

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

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

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

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

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

	(Rs. in crore)	
Schedule 2a   STOCK OPTIONS OUTSTANDING	March 31, 2011	March 31, 2010
Employee Stock options outstanding	1.13	-
Less : Deferred Employee compensation outstanding	-	-
<b>Total</b>	<b>1.13</b>	<b>-</b>

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

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

(Rs. in crore)

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

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

(Rs. in crore)

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

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

(Rs. in crore)

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

(Rs. in crore)

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

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

(Rs. in crore)

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

**Notes:**

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

#Considered as a subsidiary company during the year

@Considered as a joint venture during the year

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

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

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

\* Includes Rs. 257.55 crore (2010: Rs. 168.78 crore) from energy trading operations.

\*\* Includes Rs. 715.82 crore (2010: Rs. 258.16 crore) from fuel trading operations.

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



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

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

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

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

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

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

# Notes forming part of the Consolidated Accounts

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

### 1. Description of Business

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

#### Energy Sector

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

#### Airport Sector

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

#### Development of Highways

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

#### Construction Business

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

#### Others

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

### 2. Principles of Consolidation

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

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

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

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

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

## Notes forming part of the Consolidated Accounts

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

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

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

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

## Notes forming part of the Consolidated Accounts

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

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

## Notes forming part of the Consolidated Accounts

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

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

## Notes forming part of the Consolidated Accounts

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

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

## Notes forming part of the Consolidated Accounts

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

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

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



# Notes forming part of the Consolidated Accounts

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

### 3. Significant accounting policies

#### (i) Use of estimates

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

#### (ii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

##### Energy Sector Business

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

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

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

##### Development of Highways

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

##### Airport Sector Business

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

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

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

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

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

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

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

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

##### Construction Business

Construction revenue and costs are recognized by reference to the stage of completion of the construction activity at the

## Notes forming part of the Consolidated Accounts

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

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

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

#### Others

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

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

#### (iii) Operations and Maintenance

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

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

#### (iv) Fixed Assets

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

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

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

#### Intangible Assets

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

## Notes forming part of the Consolidated Accounts

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

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

#### (v) Exploration and evaluation expenditure

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

- a. Such costs are expected to be either recouped in full through successful exploration and development of the area of interest or alternatively by its sale, or
- b. When exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically available reserves, and active and significant operations in relation to the area are continuing or are planned for future.

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

#### (vi) Leases

For Lessee:

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

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

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

For Lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the profit and loss account on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in Profit and Loss account. Initial direct cost such as legal cost, brokerage cost, etc. are recognised immediately in the Profit and Loss account.

#### (vii) Depreciation/ Amortisation

##### Tangible Assets

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

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

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

For Overseas subsidiaries, joint venture companies and associates, the Group provides depreciation based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, joint ventures and associates. In view of different sets of environment in which such foreign subsidiaries, joint ventures and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These companies follow straight line

## Notes forming part of the Consolidated Accounts

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

method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries, joint ventures and associates with those of the domestic subsidiaries, joint ventures and associates.

The estimated useful life of the assets considered by such overseas entities is as follows:

Asset category	Useful life in years	
	Min	Max
Lease hold improvements	3	16
Buildings	3	10
Plant & machinery	3	15
Furniture & fixture	3	20
Software	3	3
Other tangible fixed assets	5	5
Computer, office equipment	3	20
Motor vehicles	4	7

#### Intangible Assets

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

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

Carriageways related to toll based projects are amortised on a units-of-usage basis whereby amortisation is calculated based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the periods within which the Group is granted the rights to operate those Carriageways. It is the Company's policy to review regularly the total projected traffic volume throughout the operating periods of respective Carriageways and accordingly allowance of amortisation is adjusted to account for any variation in the traffic volume.

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

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

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

#### (viii) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

#### (ix) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long term investments are carried at cost less provision made to recognise any decline, other than temporary, in the value of such investments. Current investments are valued at cost or fair value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition.

#### (x) Inventories

Inventories are valued as follows:

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

## Notes forming part of the Consolidated Accounts

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

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

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

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

#### Employee benefits

##### a. Defined Contribution Plans

Contributions paid/ payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc. in accordance with the applicable laws and regulations are recognised as expenses during the period when the contributions to the respective funds are due.

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

##### b. Defined Benefit Plan

The liability as at the balance sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial Gains and Losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognised immediately in the profit and loss account as an income or expense.

##### c. Other Long term employee benefits

Employee benefits including long term compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on actuarial valuation method of projected unit credit carried out at each balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account as an income or expense.

##### d. Short term employee benefits

Short term employee benefits including compensated absences as at the balance sheet date are recognised as an expense as per the Group's schemes based on the expected obligation on an undiscounted basis.

#### (xii) Foreign Currency Transactions

##### a. Initial Recognition

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

##### b. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### c. Exchange Differences

Exchange differences arising on a monetary item that, in substance, form part of the Company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2012.

## Notes forming part of the Consolidated Accounts

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

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

d. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year. However, exchange difference in respect of accounting period commencing on or after 7th December, 2006 arising on the forward exchange contract undertaken to hedge the long term foreign currency monetary item, in so far as they relate to the acquisition of depreciable capital asset, are added to or deducted from the cost of asset and in other cases, are accumulated in "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset/ liability but not beyond 31st March, 2012.

e. Translation of Integral and Non-integral foreign operation

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

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

Any goodwill or capital reserve arising on acquisition of non integral operation is translated at closing rate.

(xiii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xiv) Government Grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

(xv) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India (and tax laws prevailing in the respective tax

## Notes forming part of the Consolidated Accounts

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

jurisdictions where the Company operates). Deferred income taxes reflects the impact of the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the entities in the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the entities in the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The entities in the Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the entities in the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The entities in the Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that entities in the Group will pay normal Income Tax during the specified period.

#### (xvi) Segment Reporting Policies

##### Identification of segments:

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

##### Inter segment Transfers:

The Group accounts for intersegment sales/ transfers as if the sales or transfers were to third parties at current market prices.

##### Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

##### Unallocated Items:

Includes income tax, deferred tax charge or credit and the related tax liabilities and tax assets. Also includes interest expense or interest income and related interest generating assets, interest bearing liabilities, which are not allocated to any business segment.

##### Segment Policies:

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

#### (xvii) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### (xviii) Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

## Notes forming part of the Consolidated Accounts

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

#### (xix) Shares/ Debentures issue Expenses and Premium on Redemption

With respect to Indian entities shares/ debentures issue expenses incurred are expensed in the year of issue and redemption premium payable on preference shares/ debentures are expensed over the term of such preference shares/ debentures. Both are adjusted to the Securities Premium Account to the extent permitted by Section 78(2) of the Companies Act, 1956.

#### (xx) Cash and cash equivalents

Cash for the purposes of cash flow statement comprise cash in hand and at bank (including deposits) and cash equivalents comprise of short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### (xxi) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of the funds.

#### (xxii) Employee Stock Compensation Cost

In respect of HEGL, a subsidiary in Canada, officers, directors, employees and consultants are offered stock-based compensation. Measurement and disclosure of the employee share-based payment plans is done in the consolidated financial statements in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The said subsidiary accounts all stock-based payments using a fair value-based method of accounting. The fair value of each stock option granted is accounted over the vesting period. The fair value is calculated using the Black-Scholes option pricing model.

### 4. Notes to the consolidated accounts

#### (i) a. Contingent liabilities

(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Corporate guarantees	5,395.96	5,924.57
Bank guarantees outstanding	1,983.54	1,839.64
Claims against the Group not acknowledged as debts	349.66	188.93
Matters relating to income tax under dispute	1.26	0.32
Matters relating to indirect taxes duty under dispute	141.44	137.14

b. In case of DIAL, with effect from June 1, 2007, the Airport Authority of India (AAI) claimed service tax on the annual fee payable to it considering same as rental from immovable property. DIAL has disputed the grounds of the levy under provisions of the OMDA. As the matter is under dispute and pending with the Hon'ble High Court of Delhi, the impact of the same, if any, has not been considered in these consolidated financial statements.

c. During the previous year ended March 31, 2010, GVPGL was granted a refund of customs duty of Rs. 69.09 crore which was paid earlier towards the import of plant and machinery. Considering that the cost of plant and machinery included the customs duty, the refund was adjusted to the cost of the asset and related depreciation expense of Rs. 11.19 crore, charged from the date of capitalisation till the date of grant of such refund, was charged to profit and loss account for the year ended March 31, 2010. GVPGL has received a refund of Rs. 59.11 crore in the previous year and current year.

During the year ended March 31, 2011, GVPGL received an intimation for Cancellation of Duty drawback refund order received in 2009-10 to the extent of Rs 9.99 crore in view of which, GVPGL has restored the capitalisation of customs duty and adjusted the cost of the asset and the related depreciation expense of Rs. 2.40 crore, chargeable from the date of capitalisation till the date of cancellation of such refund, has been adjusted with the current year depreciation. As the management based on an expert opinion believes that the intimation cannot be applied retrospectively, no adjustment has been made with regard to the refund of Rs. 59.11 crore already received by GVPGL.

#### (ii) Capital commitment

(Rs. in crore)

Particulars	March 31, 2011	March 31, 2010
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	16,625.10	14,136.06



## Notes forming part of the Consolidated Accounts

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

#### (iii) Equity shares

- a. Pursuant to the Resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re. 1 each have been allotted to Qualified Institutional Buyers at a premium of Rs. 61.20 per share on April 21, 2010 aggregating to Rs. 1,400 crore.
- b. Consequent to the approval of the shareholders in their Annual General Meeting held on August 31, 2009, the Board of Directors had fixed record date October 5, 2009 for sub-division of equity shares of the Company of Rs. 2 each into 2 equity shares of Re. 1 each.

#### (iv) Preference shares issued by a subsidiary company

- a. During the year ended March 31, 2010, GEL has issued 200,000,000 non-cumulative redeemable preference shares of Rs. 10 each fully paid up amounting to Rs. 200 crore along with a securities premium of Rs. 100 crore to ICICI Bank Limited. GEL shall redeem 5% of the subscription amount outstanding under each tranche on the completion of 13th, 24th, 36th and 48th month from the date on which the subscription money was remitted and remaining outstanding amount shall be redeemed on December 31, 2014. The applicable yield shall be 14% per annum for tranches subscribed prior to December 31, 2010 and for tranches subscribed on or after January 1, 2011 onwards, the applicable yield shall be 14% or ICICI Bank Benchmark Advance Rate plus the applicable liquidity premia plus 0.25% per annum, whichever is higher. The 5% of the subscription amount outstanding has been redeemed on the completion of 13th month during the year ended March 31, 2011.
- b. During the year, GAHL has issued 2,298,940 non-cumulative compulsory convertible participatory preference shares (CCPS) bearing 0.0001% dividend on the face value of Rs. 1,000 each fully paid up amounting to Rs. 229.89 crore at a premium of Rs. 2,885.27 each totalling to Rs 663.31 crore to SBI Infrastructure Investments 1 Limited (investor), for funding and consolidation of the airport segment. GIL and GAHL have provided the investors various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreement and Investment Agreement.
- c. GMR Energy Limited ('GEL') during the year has issued following fully paid up Compulsorily Convertible Cumulative Preference Shares ('CCCPS'):

Particulars	No. of. Preference Shares	(Rs. in crore)
		Amount
Claymore Investments (Mauritius) Pte Limited	9,300,000	930.00
IDFC Private Equity Fund III	2,500,000	250.00
Infrastructure Development Finance Company Limited	500,000	50.00
IDFC Investment Advisors Limited	500,000	50.00
Ascent Capital Advisors India Private Limited	500,000	50.00
Argonaut Ventures	650,000	65.00
		1395.00

The preference shares are convertible upon the occurrence of qualifying initial public offering (QIPO) of GEL at an agreed internal rate of return (IRR). In case of non occurrence of QIPO within 3 years of the closing date, as defined in the terms of agreement between the parties, Investors have the right to require GIL to purchase the CCCPS or if converted, the equity shares in GEL at an agreed upon IRR.

#### (v) Reserves and surplus

##### a. Capital reserve (Government grant):

- (i) During the financial year 2005-06, GHIAL had received a grant of Rs. 107 crore from Government of Andhra Pradesh towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project, and the Group's share amounting to Rs. 67.41 crore has been included in Schedule 2 – Reserves and Surplus as Capital Reserve.
- (ii) During the year, GCORRPL has received project support fund of Rs. 28.44 crore from the Government of Tamil Nadu (GoTN) as per the concession agreement and the Group's share amounts to Rs. 25.53 crore. The total project Support Fund is Rs. 300 crore and the same will be disbursed on quarterly basis based on the progress of the project and the expenditure incurred by the concessionaire on the civil works as per the disbursement methodology of the project fund as specified in clause 30.2.1 of the concession agreement entered into by GCORRPL with GoTN. Group's share of project support fund of Rs. 25.53 crore has been included in Schedule 2 – Reserves and Surplus as Capital Reserve.

## Notes forming part of the Consolidated Accounts

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

#### b. Capital reserve on Consolidation

During the previous year, GEL issued 15,000,000 equity shares of Rs. 10 each at a premium of Rs. 41.32 per equity share to the Welfare Trust for GMR Infra Employees. As a result of the above, GIL ownership in GEL was reduced to 97.91% and the resulting gain on dilution amounting to Rs. 42.87 crore has been recorded as increase in the capital reserve on consolidation.

#### c. Capital reserve on acquisition

GAPL purchased the aircraft division of GMR Industries Limited (GIDL) under slump sale on October 01, 2008 for a purchase consideration of Rs. 29 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of Rs. 3.41 crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognized as capital reserve.

- d. During the year ended March 31, 2009, GEL had issued 4,250 secured redeemable non convertible debentures of Rs. 1,000,000 each to Axis Bank Limited which were due for redemption on October 6, 2013. The redemption premium of Rs 23.82 crore was provided in the profit & loss account during the year ended March 31, 2009 and redemption premium Rs.77.28 crore was adjusted against the security premium account during the year ended March 31, 2010 in the financial statements of GEL. During the current year the Company has negotiated with the lenders and redeemed the debentures at a premium of Rs. 54.49 crore. The excess provision towards redemption premium of Rs. 33.80 crore has been adjusted against the security premium account based on a legal opinion and the balance provision towards redemption premium of Rs. 12.80 crore has been recognised as other income.

#### (vi) Foreign currency transactions

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

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

- exchange gain amounting to Rs. 23.67 crore (2010: Rs. 90.12 crore) have been adjusted to the cost of depreciable asset in these consolidated financial statements.
- an amount of Rs. 7.91 crore, being the exchange loss (2010: Rs. 7.40 crore) on long term monetary asset has been accumulated in the Foreign Currency Monetary Items Translation Difference Account and is being amortised in the profit and loss account over the balance period of such long term asset but not beyond March 31, 2012. The unamortised balance as at March 31, 2011 amounts to a debit balance of Rs. 7.38 crore (2010: Rs. 0.53 crore).

#### (vii) Deferred payment liability

##### a. Negative grant

In accordance with the terms of the concession agreements entered into with National Highways Authority of India ('NHAI') by GACEPL, GJEPL and GUEPL dated November 16, 2005, February 20, 2006 and April 19, 2006 respectively, the Companies have an obligation to pay an amount of Rs. 507.96 crore by way of Negative Grant to NHAI and pursuant to which an amount of Rs. 280.10 crore has been paid as at March 31, 2011 and the balance amount of Rs. 227.86 crore has been disclosed as a deferred payment liability.

(Rs. in crore)

Name of subsidiary	Date of Concession Agreement	Total Negative grant	March 31, 2011	March 31, 2010
GACEPL	16.11.2005	174.75	101.36	118.83
GJEPL	20.2.2006	82.70	-	-
GUEPL	19.4.2006	250.51	126.50	131.53
<b>Total</b>		<b>507.96</b>	<b>227.86</b>	<b>250.36</b>

Amount payable within 1 year is Rs. 17.48 crore (2010: Rs. 22.49 crore)

##### b. Utilisation fees

Pursuant to the implementation agreement between Undersecretariat for Defense Industries (Administration) and consortium consisting of Limak Insaat Sanayi Ve Ticaret A.S., GIL & Malaysian Airport Holding Berhad, utilisation fee of

## Notes forming part of the Consolidated Accounts

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Euro 1,932 million was payable in annual installments over the final 17 years of the 20 year concession period, starting from 2011. The concession period has been extended by a total of 665 days through February 2030 for an additional concession fee totalling approximately Euro 244 million, which is accounted as below:

- (i) Depreciation/ amortisation for the year ended March 31, 2011 includes Rs. 71.92 crore towards amortisation of utilisation fees as per units of usage method, based on revenue projections (2010: Rs. 54.17 crore) with a corresponding credit to utilisation fees liability.
  - (ii) Utilisation fees liability as at March 31, 2011 amounts to Rs. Nil (2010: Rs. 83.56 crore) as Rs. 31.03 crore is paid in excess of the charge during the current year. Amount payable to administration within 1 year is Rs. 191.62 crore (2010: Rs. 83.56 crore).
- (viii) Sundry debtors
- a. In case of GPCL, claims/ counterclaims arising out of the PPA and Land Lease Agreement (LLA) in respect of the dues recoverable from Tamil Nadu Electricity Board (TNEB) on account of sale of energy including reimbursement towards interest on working capital, MAT, rebate, start/stop charges and payment of land lease rentals to TNEB respectively were pending settlement/reconciliation with TNEB. In this regard, GPCL had approached Tamil Nadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/counterclaims. TNERC had vide its order dated April 16, 2010 (hereinafter referred to as "order") directed GPCL to submit all of its claims calculated in accordance with the directions set forth in the order issued by TNERC within a period of two months from the date of the order. GPCL has filed its claim on April 30, 2010 amounting to Rs. 481.68 crore of which, GPCL had recognised Rs. 79.55 crore as income in the books of account in the respective year of claim.

TNEB has filed a petition against TNERC Order in Appellate Tribunal for Electricity (APTEL). APTEL issued an interim Order on November 19, 2010 directed TNEB to make payment in various installments in respect of which GPCL had received a deposit of Rs.280 crore against such claims up to March 31, 2011. However, pending acceptance of claims by TNEB, and in accordance with the Group's accounting policy, balance claims aggregating to Rs. 402.13 crore have not been recognized in these consolidated financial statements and amount recovered is considered as advance in the books of accounts pending adjudication of petition before the Appellate Tribunal. In accordance with the Group's accounting policy, claims raised subsequent to April 30, 2010 regard to Land Lease Rentals and Start and Stop Charges will be considered as revenue on acceptance from TNEB and adjudication of existing litigation pending before the Appellate Tribunal.

- b. The Government of Karnataka vide its Order No. EN 540 NCE 2008 dated January 1, 2009 (the Order) invoked Section 11 of the Electricity Act, 2003 and directed GEL to supply power to the State Grid during the period 1st January, 2009 to 31st May, 2009 at a specified rate. The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22, 2009. GEL had an existing contract with a buyer till January 31, 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue recognition in respect of power supplied during January 2009 has been made in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to Rs. 44.04 crore.

Based on the interim directions of the Hon'ble High Court of Karnataka in the month of March 2009, Karnataka Electricity Regulatory Commission ('KERC') has recommended a higher band of tariff than the specified rate in the Order. However, revenue recognition for the four months ended June 5, 2009 has been made, on a prudent basis, as per the rate specified in the Order. Accordingly, the differential amount of Rs. 63.13 crore, considering the maximum rate prescribed by KERC has not been recognised in the books as revenue.

The Hon'ble High Court of Karnataka, in its order dated March 26, 2010, has dismissed the petition of GEL challenging the Order invoking section 11(1) of the Electricity Act, 2003 with a direction that if the Order has any adverse financial impact on GEL, then a remedy is provided to GEL to approach the appropriate commission under the Act empowered to offset the adverse financial impact in such manner as it considers appropriate. Subsequent to the year end, GEL has filed a Special Leave Petition before the Hon'ble Supreme Court of India to appeal against the said Order of the Hon'ble High Court of Karnataka, and has sought ex-parte ad-interim order staying the operation of the said Order and to direct ESCOM to pay minimum rate prescribed by KERC.

In view of the recommendation of KERC on the interim directions of the Hon'ble High Court of Karnataka and the remedy provided by the Hon'ble High Court of Karnataka in the Order dated March 26, 2010, the management is confident that there will not be any adverse financial impact on the Group with regard to these transactions and no adjustment has been made in these consolidated financial statements pending final resolution of the matter.

## Notes forming part of the Consolidated Accounts

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#### (ix) Operating income

- a. In case of airport infrastructure companies, the Passenger Service Fee (PSF) charged from the departing passengers has two components, viz., Facilitation Component (FC) and Security Component (SC). In accordance with the various government orders issued from time to time, the PSF collections are held by the airport infrastructure companies in fiduciary capacity on behalf of the Government of India and are deposited in an escrow account utilised for meeting the security related expenses. It is also stipulated in the escrow account agreement that Ministry of Civil Aviation (MoCA) will have supervening powers to direct the escrow bank on the issues regarding operations as well as withdrawal from the escrow account.

The PSF (SC) accounts are required to be maintained separately in accordance with the procedures laid down in Standard operating procedures and are subject to audit by the Comptroller & Auditor General of India (C&AG).

Thus following are the details of PSF (SC) balances, which have not been audited by the auditors of airport infrastructure Companies.

(Rs. in crore)				
Description	March 31, 2011		March 31, 2010	
PSF (SC) (net of collection charges)	253.88		216.73	
Interest and other income	2.49	256.37	1.55	218.28
Less: Expenses		243.34		230.17
Net Income (expenses)		13.03		(11.89)
Add: Surplus brought forward		187.60		199.49
Secured loan from Corporation bank		190.00		-
Total		390.63		187.60
Fixed assets (Net) (including capital work in progress)		292.33		266.23
Receivables including sundry debtors		62.89		23.18
Other assets*		175.22		46.23
Cash and bank balance in escrow account (including term deposits)		10.43		28.80
		540.87		364.44
Less: Other liabilities		150.24		176.84
Total		390.63		187.60

\* Includes amount of Rs. 33.23 crore, paid under protest, related to taxability of passenger service fees (service component) in DIAL.

- b. During the previous year, pursuant to certain clarifications issued by the MoCA, Government of India per circular no. 13028/ 001/ 2009-AS dated January 08, 2010 (as amended vide clarification dated April 16, 2010), certain expense items of Rs. 22.18 crore (including Rs. 12.15 crore incurred upto March 31, 2009), relating to personnel cost and operating expenses which were previously not recorded in the profit and loss account of DIAL were recognised as an expense. Further in case of GHIAL, certain security related expenditure amounting to Rs. 1.73 crore and fixed assets amounting to Rs. 10.65 crore, transferred to PSF (SC) account during earlier years were charged back/ reinstated in the books of GHIAL.
- c. The airport infrastructure Companies have represented to MoCA for allowing certain expenses such as land side security cost, security related consultancy expenses and other administration costs which are presently not covered as per above circulars and currently these expenses debited to PSF (SC) Account are Rs. Nil (2010 : Rs. 42.30 crore). The management is hopeful of obtaining the permission from MoCA to meet these expenses through PSF (SC) and accordingly, no further adjustments have been considered necessary in the consolidated financial statements as at March 31, 2011.
- d. Revenue earned by GHIAL for the year ended March 31, 2010 was net of service tax on User Development Fee (UDF) pertaining to previous year amounting to Rs. 12.39 crore. Expenses during the year ended March 31, 2010 include depreciation of Rs. 6.43 crore, personnel cost of Rs. 0.50 crore and finance charges of Rs. 6.06 crore under respective accounts pertaining to previous years.
- e. DIAL entered into contracts with various vendors in connection with construction of Terminal 3 and its related assets. Terminal 3 has been completed and capitalized during the current year. In view of the significant size of the contracts and other complexities, DIAL is in the process of reconciling the balances with the aforesaid vendors and as such, has capitalized the said cost on the basis of its best estimate. The management believes that differences, if any, arising out of such reconciliation, will not be material to the consolidated financial statements.

## Notes forming part of the Consolidated Accounts

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

f. The Group has an investment of Rs. 276.31 crore (including loans of Rs. 59.72 crore) in GACEPL as at March 31, 2011. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to a loss of revenue arising as a result of diversion of partial traffic on parallel roads. Based on an internal assessment and a legal opinion, the management of GACEPL is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the management is of the view that the carrying value of net assets (after providing for losses till date of Rs. 81.80 crore) as regards investment in GACEPL as at March 31, 2011 is appropriate.

(x) Others

- a. There are no micro and small enterprises, to which the Group owes dues, or with which the Group had transactions during the year, based on the information available with the Group, which has been relied upon by the Auditors.
- b. DIAL has received advance development costs of Rs. 620.13 crore (2010: Rs. 409.06 crore) from various Developers at Commercial Property District towards development of common infrastructure at Commercial Property district. DIAL has no right to escalate the development cost and in case, any portion of the advance development cost is not utilized by DIAL towards development of any infrastructure facility during the course of initial term of agreement, it shall be returned to the Developer upon the earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As of March 31, 2011, DIAL has incurred development expenditure of Rs 156.60 crore (2010: Rs 34.91 crore) which has been adjusted against the aforesaid advance.
- c. SGH, a joint venture of the Group, has dismissed 226 workers in the previous year without payment of any termination benefits. There was a collective lawsuit filed by dismissed employees and the local court has decided against SGH. SGH has filed an appeal before the Supreme Court. During the year, Supreme Court has finally decided against SGH in 2 out of 4 cases and ordered SGH to pay compensation of 16 month gross salary for each worker amounting to Euro 1.4 million. The decision is yet to be received for the remaining 2 cases with a total additional potential liability of Euro 1.3million. The Group made a total provision of Euro 2.7 million in its consolidated financial statements for the year ended March 31, 2011.
- d. As at March 31, 2010, the Group held 34.17 % equity investment in Homeland Energy Group Limited (HEGL) and was considered as an associate of the Group effective June 5, 2009 with the participation of the Group's representative on the Board of HEGL. During the year ended March 31, 2011, the Group has made a further investment in equity shares of HEGL, whereby, it has become a subsidiary of the Group effective July 12, 2010. The carrying cost of investment in HEGL as at March 31, 2011 amounting to Rs. 167.94 crore, substantially exceeds the net worth and the market value of shares in HEGL. Additionally, an amount of Rs. 153.48 crore has been given as loan to HEGL

HEGL commenced commercial production of coal from its Kendal project in South Africa from October 1, 2009, and also owns an advanced-stage coal development project in South Africa in addition to number of earlier-stage exploration properties in South Africa and Botswana.

The financial statements of HEGL for the year ended December 31, 2010, contains a commentary on the continuing operating losses and working capital deficiency arising mainly on account of high capital cost incurred in respect of plant modification and other development projects, and the possible impact on the assumption of "Going Concern" in the preparation of such financial statements. HEGL has negotiated agreements with certain suppliers and contractors to extend normal creditor payment terms.

The Group company's investment in the said subsidiary is for long term strategic requirements to meet the fuel needs of the power sector subsidiary companies. HEGL is in a period where high capital costs are being incurred, while commissioning issues with respect to the recent plant modifications have been experienced. The management is monitoring these resources closely and is confident that HEGL will achieve profitable operations in the foreseeable future. Considering that these mines have significant reserves and value potential which reflect intrinsic value in excess of carrying value of investments and loan in HEGL, the management is of the view that such shortfall in the net worth/decline in market value of shares in HEGL is purely temporary in nature and accordingly, the management is of the view that the carrying value of net assets of Rs. 308.19 crore, after providing for losses till December 31, 2010 (considering that HEGL along with the subsidiaries and joint ventures is consolidated on a three months lag) , as regards investment in HEGL as at March 31, 2011 is appropriate.

- e. The Company, through its step-down subsidiary, GEGL had entered into necessary arrangements to acquire 50% economic stake in InterGen. N.V. and had subscribed Rs.1,874.13 crore (USD 415.18 million) in Compulsory Convertible Debentures (CCD), issued for this purpose, by GMR Holdings Malta Limited (GHML), a step down subsidiary of GMR Holdings Private Limited ('GHPL'), the Company's Holding Company. The financial results of InterGen NV had not been considered in the

## Notes forming part of the Consolidated Accounts

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

consolidated financials of the Company pending conversion of such CCDs. GHML had funded the investment in InterGen N.V. through a mix of external borrowings and the balance was funded through CCDs as above. The carrying value of the investment in the CCDs along with the interest accrued thereon as at March 31, 2011 is Rs. 1,909.83 crore (USD 423.09 million).

During the year ended March 31, 2011, GIML, a wholly owned subsidiary of GHML, and which, through its step-down subsidiary, held 50% economic stake in InterGen N.V. as stated above, entered into an agreement to sell the investment in InterGen N.V. for USD 1,232 million to Overseas International Inc. Limited, an associate of China Huaneng Group.

In April 2011, the transaction was consummated for the aforesaid consideration after obtaining the necessary regulatory approvals. On consummation of the transaction, GHML has repaid the loans from the banks in full and CCDs issued to GEGE in part and the Group has recorded a loss of Rs 938.91 crore, which is disclosed as an exceptional item in the consolidated financial statements.

- f. In accordance with the scheme of arrangement under section 391 to 394 of the Companies Act, 1956, as approved by the Hon'ble high court of Andhra Pradesh vide order dated June 22, 2010, the hotel division of the Company, has been transferred to and vested with the GMR Hotels and Resorts Limited (GHRL), the subsidiary Company, with effect from appointed date April 01, 2009. The said order has been filed with Registrar of Companies, Andhra Pradesh on September 25, 2010.

The standalone financial statements of the subsidiaries has given effect to the scheme, however the scheme does not have any impact on these consolidated financial statements of the Group.

- g. During the previous year, DIAL had made an application to the Reserve Bank of India for extension of time limit for allotment of shares towards the foreign inward remittance of Rs. 250 crore, received as shareholders advance from its foreign shareholders (Fraport AG Frankfurt Airport Services Worldwide Rs. 125 crore and Malaysia Airports (Mauritius) Private Limited Rs. 125 crore) and has received the extension for the aforesaid allotment upto September 30, 2010. The shares have been allotted during the year on March, 2011.
- h. Borrowing cost capitalised during the year is Rs. 578.03 crore (2010: Rs.545.37 crore).
- i. The Group had acquired IPCPL during May 2009. IPCPL had impaired and charged to profit & loss Account during 2007, an amount of SGD 42.40 million (Rs.140.33 crore) paid as advance to EPC Vendors under an EPC Contract for its 765 MW gas based power plant as it was unable to secure the supply and transport of gas. Subsequent to its acquisition, the Group has revived the project. IPCPL has been able to secure the supply and transport of gas and expects to achieve financial closure for the project by June 30, 2011. IPCPL has renegotiated with the EPC Vendors whereby, the EPC Vendors have agreed during August 2010 to give credit for the advance paid by IPCPL. The advance paid has been restored with reversal of impairment loss accounted earlier and is disclosed as an exceptional item in these consolidated financial statements for the year ended March 31, 2011.
- j. GIL has given an interest free loan of Rs. 115 crore (2010: Rs. Nil) to Welfare Trust of GMR Infra Employees. Based on the audited financial statements as at March 31, 2011, the trust has utilised the proceeds of the loan received from GIL in the following manner:

Particulars	(Rs. in crore)	
	Amount	
Equity shares of GIL		98.05
Equity shares of GAHL		11.28
Investment in mutual funds		5.67
Total		115.00

- k. Pursuant to a restructuring, to facilitate expansion of the energy business both in India as well as globally, the Company has transferred its entire shareholding in GEL to GREL, a subsidiary of the Company, at cost.
- l. KSPL, a subsidiary of the Company, has acquired land for development of Special Economic Zone and initiated various rehabilitation and resettlement initiatives thereafter for relocating the inhabitants residing in the land acquired. The amount of expenditure incurred by the company towards rehabilitation and resettlement initiatives amounting to Rs. 42.22 crore has been treated as part of the land acquisition cost and is classified under capital work-in-progress. Considering that the negotiations with the beneficiaries towards obtaining possession of land necessitating the rehabilitation is in progress no provision has been made towards the potential cost that is likely to be incurred by KSPL towards rehabilitation and settlement.

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#### (xi) Derivative instruments:

Interest rate swaps outstanding as at the balance sheet date:

- a. In case of DIAL, as per the conditions precedent to disbursement of loan, the DIAL has entered into interest rate swap (IRS) agreements from floating rate of interest to fixed rate of interest against its foreign currency loan of USD 350 million. Since the critical terms of the IRS and the principal term loan are same, based on the internal assessment carried out by the management, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan is not expected to be material and accordingly no adjustments have been made in the consolidated financial statements

Particulars of Derivatives	Purpose	
Interest rate swap outstanding as at balance sheet date: USD 350 million	Hedge of variable interest outflow on External Commercial Borrowing (ECB). Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 month's LIBOR:	
	ECB Amount (USD)	Interest Rate
	100 million	4.99%
	75 million	2.76%
	25 million	1.98%
	150 million	1.96%

- b. GAPL has entered into IRS contract with Axis Bank from floating rate of interest to fixed rate of interest against its foreign currency loan outstanding amount of USD 20,599,600 covering the period from Oct 12, 2010 to Oct 06, 2017. Based on the internal assessment carried out by the management, the net impact of the marked to market valuation of the IRS, net of gain/loss on the underlying loan is not expected to be material and accordingly no adjustments have been made in the consolidated financial statements.
- c. In case of GHIAL, as per the conditions precedent to disbursement of foreign currency loan, of USD 125 million, GHIAL has entered into swap agreement from floating rate of interest to fixed rate of interest covering the period of the foreign currency loan from September 10, 2007 to April 01, 2024. Since the critical terms of the IRS and the underlying foreign currency loan are same, based on the internal assessment carried out by the management, the impact of the mark to market valuation of the IRS, net of gain/loss on the underlying loan, is considered to be immaterial and accordingly no adjustments have been made in the consolidated financial statements.
- d. ISG has entered into an IRS agreement with ABN AMRO Bank NV (Now Royal Bank of Scotland ) for swapping floating rate of interest to fixed rate of interest for its Loan of Euro 336 million covering the period June 30, 2008 to June 29, 2018.

The net impact of the mark to market loss on valuation of the IRS amounting to Euro 8,839,000 (equivalent 40% share in Rs. 23.83 crore) had been provided, during the year ended March 31, 2010 in the consolidated financial statements of the Group.

Based on the internal assessment carried out by the management, the impact of the mark to market valuation of the IRS, net of gain/loss on the underlying loan, is considered to be immaterial and accordingly no adjustments have been made in the consolidated financial statements.

- e. GIML has entered into swap agreement with ICICI Bank UK PLC for swapping floating rate of interest to fixed rate of interest for its GBP denominated loan equivalent of USD 76.5 million covering the period August 17, 2009 to August 11, 2011.

The net impact of the mark to market loss on valuation of the IRS as at March 31, 2010 amounting to USD 434,241 (Rs.2.10 crore) was provided in the consolidated financial statements. During the current year the loss recognized towards the ineffective portion in the previous year has been reversed based on internal assessment/ external valuation carried out by the management.

Derivative instrument and un-hedged foreign currency exposure for monetary items is as follows:

Un-hedged foreign currency exposure:

Currency	Cash and balance with banks	Fixed Assets and Investment	Receivables	Payable	Loans
Australian Dollar	-	-	-	64,312	-
	-	-	-	-	-

## Notes forming part of the Consolidated Accounts

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

Currency	Cash and balance with banks	Fixed Assets and Investment	Receivables	Payable	Loans
Canadian Dollar	9,270,453	63,112,957	19,757,450	13,998,212	312,285
	-	-	(32,000,000)	-	-
Swiss Franc	584	-	-	331,726	-
	-	-	-	-	-
Chinese Yuan	212,472	-	53,363	-	-
	-	-	-	(15,900)	-
Euro	13,776,533	145,517,686	21,377,346	29,004,283	154,484,150
	(24,651,130)	(158,148,267)	(73,197,841)	(73,447,388)	(135,311,710)
Great British Pound	223,581	2,131,795	3,221,675	2,498,560	-
	(1,423,754)	(2,512,647)	(685,899)	(2,383,635)	-
Hong Kong Dollar	-	-	-	-	-
	-	-	-	(863,174)	-
Indonesian Rupiah	1,004,811,881	195,663,366	-	-	-
	(994,377,172)	(183,463,838)	-	-	-
Malaysian Ringgit	-	-	-	-	-
	-	-	-	(179,257)	-
Nepalese Rupee	57,678,720	963,588,090	8,600,000	15,060,320	-
	(1,692,834)	(798,112,413)	(10,672,000)	(66,014,400)	-
Singapore Dollar	2,430,039	113,028,354	2,234,974	1,597,216	-
	(302,475)	(43,163,225)	(149,242)	(636,988)	-
Turkish Lira	2,352,377	-	-	-	-
	-	-	-	-	-
United States Dollar	95,046,538	377,763,492	49,072,833	250,363,299	712,476,456
	(161,211,001)	(318,662,082)	(47,834,403)	(9,360,692)	(642,359,955)
Rs. in crore	578	3,379	476	1,401	4,185
	(895)	(2,755)	(666)	(510)	(3,746)

Note: Previous year figures are mentioned in brackets.

Forward contract outstanding as at balance sheet date:

GEL	USD 1 Million (Rs. 4.51 crore)	Hedge of payables with respect to fuel purchase
GKEL	CNY 2,795,527,952 (Rs. 1,930.72 crore)	Forward contract for hedging of highly probable future cash outflows

#### (xii) Employee benefits

##### a. Defined contribution plan

Contribution to provident and other funds under Capital work in progress (Schedule 6), Generation and operating expenses (Schedule 16) and Administration and other expenses (Schedule 17) are as under:

Particulars	2011	2010
Contribution to provident fund	14.08	10.77
Contribution to superannuation fund	6.59	5.50
	20.67	16.27

##### b. Defined benefit plan

Certain entities in the Group are covered by a funded defined benefit gratuity plan. As per the scheme, an employee who has completed five years or more of service gets gratuity equivalent to 15 days salary (last drawn salary) for each completed year of service.



## Notes forming part of the Consolidated Accounts

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

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for gratuity benefit.

#### Profit and loss Account

Net employee benefit expense (Rs. in crore)

Particulars	2011	2010
Current service cost	3.98	2.34
Interest cost on benefit obligation	0.70	0.34
Expected return on plan assets	(0.86)	(0.56)
Net actuarial (gain)/ loss recognised	(0.46)	(0.53)
Past service cost	0.14	0.29
Net benefit expense	3.50	1.88
Actual return on plan assets	0.95	0.63

#### Balance sheet

(Rs. in crore)

Particulars	2011	2010
Defined benefit obligation	13.48	8.48
Fair value of plan assets	12.91	8.38
Less: Unrecognised past service cost	-	-
Plan asset/ (liability)	(0.57)	(0.10)

#### Changes in the present value of the defined benefit obligation:

(Rs. in crore)

Particulars	2011	2010
Opening defined benefit obligation	8.48	4.25
New acquisitions	0.76	0.16
Interest cost	0.70	0.34
Current service cost	3.98	2.34
Past service cost	0.14	0.29
Benefits paid	(0.21)	(0.04)
Adjustment on transfer	-	1.60
Actuarial (gains)/ losses on obligation	(0.37)	(0.46)
Closing defined benefit obligation	13.48	8.48

#### Changes in the fair value of plan assets are as follows:

(Rs. in crore)

Particulars	2011	2010
Opening fair value of plan assets	8.38	5.58
New acquisition	0.54	0.20
Expected return on plan assets	0.86	0.56
Contributions by employer	3.25	0.98
Benefits paid	(0.21)	(0.04)
Actuarial gains/ (losses) on plan assets	0.09	0.07
Adjustment on transfer	-	1.03
Closing fair value of plan assets	12.91	8.38

The Group expects to contribute Rs. 1.14 crore (2010: Rs. 1.19 crore) towards gratuity fund in 2011-2012.

The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2011	2010
	%	%
Investments with insurer managed funds	100	100

## Notes forming part of the Consolidated Accounts

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

The principal assumptions used in determining gratuity obligation:

Particulars	2011	2010
	%	%
Discount rate	8	8
Expected rate of return on assets	8	8
Expected rate of salary increase	6	6
Employee turnover	5	5
Mortality Rate	Refer Note 3	Refer Note 3

Notes :

1. The estimates of future salary increases, considered in actuarial valuation, take into consideration for inflation, seniority, promotion and other relevant factors.
2. The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.
3. As per LIC (94-96) Ultimate Mortality Table.

Amounts for the current and prior periods are as follows:

(Rs. in crore)

Particulars	Gratuity			
	2011	2010	2009	2008
Defined benefit obligation	13.48	8.48	4.25	2.87
Plan assets	12.91	8.38	5.58	3.30
Surplus/ (deficit)	(0.57)	(0.10)	1.33	0.43
Experience adjustments on plan liabilities	(0.37)	(0.46)	(0.51)	(0.54)
Experience adjustments on plan assets	0.09	0.07	0.02	(0.08)

- c. Leave encashment liability provided based on actuarial valuation amounts to Rs. 16.50 crore (2010: Rs. 11.52 crore) as at March 31, 2011.

(xiii) Leases

a. Finance lease

The Group has entered into finance lease arrangements in respect of certain assets for periods of 3 to 5 years. The lease has a primary period, which is non-cancellable. The agreements provide for revision of lease rental in the event of changes in taxes, if any, leviable on the lease rentals. There are no exceptional/restrictive covenants in the lease agreements.

(Rs. in crore)

Particulars	Minimum lease payment	Present value of minimum lease	Minimum lease payment	Present value of minimum lease
	As at March 31, 2011		As at March 31, 2010	
	(i) Payable not later than 1 year	1.03	0.98	1.68
(ii) Payable later than 1 year and not later than 5 years	1.29	0.90	2.08	1.62
(iii) Payable later than 5 years	-	-	-	-
Total – (i)+(ii)+(iii) = (iv)	2.32	1.88	3.76	3.20
Less: Future finance charges (v)	0.44	-	0.56	-
Present value of minimum lease payments [(iv) – (v)]	1.88	-	3.20	-

Lease payment made during the year Rs.1.68 crore (2010: Rs. 1.66 crore).

## Notes forming part of the Consolidated Accounts

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

#### b. Operating leases

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

(Rs. in crore)		
Particulars	March 31, 2011	March 31, 2010
<b>Payment</b>		
Lease rentals under cancellable leases and non cancellable leases	85.58	64.12
<b>Receipt</b>		
Lease rentals under cancellable leases	0.79	0.74
<b>Obligations on non-cancellable leases:</b>		
Not Later than one year	16.54	2.51
Later than one year and not later than five years	62.51	0.71
Later than five years	87.14	10.50

#### (xiv) Earnings Per Share (EPS)

(Rs. in crore, except for share data)

Particulars	March 31, 2011	March 31, 2010
Nominal value of equity shares (Re. per share)	1	1
Weighted average number of equity shares outstanding at the end of the year	3,880,098,989	3,661,715,973
Net (loss)/profit after minority interest and share of profits/ (losses) of associate (Rs.in crore)	(929.64)	158.40
EPS – Basic and Diluted (Rs.)	(2.40)	0.43

Notes:

- As at March 31, 2011, Rs. 2,250 (2010: Rs. 2,750) was receivable towards Equity Shares and for the computation of weighted average number of Equity Shares outstanding at the end of the year, these have been considered as partly paid-up shares.
- The Company does not have any dilutive securities.

#### (xv) Deferred tax

Deferred tax asset/ (liability) comprises mainly of the following:

(Rs. in crore)

S.No	Particulars	March 31, 2011		March 31, 2010	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
1	Depreciation	-	819.49	-	521.01
2	43B disallowances	2.34	-	1.19	-
3	Carry forward losses	70.08	-	112.50	-
4	Carry forward depreciation	777.33	-	453.33	-
5	Intangibles (Airport concession rights)	76.93	-	-	-
6	Others	44.23	-	34.64	0.18
	<b>Total</b>	<b>970.91</b>	<b>819.49</b>	<b>601.66</b>	<b>521.19</b>
	<b>Deferred tax asset/ (Deferred tax liability) (net)</b>	<b>151.42</b>		<b>80.47</b>	
	Change for the year		(70.95)		(99.62)
	Foreign currency translation difference		(2.85)		1.06
	<b>Charge/(credit) for the year</b>		<b>(73.80)</b>		<b>(98.56)</b>

## Notes forming part of the Consolidated Accounts

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

- a. In case of GPCL, GTAEP and GTTEPL, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the Income Tax Act, 1961, deferred tax has not been recognised by these Companies.
- b. GHIAL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2007-08, under Section 80-IA of the Income Tax Act, 1961 with regard to income from airport operation. Considering that GHIAL had brought forward losses of Rs. 59.83 crore and unabsorbed depreciation of Rs. 748.55 crore as at March 31, 2011 under Income Tax Act, 1961, the management, based on the projected future taxable income and tax planning strategies, expects to avail such tax holiday from the assessment year 2018-19.

GHIAL has recognised deferred tax asset (net) amounting to Rs. 102.89 crore on carry forward business loss and unabsorbed depreciation available for set-off from future taxable income before commencement of the expected tax holiday period. The management, based on internal assessment and legal opinion, believes that there is virtual certainty, with convincing evidence, of availability of such future taxable income as it is entitled to levy regulated charges at the Airport as per the Concession Agreement read with the orders of Airport Economic Regulatory Authority which ensure a reasonable rate of return to the airport operator, considering the fair rate of return on regulatory assets base, operations and maintenance expenses, depreciation and taxes.

Based on an independent expert's opinion, the aforementioned net deferred tax asset has been recognised in respect of all the timing differences which have originated up to March 31, 2011 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period.

- c. In case of PT BSL, deferred tax asset has not been recognised on unabsorbed losses on the grounds of prudence in view of the management's assessment of future profitability.
- d. GVPGL is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2006-07, under Section 80IA of the Income Tax Act, 1961 with regard to income from generation of power. Considering that GVPGL had brought forward business loss of Rs. 77.54 crore and Unabsorbed depreciation of Rs. 577.06 crore as at April 1, 2010 under Income Tax Act, 1961, the management, based on the projected future taxable income and tax planning strategies, expects to avail such tax holiday from the assessment year 2015-16.

GVPGL has recognised deferred tax asset/liability in respect of all the timing differences which have originated up to March 31, 2011 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period.

During the previous year ended March 31, 2010, based on an expert opinion, the GVPGL had recognised deferred tax asset amounting to Rs. 147 crore on carry forward business loss and unabsorbed depreciation available for set-off from future taxable income before commencement of the expected tax holiday period. The management believes that there is virtual certainty, with convincing evidence, of availability of such future taxable income in view of the power pricing mechanism in the PPA entered into with the Andhra Pradesh Power Distribution Companies for supply of 370MW out of the total capacity of 387.625 MW, as amended, for a period of 23 years set to expire in 2029 and the agreement entered into by GVPGL with Reliance Industries Limited and Niko (Neco) Limited on April 24, 2009 for supply of natural gas for a period of 5 years pursuant to allocation of natural gas from KG D-6 being made available to GVPGL under firm allocation basis by the Ministry of Petroleum and Natural Gas, Government of India, vide their letter dated November 18, 2009.

#### (xvi) Provisions

Particulars	(Rs. in crore)				
	As at April 1, 2010	Provision made during the year	Amount written back during the year	Amount used during the year	As at March 31, 2011
Provision for operations and maintenance	20.09 (46.69)	13.27 (9.75)	3.83 (33.36)	9.31 (2.99)	20.22 (20.09)
Provision for voluntary retirement compensation	170.88 (-)	- (250.88)	- (-)	32.67 (80.00)	138.21 (170.88)

Note: Previous year figures are mentioned in brackets.

- a. During the previous year, GEL based on negotiations with the operations and maintenance contractor, decided to enter into a new scope of work for the power plant by terminating the existing contract pursuant to the management's decision to relocate the barge-mounted power plant to Kakinada (Andhra Pradesh) and conversion of existing naphtha based power plant to a natural gas source power plant and the new scope of work being considered in this regard under operation and maintenance. Accordingly the amount accrued as a liability of Rs. Nil (2010 : Rs. 12.76 crore) had been written back to profit and loss Account and is disclosed under Schedule 15 as provisions no longer required, written back.

## Notes forming part of the Consolidated Accounts

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

- b. GTTEPL has written back an amount of Rs. 3.83 crore being the provision towards periodic maintenance charges no longer required. Further during the year ended March 31, 2010, GTTEPL had written back an amount of Rs. 20.60 crore being the provision towards periodic maintenance charges, based on the survey done by an independent engineer appointed by the NHAI and the revised cost estimates submitted by Operation & Maintenance contractor.
- c. During the previous year, DIAL has provided Rs. 250.88 crore towards Voluntary Retirement Compensation (VRC) on account of reimbursement of VRC payable to AAI on expiry of the operational support period on May 2, 2009. The VRC has been recognised as an intangible asset and is being amortised over the period of Airport concession rights i.e. 60 years.

(xvii) Information on Joint Ventures as per Accounting Standard – 27

Name of the Joint Venture	Country of incorporation	Percentage of effective ownership (directly or indirectly) as on	
		March 31, 2011	March 31, 2010
ISG	Turkey	40.00%	40.00%
SGH	Turkey	29.00%	29.00%
LGCJV	Turkey	50.00%	50.00%
LGM	Turkey	40.00%	40.00%
RCMEPL	India	17.03%	-
TVS GMR	India	30.87%	-
MGATL	India	31.50%	-
MGECPL	India	31.50%	31.50%
TFSP	India	21.41%	-
DAFFPL *	India	13.92%	33.89%
TIM Delhi	India	26.71%	-
DASPL *	India	26.77%	53.79%
DFSPL	India	21.41%	21.52%
DSSHPL	India	21.41%	21.52%
DDFSPL	India	26.71%	26.84%
APFTAL	India	25.20%	-
WAITSP	India	13.92%	13.99%
CDCTMIPL **	India	13.92%	13.99%
DCSCPL **	India	13.92%	13.99%
DAPSPL	India	26.71%	26.84%
NML	South Africa	27.34%	-
TMR	South Africa	27.34%	-

\* Considered as Subsidiary in the previous year

\*\* Considered as Associate in the previous year

The Group's aggregate share of each of the assets, liabilities, income and expenses, etc. (after elimination of the effect of transactions between the Group and the joint ventures) related to its interests in the joint ventures, as included in these consolidated financial statements are as follows:

Particulars	(Rs. in crore)	
	March 31, 2011	March 31, 2010
<b>Assets</b>		
Fixed assets	1,167.12	905.33
Capital work-in-progress including capital advance	116.82	79.13
Deferred tax asset (net)	-	17.46
<b>Current assets, loans and advances</b>		
Inventories	47.10	12.65
Sundry debtors	69.98	67.78

## Notes forming part of the Consolidated Accounts

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

Particulars	(Rs. in crore)	
	March 31, 2011	March 31, 2010
Cash and bank balances	180.42	170.27
Other current assets	4.86	0.01
Loans and advances	111.26	236.36
<b>Liabilities</b>		
Secured loans	1,388.37	954.47
Unsecured loans	15.10	52.97
Deferred tax liabilities (net)	1.10	-
Current liabilities and provisions		
Liabilities	252.23	320.80
Provisions	5.86	41.60
<b>Income</b>		
Sales	862.28	754.74
Other income	2.82	0.28
<b>Expenses</b>		
Generation and operating expenses	564.53	523.22
Administration and other expenses	93.13	75.39
Depreciation/ amortisation	141.37	85.64
Interest and finance charges (net)	119.61	51.55
Provision for taxation ( including deferred tax)	(9.38)	11.22
<b>Other Matters</b>		
Capital commitments	70.80	11.58
Contingent liabilities	-	-
Claims against the joint ventures not acknowledged as debts	0.21	1.21
Reserves as at April 1,	37.16	29.16
Add: Group's share of profits for the year	(44.16)	8.00
Reserves as at March 31,	(7.00)	37.16

#### (xviii) Segment reporting

- The segment reporting of the Group has been prepared in accordance with AS 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).
- For the purpose of reporting, business segments are primary segments and the geographical segment is a secondary segment.
- The business segments of the Group comprise of the following:

Segment	Description of Activity
Airports	Development and operation of airports
Power	Generation of power and provision of related services and exploration and mining activities
Roads	Development and operation of roadways
EPC	Handling of engineering, procurement and construction solution in the infrastructure sector
Others	Urban Infrastructure and other residual activities

## Notes forming part of the Consolidated Accounts

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

- d. Geographical segment is categorised as 'India' and 'Outside India' and based on the domicile of the customers.
- e. Various business segments comprise of the following companies:

Power Segment		Roads Segment	Airport Segment	EPC Segment	Others Segment	
GEL	WIL	GMRHL	GHIAL	GIL (EPC Division)	GIL (Others)	LGM
GPCL	FCK	GTTEPL	GFIAPL	LGCV	GHRL	GHDPL
GVPGL	MMPL	GTAEPL	HMACPL		GAHL	GHOSS
GBHPL	GMAEL	GACEPL	HASSL		GAPL	WAITSP
BHPL	GBEPL	GJEPL	GHARML		GKSEZ	
GMEL	GUPEPL	GPEL	GHAL		APPL	
GKEL	GHOEL	GUEPL	GHASL		AKPPL	
HHPCPL	GGSPPL	GHVEPL	GHMSL		AMPPL	
GEML	KTCPL	GCORRPL	MGECPL		BPPL	
GLEL	MTCPPL	GOSEHHPL	TVS GMR		BOPPL	
GUKHL	GINELL		HDFRL		CPPL	
GETL	GINPCL		GADL		DPPL	
GCSPL	GREEL		MGATL		EPPL	
GCEPL	ATSCL		GADLIL		GPPL	
GBHHPL	MTSCL		GADLML		LPPPL	
GLHPPL	EDWPCPL		GAHSCL		HPPL	
GKEPL	IPIPL		DIAL		IPPL	
RCMEPL	IPCPL		DASPL		KPPL	
GCHEPL	IPSPL		DAPL		LAPPL	
GECL	GISPL		APFTAL		NPPL	
GENBV	HEC		TFSP		GEPML	
PTDSU	GIISPRL		DFSP		PAPPL	
PTDSI			DSSHPL		PPPL	
PTBL			DDFSPL		PUPPL	
LETPL			DAFFPL		SPPL	
GREL			CDCTMIPL		SRPPL	
SJK			DCSCPL		GSPHPL	
PT			GMIAPL		GCAPL	
EMCO			DAPSPL		DSPL	
HEGL			TIM Delhi		KSPL	
HMES			ISG		GPIL	
HESW			SGH		GIML	
HMEB					GICL	
HCM					GIOSL	
NML					GIUL	
TMR					GMRIML	
CPL					GIGL	
FCH					GEGL	

## Notes forming part of the Consolidated Accounts

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

f. The details of segment information is given below

#### Business Segment

Particulars	Power		Roads		Airports		EPC		Others		Inter segment		Unallocated		Total		
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	
	(Rs. in crore)																
Revenue																	
Revenue from customers	2,185.84	2,037.56	390.25	346.07	2,370.26	1,448.99	515.26	409.85	312.17	324.04	-	-	-	-	-	5,773.78	4,566.51
Inter segment revenue	-	1.91	-	-	25.11	0.39	0.32	-	160.20	45.99	(185.63)	(48.29)	-	-	-	-	-
Total revenues	2,185.84	2,039.47	390.25	346.07	2,395.37	1,449.38	515.58	409.85	472.37	370.03	(185.63)	(48.29)	-	-	-	5,773.78	4,566.51
Other expense/ (income) - net - (Refer 4(x)(e)&4(x)(f) of schedule 19)	(105.47)	11.35	21.89	15.01	484.79	284.90	52.29	10.44	993.09	163.61	5.67	(23.09)	-	-	-	1,452.26	462.22
Operating expenses	1,723.50	1,658.36	31.71	25.42	1,202.33	586.21	398.48	253.83	93.30	54.77	(41.97)	(2.00)	-	-	-	3,407.35	2,576.59
Depreciation/ amortisation	145.78	109.68	142.13	144.72	536.61	328.45	4.29	1.14	38.44	28.25	(6.33)	-	-	-	-	860.92	612.24
Segment result	422.03	260.08	194.52	160.92	171.64	249.82	60.52	144.44	(652.46)	123.40	(143.00)	(23.20)	-	-	-	53.25	915.46
Unallocated income/ (expense)													154.04	127.95	154.04	127.95	127.95
Interest income													(1,230.06)	(850.28)	(1,230.06)	(850.28)	
Interest expense													(1,076.02)	(722.33)	(1,022.77)	193.13	
Profit/ (loss) before tax	422.03	260.08	194.52	160.92	171.64	249.82	60.52	144.44	(652.46)	123.40	(143.00)	(23.20)	23.90	(32.21)	23.90	(32.21)	
Income taxes (including deferred tax)													(1,099.92)	(690.12)	(1,046.67)	225.34	
Net profit/ (loss) for the year	422.03	260.08	194.52	160.92	171.64	249.82	60.52	144.44	(652.46)	123.40	(143.00)	(23.20)	23.90	(32.21)	23.90	(32.21)	
Other information																	
Segment assets	13,348.76	6,888.36	5,493.39	4,270.96	17,805.31	13,297.67	495.25	347.34	12,788.11	13,043.49	(9,233.64)	(6,409.44)	-	-	-	40,697.18	31,438.38
Unallocated segment assets													634.12	354.82	634.12	354.82	
Total Assets	13,348.76	6,888.36	5,493.39	4,270.96	17,805.31	13,297.67	495.25	347.34	12,788.11	13,043.49	(9,233.64)	(6,409.44)	634.12	354.82	41,331.30	31,793.20	
Segment liabilities	2,985.44	1,141.97	903.17	594.85	2,494.08	1,151.93	366.00	116.25	271.31	87.33	(1,549.39)	(1,036.51)	-	-	-	5,470.61	2,055.82
Unallocated segment liabilities													24,377.72	21,080.70	24,377.72	21,080.70	
Total Liabilities	2,985.44	1,141.97	903.17	594.85	2,494.08	1,151.93	366.00	116.25	271.31	87.33	(1,549.39)	(1,036.51)	24,377.72	21,080.70	29,848.33	23,136.52	
Capital expenditure	5,358.40	2,107.80	1,146.95	247.45	1,077.40	4,603.80	54.56	22.39	1,057.72	369.01	-	-	-	-	-	8,695.03	7,350.45
Depreciation/ amortisation	145.78	109.68	142.13	144.72	536.61	328.45	4.29	1.14	38.44	28.25	(6.33)	-	-	-	-	860.92	612.24
Other non cash expenses	1.03	10.70	-	-	13.05	25.36	-	-	939.12	2.18	-	-	-	-	-	953.20	38.24

Revenue from customers in respect of airports for the year ended March 31, 2011 is net of annual fees to Airport Authority of India, amounting to Rs. 651.26 crore (2010: Rs.556.91 crore).

The Group has two geographical segments: India and Outside India (Rs. in crore)

Particulars	Revenue		Assets		Capital expenditure	
	2011	2010	2011	2010	2011	2010
India	4,592.41	3,674.19	36,743.89	27,982.75	7,417.70	6,849.08
Outside India	1,181.37	892.32	4,587.41	3,810.45	1,277.33	501.37
Total	5,773.78	4,566.51	41,331.30	31,793.20	8,695.03	7,350.45



## Notes forming part of the Consolidated Accounts

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

#### (xix) Related party transactions

##### a. Names of related parties and description of relationship:

S.No.	Relationship	Name of the Parties
(i)	Holding Company	GMR Holdings Private Limited (GHPL)
(ii)	Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture enterprises exercising significant influence over the subsidiary companies	Airports Authority of India (AAI) Bharat Petroleum Corporation Limited (BPCL) Bird World Wide Flight Services India Private Limited (BWWFSIPL) Cambata Aviation Private Limited (CAPL) Cargo Service Center India Private Limited (CSCIPL) Celebi Ground Handling Delhi Private Limited (CELBI GHDPL) Celebi Hava Servisi A.S (CHSAS) Devyani International Limited (DIL) Fraport AG Frankfurt Airport services Worldwide (FAG) Government of Andhra Pradesh (GoAP) IDFS Trading Private Limited (IDFSTPL) IL & FS Renewable Energy Limited (ILFS Renw) India Development Fund (IDF) Indian Oil Corporation Limited (IOCL) Infrastructure Development Finance Company Limited (IDFC) LGM Guvenlik (LGMG) Limak Insaat San.Ve Tic. A.S. (LISVT) Limak Yatirim (LY) Malaysia Airports (Mauritius) Private Limited (MAMPL) Malaysia Airports Holdings Berhad (MAHB) Malaysian Aerospace Engineering Sdn. Bhd.- (MAE) Malaysian Airline System Bhd. – (MAS) Menzies Aviation Bobba (Bangalore) Private Limited (MABBPL) Menzies Aviation Cargo (Hyderabad) Limited (MACHL) Menzies Aviation India Private Limited (MAIPL) Menzies Aviation PLC (UK) (MAPUK) Menzies Bobba Ground Handling Services Private Limited (MBGHSPL) Oriental Structures Engineers Private Limited (OSEPL) Oriental Tollways Private Limited (OTPL) Rushil Construction (India) Private Limited (RCIPL) Somerset India Fund (SIF) SSP Catering India Private Limited (SSPCIPL) Tenaga Parking Services (India) Private Limited (TPSIPL) Travel Foods Services (Delhi) Private Limited (TFSDPL) U E Development India Private Limited (UEDIPL) Wipro Limited (WL) Yalorvin Limited (YL)
(iii)	Enterprises where key management personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) Corporate Infrastructure Services Limited (CISL) Rajam Enterprises Private Limited (REPL) GMR Enterprises Private Limited (GEPL) Grandhi Enterprises Private Limited (GREPL) Ideaspace Solutions Limited (ISL) GMR Projects Private Limited (GPPL)
(iv)	Associates/JV	Homeland Energy Group Limited (HEGL) (It is a subsidiary effective July 13, 2010) Asia Pacific Flight Training Academy Limited (APFTAL)

## Notes forming part of the Consolidated Accounts

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

S.No.	Relationship	Name of the Parties
(v)	Fellow subsidiary (where transactions have taken place)	GMR Bannerghatta Properties Private Limited (GBPPL) Raxa Security Services Limited (RSSL) GMR Sports Private Limited (GSPL) Crossridge Investments Limited (CIL) GMR International FZE (GIFZE) Delhi Golf Link Properties Private Limited (DGLPPL) GMR Holdings (Overseas) Limited (GHOL) Welfare Trust of GMR Infra Employees (GWT) GMR Hebbal Towers Private Limited (GHTPL) Parry India Sugars Limited (formerly known as GIDL – Fellow subsidiary till August 26, 2010) GMR Holding (Malta) Limited (GHML)
(vi)	Key management personnel and their relatives	Mr. G.M.Rao (Chairman) Mrs. G.Varalakshmi Mr. G.B.S.Raju (Director) (Managing Director till May 11, 2010) Mr. Kiran Kumar Grandhi (Director) Mr. Srinivas Bommidala (Managing Director w.e.f. May 24, 2010) Mr. B.V.Nageswara Rao (Director) Mr. O Bangaru Raju (Director)

#### Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain companies.
  - Certain Key Management Personnel have extended personal guarantees as security towards borrowings of the Group and other body corporates. Similarly, the Holding Company has pledged certain shares held in the Company and other body corporates as security towards the borrowings of the Company.
  - Remuneration to key managerial personal does not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the Company as a whole.
- b. Summary of transactions with the above related parties is as follows:

Nature of Transaction	(Rs. in crore)	
	2011	2010
Purchase of long term investments from		
- Holding Company		
GHPL	-	0.03
- Enterprises where key management personnel and their relatives exercise significant influence		
ISL	-	4.00
REPL	-	3.15
GREPL	-	3.15
- Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
IDFC	-	149.73
- Key management personnel		
Mr. Srinivas Bommidala	-	0.01
Mr. O Bangaru Raju [(Amounting to Rs. Nil (2010: Rs. 24,000)]	-	0.00
Investment in Equity shares		
-Associates/JV		

## Notes forming part of the Consolidated Accounts

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

Nature of Transaction	(Rs. in crore)	
	2011	2010
HEGL (a subsidiary effective July 13, 2010)	-	8.47
-Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	0.01	-
<b>Allotment of equity shares</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
IDFC	-	149.73
IOCL	8.56	-
BPCL	8.56	-
TIML	0.01	-
MAMPL	125.00	-
YL	13.20	-
AAI	325.00	-
IDFSTPL	6.80	-
MAE	7.92	4.75
MAHB	31.20	-
DIL	0.24	-
TFSDPL	0.96	-
SIF	0.94	-
FAG	125.00	-
CSCIPL	6.70	-
OSEPL [2010: Rs. 24,000]	59.80	0.00
OTPL	52.90	-
<b>Preference Shares issued</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
RCIPL	8.32	-
<b>Refund of share application money received</b>		
- Holding Company		
GHPL	14.10	0.02
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
MAHB	-	0.03
GoAP	-	0.01
MACHL	-	1.92
YL	0.02	-
<b>Share application money received</b>		
- Holding Company		
GHPL	-	14.10

## Notes forming part of the Consolidated Accounts

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

Nature of Transaction	(Rs. in crore)	
	2011	2010
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
ILFS Renw	15.48	-
TFSDPL	0.29	-
TIML	6.36	-
CELBI GHDPL	2.08	-
BWWFSIPL	0.50	-
OSEPL	59.80	-
OTPL	52.90	-
MAE	7.92	-
Loans/ advances repaid by		
-Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	15.10	9.13
GVF	27.75	0.25
GEPL	15.00	-
- Holding Company		
GHPL	-	-
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
MAIPL	-	0.10
Loans/ advances given to		
-Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	6.32	17.48
GVF	-	0.25
GEPL	15.00	-
GPPL	10.00	-
GWT	115.00	-
- Fellow Subsidiary		
CIL	11.29	41.02
RSSL	0.65	0.05
GHML	-	-
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
OSEPL	101.20	-
AAI	1.33	-
Loans taken		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
TFSDPL	1.59	-
Loans repaid		

## Notes forming part of the Consolidated Accounts

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

	(Rs. in crore)	
Nature of Transaction	2011	2010
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
TFSDPL	1.60	-
MAIPL	0.10	-
Investment in cumulative convertible debentures		
- Fellow Subsidiary		
GHML	725.68	314.58
Purchase of fixed assets		
- Fellow Subsidiary		
RSSL	-	0.05
GBPPL	-	11.86
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
BPCL	24.37	-
WL	0.03	-
AAI	0.19	-
MBGHSPL	0.01	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GPPL	8.17	53.34
Subordinate Debt		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
UEDIPL	26.00	-
Assets acquired on lease		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	-	6.19
Deposits paid		
- Fellow Subsidiary		
GBPPL	8.22	4.22
DGLPPL	1.00	-
GHTPL	135.00	-
RSSL	0.15	0.18
-Enterprises where key management personnel and their relatives exercise significant influence		
CISL	13.22	-
- Key management personnel		
Mr. B.V. Nageswara Rao	-	0.01
Deposit refund received		
- Fellow Subsidiary		
GBPPL	-	7.50

## Notes forming part of the Consolidated Accounts

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

	(Rs. in crore)	
Nature of Transaction	2011	2010
<b>Advance received</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
BPCL	-	27.75
<b>Equity Dividend declared</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
MACHL	2.00	1.00
<b>Preference Dividend declared</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
MACHL	2.15	2.69
<b>Revenue</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
LGMG	0.61	0.23
MAHB	0.01	0.01
<b>Income from management and other services</b>		
- Fellow Subsidiary		
GHOL	14.13	38.00
GIDL (Ceased to be subsidiary effective August 27, 2010)	-	0.15
<b>Income from Operations</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	2.41	-
<b>Fees received for services rendered</b>		
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.06	-
- Fellow Subsidiary		
GSPL	0.76	-
<b>Fee paid for services received</b>		
- Fellow Subsidiary		
RSSL	-	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	0.01	-
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
WL	8.53	-
MAE	2.78	-

## Notes forming part of the Consolidated Accounts

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

Nature of Transaction	(Rs. in crore)	
	2011	2010
AAI	0.17	-
CELBI GHDPL	0.13	-
BWWFSIPL	0.99	-
CAPL	2.36	-
<b>Interest income</b>		
- Fellow Subsidiary		
GHML	-	95.33
GIFZE	-	0.23
CIL	-	0.02
GPPL [Amounting to Rs.32,877 (2010: Rs. Nil)]	0.00	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	0.26	0.29
GEPL	0.15	-
<b>Operations and Maintenance expenses</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI (Operation support cost)	-	10.48
FAG (Airport operator fees)	35.91	28.74
DIL	0.80	-
MAHB (Success fee)	13.45	-
TPSIPL [Amounting to Rs.5,496 (2010: Rs. Nil)]	0.00	-
LGMG	14.15	3.71
UEDIPL	14.77	13.44
<b>Operations and Maintenance (Advance)</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
UEDIPL	13.02	-
<b>Revenue share paid/payable to concessionaire grantors</b>		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	598.81	556.91
<b>Rent Paid</b>		
- Fellow Subsidiary		
GBPPL	15.51	4.76
DGLPPL	2.37	-
- Key management personnel		
Mr. B.V.Nageswara Rao	-	0.02
<b>Managerial remuneration to</b>		
- Key management personnel and their relatives		
Mr. G.M. Rao	3.48	0.74
Mr. G.B.S. Raju	-	0.82

## Notes forming part of the Consolidated Accounts

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

Nature of Transaction	(Rs. in crore)	
	2011	2010
Mr. Kiran Kumar Grandhi	3.50	3.43
Mr. Srinivas Bommidala	1.55	1.54
Mr. O Bangaru Raju	0.80	0.93
Mr. B. V. Nageswara Rao	2.52	3.29
Logo fee paid/payable to		
- Holding Company		
GHPL	7.41	3.45
Technical and consultancy fee		
- Fellow Subsidiary		
RSSL	3.39	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GPPL	1.24	-
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
CHSAS	0.75	-
AAI	0.35	-
FAG	17.09	-
LY	1.35	-
TPSIPL [Amounting to Rs.2,490 (2010: Rs. Nil)]	0.00	-
DIL	0.04	-
MAE	-	0.30
MAS	-	2.64
MAPUK	4.52	2.12
Other administration expenses		
- Fellow Subsidiary		
GSPL	1.02	0.17
RSSL	26.84	8.01
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	0.24	0.38
MAHB	-	0.38
FAG	-	4.17
LISVT [Amounting to Rs.24,244 (2010: Rs. Nil)]	0.00	-
BPCL	0.19	-
WL	0.03	-
LGMG	0.55	-
Reimbursement of Expenses incurred on behalf of:		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
TIML	0.94	-
MAS	1.21	-



## Notes forming part of the Consolidated Accounts

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

Nature of Transaction	(Rs. in crore)	
	2011	2010
MAE	0.76	-
CELBI GHDPL [Amounting to Rs.13,735 (2010: Rs. Nil)]	0.00	-
TIPL	0.05	-
TFSDPL	0.45	-
CHSAS	0.32	-
SSPCIPL	0.23	-
YL	0.96	-
IDFSTPL [Amounting to Rs.5,440 ( 2010: Rs. Nil)]	0.00	-
CELBI GHDPL	0.06	-
TPSIPL [Amounting to Rs.2,490 ( 2010: Rs. Nil)]	0.00	-
CSCIPL	0.17	-
- Fellow Subsidiary		
GSPL [Amounting to Rs.15,575 ( 2010: Rs. Nil)]	0.00	-
RSSL	0.20	-
GBPPL [Amounting to Rs.40,000 ( 2010: Rs. Nil)]	0.00	-
- Holding Company		
GHPL [Amounting to Rs.17,100 (2010: Rs. 0.28 crore)]	0.00	0.28
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
YL [Amounting to Rs.48,821 ( 2010: Rs. Nil)]	0.00	-
AAI	2.01	0.09
CELBI GHDPL	0.16	-
TIML [Amounting to Rs.27,994 ( 2010: Rs. Nil)]	0.00	-
TIPL [Amounting to Rs.24,768 ( 2010: Rs. Nil)]	0.00	-
CHSAS	0.07	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	-	0.02
- Fellow Subsidiary		
GBPPL [Amounting to Rs.40,248 ( 2010: Rs. Nil)]	0.00	-
GHTPL	-	0.02
GSPL	0.46	-
RSSL	-	0.77
Donations		
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	5.99	1.59
Voluntary retirement compensation scheme		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	-	250.88
Personnel Expenses		

## Notes forming part of the Consolidated Accounts

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

	(Rs. in crore)	
Nature of Transaction	2011	2010
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
DIL	0.07	-
Rent received		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
CELBI GHDPL	0.05	-
Purchase of Aircraft Turbo Fuel (net of return)		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
IOCL	5.22	-
BPCL	2.42	-
Ground Handling Commission Paid		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
CELBI GHDPL	0.01	-
BWWFSIPL	0.07	-
CAPL	0.17	-
Construction cost paid to		
-Enterprises where key management personnel and their relatives exercise significant influence		
GPPL	54.92	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
OSEPL	118.19	-
Interest paid		
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	1.88	-
TFSDPL	0.02	-
UEDIPL	0.26	0.26
Balance payable/ (receivable)		
- Holding Company		
GHPL	6.46	17.32
-Shareholders having substantial interest/ enterprises in respect of which the reporting enterprise is an associate /joint venture enterprise exercising significant influence over the subsidiary companies		
AAI	141.62	530.31
FAG	18.39	125.00
MAE	3.15	0.98
LGMG	0.53	0.22
MAHB	1.99	0.79

## Notes forming part of the Consolidated Accounts

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

Nature of Transaction	(Rs. in crore)	
	2011	2010
MAMPL	-	125.00
MAS	0.79	1.39
BPCL	-	27.75
UEDIPL	-	26.00
GWT	(115.00)	-
DIL	0.52	-
TFSDPL	0.03	-
SSPCSPL	0.45	-
TIML	7.38	-
CSCIPL	0.01	-
WL	1.03	-
OSEPL	(45.57)	-
MAIPL	1.30	1.40
MAPUK	2.05	0.60
ILFS Renw	15.48	-
CHSAS	(0.21)	-
TPSIPL [Amounting to Rs.1,943 ( 2010: Rs. Nil)]	0.00	-
CELBI GHDPL	(0.13)	-
BWWFSIPL	(0.87)	-
CAPL	(1.82)	-
YL	0.96	-
IDFS TPL [Amounting to Rs.10,902 ( 2010: Rs. Nil)]	0.00	-
LY	4.17	-
LISVT	0.00	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.20	27.75
GPPL	(8.15)	13.59
GREPL	-	(8.35)
CISL	13.22	-
- Fellow Subsidiary		
CIL	51.91	(41.02)
DGLPPL	(0.90)	-
GSPL	0.02	-
RSSL	4.78	1.18
GBPPL	(16.35)	(7.44)
GHOL	(14.57)	(33.98)
GHML	(1874.13)	(1,249.62)
- Key management personnel and their relatives		
Mr.G.M. Rao	-	(0.78)
Mr.G.B.S Raju	-	(0.45)
Mr BVN Rao	0.01	-

## Notes forming part of the Consolidated Accounts

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

#### (xx) Disclosure in terms of Accounting Standards 7 - Construction contracts

		(Rs. in crore)	
S.No	Particulars	2011	2010
1	Contract revenue recognised during year	515.26	409.85
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date.	1,242.06	726.55
3	Amount of customer advances outstanding for contracts in progress	156.84	15.00
4	Retention money due from customers for contracts in progress	29.29	-
5	Gross amount due from customers for contract works as an asset	58.25	-

(xxi) The reporting dates of the Subsidiaries, Associates and Joint Ventures coincide with that of the parent except in case of HEGL and its subsidiaries and joint ventures, whose financial statements for the period ended on and as at December 31, 2010 were considered for the purpose of the consolidated financial statements of the Group.

#### (xxii) Acquisitions during the year

a. The Group has acquired following subsidiaries during the year:

o HEGL	o GADL	o ATSCl	o MTSCl	o GAHSCL	o HEC	o HMES
o HESW	o HMEB	o HMMPL	o HCM	o KSPL	o LAPPL	o PAPPL
o DPPL	o HEC	o WIL	o CPL	o FCH	o GADLIL	o GADLML

b. The Group had acquired following subsidiaries during the previous year:

o SJK	o EMCO	o GCHEPL	o PT	o GOSEHHHPL	o GCORRPL	o GHVEPL
o BOPPL	o DSPL	o IPIPL	o IPSPL	o IPCPL	o LETPL	o GCPL
o GHDPL	o GCAPL					

c. The effect of the acquisition of subsidiaries on the financial position at the reporting date, the results for the reporting period.

		(Rs. in crore)	
Particulars	March 31, 2011	March 31, 2010	
Reserves and surplus	(43.57)	5.80	
Capital reserve on consolidation	2.46	-	
Goodwill on consolidation	86.37	182.64	
Fixed assets - Gross block	208.60	63.11	
Accumulated depreciation	19.94	0.04	
Net block	188.66	63.07	
Capital work-in-progress including capital advances	804.02	441.57	
Investments	22.18	46.50	
Deferred tax asset	0.51	0.02	
Cash and bank balances	85.78	31.80	
Sundry debtors	46.60	2.71	
Inventory	15.18	-	
Loans and advances (including other current assets)	90.52	134.17	
Secured loan	465.00	-	
Unsecured loan	274.63	233.17	

## Notes forming part of the Consolidated Accounts

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

Particulars	(Rs. in crore)	
	March 31, 2011	March 31, 2010
Current liabilities	176.53	23.94
Provisions	17.74	1.03
Total income	107.09	0.10
Total expenses	128.20	10.44
Interest and finance charges (net)	5.98	0.21
Profit/(loss) before taxation	(27.09)	(10.56)
Taxation	0.98	0.38
Profit/ (loss) after taxation	(26.11)	(10.94)

#### (xxiii) Employee stock options:

HEGL, an overseas subsidiary of the Company has provided various share-based payment schemes to its employees as well as non-employees. During the period ended December 31, 2010, the following Stock option scheme was in operation:

Particulars	February 10, 2009	December 16, 2009
Date of grant	February 10, 2009	December 16, 2009
Number of options granted	3,500,000	5,545,000
Method of Settlement (Equity/Cash)	Equity	Equity
Vesting Period	5 Years	5 Years
Exercise Period	5 Years	5 Years
Vesting Conditions	Terminates after 90 days from cessation of employment	Terminates after 90 days from cessation of employment

The details of activity under Stock Options have been summarized below:

Particulars	December 31, 2010	
	Number of options	Weighted Average Exercise Price(CAD)
Outstanding at the beginning of the Period	6,461,250	0.13
Granted during the Period	-	-
Forfeited during the Period	-	-
Exercised during the Period	-	-
Expired during the Period	2,211,250	0.95
Outstanding at the end of the Period	4,250,000	0.14
Exercisable at the end of the Period	4,250,000	0.14

Weighted average fair value of options granted on the date of grant is CAD. 0.06.

The details of exercise price for stock options outstanding at the end of the period ended December 31, 2010

Exercise price per share	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
0.20	765,000	3Yrs 2 Months	0.12
0.12	3,485,000	3 Yrs 11 Months	0.05

## Notes forming part of the Consolidated Accounts

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

#### Stock Options granted

The weighted average fair value of stock options granted during the period was CAD Nil. The BlackScholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	December 31, 2010
Weighted average share price (in CAD)	0.06
Exercise Price (in CAD)	0.13
Expected Volatility (%)	71.00%
Life of the options granted (Vesting and exercise period) in years	1.50
Expected dividends	-
Average risk-free interest rate (%)	3.60%
Expected dividend rate	-

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures. To allow for the effects of early exercise, it was assumed that the employees will exercise the options one and half year after the vesting date.

- (xxiv) a. Previous year figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.
- b. Consequent upon acquisition/ incorporation of subsidiaries and JVs, the figures of current year are not comparable with those of previous year.
- (xxv) The consolidated financial statements as at and for the year ended March 31, 2011 have been audited by S.R. Batliboi & Associates. The consolidated financial statements as at and for the year ended March 31, 2010 were audited jointly by S.R. Batliboi & Associates and Price Waterhouse.

As per our report of even date.

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

per Sunil Bhumralkar  
Partner  
Membership No.: 35141

Place: Bengaluru  
Date: May 30, 2011

For and on behalf of the Board of Directors

G.M. Rao                      Srinivas Bommidala      Subba Rao Amarthaluru      C.P. Sounderarajan  
Executive Chairman      Managing Director      Group CFO                      Company Secretary

Place: Bengaluru  
Date: May 30, 2011