

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

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

1. Board of Directors

a. Composition of the Board

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

The Board comprises of the following Directors:

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

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

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

* Committee means Audit Committee and Shareholders' Grievance Committee.

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

Relationships between directors inter-se

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

b. Board Meetings

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

c. Directors' Attendance record

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

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

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

#Attendance includes participation through video conference.

d. Code of Conduct

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

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

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate and to take necessary

penal action for any act of sexual harassment, which includes unwelcome sexually determined behaviour. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment by displaying posters at all the prominent places in the Offices of the Company.

e. Whistle Blower Policy

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

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

f. Risk Management

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

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

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

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

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

The Board of Directors of the Company and its subsidiaries are regularly informed on the status of key risks, risk assessment and treatment

procedures in place thus ensuring the effectiveness of the oversight mechanism. These procedures are subjected to a periodical review to ensure that the management controls the risk through means of a properly defined framework.

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

g. Subsidiary Companies

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

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

2. Audit Committee

a. Constitution of Audit Committee:

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

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

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

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

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

b. Meetings and attendance during the year:

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

The attendance of the Audit Committee members is as under:

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

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

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

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

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services;
- iii. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by the management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with listing and other legal requirements concerning financial statements;
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- iv. Reviewing, with the management, statutory and internal auditors, the adequacy of internal control systems;
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- vii. Discussion with internal auditors on any significant findings and follow-up there on;
- viii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or

a failure of internal control systems of a material nature and reporting the matter to the Board;

- ix. Discussion with the external auditors before the audit commences, nature and scope of audit as well as post-audit discussions to ascertain any area of concern;
- x. Reviewing the Company's financial and risk management policies;
- xi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xii. Reviewing, with the management, the statement of uses/ application funds raised through an issue (public issue, rights issues, preferential issue etc.), the statement of funds utilised for the purpose other than those stated in the offer document /prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- xiii. Reviewing Whistle Blower mechanism;
- xiv. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

3. Remuneration Committee

a. Constitution of Remuneration Committee:

The Remuneration Committee comprises of the following Directors as members:

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

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

b. Meetings and Attendance during the year:

During the financial year ended March 31, 2012, one meeting of the

Committee was held on May 27, 2011 and the attendance of the members is as under :-

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

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

- i. Meetings of the Committee shall be held whenever matters pertaining to the remuneration payable, including any revision in remuneration payable to Executive / Non-Executive Directors are to be made;
- ii. Payment of remuneration shall be approved by a resolution passed by the Remuneration Committee;
- iii. All information about the Directors /Managing Directors / Wholetime Directors i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders;
- iv. The committee shall take into consideration and ensure the compliance of provisions under Schedule XIII of the Companies Act, 1956 for appointing and fixing remuneration of Managing Directors / Wholetime Directors;
- v. While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- vi. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders;
- vii. Following disclosures on the remuneration of Directors shall be made in the section on the Corporate governance of the Annual Report:
 - All elements of remuneration package of all the Directors i.e. salary, benefits, bonus, stock options, pension etc.;
 - Details of fixed component and performance linked incentives, along with the performance criteria;
 - Service contracts, notice period, severance fees;
 - Stock option details, if any, and whether issued at a discount as well as the period over which accrued and over which exercisable.

d. Remuneration Policy

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

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

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

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

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

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

4. Shareholders' Transfer and Grievance Committee

a. Constitution of the Committee:

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

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

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

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

b. Meetings and Attendance during the year:

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

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

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

- Allotment of all types of securities to be issued by the Company;
- Transfer, transposition and transmission of securities;
- Issuance of duplicate shares or other securities;
- Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Reports, etc.;
- Investigate into other investor's complaints and take necessary steps for redressal thereof;
- To perform all functions relating to the interests of shareholders / investors of the Company as may be required by the provisions of the Companies Act, 1956, Listing Agreements with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority;
- Authorise Company Secretary or other persons to take necessary action on the above matters;
- Appointment and fixation of remuneration of the Registrar and Share transfer Agent and Depositories and to review their performance.

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

Nature of Complaints	No. of Complaints Received	No. of Complaints Resolved	Pending Complaints
Non-receipt of Electronic Credit	1	1	0
Non-Receipt of Refund Order	2	2	0
Non-Receipt of Dividend Warrants	29	29	0
Non-Receipt of Share Certificates	11	11	0
Non-Receipt of Annual Reports	26	26	0
SEBI Complaints (including SCORES)	3	3	0
Total	72	72	0

5. Management Committee

a. Constitution of Management Committee:

The Management Committee comprises of the following Directors as members:

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

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

b. Meetings and Attendance during the year:

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

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

Attendance includes participation through video conference.

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

- Decision-making relating to operational matters such as investments in new projects, financial matters, borrowings, capital expenditure, purchases and contracts - non-capital (including services), sales and marketing, long-term contracts, stores, HR related matters, establishment and administration, writing-off of assets, etc.
- Decision-making relating to private placements/QIP/IPO matters like quantum of issue, issue price, appointment of lead managers and other intermediaries, registrars to the issue, bankers to the issue, listing of shares, execution of all the documents pertaining to IPO, etc.

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

6. Debentures Allotment Committee

a. Constitution of Debentures Allotment Committee:

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

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

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

b. Meetings and Attendance during the year:

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

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

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

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

7. Corporate Governance Committee

a. Constitution of Corporate Governance Committee:

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

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

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

b. Meetings and Attendance during the year:

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

Names	No. of Meetings	
	Held	Attended
Mr. Arun K. Thiagarajan	1	1
Dr. Prakash G. Apte	1	1
Mr. R. S. S. L. N. Bhaskarudu	1	1
Mr. Uday M Chitale	1	1

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

- i. To review and recommend best Corporate Governance practices including Board processes, disclosure practices, policy on ethics / code of conduct etc.;
- ii. To continuously review and reinforce the Corporate Governance practices within the Company;
- iii. To lay down process for induction of directors after due diligence;
- iv. Any other matter as the Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

8. Nomination Committee

a. Constitution of Nomination Committee:

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

The Nomination Committee comprises of the following Directors as members:

Names	Designation
Mr. R. S. S. L. N. Bhaskarudu	Chairman
Mr. B. V. N. Rao	Member
Mr. Arun K. Thiagarajan	Member
Mr. N. C. Sarabeswaran	Member

9. General Body Meetings

a. Annual General Meetings

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

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

b. Extraordinary General Meetings

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

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

b. Special Resolutions passed through postal ballot:

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

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2012, no meeting of the Committee was held.

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

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

10. Disclosures

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

The transactions with related parties are mentioned at page no 193, may be verified in the Annual Report. None of the transactions with related parties were in conflict with the interests of the Company at large.

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

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

11. Means of Communication

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

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

12. Management Discussion and Analysis Report (MDA)

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

13. General Shareholder Information

a. Date, time and venue of the 16th AGM:

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

b. Financial Calendar:

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

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

c. Book Closure Date:

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

d. Dividend Payment Date:

In order to conserve funds for projects which are in development, expansion and implementation stages, the Board has not recommended any dividend for the financial year 2011-12.

e. Listing on Stock Exchanges:

(i) Equity Shares:

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

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

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

(ii) Privately placed Debt instruments:

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

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

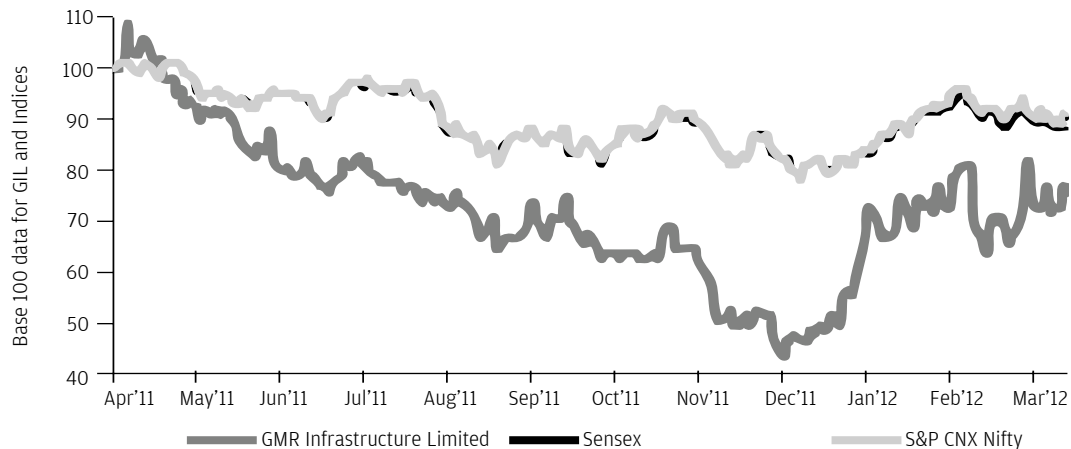
Annual listing fees for all the NCDs for the year 2012-13 has been paid by the Company.

f. Stock Market Data relating to Shares Listed

(Amount in Rs.)

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

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



g) Registrar & Share Transfer Agent (RTA)

Main Office:

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

Branch Office:

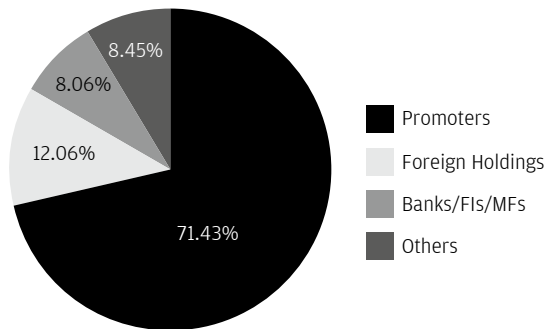
Karvy Computershare Private Limited
 No. 51/2, TKN Complex, Vani vilas Road,
 Opp: National College
 Basavannagudi, Bengaluru-560 004
 Telephone No. 080 - 41204350
 Fax No. 080 - 26621169
 Email ID: sksharma@karvy.com

h. Share Transfer procedure:

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

i) Distribution of shareholding as on March 31, 2012

Distribution by category



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

Distribution by size

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

j. Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization in both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.97% of shares have been dematerialized as on March 31, 2012.

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

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

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

Not Applicable

l. Investor correspondence:

Registered office address

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

Company Secretary and Compliance Officer

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

m. Prevention of Insider Trading:

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

n. Reconciliation of Share Capital Audit:

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

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

o. Corporate Identity Number (CIN)

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

p. Compliance Certificate

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

q. Equity Shares in the Suspense Account

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

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

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

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

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

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

r. Adoption of non-mandatory requirements of Clause 49

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

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

To

The Members of GMR Infrastructure Limited

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

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

Place: Bengaluru
Date: May 29, 2012

B. V. N. Rao
Managing Director

CEO / CFO certification

To the Board of Directors,
GMR Infrastructure Limited

We hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2012 and to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i. Significant changes in internal controls over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; wherever applicable and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting
- e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

For GMR Infrastructure Limited

For GMR Infrastructure Limited

B. V. N. Rao
Managing Director

Subba Rao Amarthaluru
Group CFO

Place: Bengaluru

Date: May 29, 2012

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L45203KA1996PLC034805

Nominal Capital : Rs. 750 Crore

To the Members of GMR Infrastructure Limited

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

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

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

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

For V. Sreedharan & Associates
Company Secretaries

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

Place : Bengaluru

Date : August 9, 2012

SECRETARIAL AUDIT REPORT

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

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

- The Companies Act, 1956 and the Rules made under that Act;
 - The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
 - The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and as amended to date;
 - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, The Securities Contracts(Regulation) Act, 1956 (SCRA) and the Rules under that Act and as amended to date; and
 - The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited and Listing Agreement for Debt Securities with National Stock Exchange of India Limited.
1. Based on our examination and verification of the registers, records and documents produced before us and according to the information and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956, ("Companies Act or the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company with regard to:
- (a) Maintenance of various statutory registers and documents and making necessary entries therein;
 - (b) Closure of the Register of Members;
 - (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
 - (d) Service of documents by the Company on its Members, Auditors, the Registrar of Companies and other Authorities as required under the Act;
 - (e) Notice of Board Meetings and Committee Meetings of Directors;
 - (f) The Meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - (g) The 15th Annual General Meeting held on September 2, 2011;
 - (h) Minutes of proceedings of General Meetings and of Board and its Committee Meetings;
 - (i) Constitution of the Board of Directors/Committee(s) of Directors and appointment, retirement, remuneration and re-appointment of directors including the Managing Director;
 - (j) Appointment and remuneration of Auditors;
 - (k) Transfers and transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificates of shares and debentures, to the extent applicable;
 - (l) Borrowings, registration, modification and satisfaction of charges;
 - (m) Investment of the Company's funds, including inter-corporate loans and investments and loans to others;
 - (n) Giving guarantees in connection with loans taken by subsidiaries and associate companies;
 - (o) Balance Sheet and Statement of Profit and Loss as prescribed under Revised Schedule VI to the Act;
 - (p) Board's Report;
 - (q) Contracts, common seal, registered office and publication of name of the Company; and
 - (r) Generally, all other applicable provisions of the Act and the Rules made under that Act.
2. We further report that:
- (a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements/ shareholdings and directorship in other companies and interests in other entities;
 - (b) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and Ethics for Directors and Managerial Personnel.

- (c) The Company has obtained all necessary approvals under the various provisions of the Act;
 - (d) There was no prosecution initiated against and no fines or penalties were imposed on the Company, its Directors and Officers during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, and Regulations and Guidelines framed under these Acts.
3. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization of securities/ rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. We further report that:
- (a) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
 - (b) The Company has complied with the provisions of the Securities

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

- (c) The Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and the National Stock Exchange of India Limited and Listing Agreement for Debt Securities with the National Stock Exchange of India Limited;
- (d) The Company has complied with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

For V. Sreedharan & Associates
Company Secretaries

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

Place : Bengaluru
Date : July 12, 2012