+C+D+E)	**1,683.09**	**1,953.16**	**904.74**	**85.81**

1. The Company has given an interest free loan of Rs. 115.00 Crore (March 31, 2011: Rs. 115.00 Crore) to GWT. Based on the confirmation received from GWT, the trust has utilised the proceeds of the loan received from the Company in the following manner:

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Investment in equity shares of the Company	101.55	98.05
Investment in equity shares of GAHL	11.28	11.28
Investment in mutual funds	-	5.67
Bank balance	2.17	-
	115.00	**115.00**

(Rs. in Crore)

Particulars	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 15 TRADE RECEIVABLES AND OTHER ASSETS				
15.1 Trade receivable				
Unsecured, considered good				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	25.60	0.01
(A)	**-**	**-**	**25.60**	**0.01**
Other receivables				
Unsecured, considered good [1]	79.53	33.20	269.84	83.41
(B)	**79.53**	**33.20**	**269.84**	**83.41**
Total (A+B)	**79.53**	**33.20**	**295.44**	**83.42**

1. Includes retention money of Rs. 112.00 Crore (March 31, 2011: 33.20 Crore)

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 15 TRADE RECEIVABLES AND OTHER ASSETS (Contd.)				
15.2 Other assets				
Others				
Interest accrued on fixed deposits	-	-	5.51	2.71
Interest accrued on loan and debentures to subsidiaries (refer note 32)	-	-	136.32	53.02
Interest accrued on current investments	-	-	-	0.61
Unbilled revenue (refer note 32)	6.10	5.65	115.88	107.43
Total	**6.10**	**5.65**	**257.71**	**163.77**

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 16 CURRENT INVESTMENTS		
A. Current portion of long term invesments (valued at cost, unquoted)		
GEL (refer note 13)	3.50	-
(i)	**3.50**	**-**
Current investments (valued at lower of cost and fair value)		
Unquoted		
B. Investments in Certificate of Deposits (CD)		
CD- HDFC Bank [Nil (March 31, 2011: 2,500) units of Rs.100,000 each]	-	24.51
(ii)	**-**	**24.51**
C. Investments in Mutual Funds		
ICICI Prudential Liquid Super Institutional Plan - Growth [11,941,917 (March 31, 2011: 12,355,982) units of Rs. 100 each]	189.14	178.87
Birla Sunlife Cash Plus Institutional Premium Growth [Nil (March 31, 2011: 3,188,145) units of Rs. 10 each]	-	5.00
Union KBC Liquid Fund Growth [80,162 (March 31, 2011: Nil) units of Rs. 1000 each]	8.60	-
HDFC Liquid Fund - Premium Plan - Growth [1,411,001 (March 31, 2011: Nil) units of Rs. 10 each]	3.03	-
UTI Liquid Cash Plan Institutional - Growth Option [14,322 (March 31, 2011: Nil) units of Rs. 1000 each]	2.52	-
Birla Sunlife Infrastructure Fund - Plan - Divdend - Payout # [4,720,000 (March 31, 2011: 4,720,000) units of Rs. 10 each]	4.72	5.67
(iii)	**208.01**	**189.54**
D. Investments in Venture Capital Funds		
Faering Capital India Evolving Fund [Nil (March 31, 2011: 15,000) units of Rs. 1,000 each]	-	1.50
(iv)	**-**	**1.50**
E. Investments in Bonds		
7.70 HPCL 2013 [Nil (March 31, 2011: 50) units of Rs.1,000,000 each]	-	4.85
(v)	**-**	**4.85**
Total (i)+(ii)+(iii)+(iv)+(v)	**211.51**	**220.40**
Aggregate amount of unquoted investments	211.51	220.40
# Aggregate provision for diminution in value of investments	1.18	0.23

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 17 INVENTORIES (Valued at lower of cost and net realisable value)		
Raw materials	27.89	10.32
Contract work-in-progress	3.82	0.25
	31.71	**10.57**

(Rs. in Crore)

Particulars	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE 18 CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	108.85	96.90
- Deposits with original maturity of less than or equal to three months	-	-	79.89	277.70
Cheques on hand	-	-	17.17	29.02
Cash on hand	-	-	0.03	0.02
	-	**-**	**205.94**	**403.64**
Other bank balances				
- On current accounts[1]			0.05	0.05
- Deposits with original maturity for more than 3 months but less than or equal to 12 months[2,3,4]	-		319.16	70.49
	-	**-**	**319.21**	**70.54**
Amount disclosed under non-current assets	-	-	-	-
	-	**-**	**525.15**	**474.18**

1. Includes share application money pending refund. -
2. A charge has been created over the deposits of Rs. 13.65 Crore (March 31, 2011: Nil) for the purpose of DSRA maintained by the Company with ICICI on issue of debentures to ICICI (Also refer note 5(1)).
3. A charge has been created over the deposits of Rs. 21.05 Crore (March 31, 2011: 20.55 Crore) for working capital facility availed by the Company.
4. A charge has been created over the deposits of Rs. 246.44 Crore (March 31, 2011: 48.94 Crore) for loan against deposits availed by Kakinada SEZ Private Limited (KSPL).

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 19 REVENUE FROM OPERATIONS		
Sale of services		
EPC:		
Construction revenue	1,091.04	507.37
	1,091.04	**507.37**
Other operating revenue		
Others:		
Income from management and other services	12.52	35.26
Dividend income on current investments (other than trade) (gross)	0.35	-
Interest income (gross)		
- Bank deposits	40.54	8.51
- Long term investments [refer note 32(b)(i)]	182.65	119.87
- Current investments	14.32	9.44
Profit on sale of current investments (others)	40.45	46.95
	290.83	**220.03**
	1,381.87	**727.40**

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 20 | OTHER INCOME		
Gain on account of foreign exchange fluctuations (net)	46.41	1.33
Provisions no longer required, written back	-	0.81
Other non-operating income [net of expenses directly attributable to such income of Nil (March 31, 2011: Nil)]	2.00	3.32
	48.41	**5.46**

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 21 | COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	10.32	0.15
Add: Purchases	352.19	78.68
	362.51	**78.83**
Less: inventory at the end of the year	27.89	10.32
Cost of materials consumed	**334.62**	**68.51**
Detail of materials consumed		
Steel	70.24	17.93
Bitumen	59.43	13.31
High speed diesel	47.37	10.17
Cement	37.78	7.08
Aggregates	33.20	5.36
Granular	23.47	3.65
Others	63.13	11.01
	334.62	**68.51**

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE | 22 | EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	78.08	59.77
Contribution to provident and other funds	4.47	2.89
Gratuity expense (Note 27)	(0.14)	0.81
Staff welfare expenses	6.90	3.07
	89.31	**66.54**

Notes to Financial Statements for the year ended March 31, 2012

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 23 OTHER EXPENSES		
Bidding charges	0.93	0.59
Lease rental and equipment hire charges	32.25	8.30
Rates and taxes	6.47	2.37
Insurance	0.69	0.46
Repairs and maintenance		
Others	5.86	5.13
Advertising and sales promotion	4.30	2.42
Freight	13.42	1.22
Travelling and conveyance	9.91	7.38
Communication costs	0.94	0.99
Printing and stationery	2.26	2.66
Logo Fees [refer note 32(b)(xiii)]	4.15	2.18
Legal and professional fees	24.43	16.78
Payment to auditors (refer details below)	3.34	2.29
Directors' sitting fees	0.13	0.11
Adjustments to the carrying amount of current investments	0.94	0.23
Meetings and seminars	0.17	0.33
Security expenses	1.82	2.09
Donation	0.82	1.03
Loss on sale of fixed assets (net)	-	0.03
Miscellaneous expenses	2.93	0.55
	115.76	**57.14**
Payment to auditors*		
As auditors:		
Audit fee (including fee for consolidated financial statements of the Company and quarterly limited reviews)	2.12	0.71
Tax audit fee	0.03	0.03
In other capacity:		
Audit services in connection with QIP/ bond issues	0.35	1.22
Other services (including certification fees)	0.67	0.31
Reimbursement of expenses	0.17	0.02
	3.34	**2.29****

* Excludes service tax and are net off fees for other services amounting to Rs. 0.45 Crore (March 31, 2011: Rs. Nil) cross charged to other group Companies.

** Includes Rs. Nil (March 31, 2011: Rs. 0.72 Crore) paid to erstwhile joint auditors.

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of tangible assets	7.10	4.62
Amortisation of intangible assets	0.48	0.29
	7.58	**4.91**

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
NOTE 25 FINANCE COSTS		
Interest	194.96	168.98
Bank and other finance charges	2.39	5.16
	197.35	**174.14**

Notes to Financial Statements for the year ended March 31, 2012

Particulars	March 31, 2012	March 31, 2011
NOTE 26 EARNINGS PER SHARE (EPS)		
Calculation of EPS – (Basic and Diluted)		
Nominal value of equity shares (Re. per share)	1	1
Weighted average number of equity shares outstanding during the year	3,892,432,532	3,880,098,989
Net profit after tax for the purpose of EPS (Rs. in Crore)	120.30	58.88
EPS – Basic and Diluted (Rs.)	0.31	0.15

Notes:

(i) Rs. 2,250 (March 31, 2011: Rs. 2,250) are receivable towards equity shares and for the computation of weighted average number of equity shares outstanding during the year, these have been considered as partly paid-up shares.

(ii) The Company does not have any dilutive securities.

NOTE 27 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Statement of Profit and Loss

Net employee benefit expense (as recognised in the employee cost)

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Current service cost	0.70	0.86
Interest cost on benefit obligation	0.25	0.18
Expected return on plan assets	(0.23)	(0.18)
Net actuarial (gain) / loss recognised in the year	(0.86)	(0.05)
Net benefit expense	(0.14)	0.81

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Actual return on plan assets	0.23	0.22

Balance Sheet

Benefit asset/ liability

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Present value of defined benefit obligation	3.20	3.19
Fair value of plan assets	2.69	2.53
Plan asset/ (liability)	(0.51)	(0.66)

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

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Opening defined benefit obligation	3.19	2.22
Interest cost	0.25	0.18
Current service cost	0.70	0.86
Benefits paid	(0.08)	(0.05)
Actuarial (gains)/ losses on obligation	(0.86)	(0.02)
Closing defined benefit obligation	3.20	3.19

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 27 | GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

Changes in the fair value of plan assets as follows:

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Opening fair value of plan assets	2.53	2.22
Expected return	0.23	0.18
Contributions by employer	0.01	0.15
Benefits paid	(0.08)	(0.05)
Actuarial gains/ (losses) on plan assets (Rs. 1,646)	0.00	0.03
Closing fair value of plan assets	2.69	2.53

The Company expects to contribute Rs. 0.12 Crore (March 31, 2011: Rs. 0.23 Crore) towards gratuity fund in 2012-2013.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Investments with insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations are to be settled.

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Discount rate	8.50%	8%
Expected rate of return on assets	9.40%	8%
Expected rate of salary increase	6%	6%
Employee turnover	5%	5%
Mortality rate	Refer Note 3 below	Refer Note 3 below

Notes :

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. As per LIC (94-96) Ultimate Mortality Table.

Amounts for the current and previous four years are as follows:

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	3.20	3.19	2.22	0.06	0.02
Plan assets	2.69	2.53	2.22	0.07	0.07
Surplus/ (deficit)	(0.51)	(0.66)	-	0.01	0.05
Experience adjustments on plan liabilities	(0.86)	(0.02)	(0.01)	0.00	0.00
Experience adjustments on plan assets	0.00	0.03	0.06	0.00	0.00

NOTE | 28 | LEASES

Office premises and equipments taken by the Company are obtained on operating lease. The lease rental and equipment hire charges paid during the year is Rs. 32.25 Crore (March 31, 2011: Rs. 8.30 Crore). Office premises are obtained for a lease term of eleven months and renewable as mutually agreed between the parties. The equipments are taken on hire on need basis. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

NOTE | 29 |

The Company has an investment of Rs. 307.86 Crore (March 31, 2011: Rs. 276.31 Crore) [including loans of Rs. 91.27 Crore (March 31, 2011: Rs. 59.72 Crore) and investment in equity/ preference shares of Rs. 216.59 Crore (March 31, 2011: Rs. 192.66 Crore) made by the Company and its subsidiaries] in GACEPL as at March 31, 2012. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to loss of revenue arising as a result of diversion of partial traffic on parallel roads. Based on management's internal assessment and a

Notes to Financial Statements for the year ended March 31, 2012

legal opinion, the management of GACEPL is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the investment in GACEPL has been carried at cost.

NOTE | 30 | INFORMATION ON JOINT VENTURE AS PER ACCOUNTING STANDARD-27

The Company directly holds 35% of the equity shares of ISG and 5% of the equity shares of ISG through its subsidiary Company. ISG is incorporated in Turkey and is involved in development and operation of airport infrastructure.

The Company's ownership and voting power of ISG along with its share in the assets, liabilities, income, expense, contingent liabilities and commitment is as follows:

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
(1) Share in ownership and voting power of the Company	35%	35%
(2) Country of incorporation	Turkey	Turkey
(3) Contingent liabilities - Company has incurred in relation to joint venture	1,798.98	1,790.68
(4) Company's share of contingent liabilities of joint venture	-	-
(5) Company's share of capital commitments of the joint venture	-	-
(6) Aggregate amount of Company's share in each of the following:		
(a) Current assets	229.43	116.41
(b) Non current assets	969.18	946.97
(c) Current liabilities	183.41	125.74
(d) Non current liabilities	1,010.24	844.77
Equity (a+b-c-d)	**4.96**	**92.87**
(e) Income		
1. Revenue	596.73	534.42
2. Other income	2.14	1.83
(i) Total revenue	**598.87**	**536.25**
(f) Expenses		
1. Purchase of traded goods	360.25	332.39
2. Increase/ (decrease) in traded goods	(2.70)	(3.52)
3. Employee benefits expenses	21.53	22.56
4. Other expenses	87.84	66.12
5. Utilisation fee	86.28	62.93
6. Depreciation and amortisation expenses	48.94	46.06
7. Finance expenses	89.60	77.58
(ii) Total expenses	**691.74**	**604.12**
(g) Loss before tax [(i)-(ii)]	**(92.87)**	**(67.87)**
8. Income tax expense	-	13.99
(h) Loss after tax	**(92.87)**	**(81.86)**

Note:

Disclosure of financial data as per Accounting Standard – 27 'Financial Reporting of Interest in the Joint venture has been done based on the audited financial statements of ISG for the year ended March 31, 2012 and March 31, 2011 prepared under the revised Schedule VI of the Act.

The Company and its subsidiary have made an investment of Rs. 376.47 Crore (including loans of Rs. 70.74 Crore and investment in equity shares of Rs.305.73 Crore) in ISG as at March 31, 2012. The Company and its subsidiary's share of ISG's accumulated losses / negative reserves amounts to Rs. 306.09 Crore. This has resulted in substantial erosion in net worth of ISG as at March 31, 2012. Based on ISG's business plan, the management of the Company is confident that ISG will be able to meet its financial obligations as they arise and continue to carry the investment at cost.

NOTE | 31 | SEGMENT INFORMATION

The segment report of the Company has been prepared in accordance with Accounting Standard-17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 as amended. The primary segment reporting format is determined to be business segment as the Company's risk and rates of return are affected predominantly by difference in the services provided. Secondary information is reported geographically.

The business segments of the Company comprise of the following:

Segment	Description of activity
EPC	Handling of engineering, procurement and construction activities in Infrastructure Sector.
Others	Investment activity and corporate support to various infrastructure SPVs.

Notes to Financial Statements for the year ended March 31, 2012

Business segment

(Rs. in Crore)

Particulars	EPC		Others		Unallocated		Inter Segment		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue										
Revenue	1091.04	507.37	290.83	220.03	-	-	-	-	1,381.87	727.40
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
Segment revenue	**1,091.04**	**507.37**	**290.83**	**220.03**	**-**	**-**	**-**	**-**	**1381.87**	**727.40**
Other income	0.79	1.42	47.62	4.04	-	-	-	-	48.41	5.46
Total income	**1,091.83**	**508.79**	**338.45**	**224.07**	**-**	**-**	**-**	**-**	**1430.28**	**732.86**
Expenses										
Cost of materials consumed	334.62	68.51	-	-	-	-	-	-	334.62	68.51
Subcontracting expenses	544.81	295.65	-	-	-	-	-	-	544.81	295.65
Employee benefit expenses	69.27	47.42	20.04	19.12	-	-	-	-	89.31	66.54
Other expenses	81.73	34.44	34.03	22.70	-	-	-	-	115.76	57.14
Depreciation and amortisation expenses	6.04	3.52	1.54	1.39	-	-	-	-	7.58	4.91
Segment result	**55.36**	**59.25**	**282.84**	**180.86**	**-**	**-**	**-**	**-**	**338.20**	**240.11**
Finance costs	-	-	-	-	197.35	174.14	-	-	197.35	174.14
Profit/(Loss) before tax	**55.36**	**59.25**	**282.84**	**180.86**	**-**	**-**	**-**	**-**	**140.85**	**65.97**
Tax expense										
Current tax	-	-	-	-	36.71	23.66	-	-	36.71	23.66
Less: MAT credit entitlement	-	-	-	-	(17.38)	(16.36)	-	-	(17.38)	(16.36)
Reversal of current tax of earlier years	-	-	-	-	(1.40)	(1.52)	-	-	(1.40)	(1.52)
Deferred tax	-	-	-	-	2.62	1.31	-	-	2.62	1.31
Profit/(Loss) after tax									**120.30**	**58.88**
Other information										
Segment assets	845.59	458.03	9,897.36	9,518.10	69.98	40.37	(22.65)	(84.42)	10,790.28	9,932.08
Capital expenditure	21.03	62.26	3.35	2.09	-	-	-	-	24.38	64.35
Depreciation and amortisation expense	6.04	3.52	1.54	1.39	-	-	-	-	7.58	4.91
Other non-cash expenses	-	-	0.94	0.23	-	-	-	-	0.94	0.23
Segment liabilities	563.48	354.83	36.58	98.93	2,985.60	2,393.16	(22.65)	(84.42)	3,563.01	2762.50

Geographical segment

The following table presents revenue and certain asset information regarding the Company's geographical segment:

(Rs. in Crore)

Particulars	Segment revenue	Segment assets	Addition to fixed assets
India	1,343.90	8,572.35	24.38
	(720.17)	(7,911.29)	(64.35)
Outside India	37.97	2,217.93	-
	(7.23)	(2,020.79)	(-)

Note: Previous year figures are mentioned in brackets.

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES

a) Name of Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
Holding Company	GHPL
Subsidiary Companies	GREEL
	GEL
	GMR Power Corporation Limited (GPCL)
	GVPGL
	GETL
	GBHPL
	Badrinath Hydro Power Generation Private Limited (BHPL)
	GMR Mining and Energy Private Limited (GMEL)
	GMR Kamalanga Energy Limited (GKEL)
	GMR Consulting Services Private Limited (GCSPL)
	GMR Rajahmundry Energy Limited (GREL)
	SJK Powergen Limited (SJK)
	GMR Coastal Energy Private Limited (GCEPL)
	GMR BajoliHoli Hydropower Private Limited (GBHHPL)
	GMR Chhattisgarh Energy Limited (GCHEPL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	GMR Kakinada Energy Private Limited (GKEPL)
	EMCO Energy Limited (EMCO)
	DIAL
	Delhi Aerotropolis Private Limited (DAPL)
	East Delhi Waste Processing Company Private Limited (EDWPCPL)
	GHIAL
	Hyderabad Menzies Air Cargo Private Limited (HMACPL)
	Hyderabad Airport Security Services Limited (HASSL)
	GMR Hyderabad Airport Resource Management Limited (GHARML)
	GMR Hyderabad Aerotropolis Limited (HAPL)
	GMR Hyderabad Aviation SEZ Limited (GHASL)
	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)
	GMR Hotels and Resorts Limited (GHRL)
	GFIAL
	GMRHL
	GMR TuniAnakapalli Expressways Private Limited (GTAEPL)
	GMR Highways Projects Private Limited (GHPPL)********
	GMR TambaramTindivanam Expressways Private Limited (GTTEPL)
	GACEPL
	GJEPL
	GPEPL
	GUEPL
	GHVEPL
	GCORRPL
	GOSEHHHPL
	GKUAEPL********
	GKSEZ
	Advika Properties Private Limited (APPL)
	Aklima Properties Private Limited (AKPPL)
	Amartya Properties Private Limited (AMPPL)
	Baruni Properties Private Limited (BPPL)
	Camelia Properties Private Limited (CPPL)
	Eila Properties Private Limited (EPPL)

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

a) Names of the Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
	Gerbera Properties Private Limited (GPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)
	Krishnapriya Properties Private Limited (KPPL)
	Nadira Properties Private Limited (NPPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Properties Private Limited (PUPPL)
	Shreyadita Properties Private Limited (SPPL)
	Sreepa Properties Private Limited (SRPPL)
	Bougainvillea Properties Private Limited (BOPPL)
	GMR Corporate Center Limited (GCCL)*
	GMR Gujarat Solar Power Private Limited (GGSPPL)
	GMR Headquarters Private Limited (GHDPL)*
	GAHL
	GCAPL
	GSPHPL
	GAPL
	GMR Business Process and Services Private Limited (GBPSPL)********
	DSPL
	Himtal Hydro Power Company Private Limited (HHPPL)
	GMR Upper Karnali Hydro Power Limited (GUKPL)
	GEML
	GMR Lion Energy Limited (GLEL)
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) BV (GENBV)
	PT Unsoco (PT)
	PT Dwikarya Sejati Utma (PTDSU)
	PT Duta Sarana Internusa (PTDSI)
	PT Barasentosa Lestari (PTBSL)
	Lion Energy Tuas Pte Limited (LETPL)****
	GIML
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas Sociedad Limitada (GIOSL)
	GMR Infrastructure (UK) Limited (GIUL)
	GMR International (Malta) Limited (GMRIML)
	GMR Infrastructure (Global) Limited (GIGL)
	GMR Infrastructure (Singapore) Pte Limited (GISPL)
	GMR Energy (Global) Limited (GEGL)
	Island Power Intermediary Pte Limited (IPIPL)
	GESPL
	GMR Supply Singapore Pte Limited (GSSPL) (Formerly Island Power Supply Pte Limited)
	Homeland Energy Group limited (HEGL)**
	Homeland Energy Corp. (HEC)***
	Homeland Mining & Energy SA (Pty) Limited (HMES)***
	Homeland Energy (Swaziland) Pty Limited (HESW)***
	Homeland Mining & Energy (Botswana) (Pty) Limited (HMEB)***
	Homeland Coal Mining (Pty) Limited (HCM) ***
	Ferret Coal Holdings (Pty) Limited (FCH)***

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

a) Names of the Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
	Wizard Investments (Pty) Limited (WIL)***
	Ferret Coal (Kendal) (Pty) Limited (FCK)***
	Manoka Mining (Pty) Limited (MMPL)***
	Corpclo 331 (Pty) Limited (CPL)***
	GMR Maharashtra Energy Limited (GMAEL)
	GMR Bundelkhand Energy Private Limited (GBEPL)
	GMR Uttar Pradesh Energy Private Limited (GUPEPL)
	GMR Hosur Energy Limited (GHOEL)
	Karnali Transmission Company Private Limited (KTCPL)
	Marsyangdi Transmission Company Private Limited (MTCPL)
	GMR Indo-Nepal Energy Links Limited (GINELL)
	GMR Indo-Nepal Power Corridors Limited (GINPCL)
	Aravali Transmission Service Company Limited (ATSCL)
	Maru Transmission Service Company Limited (MTSCL)
	GMR Energy Projects (Mauritius) Limited (GEPML)
	Hyderabad Duty Free Retail Limited (HDFRL)
	GMR Airport Developers Limited (GADL)
	GADL International Limited (GADLIL)
	GADL (Mauritius) Limited (GADLML)
	DPPL
	Larkspur Properties Private Limited (LAPPL)
	PAPPL
	Radha Priya Properties Private Limited (RPPL)********
	Pranesh Properties Private Limited (PRPPL) ********
	Asia Pacific Flight Training Academy Limited (APFT)
	KSPL
	GPIL
	GMIAL
	GMR Malé Retail Private Limited (GMRPL)********
	GCRPL
	GMR Airport Handling Services Company Limited (GAHSCL)
	GMR Airport Global Limited (GAGL)********
	GMR Holdings Overseas Spain SLU (GHOSS)*********
	GMR Infrastructure Overseas Limited (GIOL)********
Enterprises where significant influence exists	SGH
	Rampia Coal Mine and Energy Private Limited (RCMEPL)
	MAS GMR Aerospace Engineering Company Private Limited (MGAECL)
	TVS GMR Aviation Logistics Limited (TVS GMR)
	Limak GMR Construction JV (CJV)
	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)
	Delhi Cargo Service Centre Private Limited (DCSCPL)
	Delhi Aviation Services Private Limited (DASPL)
	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)
	Devyani Food Street Private Limited (DFSPL)
	Delhi Select Services Hospitality Private Limited (DSSHPL)
	Wipro Airport IT Services Limited (WAISL)
	TIM Delhi Airport Advertisment Private Limited (TIM)
	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)
	Delhi Airport Parking Services Private Limited (DAPSL)
	MAS GMR Aero Technic Limited (MGATL)

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

a) Names of the Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
	Tshedza Mining Resource (Pty) Limited (TMR)*****
	Nhalalala Mining (Pty) Ltd (NML)*****
	PT Golden Energy Mines Tbk (PTGEMS)******
	PT Tanjung Belit Bara Utama (TBBU)*******
	PT Roundhill Capital Indonesia (RCI) *******
	PT Kuansing Inti Makmur (KIM) *******
	PT Trisula Kencana Sakti (TKS) *******
	PT Manggala Alam Lestari (MAL) *******
	PT Citra Alam Indah (CAI) *******
	PT Borneo Indobara (BIB) *******
	PT Karya Cemerlang Persada (KCP) *******
	PT Bungo Bara Utama (BBU) *******
	PT Bara Harmonis Batang Asam (BHBA) *******
	PT Berkat Nusantara Permai (BNP) *******
	PT Nusa Indah Permai (NIP) *******
	Delhi Duty Free Services Private Limited (DDFS)
	Delhi Aviation Fuel Facility Private Limited (DAFF)
	Laqshya Hyderabad Airport Media Private Limited (Laqshya)******
Enterprises where key managerial personnel or their relatives exercise significant influence	GWT
	GMR Varalakshmi Foundation (GVF)
	GMR Family Fund Trust (GFFT)
	REPL
	GIVLLP
	GEPL
	Grandhi Enterprises Private Limited (GREPL)
Joint Ventures	ISG
Fellow Subsidiaries (Where transactions have taken place)	Raxa Security Services Limited (RSSL)
	GMR Bannerghatta Properties Private Limited (GBPPL)
	GMR Projects Private Limited (GPPL)
	Ideaspace Solutions Limited (ISL)
	GHML
	GMR Holdings (Overseas) Limited (GHOL)
Key management personnel and their relatives	Mr. G. M. Rao (Executive Chairman)
	Mrs. G. Varalakshmi (Relative)
	Mr. Srinivas Bommidala (Managing Director) (Resigned w.e.f. October 01, 2011)
	Mr. G. B. S. Raju (Director)
	Mr. Kiran Kumar Grandhi (Director)
	Mr. B. V. N. Rao (Managing Director w.e.f. October 01, 2011)
	Mr. O. Bangaru Raju (Director)

* Ceased to be a subsidiary during the previous year.

** Became subsidiary during the previous year. Was an associate till July 12, 2010.

*** Became subsidiaries consequent to further investments in HEGL during the previous year.

**** Wound up during the previous year.

***** Became joint ventures consequent to further investments in HEGL during the previous year.

****** Joint venture acquired during the year.

******* Became joint venture consequent to acquisition of PTGEMS.

******** Became subsidiaries during the year.

********* Cease to be a subsidiary during the current year.

Note: The information disclosed based on the names of the parties as identified by the management.

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) Summary of transactions with above Related Parties are as follows:

(Rs. in Crore)

Nature of Transaction		March 31, 2012	March 31, 2011
i)	**Interest Income - Gross**		
	Subsidiary Companies		
	- GEL	99.57	78.62
	- GMRHL	15.79	12.74
	- DSPL	1.95	-
	- DIAL	0.41	-
	- GIML	36.88	7.24
	- GPIL	0.20	-
	- GHIAL	1.21	4.44
	- GBPSPL	0.05	-
	- GKSEZ	18.58	14.69
	- GAPL	3.82	0.94
	- GSPHPL	1.00	-
	- DPPL [Rs. 7,104 (March 31, 2011: Nil)]	0.00	-
	- PAPPL [Rs. 8,738 (March 31, 2011: Nil)]	0.00	-
	- GCAPL	2.10	1.20
	Joint venture		
	- ISG	1.09	-
ii)	**Construction revenue**		
	Subsidiary Companies		
	- GHVEPL	2.50	-
	- EMCO	128.67	89.16
	- GEL	0.22	1.01
iii)	**Subcontracting expense**		
	Subsidiary company		
	- GCSPL	0.14	-
	Fellow subsidiary		
	- RSSL	0.79	-
iv)	**Finance costs**		
	Subsidiary Companies		
	- GAHL	1.16	-
	- GADL	0.05	-
	Fellow subsidiary		
	- GPPL	0.06	-
v)	**Legal and professional fees**		
	Subsidiary Companies		
	- GCSPL	0.02	0.14
	- GCAPL	0.87	1.14
vi)	**Donation**		
	Enterprises where key managerial personnel or their relatives exercise significant influence		
	- GVF	-	0.06
vii)	**Lease rental and equipment hire charges**		
	Subsidiary Company		
	- GHIAL	0.76	-
	Fellow subsidiary		
	- GREPL	0.75	-

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) Summary of transactions with the above Related Parties is as follows:

(Rs. in Crore)

Nature of Transaction		March 31, 2012	March 31, 2011
viii)	**Security expenses**		
	Fellow subsidiary		
	- RSSL	0.75	2.86
ix)	**Advertising and sales promotion**		
	Fellow subsidiary		
	- GSPL	2.93	-
x)	**Travelling and conveyance**		
	- Subsidiary Company		
	- GAPL	2.83	0.61
xi)	**Repairs and maintenance**		
	- Subsidiary Companies		
	- GHRL	0.01	-
	- GCAPL	0.32	-
xii)	**Expenses incurred by GIL on behalf of others**		
	Subsidiary Companies		
	- GMIAL	-	33.69
	- GADL	0.34	-
	- EMCO	18.37	3.49
	- GCHEPL	13.30	22.67
	- GREL	23.39	24.48
	- GKUAEPL	14.00	-
	- GREEL Rs. Nil (March 31, 2011: Rs. 20,470)	-	0.00
	- GGSPPL	3.72	-
	- DIAL	0.82	-
	- GCORRPL	0.18	-
	- GEL	11.71	-
	- GETL	0.71	-
	- GHIAL	0.63	-
	- GKSEZ	0.13	-
	- GESPL	2.92	-
	- KSPL	0.18	-
	- GKEL	-	0.16
	- GIOSL	-	0.13
	- GPIL	-	0.04
	Fellow subsidiary		
	- GPPL	0.03	-
	Joint venture		
	- ISG	-	0.09
xiii)	**Logo fee**		
	Holding Company		
	- GHPL	4.15	2.18
xiv)	**Security deposit**		
	Subsidiary Company		
	- GCAPL	-	2.78
	Fellow subsidiary		
	- RSSL	0.28	0.15

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) Summary of transactions with the above Related Parties is as follows:

(Rs. in Crore)

Nature of Transaction	March 31, 2012	March 31, 2011
xv) Security deposit refunded		
Subsidiary Company		
- GCAPL	1.02	-
Fellow subsidiary		
- GBPPL	-	0.90
xvi) Purchase of fixed assets		
Fellow subsidiary		
- GPPL	4.19	8.17
xvii) Investment in Equity shares of		
Subsidiary Companies (refer note (c) below)		
- GCORRPL	-	9.30
- GMRHL	-	2.15
- GPIL	0.75	0.10
- GOSEHHHPL	44.13	15.66
- GREEL	-	0.50
- GSPHPL	-	47.94
- GHVEPL	-	2.04
- DSPL	-	25.53
- DIAL	-	437.50
- GESPL	-	10.41
- GIML	-	449.49
- GCRPL	0.11	-
- GMIAL [Rs. 4,917 (March 31, 2011: Rs. Nil)	0.00	-
- GKUAEPL	0.05	-
- GHPPL	0.01	-
- GIOL [Rs. 4,669 (March 31, 2011: Rs. 234)]	0.00	0.00
xviii) Investment in preference shares of		
Subsidiary Companies (refer note (c) below)		
- GCORRPL	-	21.93
- GMRHL	235.54	47.36
- GCAPL	-	15.00
- DSPL	10.00	1,000.00
- GEL	15.00	-
- GHVEPL	4.29	-
xix) Investment in debentures of		
Subsidiary Companies (refer note (c) below)		
- GKSEZ	22.80	100.00
- GCAPL	-	150.00
- GAPL	-	185.65
- DPPL	10.00	-
- PAPPL	12.30	-
- GEL	350.00	-
- GSPHPL	128.85	100.00

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) Summary of transactions with the above Related Parties is as follows:

(Rs. in Crore)

Nature of Transaction		March 31, 2012	March 31, 2011
xx)	**Redemption of debentures of**		
	Subsidiary Companies		
	- GEL	0.88	-
	- GKSEZ	50.00	115.00
xxi)	**Issue of debentures**		
	Subsidiary Company		
	- GAHL	250.00	-
xxii)	**Sale of investments**		
	Subsidiary Companies		
	- GAHL	904.81	-
	- GMRHL	0.01	-
	- GREEL	-	1,000.84
xxiii)	**Equity share application money invested in**		
	Subsidiary Companies		
	- GEL	-	15.00
	- GMRHL	2.70	252.55
	- GSPHPL	17.91	182.97
	- GKSEZ	35.97	206.73
	- GPIL	0.75	0.10
	- GOSEHHHPL	-	15.67
	- GREEL	-	0.50
	- GESPL	-	10.41
	- GAHL	-	0.30
	- GAPL	-	112.50
	- GCORRPL	-	1.42
	- GCAPL	-	5.50
	- DSPL	-	222.53
	- GKUAEPL	0.05	-
	- GHPPL	0.01	-
	- GIOL [Rs. Nil (March 31, 2011: Rs. 234)]	-	0.00
xxiv)	**Preference share application money invested in**		
	Subsidiary Companies		
	- DSPL	10.00	1,001.00
	- GCORRPL	-	8.95
	- GMRHL	-	47.36
	- GCAPL	-	15.00
xxv)	**Refund of equity share application money received**		
	Subsidiary Companies		
	- GCAPL	-	16.53
	- GAPL	-	175.26
	- GOSEHHHPL	-	0.01
	- DSPL	-	197.00
	- GAHL	-	0.30
	- GKSEZ	13.17	170.50
	- GSPHPL	24.09	-
	- GMRHL	2.70	14.86

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) Summary of transactions with the above Related Parties is as follows:

(Rs. in Crore)

Nature of Transaction		March 31, 2012	March 31, 2011
xxvi)	**Refund of preference share application money**		
	Subsidiary Company		
	- DSPL	1.00	-
xxvii)	**Loans given**		
	Subsidiary Companies		
	- GAPL	10.88	25.00
	- GHIAL	442.00	575.00
	- GIML	84.96	259.39
	- GEL	774.00	-
	- GMRHL	122.63	100.00
	- DSPL	199.35	-
	- GPIL	3.80	-
	- DIAL	38.10	-
	- GBPSPL	2.25	-
	- GKUAEPL	197.50	-
	Joint venture		
	- ISG	62.80	-
	Enterprises where key managerial personnel or their relatives exercise significant influence		
	- GWT	-	115.00
xxviii)	**Loans repaid by**		
	Subsidiary Companies		
	- GHIAL	442.00	575.00
	- GIML	-	31.23
	- DIAL	38.10	-
	- GEL	25.00	-
	- GMRHL	384.13	-
	- DSPL	199.35	-
	- GAPL	-	25.00
xxix)	**Loans received from**		
	Subsidiary Companies		
	- GADL	7.00	-
	- GAHL	125.00	-
	Fellow subsidiary		
	- GPPL	95.00	-
xxx)	**Loans repaid to**		
	Subsidiary Company		
	- GAHL	125.00	-
xxxi)	**Guarantees given to**		
	Subsidiary Companies		
	- GESPL	1,030.60	862.92
	- GHVEPL	-	1,690.00
	- GMIAL	-	2,257.00
	- GOSEHHHPL	-	1,127.30
	- GCORRPL	-	717.67
	- GAPL	-	61.00
	- GEL	800.00	-
	- GHIAL	540.00	10.00

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) Summary of transactions with the above Related Parties is as follows:

(Rs. in Crore)

Nature of Transaction	March 31, 2012	March 31, 2011
- KSPL	-	215.00
- GCRPL	2,912.92	-
- GISPL	1,179.92	993.08
- GIML	40.73	-
- HEGL	154.59	-
- DIAL	2,456.00	-
- GMRHL	200.00	-
- GVPGL	50.00	-
- GADL	379.24	-
- GPEPL	-	8.00
- GIOL	-	993.08
Fellow subsidiary		
- GHML	175.20	2,595.55
Joint venture		
- ISG	-	542.29
xxxii) Guarantees extinguished		
Subsidiary Companies		
- GEL	150.00	150.00
- GESPL	790.70	72.85
- GOSEHHHPL	48.00	-
- GHVEPL	87.00	-
- GPEPL	-	560.00
- KSPL	-	445.00
- GAPL	-	189.32
- GHIAL	-	400.00
- GMIAL	-	356.08
- GCRPL	248.82	-
- GIOL	993.08	-
Fellow subsidiary		
- GHML	4,107.74	4,763.11
Joint venture		
- ISG	130.80	-
xxxiii) Managerial Remuneration to		
Key management personnel		
- Mr. G. M. Rao	7.54	3.48
- Mr. Srinivas Bommidala	2.26	-
xxxiv) Outstanding balances as at the year end		
a) Loans receivable – Non-Current		
Subsidiary Companies		
- GEL	1,469.00	800.00
- GIML	-	230.67
- GPIL	3.80	-
- GMRHL	-	300.00
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GWT	115.00	115.00

Notes to Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) Summary of transactions with the above Related Parties is as follows:

(Rs. in Crore)

Nature of Transaction	March 31, 2012	March 31, 2011
b) Loans receivable – Current		
Subsidiary Companies		
- GEL	80.00	-
- GAPL	10.88	-
- GMRHL	38.50	-
- GIML	360.71	-
- GBPSPL	2.25	-
- GKUAEPL	197.50	-
Joint venture		
- ISG	61.76	-
c) Loans payables – Current		
Subsidiary Companies		
- GAHL	250.00	-
- GADL	7.00	-
Fellow subsidiary		
- GPPL	95.00	-
d) Investment in share application money - Non-current		
Subsidiary Companies		
- GEL	-	15.00
- GMRHL	-	235.54
- GHVEPL	-	4.29
e) Investment in share application money - Current		
Subsidiary Company		
- DSPL	-	1.00
f) Investment in debenture application money - Non-current		
Subsidiary Company		
- GSPHPL	-	135.03
g) Trade receivables – Non-current		
Subsidiary Company		
- EMCO	-	3.92
h) Trade receivables - Current		
Subsidiary Companies		
- EMCO	48.56	16.67
- GEL	-	0.22
i) Unbilled revenue – Non-current		
Subsidiary Company		
- EMCO	2.11	2.74
j) Unbilled revenue – Current		
Subsidiary Company		
- EMCO	40.02	52.10
k) Accrued interest on loan receivables – Current		
Subsidiary Companies		
- GEL	97.27	22.66
- GIML	37.97	7.21
- GPIL	0.13	-
- GCAPL	-	1.08
- GKSEZ	-	13.27
- GMRHL	-	8.66

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) **Summary of transactions with the above Related Parties is as follows:**

(Rs. in Crore)

	Nature of Transaction	March 31, 2012	March 31, 2011
	Joint venture		
	- ISG	0.95	-
l)	**Accrued interest on loan payables – Current**		
	Subsidiary Companies		
	- GAHL	0.01	-
	- GADL	0.05	-
	Fellow subsidiary		
	- GPPL	0.06	-
m)	**Other advances – Non-current**		
	Subsidiary Company		
	GCHEPL	-	5.87
n)	**Other advances – Current**		
	Subsidiary Companies		
	- GEL	0.13	-
	- GKSEZ	0.03	-
	- GHVEPL	0.11	-
	- GMIAL	0.02	33.69
	- EMCO	6.00	3.21
	- GCHEPL	7.67	-
	- DIAL	0.22	-
	- GHIAL	0.24	-
	- GGSPPL	4.11	-
	- KSPL	0.16	-
	- GETL	0.56	-
	- GADL	0.17	-
	- GISPL	0.06	-
	- GIOSL	-	0.04
	Fellow subsidiary		
	- GPPL	0.02	-
o)	**Security deposit – Non-current**		
	Subsidiary Companies		
	- GCAPL	1.76	2.78
	- GHIAL	0.02	-
	Fellow subsidiary		
	- RSSL	0.43	0.15
p)	**Trade payables - Current**		
	Holding Company		
	- GHPL	0.13	1.95
	Subsidiary Companies		
	- GAPL	2.37	-
	Enterprises where key managerial personnel or their relatives exercise significant influence		
	- GFFT	0.01	-
	Key Management Personnel		
	- Mr. G. M. Rao	1.86	-
	- Mr. Srinivas Bommidala	0.96	-

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 32 | RELATED PARTIES (Contd.)

b) Summary of transactions with the above Related Parties is as follows:

(Rs. in Crore)

Nature of Transaction	March 31, 2012	March 31, 2011
q) Non-Trade payables - Current		
Subsidiary Companies		
- GEL	11.49	-
- GCAPL	7.85	0.16
- GHIAL	0.03	-
- DIAL	-	0.54
Fellow subsidiary		
- GPPL	-	2.47
- RSSL	0.01	0.16
r) Advance from customer – Current		
- GEL	-	0.20
- EMCO	11.28	25.78
s) Guarantee given to		
Subsidiary Companies		
- DIAL	2,456.00	-
- GADL	379.24	-
- GAPL	182.30	167.26
- GCORRPL	787.67	787.67
- GCRPL	2,664.10	-
- GEL	800.00	150.00
- GENBV	247.34	216.67
- GESPL	1,030.60	790.70
- GHIAL	600.00	60.00
- GHVEPL	1,690.00	1,777.00
- GIML	504.50	406.26
- GISPL	2,313.58	993.08
- GJEPL	353.48	353.48
- GMIAL	2,164.26	1,895.88
- GMRHL	200.00	-
- GOSEHHHPL	1,080.00	1,128.00
- GPEPL	8.00	8.00
- GUEPL	596.25	596.25
- GVPGL	50.00	-
- HEGL	154.59	-
- KSPL	215.00	215.00
- GIOL	-	993.08
Fellow subsidiary		
- GHML	175.20	4,107.74
Joint venture		
- ISG	1,798.98	1,790.68
Enterprises where significant influence exists		
- LGM	46.15	42.58

Notes:

a. The Company has provided securities by way of pledge of investments for loans taken by certain Companies (refer note 13).

b. The Holding Company has pledged certain shares held in the Company as security towards the borrowings of the Company [refer note 5(3) and 5(4)].

c. Includes allotment of equity/ preference shares and debentures out of application money received in earlier years.

d. A charge has been created over the deposits of Rs. 246.44 Crore (March 31, 2011: Rs. 48.94 Crore) for loan against deposits availed by KSPL.

e. Also refer note 13 on non-current investments and note 16 on current investments.

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 33 | CAPITAL AND OTHER COMMITMENTS

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. 4.08 Crore (2011: Rs. 7.05 Crore).

Other Commitments

1. The Company has committed to provide financial assistance as tabulated below:

(Rs. in Crore)

Nature of relationship	Outstanding commitment for financial assistance	
	March 31, 2012	March 31, 2011
Subsidiaries	5,747.88	3,525.45
Joint Venture	85.87	85.87
Total	**5,833.75**	**3,611.32**

2. The Company has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of the following subsidiaries, to the extent as defined in the agreements executed with the respective lenders:

March 31, 2012	March 31, 2011
• GMIAL	• GMIAL
• GESPL	

3. The Company has extended comfort letters to provide continued financial support to the following subsidiaries, to ensure that these subsidiaries are able to meet their debts and liabilities as they fall due and they continue as going concerns:

March 31, 2012	March 31, 2011
• GIOL	• GEGL
• GEGL	• GIGL
• GIGL	• GICL
• GICL	

4. The Company has entered into agreements with the lenders of the following subsidiary Companies wherein it has committed to hold directly or indirectly at all times at least 51% of the equity share capital of the below mentioned subsidiary Companies and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders:

March 31, 2012	March 31, 2011
• GIML	• GIML
• GCRPL	• GISPL
• GESPL	• GENBV
• GISPL	• HEGL
• GENBV	• GMIAL
• HEGL	• GEL
• GMIAL	• GAHL
• GEL	• DIAL
• GAHL	
• DIAL	
• GMRHL	

5. For commitments relating to purchase of equity/ preference shares (also refer note 34(a) and (b)).
6. For commitment relating to lease arrangements (also refer note 28).
7. The Company has certain long term unquoted investments which have been pledged as security towards loan facilities sanctioned to the Company and the investee Companies (also refer note 13).

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 34 | CONTINGENT LIABILITIES

Guarantees issued on behalf of subsidiaries and other Companies is Rs. 20,797.24 Crore (March 31, 2011: Rs. 16,779.33 Crore). The liability outstanding as at March 31, 2012 is Rs. 12,561.17 Crore (March 31, 2011: Rs. 9,594.10 Crore)

a) GEL has issued following fully paid up Compulsorily Convertible Cumulative Preference Shares ('CCCPS'):

(Rs. in Crore)

Investors	No. of CCCPS	March 31, 2012	March 31, 2011
Claymore Investments (Mauritius) Pte Limited	9,300,000	930.00	930.00
IDFC Private Equity Fund III	2,500,000	250.00	250.00
Infrastructure Development Finance Company Limited	500,000	50.00	50.00
IDFC Investment Advisors Limited	500,000	50.00	50.00
Ascent Capital Advisors India Private Limited	500,000	50.00	50.00
Argonaut Ventures	650,000	65.00	65.00
Total	**13,950,000**	**1395.00**	**1395.00**

The preference shares are convertible upon the occurrence of qualifying initial public offering (QIPO) of GEL at an agreed internal rate of return (IRR). In case of non occurrence of QIPO within 3 years of the closing date, as defined in the terms of agreement between the parties, Investors have the right to require the Company to purchase the CCCPS or if converted, the equity shares in GEL at an agreed upon IRR.

b) During the year ended March 31, 2011, GAHL has issued 2,298,940 non-cumulative compulsory convertible non-participatory preference shares (CCPS1) bearing 0.0001% dividend on the face value of Rs. 1,000 each fully paid up amounting to Rs. 229.89 Crore at a premium of Rs. 2,885.27 each totaling to Rs. 663.31 Crore to Macquaire SBI Infrastructure Investments 1 Limited, ("Investor I") for funding and consolidation of airport related investments by the Group. Further, during the current year GAHL issued 1,432,528 non-cumulative compulsory convertible non-participatory preference shares (CCPS 2) bearing 0.0001% dividend on the face value of Rs. 1,000 each fully paid up amounting to Rs. 143.25 Crore at a premium of Rs. 3,080.90 each totaling to Rs. 441.35 Crore to Standard Chartered Private Equity (Mauritius) III Limited, JM Financial - Old Lane India Corporate Opportunities Fund I Limited, JM Financial Trustee Company Private Limited, JM Financial Products Limited and Build India Capital Advisors LLP ("Investors II"). The Company and GAHL have provided Investor I and Investors II various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreements and Investment agreements executed between the Company, GAHL, Investor I and Investor II.

NOTE | 35 | (a) Expenditure in foreign currency

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Legal and professional fees	8.78	16.14
Meetings and seminars	0.49	0.22
Rates and taxes	-	0.13
Travelling and conveyance	0.34	0.03
Repairs and maintenance	0.38	-
Raw materials	6.73	-
Others	0.06	0.17
Total	**16.78**	**16.69**

NOTE | 35 | (b) Earning in foreign currency

(Rs. in Crore)

Particulars	March 31, 2012	March 31, 2011
Interest income	37.97	7.23

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 35 | (c) Imported and indigenous materials consumed

Particulars	% of total consumption March 31, 2012	Value (Rs. in Crore) March 31, 2012	% of total consumption March 31, 2011	Value (Rs. in Crore) March 31, 2011
Raw materials				
Imported	2	6.43	-	-
Indigenously obtained	98	328.19	100	68.51
Total	**100**	**334.62**	**100**	**68.51**

NOTE | 36 |

Disclosure as per clause 32 of the Listing agreement of the loans and advances (including share/ debenture application money), granted to subsidiaries, fellow subsidiaries, joint ventures, associates and other Companies in which the directors are interested.

(Rs. in Crore)

Name of the Entity	Amount outstanding as at March 31,		Maximum amount outstanding during the year		Interest rate during the year	Interest rate during the year	Investment by loanee in the Company/subsidiary Companies Shares
	2012	2011	2012	2011	2012	2011	
Loans given/ debentures subscribed							
- GEL[1]^	1,549.00	800.00	1,549.00	800.00	0% to 11.75%	6% to 11.75%	Refer note 1
- GMRHL[1]^	38.50	300.00	340.00	300.00	6%	6%	Refer note 2
- GKSEZ[2]^	157.80	185.00	185.00	300.00	12%	1% to 12%	NIL
- GAPL[2]^	185.65	185.65	185.65	185.65	2%	2%	NIL
- GHIAL[1]^	-	-	442.00	400.00	12.50%	8.75% to 10%	Refer note 8
- GSPHPL[2]^	228.85	100.00	228.85	100.00	0.10% to 1%	1%	Refer note 7
- GWT [1]	115.00	115.00	115.00	115.00	0%	0%	Refer note 14(1) on loans and advances
- DSPL[1]^	-	-	109.35	-	8.50%	-	Refer note 3
- DIAL[1]^	-	-	38.10	-	12.75%	-	Refer note 4
- GAPL[1]^	10.88	-	10.88	-	12.50%	-	NIL
- GBPSPL[1]^	2.25	-	2.25	-	8.50%	-	NIL
- GEL[2]^	349.13	-	350.00	-	14.50%	-	Refer note 1
- DPPL[2]^	10.00	-	10.00	-	0.10%	-	NIL
- PAPPL[2]^	12.30	-	12.30	-	0.10%	-	NIL
- GPIL[1]^	3.80	-	3.80	-	10%	-	NIL
- ISG[1]^	61.76	-	62.80	-	6.66% to 6.95%	-	NIL
- GKUAEPL[1]	197.50	-	197.50	-	0%	-	NIL
- GIML[1]^	360.71	230.67	375.34	230.67	11.75%	11.75%	Refer note 6
- GCAPL[2]^	150.00	150.00	150.00	150.00	1% to 5%	1% to 5%	Refer note 5

1. Loans given
2. Debentures subscribed
^ Excludes interest accrued.

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 36 | (Contd.)

(Rs. in Crore)

Name of the Entity	Amount outstanding as at March 31, 2012	Amount outstanding as at March 31, 2011	Maximum amount outstanding during the year 2012	Maximum amount outstanding during the year 2011	Investment by loanee in the Company/subsidiary Companies Shares (Nos)
Investment in share/ debenture application money					
- GMRHL	-	235.54	235.54	235.54	Refer note 2
- GHVEPL	-	4.29	4.29	6.33	NIL
- GEL	-	15.00	15.00	15.00	Refer note 1
- DSPL	-	1.00	10.00	1001.00	Refer note 3
- DIAL	-	-	-	437.50	Refer note 4
- GCORRPL	-	-	-	23.71	NIL
- GOSEHHHPL	-	-	-	15.67	NIL
- GAHL	-	-	-	0.30	Refer note 9
- GCAPL	-	-	-	140.53	Refer note 5
- GAPL	-	-	-	175.26	NIL
- GIOL	-	-	-	0.00	NIL
- GREEL	-	-	-	0.50	Refer note 10
- GESPL	-	-	-	10.41	Refer note 11
- GIML	-	-	-	449.49	Refer note 6
- GPIL	-	-	0.75	0.10	NIL
- GHPPL	-	-	0.01	-	NIL
- GKUAEPL	-	-	0.05	-	NIL
- GSPHPL	-	135.03	140.46	282.97	Refer note 7
- GKSEZ	-	-	22.82	205.08	NIL

Note:

1. GEL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity Shares		
GVPGL	295.90	295.90
GPCL	164.98	164.98
GMEL	0.04	0.04
GBHPL	5.00	5.00
GKEL	496.96	283.75
GCSPL	0.01	0.01
GBHHPL	0.01	0.01
GKEPL	0.01	0.01
GCEPL	0.01	0.01
GLHPPL	0.01	0.01
BHPL	0.01	0.01
EMCO	563.75	432.15
GCHEPL	510.07	2.00
GREL	520.00	493.50
SJK	65.00	18.00
GMAEL	0.05	0.05
GUPEPL	0.01	0.01
GGSPPL	46.00	0.01

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 36 | (Contd.)

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
GBEPL	0.01	0.01
GHOEL	0.05	0.05
ATSCL	5.45	0.30
MTSCL	9.25	0.50
GINELL	0.05	0.05
GINPCL	0.05	0.05
GEML [Rs. 3,954 (March 31, 2011: Rs. 3,954)]	0.00	0.00
HHPPL	15.60	15.60
GCRPL	2.10	-
GETL	9.88	9.88
HEGL	167.94	167.94
GJEPL	5.42	5.42
GPEPL	6.35	6.35
DIAL	245.00	245.00
GUEPL	9.14	9.14
GCORRPL	3.00	3.00
GACEPL	24.22	24.22
Preference Shares		
GEML	301.51	198.95
GCORRPL	12.00	12.00

2. GMRHL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
GJEPL	63.63	63.63
GPEPL	74.52	74.52
GUEPL	107.33	107.33
GACEPL	45.63	45.63
GTAEPL	0.47	0.47
GTTEPL	0.47	0.47
GHVEPL	2.45	2.45
GCORRPL	14.70	14.70
GOSEHHHPL	57.50	101.64
GHPPL	0.01	-
Preference shares		
GACEPL	0.80	0.80
GHVEPL	200.00	200.00
GCORRPL	74.08	74.08
GJEPL	1.08	1.08
GUEPL	0.40	0.40

3. DSPL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Preference shares		
GREEL	1,013.44	1,013.44

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 36 | (Contd.)

4. DIAL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
DAPL	0.10	0.10
EDWPCPL	0.01	0.01

5. GCAPL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
GBPSPL	0.01	-

6. GIML has invested in following subsidiary Companies:

(USD in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
GICL	1.06	1.06
GIUL	0.90	0.90
GIOSL [USD 4,702 (March 31, 2011: USD 4,702)]	0.00	0.00
GISPL	4.80	4.80
GMRIML [USD 1,809 (March 31, 2011: USD 1,809]	0.00	0.00
GMIAL	2.31	2.31
GCRPL [Rs. Nil (March 31, 2011: USD 68)]	-	0.00

7. GSPHPL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
APPL	1.00	0.01
AKPPL	1.00	0.01
AMPPL	1.00	0.01
BPPL	1.00	0.01
BOPPL	1.00	0.01
CPPL	1.00	0.01
DPPL	1.00	0.01
DSPL [Rs. 5,000 (March 31, 2011: Rs. 5,000)]	0.00	0.00
EPPL	1.00	0.01
GPL	1.00	0.01
LPPPL	1.00	0.01
LAPPL	1.00	0.01
HPPL	1.00	0.01
IPPL	1.00	0.01
KSPL	47.94	47.94
KPPL	1.00	0.01
NPPL	1.00	0.01
PPPL	1.00	0.01
PUPPL	1.00	0.01
PAPPL	1.00	0.01
SPPL	1.00	0.01
PRPPL	1.00	-
RPPL	1.00	-
SRPPL	1.00	0.01

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 36 | (Contd.)

8. GHIAL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
HMACPL	0.52	0.52
HAPL	2.18	2.18
GHARML	0.05	0.05
HASSL	12.50	12.50
GHASL	25.00	1.90
GHMSL	0.05	0.05
GHRL	109.66	109.66
HDFRL	4.95	2.00
GAHSCL	0.05	0.05
APFT	1.97	0.02
Preference shares		
HMACPL	0.02	0.02

9. GAHL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
GADL	10.16	10.16
GHIAL [Rs. 238.14 Crore (March 31, 2011: Rs. 20)]	238.14	0.00
DIAL	887.17	220.50

10. GREEL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
GEL	1,000.84	1,000.84
GPIL [Rs. 5,100 (March 31, 2011: Rs. 600)]	0.00	0.00

11. GESPL has invested in following subsidiary Companies:

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Equity shares		
GSSPL [USD 2 (March 31, 2011: USD 2)]	0.00	0.00

NOTE | 37 | UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Amount
Loans and Advances	• Rs. 398.68 Crore (USD 7.74 Crore) [March 31, 2011: Rs. 264.49 Crore (USD 5.86 Crore)]
	• Rs. 62.71 Crore (EURO 0.92 Crore) [March 31, 2011: Nil]
Investments	• Rs. 1477.99 Crore (USD 32.06 Crore) [March 31, 2011: Rs. 1477.99 Crore (USD 32.06 Crore)]
	• Rs 10.52 Crore (SGD 0.30 Crore) [March 31, 2011: Rs 10.41 Crore (SGD 0.30 Crore)]
	• Rs. 268.03 Crore (YTL 8.74 Crore) [March 31, 2011: Rs. 268.03 Crore (YTL 8.74 Crore)]
Payables	• Rs. 1.18 Crore (USD 0.02 Crore) [March 31, 2011 : Nil]

Notes: Previous year figures are mentioned in brackets.

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 38 |

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2012, which has been relied upon by the auditors.

NOTE | 39 | VALUE OF IMPORTS CALCULATED ON CIF BASIS

(Rs. in Crore)

Name of the Company	March 31, 2012	March 31, 2011
Capital goods	2.28	12.68
Raw materials	6.74	-
Total	**9.02**	**12.68**

NOTE | 40 | DISCLOSURE IN TERMS OF ACCOUNTING STANDARD-7 - CONSTRUCTION CONTRACTS

(Rs. in Crore)

Sl. No.	Particulars	March 31, 2012	March 31, 2011
1	Contract revenue recognised during the year	1,091.04	507.37
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	1,525.79	583.30
3	Amount of customer advances outstanding	172.64	182.82
4	Retention money due from customers for contracts in progress	112.00	33.20
5	Gross amount due from customers for contract works as an asset	121.98	113.10
6	Gross amount due to customers for contract works as a liability	144.96	-

NOTE | 41 |

The investment by GEL in equity shares/ preference shares of the following subsidiary Companies has been funded by the Company against an agreement to pass on any benefits or losses out of investments by GEL to the Company and has been approved by the Board of Directors of both the Companies.

(Rs. in Crore)

Name of the subsidiaries	March 31, 2012	March 31, 2011
Equity Shares		
GJEPL [5,419,949 (March 31, 2011: 5,419,949) equity shares of Rs 10 each fully paid-up]	5.42	5.42
GPEPL [6,348,000 (March 31, 2011: 6,348,000) equity shares of Rs 10 each fully paid-up]	6.35	6.35
DIAL [245,000,000 (March 31, 2011: 245,000,000) equity shares of Rs 10 each fully paid-up]	245.00	245.00
GUEPL [9,142,500 (March 31, 2011: 9,142,500) equity shares of Rs 10 each fully paid-up]	9.14	9.14
GCORRPL [3,000,000 (March 31, 2011: 3,000,000) equity shares of Rs 10 each fully paid-up]	3.00	3.00
GACEPL [24,222,593 (March 31, 2011: 24,222,593) equity shares of Rs 10 each fully paid-up]	24.22	24.22
Preference Shares		
GCORRPL [1,200,000 (March 31, 2011: 1,200,000) preference shares of Rs 100 each fully paid-up]	12.00	12.00

Notes to Financial Statements for the year ended March 31, 2012

NOTE | 42 |

The Company has an investment of Rs. 1,838.70 Crore (including a loan of Rs. 360.71 Crore) in its subsidiary GIML as at March 31, 2012.

During the year ended March 31, 2011, GMR Infrastructure (Malta) Limited, a wholly owned subsidiary of GHML, which through its step-down subsidiary held 50% economic stake in InterGen N.V., entered into an agreement to sell the investment in InterGen N.V. for USD 123.20 Crore to Overseas International Inc. Limited, an associate of China Huaneng Group. The transaction was consummated in April 2011 for the aforesaid consideration after obtaining the necessary regulatory approvals. On consummation of the transaction, GHML repaid the loans from the banks in full and Compulsory Convertible Debentures issued to GEGL (step-down subsidiary of GIML) in part and the Company recorded a loss of Rs. 938.91 Crore, as an exceptional item in its consolidated financial statements for the year ended March 31, 2011.

Despite the aforementioned loss, based on valuation assessment of GIML and its investments in underlying subsidiaries / joint ventures the management of the Company continues to carry the investment in GIML at cost as at March 31, 2012.

NOTE | 43 |

During the year ended March 31, 2011, pursuant to restructuring, to facilitate expansion of the energy business both in India as well as globally, the Company has transferred its entire shareholding in GEL to GREEL, a subsidiary of the Company, at cost.

NOTE | 44 |

During the current year, with a view to restructure the holdings in Indian and International airport business, the Company has transferred 612,500,000 equity shares and 238,139,998 equity shares of DIAL and GHIAL respectively held by it to GAHL at cost. GAHL is a 97.15% subsidiary of the Company.

NOTE | 45 |

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Act, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Act, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

NOTE | 46 |

Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date

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

per Sunil Bhumralkar
Partner
Membership No.: 35141

Place: Bengaluru
Date : May 29, 2012

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

G. M. Rao	B. V. N. Rao	Subba Rao Amarthaluru	C. P. Sounderarajan
Executive Chairman	Managing Director	Group CFO	Company Secretary

Place: Bengaluru
Date : May 29, 2012

GMR Infrastructure Limited

Regd. Office: Skip House, 25/1, Museum Road, Bengaluru - 560 025, Karnataka, India

Notice

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of GMR Infrastructure Limited will be held on Tuesday, September 11, 2012 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bengaluru – 560 029, Karnataka, India to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Srinivas Bommidala, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint M/s. S. R. Batliboi & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

   In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED THAT M/s. S. R. Batliboi & Associates, Chartered Accountants (Registration No. 101049W) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company."

Special Business:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
   "RESOLVED THAT the vacancy caused by the retirement of Mr. Arun K. Thiagarajan, Director, who retires by rotation at this Annual General Meeting and who has not offered himself for reappointment, in view of the retirement policy, be not filled up."
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
   "RESOLVED THAT the vacancy caused by the retirement of Mr. Uday M. Chitale, Director, who retires by rotation at this Annual General Meeting and who has not offered himself for reappointment, in view of the retirement policy, be not filled up."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
   "RESOLVED THAT the vacancy caused by the retirement of Mr. Udaya Holla, Director, who retires by rotation at this Annual General Meeting and who has not offered himself for reappointment, in view of the retirement policy, be not filled up.".
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
   "RESOLVED THAT Mr. K. Balasubramanian, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
   "RESOLVED THAT Mr. N. C. Sarabeswaran, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
9. To consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:
   "RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Articles of Association of the Company and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to the appointment of Mr. B. V. N. Rao, as Managing Director of the Company for a period of five (5) years, with effect from October 01, 2011 with a remuneration as detailed below:

   I. From October 1, 2011 to March 31, 2013: Nil

   II. From April 1, 2013 to September 30, 2016:

      1. Basic Salary: Rs. 14,00,000/- per month.
      2. Perquisites:

      Category – A:

      I. Housing

      House Rent Allowance @ 50% of Basic Salary or Rent Free Unfurnished Accommodation for an amount not exceeding Rs.7,00,000/- per month.

      II. Leave Travel Concession

      Leave Travel Concession for anywhere in India, for self and family once in two years in a block of four years.

III. Club Fees

Membership fees in any two clubs not being admission and Life Membership fees.

IV. Medical Reimbursement

Reimbursement of medical expenses incurred on self and / or family.

V. Mediclaim Insurance

Mediclaim insurance cover for self and family, the premium not exceeding Rs.25,000/- per annum.

VI. Personal Accident Insurance

Personal Accident Insurance premium not exceeding Rs. 25,000/- per annum.

Category – B:

I. Contribution to Provident fund, Superannuation fund or Annuity fund as per the Company's rules and applicable provisions of the relevant statutes. Gratuity payable should not exceed half month's salary for each completed year of service.

II. Encashment of leave as per Company's rules.

Category – C:

Provision of cars and telephones (landline & mobiles).

The valuation of perquisites shall be as per the provisions of the Income Tax Act, 1961.

RESOLVED FURTHER THAT Mr. B. V. N. Rao, Managing Director be and is hereby entitled in addition to the remuneration specified above, a Commission on the net profits as approved by the Board of Directors for each financial year, subject to the total remuneration including Salary,Perquisites and Commission be within the overall limit of 3% of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956 for a financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee of the Board be and is hereby authorized to vary, modify and / or to re-fix the aforesaid remuneration to Mr. B.V.N. Rao, Managing Director of the Company within the limits as aforesaid.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, where, in any financial year during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration payable to the Managing Director as Salary, Perquisites and any other allowances shall be governed by and be subject to the ceilings provided under Section II of Part II of Schedule XIII to the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time as minimum remuneration, unless permission from the Central Government is obtained for paying more.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things as may be deemed fit for the purpose of giving effect to the above resolutions."

10. To consider and approve issue of Securities for an aggregate amount not exceeding Rs. 2,500 crore or equivalent thereof.

In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any amendment(s) thereto or re-enactment thereof) and the provisions of the Foreign Exchange Management Act, 1999 (the "FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended and subject to any required approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance) and the Securities and Exchange Board of India (the "SEBI") Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the "GOI"), the Reserve Bank of India (the "RBI"), SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee thereof), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, follow on offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, such number of Equity Shares, Global Depository Receipts

("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ('FCCBs'), Non-Convertible Debentures with or without warrants, and/or any other financial instruments convertible into Equity Shares (including warrants or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares, including the issue and allotment of equity shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible person, as permitted under applicable law including Qualified Institutional Buyers, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian), Foreign Institutional Investors, Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "Investors") whether or not such Investors are members of the Company as may be decided by the Board in their discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding Rs. 2,500 crore or equivalent thereof in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s), follow on offer or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate.

RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Act (including any amendments thereto or re-enactment thereof), the provisions of Chapter VIII of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 (the "SEBI ICDR Regulations") including any amendments thereto; and the provisions of the FEMA, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, including any amendments thereto; the Board may at their absolute discretion, issue, offer and allot equity shares, fully convertible debentures, partly convertible debentures, non-convertible debentures with or without warrants or any securities which are convertible into or exchangeable with equity shares (collectively referred to as "Securities") of an aggregate amount not exceeding Rs. 2,500 crore or equivalent thereof in one or more foreign currency and / or Indian Rupees inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI ICDR Regulations) pursuant to a qualified institutional placement, as provided under Chapter VIII of the SEBI ICDR Regulations and such securities shall be fully paid up and the allotment of such Securities shall be completed within 12 (twelve) months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI ICDR Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI ICDR Regulations.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

a. the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

b. the relevant date for the determination of applicable price for the issue of the Securities shall be as per the Regulations prescribed by SEBI, RBI, GOI through its various departments or any other regulator and the pricing of any equity shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules/Regulations/statutory provisions.

RESOLVED FURTHER THAT the issue to the holders of any Securities with underlying Equity Shares shall be, inter alia, subject to the following terms and conditions:

a. in the event of the Company making a bonus issue by way of capitalization of its profits or reserves, prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted to the holders of such Securities at the relevant time, shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

b. in the event of the Company making a rights offer by issue of Equity Shares, prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted to the holders of such Securities at the relevant time will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and

c. in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, creation of mortgage/ charge in accordance with Section 293(1)(a) of the Act, in respect of any Securities as may be required either on pari-passu basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board or Management Committee or any other Committee thereof be and is hereby authorized to engage / appoint the Lead Managers, Legal Advisors, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari-passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT subject to the applicable law, the Board be and is hereby authorized to form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

a. Approving the offer document and filing the same with any other authority or persons as may be required;

b. Approving the specific nature and size of Security (in Rupees or such other foreign currency) to be offered, the issue price, the number of Securities to be allotted, the basis of allocation and allotment of Securities;

c. To affix the Common Seal of the Company on any agreement(s)/ document(s) as may be required to be executed in connection with the above, in the presence of any Director of the Company and any one of the above Authorised Persons, who shall sign the same in token thereof;

d. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of equity shares by the Company;

e. Opening such bank accounts and demat accounts as may be required for the transaction;

f. To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;

g. To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;

h. Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and

i. To authorize or delegate all or any of the powers herein above conferred to any one or more persons, if need be."

By order of the Board of Directors
For GMR Infrastructure Limited

Place: Bengaluru
Date: August 9, 2012

C. P. Sounderarajan
Company Secretary & Compliance Officer

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Members are requested to send their proxy form to the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement setting out the material facts pursuant to Section 173(2) of the Companies Act, 1956, relating to item no. 4 to 10 and the information required to be provided under the Listing Agreement entered into with stock exchanges relating to item No.2, 7, 8 and 9 are annexed hereto.
3. Copies of all documents referred to in the notice and explanatory statement annexed thereto are available for inspection at the registered office of the Company between 10.00 a.m. and 1.00 p.m. on all working days till the date of the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 4, 2012 to Tuesday, September 11, 2012 (both days inclusive).
5. M/s. Karvy Computershare Private Limited are the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for Shares held in physical and electronic form.
6. Members holding shares in physical form are requested to dematerialize their shares. They are further requested to inform change of address, if any, immediately to the RTA of the Company. Members holding shares in dematerialized form must send advice about change in address to their respective Depository Participants.
7. As per the provisions of Section 109A of the Companies Act, 1956, nomination facility is available to the Members, in respect of the equity shares held by them. Nomination forms are available and can be obtained from the RTA.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at an early date so that the desired information may be made available at the Meeting.
9. Members or Proxies should bring the attendance slip duly filled in for attending the Meeting.
10. As a measure of austerity, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
11. No compliment or gift of any nature will be distributed at the Meeting.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including annual report can be sent by e-mail to its members. To support this green initiative, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by filling the form available in the website of the Company (www.gmrgroup.in) and send it to M/s Karvy Computershare Pvt. Ltd., Registrar and Share Transfer Agent, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4 to 6

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Arun K. Thiagarajan, Mr. Uday M. Chitale and Mr. Udaya Holla retire by rotation at this Annual General Meeting. They have expressed their desire not to offer themselves for reappointment, as per the retirement policy for the Independent Directors, approved by the Board of Directors of the Company. The Company does not propose to fill the vacancies at this Meeting. As required under Section 256 of the Companies Act, 1956, resolutions are proposed not to fill up the vacancies caused by the retirement of Mr. Arun K. Thiagarajan, Mr. Uday M. Chitale and Mr. Udaya Holla at this Meeting.

None of the directors, except Mr. Arun K. Thiagarajan, Mr. Uday M. Chitale and Mr. Udaya Holla are interested or concerned in these resolutions as regards the respective resolutions.

The Board commends the resolutions for approval of the members.

Item No. 7

The Board of Directors of the Company, at its meeting held on November 09, 2011, appointed Mr. K. Balasubramanian, as an Additional Director of the Company with effect from November 09, 2011, pursuant to section 260 of the Companies Act, 1956, read with Article 119 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. K. Balasubramanian will hold office up to the date of this Annual General Meeting. Under the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member along with requisite deposit, proposing the appointment of Mr. K. Balasubramanian as a Director of the Company. Mr. K. Balasubramanian, when appointed, shall be a non-executive non-independent director.

None of the directors, except Mr. K. Balasubramanian is interested or concerned in the resolution.

The Board commends the resolution for approval of the members.

Item No. 8

The Board of Directors of the Company, at its meeting held on November 09, 2011, appointed Mr. N. C. Sarabeswaran, as an Additional Director of the Company with effect from November 09, 2011, pursuant to section 260 of the Companies Act, 1956, read with Article 119 of the Articles of Association of the Company.

In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. N. C. Sarabeswaran will hold office up to the date of this Annual General Meeting. Under the provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member along with requisite deposit proposing the appointment of Mr. N. C. Sarabeswaran as a Director of the Company. Mr. N. C. Sarabeswaran, when appointed, shall be a non-executive independent director.

None of the directors, except Mr. N. C. Sarabeswaran is interested or concerned in the resolution.

The Board commends the resolution for approval of the members.

Item No. 9

The Board of Directors in its meeting held on September 2, 2011 appointed Mr. B. V. N. Rao as Managing Director for a period of five years with effect from October 1, 2011 subject to the approval of members of the Company.

The Board of Directors decided the remuneration payable to Managing Director based on the recommendation of the Remuneration Committee as provided in the resolution with effect from October 1, 2011 for a period of five years.

The Board of Directors of the Company commends the resolution for approval of the shareholders as a Special Resolution for his appointment on the terms detailed in the resolution, with effect from October 1, 2011 in terms of Section 269 of the Companies Act, 1956 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

The above may be treated as an abstract of the terms of appointment of Mr. B. V. N. Rao under section 302 of the Companies Act, 1956.

None of the directors, except Mr. B. V. N. Rao is interested or concerned in the resolution.

Item No. 10

In order to facilitate and meet its capital expenditure needs of the ongoing projects of the Company, its subsidiaries, associates etc., and to meet any exigencies including pursuing new opportunities, etc., it is proposed to create, offer, follow on offer, issue and allot Equity shares, GDRs, ADRs, FCCBs and such other securities as stated in the resolution (the "Securities") at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate. The Company intends to issue Securities for a value upto Rs. 2,500 Crore.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined under Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009, as may be amended from time to time ('SEBI ICDR Regulations'). The Board of Directors, may in their discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations in order to facilitate and meet its capital expenditure needs of the ongoing projects of the Company, its subsidiaries, associates etc. and to meet any exigencies including pursuing new opportunities, etc. without the need for fresh approval from the shareholders. The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI ICDR Regulations.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/ allotment/ conversion would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges under the provisions of the Listing Agreement.

Section 81(1A) of the Companies Act, 1956 and the relevant clauses of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company in the manner laid down in Section 81 unless the shareholders in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. The Company with this resolution intends to retain the right and flexibility to undertake any of the following activities; namely issue of GDRs, ADRs, FCCBs and QIP.

None of the Directors is concerned or interested in this resolution.

The Board of Directors of the Company commends the resolution for approval of the shareholders as a Special Resolution.

By order of the Board of Directors
For GMR Infrastructure Limited

Place: Bengaluru
Date: August 9, 2012

C. P. Sounderarajan
Company Secretary & Compliance Officer

Profile of Directors seeking appointment / reappointment at the Annual General Meeting to be held on September 11, 2012, pursuant to Clause 49 of the Listing Agreement.

Mr. Srinivas Bommidala, 49, one of the first directors of the Company and has been a member of the Board since 1996.Mr. Srinivas Bommidala entered his family tobacco export business in 1982 and led the diversification into new businesses such as Aerated water bottling plants, etc. He was also in charge of international marketing and management of the organization.

Subsequently, he led the team as the Managing Director of GMR Power Corporation Limited for setting up the first Independent Power Project. Situated at Chennai in southern part of India, this 200 MW project with slow speed diesel technology is the world's largest diesel engine power plant under one roof. He was also instrumental in implementing the 388 MW combined cycle gas turbine power project in Andhra Pradesh.

When the Government of India decided to modernise and restructure New Delhi airport under a Public Private Partnership in 2006, he became the first Managing Director of this venture and successfully managed the transition process from a public owned entity to a public private partnership enterprise.

In 2007, he took over as the Chairman of Urban Infrastructure and Highways Sector consisting of Highways, Special Economic Zones at Kakinada, Andhra Pradesh and Krishnagiri, Tamil Nadu, Construction, Commercial Property Development at New Delhi and Hyderabad Airports/ Aerotropolis and other Group Properties Businesses. Also, he was the Chairman of GMR Sports Private Limited which owns Delhi Dare Devils as IPL Franchisee.

Recently, Mr. Srinivas Bommidala took over as the Chairman of Airports business which consists of Indira Gandhi International Airport (New Delhi), Rajiv Gandhi International Airport (Hyderabad), Sabiha Gokcen International Airport (Istanbul) and Ibrahim Nasir International Airport (Malé). GMR today is among the top five airport developers in the world. He continues to spearhead Commercial Property development / Aerotropolis at New Delhi and Hyderabad airports.

He holds 451660 equity shares of the Company as on March 31, 2012.

Mr. Srinivas Bommidala is the son-in-law of Mr. G. M. Rao, brother- in-law of Mr. G. B. S. Raju and Mr. Kiran Kumar Grandhi.

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

Sl No.	Name of the Company (Directorship)	Committee Chairmanship /Memberships
1.	GMR Infrastructure Limited	Member – Management Committee Member – Debenture Allotment Committee
2.	GMR Holdings Private Limited	Nil
3.	GMR Hyderabad International Airport Limited	Member – Audit Committee Member – Finance Committee
4.	GMR Hyderabad Aerotropolis Limited	Nil
5.	GMR Varalakshmi Foundation	Nil
6.	GMR Krishnagiri SEZ Limited	Member – Audit Committee
7.	GMR Sports Private Limited	Nil
8.	GMR League Games Private Limited	Nil
9.	Delhi International Airport Private Limited	Member - Share Allotment, Transfer & Grievance Committee
10.	GMR Tuni - Anakapalli Expressways Private Limited	Member – Audit Committee
11.	GMR Tambaram - Tindivanam Expressways Private Limited	Member – Audit Committee
12.	Kakinada Refinery & Petrochemicals Private Limited	Chairman - Shares Allotment & Transfer Committee
13.	B S R Infrastructure Private Limited	Nil
14.	Bommidala Tobacco Exporters Private Limited	Nil
15.	Bommidala Exports Private Limited	Nil
16.	BSR Holdings Private Limited	Nil
17.	Hotel Shivam International Private Limited	Nil
18.	Bommidala Exim Private Limited	Nil
19.	Bommidala Tobacco Threshers Private Limited	Nil

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

Sl No.	Name of the Company (Directorship)	Committee Chairmanship /Memberships
20.	GMR Gujarat Solar Power Private Limited	Nil
21.	GMR Aviation Private Limited	Nil
22.	GMR Airports Limited	Nil
23.	Kakinada SEZ Private Limited	Nil
24.	AMG Healthcare Destination Private Limited	Member - Executive Committee
25.	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	Nil
26.	MAS GMR Aerospace Engineering Company Limited	Nil
27.	Delhi Duty Free Services Private Limited	Nil
28.	GMR Malé International Airport Private Limited *	Nil
29.	Istanbul Sabiha Gökçen Uluslararası Havalimanı Yer Hizmetleri A.S. (Ground Handling Company) *	Nil
30.	Istanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapımve Isletme A.S. (Sabiha Gokcen International Airport) *	Nil
31.	LGM Havalimani Isletmeleri Ticaretve Turizm Anonim Sirketi *	Nil

*Companies incorporated outside India.

Mr. K. Balasubramanian, 70, Director, has close to 40 years of experience in International Banking. He has worked with four large Banks in India and abroad. Through his 25 years tenure with American Express, he held senior positions in marketing, credit and general management in several Asian and European countries. During his career with American Express Bank, he has also served as the Country Head for Korea, India and Nepal as well as the Chief Credit Officer for the Asia-Pacific region and Indian subcontinent. He was also the Managing Director and Chief Executive Officer for ING Vysya Bank Limited.

He holds nil equity shares of the Company as on March 31, 2012.

Mr. K. Balasubramanian is not related to any Director of the Company.

Details of Mr. K. Balasubramanian's Directorships and Committee memberships are as follows:

Sl No.	Name of the Company (Directorship)	Committee Chairmanship/Memberships
1.	GMR Holdings Private Limited	Nil
2.	GMR Infrastructure Limited	Nil
3.	Raxa Security Services Limited	Chairman – Audit Committee Chairman – Remuneration Committee
4.	Parrys Sugar Industries Limited	Member – Audit Committee Chairman – Shareholders/Investor Grievance Committee Member – Remuneration Committee
5.	GMR Varalakshmi Foundation	Member – Audit Committee
6.	Coromandel International Limited	Member – Audit Committee
7.	Easy Access Financial Services Limited	Chairman – Audit Committee
8.	DQ Entertainment (International) Limited	Chairman – Audit Committee
9.	Grow Talent Company Limited	Nil
10.	GMR Aviation Private Limited	Chairman – Audit Committee
11.	Inspired Leadership Gurukul	Nil

Mr. N. C. Sarabeswaran, 67, Independent Director, is a Chartered Accountant and the founding partner of Jagannathan & Sarabeswaran, Chartered Accountants, an Audit Firm with 40 years standing. He renders advisory services to various corporate clients. He was Nominee Director of Reserve Bank of India and later professional and Independent Director on the Board of Vysya Bank Limited, the predecessor of ING Vysya Bank Limited for 13 years. He was Chairman of the Audit Committee and a member of Management and Joint Venture Committees. He was the past President of Indo-Australian Chamber of Commerce. He is an Advisory Board member of a US and Australian Private Equity Fund. He is also an Independent Director and Chairman of the Audit committee of the largest Micro Finance Company in Tamil Nadu.

He holds 20,000 equity shares of the Company as on March 31, 2012.

Mr. N. C. Sarabeswaran is not related to any Director of the Company.

Details of Mr. N. C. Sarabeswaran's Directorships and Committee memberships are as follows:

Sl No.	Name of the Company (Directorship)	Committee Chairmanship/Memberships
1.	GMR Infrastructure Limited	Member – Audit Committee Member – Nomination Committee
2.	R Subbaraman & Co Private Limited	Nil
3.	GMR Energy Limited	Chairman – Audit Committee Member – Nomination Committee Member – IPO Committee
4.	Madura Micro Finance Limited	Member – Audit Committee
5.	GMR Ulundurpet Expressways Private Limited	Chairman - Audit Committee Member – Remuneration Committee Member – Securities Issue, Allotment and Transfer Committee
6.	GMR Ambala-Chandigarh Expressways Private Limited	Member – Remuneration Committee Member – Securities Issue, Allotment and Transfer Committee
7.	GMR Pochanpalli Expressways Limited	Member – Audit Committee Member – Remuneration Committee Member – Securities Issue, Allotment and Transfer Committee
8.	GMR Jadcherla Expressways Private Limited	Chairman – Audit Committee Member – Remuneration Committee Member – Securities Issue, Allotment and Transfer Committee
9.	GMR Power Corporation Limited	Nil
10.	GMR Kamalanga Energy Limited	Chairman – Audit Committee Member – Remuneration Committee
11.	GMR Highways Limited	Chairman – Audit Committee Member – Remuneration Committee Member – Securities Issue, Allotment and Transfer Committee
12.	GMR Chhattisgarh Energy Limited	Member – Remuneration Committee
13.	Kakinada SEZ Private Limited	Member – Audit Committee
14.	GMR Krishnagiri SEZ Limited	Member – Audit Committee
15.	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	Member – Securities Issue, Allotment and Transfer Committee

Mr. B. V. N. Rao, 58, Managing Director, has been associated with the Group since 1990 and is one of the first Directors of the Company. He is a graduate in Electrical Engineering from Andhra University. During his tenure with Andhra Bank before joining the Group, he gained extensive experience in the Banking Sector with specific focus in Industrial Finance. He has held various senior responsibilities in the Group. Currently he heads various Corporate Services such as Finance, Human Resources, Legal and Procurement, Corporate Relations, Corporate Communication and Corporate Social Responsibility. He is a Director on the Board of other companies.

He holds 150000 equity shares of the Company as on March 31, 2012.

Mr. B. V. N. Rao is not related to any Director of the Company.

Details of Mr. B. V. N. Rao's Directorships and Committee Memberships are as follows:

Sl No.	Name of the Company (Directorship)	Committee Chairmanship/Memberships
1	GMR Infrastructure Limited	Member - Shareholders Transfer & Grievance Committee Member - Management Committee Member - Debenture Allotment Committee Member - Nomination Committee
2	GMR Kamalanga Energy Limited	Chairman - Securities Allotment Committee
3	GMR Energy Limited	Member - Securities Allotment Committee Chairman - IPO Committee Member - Executive Committee
4	Kakinada SEZ Private Limited	Nil
5	GMR Varalakshmi Foundation	Nil
6	GMR Holdings Private Limited	Nil
7	Kakinada Refinery and Petrochemicals Private Limited	Nil

NOTES

GMR Infrastructure Limited

Regd. Office: Skip House, 25/1, Museum Road, Bengaluru - 560 025, Karnataka, India

Form of Proxy

Regd. Folio No. : .... No. of shares : ....

*DP ID No. : .... *Client ID No. : ....

I / We .... of .... being a member of GMR Infrastructure Limited do hereby appoint .... of .... or failing him / her .... of .... or failing him / her.. of .... as my / our Proxy to attend and vote for me / us, on my / our behalf at the 16th Annual General Meeting of the members of the Company to be held on Tuesday, September 11, 2012 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bengaluru – 560 029, Karnataka and / or at any adjournment thereof.

** I / We direct my/ our proxy to vote on the resolution(s) in the manner as indicated below:

Sl No.	Resolutions	For	Against
1	Adoption of Balance sheet as at March 31, 2012 and Statement of Profit & Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.		
2	Reappointment of Mr. Srinivas Bommidala as Director.		
3	Appointment of M/s. S. R. Batliboi & Associates, Chartered Accountants as Statutory Auditors of the Company.		
4	Retirement of Mr. Arun K. Thiagarajan as Director.		
5	Retirement of Mr. Uday M. Chitale as Director.		
6	Retirement of Mr. Udaya Holla as Director.		
7	Appointment of Mr. K. Balasubramanian as Director.		
8	Appointment of Mr. N. C. Sarabeswaran as Director.		
9	Appointment of Mr. B. V. N. Rao as Managing Director of the Company and payment of remuneration.		
10	Issue of securities for an aggregate amount not exceeding Rs. 2500 crore.		

Signed this .... day of .... 2012.

Signature of Member

NOTES:

1. Revenue stamps of not less than 15 paise must be affixed on the form.
2. The form should be signed across the stamp as per specimen signature registered with the Company.
3. The proxy form should be deposited at least 48 hours before the commencement of the meeting at the registered office of the Company.
4. A proxy need not be a member of the Company.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
6. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
7. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the column “For” or “Against” as appropriate.

* Applicable for the members holding shares in electronic form.

** This is optional. Please put a tick mark (√) in the appropriate column against the Resolutions indicated in the Box. If a member leaves the “For” or “Against” column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate.

GMR Infrastructure Limited

Regd. Office: Skip House, 25/1, Museum Road, Bengaluru - 560 025, Karnataka, India

Attendance Slip

(16th Annual General Meeting to be held on Tuesday, September 11, 2012)

Name of the Shareholder : .... *DP ID No. : ....

Regd. Folio No.: .... *Client ID No. : ....

No. of shares held : ....

Note : Shareholder / Proxy must hand over the duly signed attendance slip at the venue.

* Applicable for the members holding shares in electronic form.

Signature of the Shareholder / Proxy

GMR Infrastructure Limited

Registered Office:
Skip House, 25/1, Museum Road,
Bengaluru 560 025
www.gmrgroup.in