

Directors' Report

Dear Shareholders,

The Board of Directors present the 18th Annual Report together with the audited accounts of the Company for the year ended March 31, 2014.

Financial Results

Your Company, as a holding company, operates in four different business sectors - Energy, Airports, Highways and Urban Infrastructure through various subsidiaries, associates and jointly controlled entities. The Company

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

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

(₹ in Crore)

| Particulars | March 31, 2014 | March 31, 2013 |
|---|-------------------|-----------------|
| Revenue from operations | 10,653.22 | 9,974.86 |
| Revenue share paid / payable to concessionaire grantors | (1,943.69) | (1,669.48) |
| Operating and administrative expenditure | (5,957.94) | (5,697.34) |
| Other Income | 315.87 | 277.19 |
| Finance Costs | (2,971.88) | (2,099.00) |
| Utilisation fees | (186.18) | (130.87) |
| Depreciation and amortisation expenses | (1,454.99) | (1,039.78) |
| (Loss) / profit before exceptional items, tax expenses and minority interest | (1,545.59) | (384.42) |
| Exceptional Items: | | |
| Profit on dilution in subsidiaries | 69.73 | - |
| Profit on sale of jointly controlled entities / subsidiary | 1,658.93 | 1,231.25 |
| Profit on sale of assets held for sale | 100.54 | - |
| Loss on impairment of assets in subsidiaries | (8.95) | (251.37) |
| Assets write off in a subsidiary | - | (202.61) |
| Profit / (loss) before tax expenses and minority interest | 274.66 | 392.85 |
| Profit / (loss) from continuing operations before tax expenses and minority interest | (1,408.28) | (310.36) |
| Tax expenses (including tax adjustments for prior years, deferred tax and MAT credit entitlement) of continuing operations | (161.33) | (241.62) |
| Profit / (loss) after tax expenses and before minority interest from continuing operations | (1,569.61) | (551.98) |
| Minority interest - share of (profit) / loss from continuing operations | (117.66) | (86.40) |
| Profit / (loss) after minority interest from continuing operations (A) | (1,687.27) | (638.38) |
| Profit / (loss) from discontinuing operations before tax expenses and minority interest | 1,682.94 | 703.21 |
| Tax expenses (including tax adjustments for prior years, deferred tax and MAT credit entitlement) of discontinuing operations | (4.92) | (15.82) |
| Profit / (loss) after tax expenses and before minority interest from discontinuing operations | 1,678.02 | 687.39 |
| Minority interest - share of (profit) / loss from discontinuing operations | 19.26 | 39.11 |
| Profit / (loss) after minority interest from discontinuing operations (B) | 1,697.28 | 726.50 |
| Profit / (loss) after minority interest from continuing and discontinuing operations (A+B) | 10.01 | 88.12 |
| Net deficit in the statement of profit or loss - Balance as per last financial statements | (756.33) | (714.17) |
| Loss before appropriation | (746.32) | (626.05) |
| Appropriations | (437.24) | (130.28) |
| Net deficit in the statement of profit or loss | (1,183.56) | (756.33) |
| Earnings per equity share (₹) - Basic and diluted (per equity share of ₹ 1 each) | 0.03 | 0.23 |
| Earnings per equity share (₹) from continuing operations - Basic and diluted (per equity share of ₹ 1 each) | (4.33) | (1.64) |
| Earnings per equity share (₹) from discontinuing operations - Basic and diluted (per equity share of ₹ 1 each) | 4.36 | 1.87 |

Consolidated revenue from operations grew by 6.80% from ₹ 9,974.86 Crore to ₹ 10,653.22 Crore. Airport, Energy, Highways, EPC and other segments contributed ₹ 5,996.12 Crore (56.28%), ₹ 3,342.61 Crore (31.38%), ₹ 737.88 Crore (6.93%), ₹ 239.75 Crore (2.25%) and ₹ 336.86 Crore (3.16%) respectively to the revenue from operations.

As part of your company's strategy for long term value creation for its shareholder and portfolio churning, your company successfully divested its 40% stake in Sabiha Gokcen Airport in Istanbul, Turkey i.e. Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim Yapim Ve Isletme Sirketi ('ISG') and the hotel entity at Turkey Airport, LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi ('LGM'). This has resulted in a profit of ₹ 1,658.93 Crore (net of cost incurred towards sale of equity stakes), which is presented as an exceptional item in the financial statements. The group completed the divestment of 74% stake each held in GMR Jadcherla Expressways Limited and GMR Ulundurpet Expressways Private Limited and has recognized a profit of ₹ 69.73 Crore on dilution of stake in these subsidiaries. The group also completed the sale transaction for the coal mines of Homeland Energy Group Limited (HEGL) in South Africa after obtaining the requisite approvals and has recognized a profit on sale of assets held for sale of ₹ 100.54 Crore. This comprises of profit of ₹ 37.02 Crore recognized on sale of one of such mines and recognition of foreign exchange gain of ₹ 63.52 Crore (inclusive of Foreign Currency Translation Reserve) on account of disposal of equity stake in the coal mine entities. During the year ended March 31, 2013 the Group had made an Impairment provision of ₹ 251.37 Crore towards carrying value of net assets of HEGL.

Despite an extremely challenging year with constraints on fuel and financing amongst other concerns, your company has endeavored to focus on operationalization of its projects. Your company's energy sector successfully commissioned all units of EMCO and Kamalanga (Phase I) power plants and achieved partial completion of Chennai Outer Ring Road. Reflecting on its strong airports strategy, your company along with its partner, Megawide, has won the Mactan Cebu International Airport (MCIA), a brownfield airport project in the Republic of Philippines. Your company has signed a 25 year concession agreement to renovate and expand the MCIA, the second largest Airport in Philippines and a tourist gateway to the country.

Presented below are the standalone financial results of the Company:

(₹ in Crore)

| Particulars | March 31, 2014 | March 31, 2013 |
|--|-----------------|----------------|
| Revenue from operations | 786.29 | 1,432.79 |
| Operating and administrative expenditure | (525.39) | (1,072.01) |
| Other Income | 4.77 | 28.58 |
| Finance costs | (408.71) | (374.43) |
| Depreciation and amortization expenses | (8.42) | (8.31) |
| (Loss) / Profit before exceptional items and tax expenses | (151.46) | 6.62 |
| Exceptional items: | | |
| Profit on sale of investment in subsidiary / jointly controlled entity | 472.06 | 75.83 |
| (Loss) on redeemable preference shares | (131.25) | - |
| Provision for diminution in the value of investment in a jointly controlled entity | (1.27) | - |
| Profit before tax | 188.08 | 82.45 |
| Tax expenses (including deferred tax and MAT credit entitlement) | (22.18) | (29.00) |
| Profit for the year | 165.90 | 53.45 |
| Surplus in the statement of profit and loss - Balance as per last financial statements | 309.06 | 382.37 |
| Transfer from debenture redemption reserve | 108.75 | - |
| Profit available for appropriation | 583.71 | 435.82 |
| Appropriations: | | |
| Transfer to debenture redemption reserve | 108.50 | 81.53 |
| Proposed equity dividend | 38.92 | 38.92 |
| Tax on proposed equity dividend | 6.92 | 6.31 |
| Proposed preference dividend [₹1,868] | 0.00 | - |
| Tax on proposed preference dividend [₹ 318] | 0.00 | - |
| Net surplus in the statement of profit and loss | | |
| Earnings per share (₹) - Basic and Diluted | 0.43 | 0.14 |

The revenue from operations of the Company on standalone basis has reduced by 45.12% from ₹1,432.79 Crore to ₹ 786.29 Crore on account of completion of majority of the projects handled by the EPC segment. The operating and administrative expenditure has also reduced accordingly by 51% from ₹ 1,072.01 Crore to ₹ 525.39 Crore. During the year, the company has divested its equity stake in Turkey Airport entity (ISG) and this has resulted in a profit of ₹ 458.78 Crore (net of cost incurred towards sale of

equity stake), which is presented as an exceptional item in the financial statements. Loss on redeemable preference shares amounting to ₹ 131.25 Crore and provision for diminution in the value of investment in the Ground Handling jointly controlled entity at Turkey (Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri Anonim Sirketi) amounting to ₹ 1.27 Crore have been shown as an exceptional item in the financial statement.

Loss on redeemable preference shares amounting to ₹ 131.25 Crore was on account of the waiver of the premium paid by the Company on conversion of the 1% non-cumulative preference shares of GEL as part of the Amended and Restated Share Subscription agreement with the PE investors of GEL. This was done to maintain optimum fair value per share and enabled GEL and the Company to conclude the arrangement in favourable terms.

Dividend

The Board of Directors has recommended a dividend of ₹ 0.10 per equity share of ₹ 1 each (10%) for the financial year (FY) ended March 31, 2014 and a preference dividend aggregating ₹ 1,868 on pro rata basis (from March 26, 2014 to March 31, 2014) @ 0.001% per annum on 11,366,704 Compulsorily Convertible Preference Shares (CCPS) of face value of ₹ 1000/- each, subject to the approval of shareholders at the Annual General Meeting.

In view of the qualification of the audit report by the Company's Auditors on recognition of profit of sale of ISG in the financial statements for the current year ended March 31, 2014, the Board of Directors had examined and satisfied themselves that the surplus available for appropriation, before considering the profit on sale of ISG is sufficient for payment of dividend recommended by the Board. Further, the audit report contains a Qualification on the significant doubt about the going concern of GMIAL and GADLIL. However, based on the recent favorable arbitration award, internal assessment and legal opinion, the Group is confident of getting a favorable award and expect no adverse impact on the financials.

Subsidiary Companies

As on March 31, 2014, the Company had 123 subsidiary companies apart from other jointly controlled entities and associates. Operation of businesses through subsidiaries is mainly due to requirement of concession agreements. The complete list of subsidiary companies as on March 31, 2014 is provided in Annexure 'A' to this Report.

Review of Operations/Projects of Subsidiary Companies and EPC

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

Airport Sector

Airports business consists of two operating airports in India at Delhi and Hyderabad, and signed a concession agreement for Cebu airport in April 2014.

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

Delhi International Airport Private Limited (DIAL)

DIAL is a joint venture (JV) between GMR Group (54%), Airports Authority of India (26%), Fraport AG Frankfurt Airport Services Worldwide (Fraport) (10%) and Malaysia Airports (Mauritius) Private Limited (10%) and has entered into a long-term agreement to operate, manage and develop the Indira Gandhi International Airport (IGIA), Delhi.

Highlights of FY 2013-14:

Despite the economic recession worldwide, DIAL has registered a significant growth in passenger and Cargo traffic in FY 13-14 with 36.88 million passengers (with year-on-year growth of 7.3%) and 605,699 MT of cargo (with year-on-year growth of 10.9%).

Further, there were significant successes in implementing operational efficiency and cost rationalization initiatives. Specifically, Business Excellence initiatives and TOC (Theory of Constraints) implementation contributed significantly towards the institutionalization of a 'process-based approach' and achievement of Operational Excellence. An example was the Delhi Airport Collaborative Decision Making (DA-CDM) implementation which improved the operational efficiency significantly by achieving a high On Time Performance (OTP) (~88%) as well as peak hour Air Traffic Movements (ATM) of 78.

On the Operations front, Malindo Airlines and Tajik Air were new entrants in the airline segment while new sectors connected include Melbourne, Sydney, Birmingham and Bishkek. Further, DIAL enjoyed excellent improvement in the quality of passenger service delivery and maintained ASQ Ranking of 2nd Best Airport in 25-40 million passengers per annum (mppa) category for 3rd year in a row. On the Aerocity front, operations commenced for 4 Hotels (JW Marriott, Lemon Tree, Red Fox and Holiday Inn).

Additionally, DIAL became the 1st Airport in India (and one of the few Airports in world) to commission a 2.14 MW Photo Voltaic (PV) solar power plant for captive use. This plant is expected to reduce the Airport energy consumption from State Electricity Grid by 3.2 million units per annum.

Awards and Accolades received in FY 2013-14:

- CNBC AWAAZ Travel Awards for Best Managed Airport (3rd year in a row);
- "Best Airport in India and Central Asia" in SKYTRAX - 2014 World Airport Awards;
- First Airport across the Globe to have successfully registered with United Nations Framework Convention on Climate Change (UNFCCC) as Clean Development Mechanism (CDM);
- First IATA e-freight compliant Airport in India;
- Globally recognized Airport Carbon Accredited 'Optimization' Award for its accomplishments in effectively managing and reducing carbon emissions from Airport Council International (ACI);
- Airport Carbon Accredited 'Optimization' Award by ACI;
- ISO 39001: 2012 Certification - Road Traffic Safety (RTS) Management System; 1st organization in India and 1st Airport in the world;
- International Safety Award 2013, British Standards Institution (BSI);
- Indian National Suggestion Schemes' Association (INSSAN) Award for Employee Engagement;
- 12th Annual Greentech Safety Award 2013 in Gold Category in Aviation Services Sector.

GMR Hyderabad International Airport Limited (GHIAL)

GHIAL is a JV Company promoted by the GMR Group (63%) in partnership with AAI (13%), Government of Andhra Pradesh (now Government of

Telangana) (13%) and MAHB (Mauritius) Private Limited (11%). GHIAL has set up India's first Greenfield Airport, Rajiv Gandhi International Airport (RGIA) at Shamshabad, Hyderabad.

RGIA recorded passenger traffic of 8.73 million in FY 2013-14, a growth of 4% over FY 2012-13. International traffic grew by 14% as compared to FY 2012-13, while the domestic traffic grew by 1%.

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

Cargo handled in FY 2013-14 was 90,234 MT which registered a growth of 7% over FY 2012-13. The domestic cargo grew by 11% and international cargo grew by 5% as compared to FY 2012-13.

On domestic front, however the operations of Jet airways have come down, while Indigo and Spicejet added their capacities and routes and Air Costa started its operations from Hyderabad.

As per the AERA Aeronautical tariff order No. 38 issued on February 24, 2014, in respect of the control period from April 1, 2011 to March 31, 2016, there will be no Passenger Service Fee (Facilitation component) for embarking passengers and the same will be considered as part of User Development Fee (UDF). Further, UDF for the period from April 1, 2014 to March 31, 2016 has been determined to be ₹ Nil. This will have significant impact on the profitability and cash flows during the mentioned period. GHIAL has initiated legal recourse challenging the aforesaid AERA order and had also initiated certain steps towards strategic cash management. Further, with the expected UDF commencing in the next tariff cycle, the financial position is expected to improve thereafter.

The Company continued its two-pronged strategy, for overall improvement in its business. The first focused on airlines that are the primary customers called "Route Development Strategy" and the second one being "Passenger Development Strategy". The primary objective of these strategies are to make Hyderabad Airport as South and Central India's gateway thereby enabling airlines to have financially sustainable operations from Hyderabad. As part of this strategy, the launch of Spicejet - Tiger Airways interline was facilitated.

Also, the Company launched its cargo Air Freight Station (AFS) at Nagpur to augment its cargo throughput from the catchment area.

The following awards and recognitions were received during the year:

- World No. 2 position in the ACI ASQ (Airport Service Quality) Survey for the year 2013 in the 5-15 MPPA category;
- ASSOCHAM-CSR Excellence Award 2012-13;
- FICCI-CSR Award 2012-13;
- Prestigious "NATIONAL TOURISM AWARD 2012-13" under the Best Airport Category for fourth consecutive year;
- CAPA Airport Marketing Award (for Airports handling up to 15 mppa) at the 10th Annual CAPA Aviation Awards for Excellence;
- 1st Airport in the World to receive 5-Star Certification Award of the British Safety Council's Health and Safety Management System. GHIAL has been awarded the prestigious 'Sword of Honour', considered the 'Oscar of the Safety World' by the British Safety Council for its Safety

Management System and Safety Practices;

- 1st Airport in India Level 3 (Optimization) Accreditation by ACI on Airport Carbon Emission.

Aerotropolis Development

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

GHIAL is developing India's largest Airport City in the vicinity of Hyderabad Airport with an objective of creating an ecosystem that will generate benefits for the Airport as well as the regional economy and facilitate in establishing the prominence of Hyderabad Airport in the global arena. Master Plan for the entire Airport City has been completed and the physical infrastructure activities have started. The initial phase assets consisting of Aerospace SEZ, Retail, Business School, Exhibition Centre etc. are in various stages of design and development. During the year, lease agreement with new third party tenants in the Aerospace Park - Turbo Jet Engines, SAS Applied Research and Lab Materials and United Technologies Corporation India have been signed. Apart from above, a store has been opened in the Airport City by World's leading sports retailer Decathlon during the year.

Aircraft - Maintenance, Repair and Overhaul (MRO)

The MRO facility is a part of Aero-SEZ of GMR Hyderabad International Airport. Titled MAS-GMR Aerospace Engineering (MGAE), it is a 50:50 joint venture of GHIAL and Malaysian Aerospace Engineering Sdn Bhd. The facility is being operated by MAS-GMR Aero Technic Limited (MGAT) which is a wholly owned subsidiary of MGAE.

MGAT has ultra-modern facilities for aircraft maintenance, painting, avionics upgrades, interior refurbishments, aircraft modifications, structural repairs and Line Maintenance. It can cater to various types of narrow-body aircraft belonging to Airbus, Boeing, ATR and Bombardier families.

During the year under review, the facility has provided Heavy Maintenance services to 37 aircraft which includes C-checks on B737-800, B737-900, A320, A321, ATR and Q400 aircraft for both Domestic and International customers. Additionally, Company has carried out Engine Changes and Landing gear changes on various aircraft. Apart from Heavy maintenance checks, your Company has performed seat retrofit on 34 A-320 aircraft.

During the Financial Year 2013-14 your Company is in advanced stage of negotiation for closing Heavy Maintenance contracts with major Domestic Airlines. Company has also opened Line Maintenance office at the Airport for providing Line Maintenance support to Major International carriers at Hyderabad. Further marketing efforts are being intensified to secure more Heavy Checks and Line Maintenance works at Hyderabad and at other Line Stations. The Company is also engaged in intensive marketing to penetrate into the neighboring countries market for providing Heavy Maintenance checks to the Airlines belonging to these countries.

Additionally, the facility has secured and delivered 2 Repossession checks of

A321 aircraft to an International Lessor and received positive feedback for providing quality service. In addition, the company has secured the contract to perform two B737-800 aircraft 'End of Lease' checks from Domestic airlines. This forms a strong case and helps in securing more 'End of Lease' checks from both Domestic and International carriers.

Istanbul Sabiha Gokcen International Airport Limited (ISG)

ISG is a Joint Venture (JV) Consortium which operates, manages and develops the Sabiha Gökçen Airport, which is the 2nd airport at Istanbul. The JV Consortium consists of GMR Infrastructure Limited (GMR Group - 40%), Limak Holding (40%) and Malaysia Airports Holdings Berhad (20%). The terminal developed by the consortium has a capacity to handle up-to 25 million passenger per annum and has the rights to operate the terminal buildings, multi-storey car park, cargo, aircraft refueling operations, airport hotel and Commercial Important Person (CIP) facilities in the airport.

ISGI recorded 18.9 million total passengers in calendar year 2013, which corresponds to a 27% annual increase in total passenger traffic.

As part of the Asset Light - Asset Right (ALAR) strategy, the GMR Group divested its 40% stake in ISG and the hotel entity at Turkey Airport, LGM under the terms of the definitive agreements signed, subsequent to the exercise of Right of First Refusal by Malaysia Airports Holdings Berhad (MAHB) under the existing shareholders agreement of ISG, on December 23, 2013.

The Group received ₹ 1,740 Crore (Euro 209.00 Million) as culmination of divestment of its 40% equity stake to MAHB in addition to reducing the proportionate debt of ₹ 1,412 Crore (Euro 169.55 Million) carried in the balance sheet.

GMR Male International Airport Private Limited (GMIAL)

Shortly after the Government of Maldives repudiated the concession agreement for Maldives' Ibrahim Nasir International Airport, GMR Group (GMR) and Government of Maldives (GoM) commenced arbitration proceedings.

In order to expedite the progress of the arbitration, both GMR and GoM have agreed to bifurcate the arbitration in 2 phases - first phase will focus on questions of liability and what forms of damages/compensation are recoverable by GMR while the second phase will be to quantify the amount so recoverable.

The hearings of phase I were concluded in April 2014 and the outcome of the same was announced in June 2014 in GMR's favour. The Tribunal summarily rejected all the arguments made by the GoM and declared its ruling that the unilateral termination of the concession agreement by GoM was illegal and repudiatory.

Broadly, the Tribunal declared that the concession agreement was valid and binding and was not void for any mistake of law or discharged by frustration of bargain or administration, the GoM and Maldives Airport Company Limited are jointly and severally liable for damages to GMIAL for loss caused by wrongful repudiation of the agreement and that the quantification of the damages and the interest thereon will be determined in the next stage of arbitration by the same tribunal.

GMR Aviation Private Limited

GMR Aviation Private Limited operates and owns one of the youngest fleets in the country and addresses the growing need for charter services in the country. The operations are managed by professionals with robust processes and systems to ensure highest levels of efficiency and safety. As a part of Business Plan, the company sold one aircraft and one helicopter during the FY. The company also sold Falcon 2000S delivered by Dassault Aviation, France during the year. At the end of FY, the company has one Falcon aircraft, one Hawker aircraft and one helicopter in its fleet.

CEBU

During April, 2014, the Group as part of the GMR Megawide Consortium signed the concession agreement with Department of Transportation and Communications, Republic of Philippines and Mactan Cebu International Airport Authority ("MCIAA") to plan, develop, construct, renovate, operate, maintain and expand Mactan Cebu International Airport for a period of 25 years. Before signing of the concession agreement, a petition has been filed before the Supreme Court of the Republic of Philippines, Manila seeking direction restraining MCIAA from issuing an award or executing the concession agreement with the GMR Megawide Consortium in relation to the Project. The Group has not yet received any notice from the aforesaid Supreme Court of the Republic of Philippines, Manila in this matter.

Energy Sector

The Energy Sector is operating around 2,501 MW of Coal, Gas, Liquid fuel and Renewable power plants in India through Special Purpose Vehicles (SPVs) and around 6,013 MW of power projects under various stages of construction and development besides a pipeline of other projects. The Energy Sector has a diversified portfolio of thermal and hydro projects with a mix of merchant and long term Power Purchase Agreements.

The current operating portfolio of energy sector comprises of:

| Name of SPV | Capacity | Fuel |
|---|----------|-------------|
| GMR Power Corporation Limited (GPCL) | 200 MW | LSHS |
| GMR Vemagiri Power Generation Limited (GVPGL) | 388 MW | Natural Gas |
| GMR Energy Limited (GEL) | 220 MW | Natural Gas |
| EMCO Energy Limited (EMCO) | 600 MW | Coal |
| GMR Kamalanga Energy Limited(GKEL)- Phase I | 1050 MW | Coal |
| GMR Gujarat Solar Power Private Limited | 25 MW | Solar |
| GMR Renewable Energy Limited | 2.1 MW | Wind |
| GMR Power Infra Limited | 1.25 MW | Wind |

The following are the major highlights of the Energy sector:

- Operational Highlights:
 - o TNEB PPA for 200 MW Diesel Power Plant at Chennai was extended for another year till February 2015, which remains subject to approval from the Tamil Nadu Electricity Regulatory Commission. Power supply under the extended PPA has already commenced;
 - o Unit 2 (300 MW) at EMCO was commissioned in September 2013. Both the units are now fully operational. EMCO also signed long term PPA with TANGEDCO this year for 150 MW. 100% of the plant capacity is now tied up via long term PPAs;

- o 3x350 MW at GKEL has been fully commissioned. GKEL has a long term PPA tie-up of upto 85 % of its generation capacity;
- o Golden Energy Mines (GEMS) (GMR stake of 30%) is operational and our coal trading team has been trading coal from GEMS to EMCO, GKEL and a third party successfully.

Amongst the energy subsidiary companies, GMR Power Corporation Limited, GMR Gujarat Solar Power Private Limited and GMR Renewable Energy Limited made a profit of ₹ 93.84 Crore, ₹ 3.82 Crore and ₹ 0.09 Crore respectively. GMR Energy Limited, GMR Vemagiri Power Generation Limited, GMR Kamalanga Energy Limited, EMCO Energy Limited and GMR Energy Trading Limited made a loss of ₹ 304.13 Crore, ₹ 58.86 Crore, ₹ 474.72 Crore, ₹ 532.57 Crore and ₹ 6.85 Crore respectively.

- Project-related Highlights:
 - o 89% of progress has been achieved in GMR Chhattisgarh Energy Limited (GCEL) and commercial operation date (COD) of first unit is expected this year. The 400 kv transmission line for evacuation to central grid has been completed and charged;
 - o The 270 km long Maru Transmission project was commissioned in October, 2013. The 96 km long Aravali Transmission project is nearing its completion stage and is awaiting commencement of commercial operations;
 - o 180 MW Bajoli Holi Hydro project achieved financial closure in April, 2013;
 - o Power Finance Corporation Limited has sanctioned debt for GMR's 300 MW Badrinath Hydro Power Project in Uttaranchal. The financial closure is expected to be completed shortly. Project Implementation agreement has been signed with Government of Uttarakhand in May, 2013; The Honorable Supreme Court of India, while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. The Company is confident of obtaining requisite clearances;
 - o GMR Energy Limited signed a Joint Development Agreement with the International Finance Corporation, to jointly develop the 600 MW Himtal project on Upper Marsyangdi River in Nepal in December 2013;
 - o Techno-Economic Clearance for 225 MW Talong project (Arunachal Pradesh) has been obtained from Central Electricity Authority (CEA) / Central Water Commission (CWC).

Highways

GMR Highways Limited is one of the leading highways developers in India with 7 operating highways assets totaling to 2977 lane Kms.

The FY 2013-14 has seen a subdued growth in the highway sector due to various factors such as slowed economic situation, delay in clearances, sand quarry and mining bans, power shortage, funding constraints, etc. This has

resulted in lower investment from private players in infrastructure in general including roads and highways sector.

Highways sector operating subsidiary companies, GMR Tambaram Tindivanam Expressways Limited, GMR Tuni Anakapalli Expressways Limited, and GMR Pochanpalli Expressways Limited, made a profit of ₹ 15.52 Crore, ₹ 7.94 Crore, and ₹ 14.00 Crore respectively. GMR Ambala Chandigarh Expressways Private Limited, GMR Hyderabad Vijayawada Expressways Private Limited, GMR OSE Hungund Hospet Highways Private Limited and GMR Chennai Outer Ring Road Private Limited made a loss of ₹ 29.69 Crore, ₹ 93.58 Crore, ₹ 24.51 Crore, and ₹ 17.12 Crore respectively.

During FY 2013-14, partial completion certificate for Chennai Outer Ring Road Project was obtained. The project is expected to ease the congestion of Chennai city substantially. The arbitration over Ghaggar Bridge in Ambala-Chandigarh project was successfully concluded during FY 2013-14. Arbitration process for loss of traffic under State Support Agreement and Concession Agreement is in advanced stages. Works for the third toll plaza in Hungund-Hospet Project were completed during FY 2013-14 and commercial operations commenced during May 2014.

The Company issued notice of termination under the Concession Agreement with NHAI on Kishangarh-Udaipur-Ahmedabad project in December 2012. Subsequently, the Company has approached the Hon'ble High Court of Delhi seeking an injunction against invocation of Performance Bank Guarantee of ₹ 269.36 Crore provided by the Company to NHAI. Presently, the Bank Guarantee has been kept alive by the Concessionaire and a revised proposal has been submitted to NHAI.

During the current year, the Group divested 74% of its stake in GMR Ulundurpet Expressways Private Limited. and completed its 74% stake sale in GMR Jadcherla Expressways Limited.

Engineering Procurement and Construction (EPC) Division

As part of the EPC business, Consortiums led by your company, have won construction package of rail line doubling between Jhansi and Bhimsen stations in the State of Uttar Pradesh, three construction packages of rail line doubling of Multi Modal Transport System (MMTS) - Phase II works on Secunderabad Division of South Central Railway in the State of Andhra Pradesh (presently State of Telangana). There is a huge potential to upgrade the Railway Infrastructure in the Country.

Urban Infrastructure

The Group is developing a 4300 acre multi product Special Investment Region (SIR) at Krishnagiri, near Hosur in Tamilnadu and 10,000 acre Port-based multi-product Special Investment Region at Kakinada, Andhra Pradesh.

Krishnagiri Special Investment Region

GMR Krishnagiri Special Investment Region (GKSIR) at Hosur, Krishnagiri district, Tamil Nadu is an upcoming project of the GMR Group.

The project site falls within the proposed Chennai - Bangalore Industrial Corridor and is located in proximity to Bangalore and Chennai.

GKSIR will be a smart integrated industrial zone and this project would cater

to the needs of Manufacturing, Services and Commercial activities and will also offer Residential and Social Infrastructure.

GKSIR will have dedicated:

- Electronic Manufacturing Zone (EMC)
- Automotive and Auto Ancillary Zone
- Precision Engineering Zone
- Aerospace and Defence Zone

GKSIR project offers infrastructure, including built up spaces for factories, social infrastructure, quality and reliable power supply, treated water supply with digital infrastructure.

Project progress

- GKSIR has obtained in-principle approval for establishing EMC from Department of Electronics and Information Technology (DeitY). A Detailed Project Report has been prepared and submitted to Government of India and is awaiting for final approval for establishment of greenfield EMC;
- Detailed Design and Engineering of the horizontal infrastructure is in progress;
- Conceptual Master Plan for the GKSIR project has been completed and Urban Design detailing for the units are in progress;
- GKSIR has obtained various approvals including extracting ground water, establishing 33KV sub station, Consent for Establishment, NOCs from Forest department, Health department, Taluk office and PWD.

Kakinada Special Investment Region

Master plan for the Phase-1 development area i.e. ~916 acres of land has been completed and application for Consent for Operation (CFO) is in various stages of approval.

The Company has also commenced construction of Rural BPO building and operations are expected to start in the second quarter of current financial year. Your company had already signed a Memorandum of Understanding (MoU) with Rural Shores for setting up of BPO and two 'Letters of Intent' with fisheries processing firms for setting up of Marine Park. The Phase 1 development is expected to start operations in current financial year and expected to generate an employment to 3000 people in the region.

On the Port front, Detailed Project Report has been rolled out and the Company is in discussion with established port players in the world for a possible investment in the business.

Risk Management

The Company is exposed to a number of risks that impact its businesses in varying measures. It is imperative to identify and address these risks and at the same time leverage opportunities for achieving the set objectives.

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

Significant developments during the year include:

- Detailed risk assessment was carried out during the bidding stage of various projects in Airports, Urban Infra and Highways sector with independent views on critical business assumptions to facilitate informed decision making;
- A cross functional team was formed to work on the high value, high risk contracts in each sector to identify and address contract related risks and compliance areas in an appropriate manner in line with the Contractual Risk Review Framework;
- A separate bid risk framework was developed for the EPC division keeping in mind its nature of business being distinct from other businesses of GMR Group;
- Annual Operating Plan (AOP) risk analysis was carried out as a pilot in one of our Business Units, which will now be carried out on a regular basis across the businesses;
- Revised Project Risk Management (PRM) Framework is being implemented in the current projects of the Group;
- Detailed risk analysis for power trading business of the Group is conducted;
- Risk Appetite Framework for the Group is being developed for approval of the Management and the Board;
- Risk Management process is critically woven on the strategic planning process with various risks identified to the strategic objectives of all the businesses and initiatives defined to address them;
- Risk review of important policies impacting the Group such as foreign exchange, treasury, insurance, etc. is taken up on regular basis.

The Enterprise Risk Management (ERM) team presents to the Management and the Audit Committee of the Board of the Company the risk assessment and minimization procedures adopted to assess the reliability of the risk management structure and efficiency of the process.

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

Developments in Human Resources and Organisation Development

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

Consolidated Financial Statements

The Ministry of Corporate Affairs (MCA) vide its General Circular number 08/2014 dated 04.04.2014 has clarified that Financial Statements, Auditors' Report and Board's Report in respect of Financial Year that commenced earlier than April 01, 2014 shall be governed by the relevant provisions / Schedules / Rules of the Companies Act, 1956 only. In view of the above clarification from the MCA, the Board's Report in respect of the Financial Year ended March 31, 2014 of the Company has been prepared in accordance with the provisions of the Companies Act, 1956.

Further, as per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet, statement of Profit and Loss and other documents of its subsidiary companies to its Annual Report. However, the Ministry of Corporate Affairs (MCA), Government of India vide its General Circular No.2/2011 dated February 8, 2011 has provided an exemption to the companies from complying with section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2013-14 does not contain the reports and other statements of the subsidiary companies. The annual audited accounts and related detailed information of the subsidiary companies will be made available to the investors of the Company upon request. These documents will also be available for inspection during business hours at the registered office of the Company.

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

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

Changes in Share capital

During the year under review, the Authorized Share Capital of the Company has increased from ₹ 750,00,00,000 divided into 750,00,00,000 (Seven Hundred Fifty Crore only) equity shares of ₹ 1/- (Rupee One only) each to ₹ 1,950,00,00,000 divided into 750,00,00,000 (Seven Hundred Fifty Crore only) equity shares of ₹ 1/- (Rupee One only) each, 60,00,000 (Sixty Lakhs only) Series A Compulsorily Convertible Preference Shares (CCPS) of ₹ 1000/- (Rupees One Thousand only) each, and 60,00,000 (Sixty Lakhs only) Series B CCPS of ₹ 1000/- (Rupees One Thousand only) each.

Your Company has issued and allotted on March 26, 2014, 1,13,66,704 CCPS of face value of ₹ 1,000 each comprising of (a) 56,83,351 Series A CCPS each fully paid up, carrying a coupon rate of 0.001% per annum and having a term of 17 months from the date of allotment, and (b) 56,83,353 Series B CCPS each fully paid up, carrying a coupon rate of 0.001% p.a. and having a term of 18 months from the date of allotment, to IDFC Limited, Dunearn Investments (Mauritius) Pte Limited, GKFF Ventures, Premier Edu-Infra Solutions Private Limited and Skyron Eco-Ventures Private Limited. The Series A CCPS and Series B CCPS shall be converted into Equity Shares upon the expiry of their respective terms in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI Regulations).

Qualified Institutions Placement (QIP):

Subsequent to the year end, your company successfully completed issue and allotment of 46,88,17,097 equity shares of ₹ 1 each at a price of ₹ 31.50 per equity share, including a premium of ₹ 30.50 per equity share, aggregating to

₹ 1,476.77 Crore to Qualified Institutional Buyers (QIBs) as per Chapter VIII of SEBI Regulations, through the Qualified Institutions Placement (QIP). Issue price is at a discount of ₹ 1.64 per equity share to the floor price of ₹ 33.14 per equity share. The QIP opened for subscription to QIBs on July 02, 2014 and closed on July 08, 2014. The entire money amounting to ₹ 1,476.77 Crore was received and allotment of shares was made on July 10, 2014. Consequent to this allotment, the listed equity share capital has increased from ₹ 389.24 Crore to ₹ 436.12 Crore.

The total paid up capital of the Company after the aforesaid issue is ₹ 1,572.79 Crore comprising of Equity Share Capital of ₹ 436.12 Crore and CCPS Capital of ₹ 1,136.67 Crore.

Directors

Nomination and Remuneration Committee of the Board of Directors of the Company recommended the proposal to appoint Mr. S. Sandilya, Mr. R.S.S.L.N. Bhaskarudu, Dr. Prakash G Apte, Mr .N. C. Sarabeswaran, Mr. S. Rajagopal, Mr. V. Santhana Raman and Mr. C. R. Muralidharan as Independent Directors of the Company for a period of two years.

Mr. O. Bangaru Raju and Mr. Srinivas Bommidala, Directors retire by rotation and being eligible, offer themselves for re-appointment at the Annual General Meeting. The Nomination and Remuneration Committee of the Board of Directors of the Company recommended their re-appointment.

The Company has received requisite notices in writing pursuant to Section 160 of the Companies Act, 2013 from a member along with requisite deposits proposing the candidatures of Mr. S. Sandilya, Mr. R.S.S.L.N. Bhaskarudu, Dr. Prakash G Apte, Mr .N. C. Sarabeswaran, Mr. S. Rajagopal, Mr. V. Santhana Raman and Mr. C. R. Muralidharan for appointment as Independent Directors of the Company at the ensuing Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

The brief resume and details of Directors who are to be appointed/re-appointed are furnished in the Notice for the Annual General Meeting.

Directors' Responsibility Statement

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

1. that in the preparation of the annual accounts for the year ended March 31, 2014, the applicable Accounting Standards have been followed and proper explanations were provided for material departures, if any;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;

3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors have prepared the accounts for the financial year ended March 31, 2014, on a going concern basis.

Corporate Governance

The Company continues to follow the Business Excellence Framework, based on the Malcolm Baldrige Model, for continuous improvement in all spheres of its activities. The company works towards continuous improvement in governance practices and processes, in compliance with the statutory requirements. Board governance upgrades are underway.

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

Secretarial Audit

As per SEBI requirement, Reconciliation of Share Capital Audit is being carried out at specific periodicity by a Practicing Company Secretary. The findings of the audit have been satisfactory. In addition, Secretarial Audit was carried out voluntarily for ensuring transparent, ethical and responsible governance processes and also proper compliance mechanisms in the Company. M/s. V. Sreedharan & Associates, Company Secretaries, conducted Secretarial Audit of the Company and a Secretarial Audit Report for the financial year ended March 31, 2014, is provided in this Annual Report.

Management Discussion and Analysis (MDA)

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

Business Responsibility Report

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

Auditors and Auditors' Report

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, the statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. They have offered themselves for reappointment as statutory auditors and the Company has received letters from M/s. S.R. Batliboi & Associates LLP to the effect that their re-appointment, if made, would be within the prescribed limits under Section

141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

M/s S.R. Batliboi & Associates LLP have also confirmed by way of a written consent and certificate as required under section 139(1) of the Companies Act, 2013 that their appointment, if made, shall be in accordance with the conditions prescribed in rule 4(1) of the Companies (Audit and Auditors) Rules, 2014.

With reference to the qualification in the auditors' report on the standalone financial statements of the Company pertaining to the dispute in GMR Malé International Airport Private Limited (GMIAL), auditors' observation is included in Basis for Qualified Opinion in the auditors' report. Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident of proving that the concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the concession agreement atleast to the extent of the carrying of the assets taken over by GoM / MACL and the subsequent expenditure incurred by GMIAL as at March 31, 2014. Further, subsequent to the year end, the hearings of phase I were concluded in April 2014 and the outcome of the same was announced in June 2014 in GMR's favour. The Tribunal summarily rejected all the arguments made by the GoM and declared its ruling that the unilateral termination of the concession agreement by GoM was illegal and repudiatory. Quantification of the damages and the interest thereon will be determined in the next stage of arbitration by the same tribunal.

With reference to the qualification in the auditors' report on the standalone financial statements of the Company pertaining to recognition on profit of sale of ISG and LGM, auditors' observation is included in Basis for Qualified Opinion in the auditors' report. The Management based on its internal assessment and a legal opinion is of the view that all the "Conditions Precedent" were either fulfilled or waived or agreed to be not applicable as at March 31, 2014, except for the buyer to obtain approval from Bank Negara Malaysia (not a "Condition Precedent") which was obtained on April 3, 2014 and subsequently on receipt of the sale consideration, the shares were transferred to the buyer on April 30, 2014. In view of the same, the Company has recognized the profit on sale of ISG and LGM in the year ended 31st March, 2014.

As regards to the auditors' observation with respect to clause no. iv in the annexure to auditors' report on the standalone financial statements of the Company on matters specified in Companies (Auditor's Report) Order, 2003, the Company continuously reviews the internal control systems, identify weaknesses and further strengthens the processes, wherever required.

As regards to the auditors' observation with respect to clause no. ix in the annexure to auditors' report on the standalone financial statements of the Company on matters specified in Companies (Auditor's Report) Order, 2003, Company ensures that statutory payments are made on time and has mechanisms for satisfactory compliance of these requirements. However, the processes will be further strengthened for avoiding any minor delays.

As regards to the auditors' observation with respect to clause no. xv in the annexure to auditors' report on the standalone financial statements of the

Company on matters specified in Companies (Auditor's Report) Order, 2003, corporate guarantee support is provided by the Company to its subsidiaries and other group companies, based on requirements. Commission is normally not charged on corporate guarantees issued by the Company.

With reference to the qualification in the auditors' report on consolidated financial statements of the Company pertaining to the capitalization of indirect expenditure and borrowing costs in GMR Rajahmundry Energy Limited (GREL), auditors' observation is included in Basis for Qualified Opinion in the auditors' report. GREL has approached the MCA seeking clarification / relaxation on applicability of provisions of AS-10 and AS-16 relating to the gas availability situation. The management of the Group is confident of obtaining necessary clarification / relaxation allowing such capitalization.

With reference to the qualification in the auditors' report on consolidated financial statements of the Company pertaining to the capitalization of indirect expenditure towards project and borrowing costs in GMR Kishangarh Udaipur Ahmedabad Expressways Limited, auditors' observation is included in Basis for Qualified Opinion in the auditors' report. The management of the Group has submitted the proposal for the continuance of the project subject to certain modifications in the financial and other terms in the Concession Agreement and is confident of obtaining approval of these modifications by NHAI and recovering the expenditure incurred.

With reference to the qualification in the auditors' report on consolidated financial statements of the Company pertaining to the dispute in GMIAL, and recognition of profit on sale of the investment in ISG and LGM, detailed management response is provided in earlier paras.

Corporate Social Responsibility (CSR)

With a belief that corporates have a special and continuing responsibility towards social development, GMR Group undertakes CSR activities on a significant scale through GMR Varalakshmi Foundation (GMRVF). The Vision of GMR Group's CSR activities is to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. Towards such inclusive growth, GMRVF works with the communities neighboring GMR Group's businesses for their economic and social development. Currently, GMRVF is working in over 200 villages/ urban communities across 23 locations. It also runs educational and healthcare institutions, and vocational training centers.

Environmental Protection and Sustainability

Since inception, sustainability has remained at the core of our business strategy. Besides economic performance, safe operations, environment conservation and social well-being have always been at the core of our philosophy of sustainable business. In anticipation of upcoming regulations and requirements, the company has invested substantially and allocated other resources to proactively adopt and implement manufacturing / business processes to increase its adherence to environmental standards and enhance its industry safety levels. At GMR Group, the challenges due to the Company's operations related to EHS aspects of the business, employees and society are mapped and mitigated through a series of systematic and disciplined sets of policies and procedures.

The company continues to abide by regulations concerning the environment by allocating substantial investments and resources on a continuous basis to adopt and implement pollution control measures. Our continual endeavor to go beyond compliance and conserve natural resources helps to march towards attaining excellence in environmental management and efficient and sustainable operations as well. As the Company operates in an increasingly resource-constrained world, being environmentally conscious and efficient are key to our operations. The Company remains committed to our Corporate Environment, Health, Safety and Quality (EHSQ) Policy to articulate, guide, and adopt an integrated approach towards implementing EHSQ objectives. These established systems certified by reputed certifying agencies have helped to monitor and manage our operations systematically, safely and in environmental friendly manner. When such practices become institutionalized, they protect environment and reduce costs.

The Company understands the global thrusts for minimizing the effect of developmental projects towards global warming. The Company has developed various projects voluntarily and some of the Projects are under development stage, which ultimately reduces GHG emissions into the atmosphere and thus, minimizing the global warming effect. The Company has evolved as Sustainability leader by registering 7 CDM Projects with UNFCCC.

As a responsible corporate citizen, the Company is striving to meet the expectations of neighbouring communities around our plants and other locations through GMR Varalakshmi Foundation. The foundation works closely with them and strives to impact the lives of millions of farmers, youth, women and children through numerous programs.

Energy Sector

Energy Sector has continuously ventured to promote cleaner fuel operations and renewable energy. The super critical technology power plant is under development at Chhattisgarh. The 25 MW capacities Solar Photo-Voltaic based power generation, and 2.1 MW and 1.25 MW wind turbine generators in the state of Gujarat and Tamil Nadu respectively, with the total capacity of the wind turbine generator being 3.35 MW are now fully operational thereby underscoring the Company's commitment towards sustainability in terms of clean and renewable energy resource.

GMR Energy sector has initiated to align its energy business in alignment with comprehensive "EHS Framework", adopting best manufacturing practices, optimizing energy, natural resources & technology, best available practices, go beyond compliance, etc.

All the operating units have all necessary statutory clearances in place and are in compliance with environmental regulations. The Company has adopted state of the art systems and measures to control emissions and effluent in design stage itself. Hazardous wastes management and disposal has been in accordance with Central Pollution Control Board (CPCB) guidelines. Continuous Stack Emission Monitoring System (CEMS) and continuous Ambient Air Quality Monitoring Systems (CAAQMS) at power plants have been set for monitoring of vital pollution parameters on real time basis. Also, each of the operating units has dedicated Effluent treatment

Plant to treat waste water from the units and utilize or discharge in accordance with Pollution Control Board Norms. All parameters like stack emissions, ambient air quality, water quality, noise level etc are maintained well within the stipulated norms. The monitoring reports are submitted periodically to statutory authorities. Internal audits and surveillance audits as per the requirements of ISO certifications are conducted and any observation or non-conformance is dealt with utmost importance. The system is managed by dedicated EHS team and steered frequently at Apex level for quick actions.

Various employee engagement campaigns are conducted at plant by celebrating world environment day, national safety week, national fire awareness week, national cleanliness day, road safety awareness week, energy conservation week, earth day, etc to create awareness and generate ideas for implementation. During mass plantation drive, employees, families, children and nearby villagers are involved. Dense green belt development is under progress.

Systems and processes as per Global Reporting Initiative (GRI-G4) are being implemented across all the power plants. It is initiated to report sustainability efforts of Energy Sector for FY 13-14 through its first ever Sustainability Report as per GRI-G4 guidelines. It would be published and made available to relevant stakeholders in FY 15-16.

EMCO Energy Limited (EMCO) obtained the renewal of consent to operate for Units -1 & 2 and it is valid up to 31st August 2014. In-principle approval for Wild Life Conservation plan has been granted by Divisional Forest Officer, Chandrapur, Maharashtra. Three CAAQMS stations and CEMS at stacks have been installed. Real time environmental data connectivity has been established with Maharashtra Pollution Control Board's web-server. Display board is installed at main gate to show online CEMS and CAAQMS. Ground water quality monitoring is conducted on quarterly basis. Implementation of Integrated Management System (IMS) is under progress. First stage IMS audit was carried out by M/s BVCI. Energy audit was conducted by M/s CII-Godrej GBC. Dust suppression system is installed and commissioned and the treated effluent water is being used for sprinkling. 9,11,320 cubic meters of cooling water is recycled. 19000 numbers of saplings were planted over 20 acres during FY 13-14. The plant premises have installed rain-water harvesting structures for capturing the rain water through the well-connected drainage network.

GMR Kamalanga Energy Limited (GKEL) has valid consent to operate and Hazardous Waste Authorization for all three units. GKEL is certified for all three management systems viz., ISO 9001, ISO 14001 and OHSAS 18001.

Construction of power plant is still in progress at GMR Chhattisgarh Energy Limited. Application has been submitted to Chhattisgarh Environment Conservation Board (CECB) for granting Consent to Operate (CTO). Housekeeping drive was undertaken at Tilda Railway station for about one hour between 9 AM to 10 AM by GMR employees. 300 saplings were planted at Labour colony by GMR employees. Earth Day was commemorated on 22nd April 2014 through planting of 450 saplings at Labour colony. 100 saplings were supplied to Caramel Public School.

GMR Power Corporation Limited (GPCL), Chennai is recertified with OHSAS 18001, ISO 14001 and ISO 9001. Hazardous waste authorization is now renewed till 2018 by Tamil Nadu State Pollution Control Board. GPCL maintains the greenbelt inside the plant as per the statutory requirement. Blow down water of around 32.6 KL was reused for cooling system and other utilities in the FY 2013-14. Pollution Under Control (PUC) certificate is updated in employees' vehicles to control the emission inside the plants.

GMR Vemagiri Power Generation Limited (GVPGL), Rajahmundry maintains the certification OHSAS 18001, ISO 14001 and ISO 9001. GVPGL has accrued about 95091 CERs from UNFCCC. Technical audit and Corporate EHS audit was conducted by MAG and Corporate EHS team respectively. Energy Conservation Initiatives of GVPGL and GMR Renewable Energy Ltd (GREL) have led to a saving of 2884 Mwh amounting to monetary savings of ₹ 3.36 Crore. GREL Consent to Operate (CTO) is renewed till 31st August 2015. Greenbelt over 8.6 Acres is developed in GREL during FY 2013-14.

GMR Energy Limited (GEL), Kakinada has renewed the certifications of OHSAS 18001, ISO 14001 and ISO 9001 up till Nov 2014. 500 saplings were planted as a part of Green Belt Development. Rain water harvesting System modification works and pipeline repair works were undertaken. Energy Conservation Initiatives resulted in savings of 1082604 Kwh per annum. GEL, Kakinada is now registered at Verified Carbon Standards Board (VCS Board) for its contribution towards GHG's reduction by using cleaner fuel for power generation.

GVPGL, GREL, Alaknanda hydro project, Bajoli-Holi hydro project, Gujarat Solar Power project and Wind power projects at Gujarat and Tamil Nadu are registered as CDM Projects at UNFCCC.

Airport Sector

Airport Sector embraces the concept of sustainability by managing activities in environment friendly manner, minimizing natural resource utilization and maintaining collaborative relationships with the community and stakeholders. Our strategy for long-term stability and continual improvement is focused on cost-effective operation, social responsibility, environment and ecology oriented business approach and practices, which are governed and managed by latest technological processes, improved infrastructure, efficient operational measures, continuous learning and education, effective change management and communication with all possible stakeholders' support.

Environment Sustainable Management is an integral part of our business strategy which helps in achieving social credibility and business sustainability by efficient integration of policy, system, procedures, infrastructure and community support. The Company adopted all possible proactive sustainable approach for the airport to develop an environment friendly posture that accommodates the community's concerns while still meeting all regulatory requirements. Our key environmental & social elements which have direct/indirect impact on society are aircraft noise, emission, air quality, water & wastewater, solid waste and conservation of natural resources. A dedicated team of professionals is deployed to deal with all areas of environmental

and social concerns. All the impacts associated with its business aspect are being effectively resolved by working closely with the communities around the airport by proper knowledge sharing forum, media communications, communication to stakeholders and stakeholders meeting, further with the support of regulatory and government agencies.

Air & Water management is ensured by regular monitoring, analysis and following government regulations and guidance. Solid & Hazardous wastes are handled as per the applicable rules. Sewage treatment plant is operational to treat the waste water. Entire treated water is being reused appropriately for the flushing, irrigation purposes.

DIAL

In DIAL, besides ISO 14001:EMS certified by M/s DNV (valid till 21st July 2015), other systems viz., Energy Management System: ISO 50001 and ISO 14064 Carbon Emissions Management Systems are in place. Terminal 3 (T3) of Indra Gandhi International Airport (IGIA) became the first terminal in the world to get registered with UNFCCC for its CDM project having 16,413 MT of CO2 equivalent per annum reduction potential in July 2013. It is accredited by ACI for its Carbon Management at IGI Airport to "Optimisation Level". IGI Airport is the first airport in India to have mega 2 MW solar power plant at airside premises. It received "Greentech Environment Excellence Award-2013" under Gold category on 29th January 2014.

DIAL is monitoring ambient noise regularly in and around the airport including areas under the takeoff and landing funnels in adjacent communities. DIAL established an Aircraft Noise Monitoring System (ANMS) in order to develop a database of aircraft noise. Monitoring of noise levels will help in formulating future mitigation strategies on noise in parity with the working group on airport noise formed by DGCA. This group is exploring various possibilities and developing feasible measures to reduce excessive noise in the vicinity of IGI airport.

Various training programs have been organized for employees and stakeholders of IGIA on environment management programs, sustainability development and green company frameworks. Stakeholders of IGI Airport such as ground handlers, airlines, flight caterers, cargo handling are also trained. DIAL is now aiming for its Fourth Level of 'Carbon Neutral' with the support of all concerned stakeholders at IGIA. This will signify our airport-wide effort to tackle the global challenge of climate change and our commitment for reduction of carbon emissions.

GHIAL

GMR Hyderabad International Airport Ltd. (GHIAL) is complying with the applicable environmental legal requirements of DGCA, APPCB and MoEF. A proposal for 5 MW Solar Power Plant has been initiated as part of green energy promotion, for which, 'Consent for Establishment' plant has been obtained from the State Pollution Control Board. An 'Environmental Portal'

has been developed for the environmental data management of Rajiv Gandhi International Airport (RGIA). RGIA became the 1st Airport in the country and 2nd airport in the Asia Pacific Region to get the accreditation for Level 3 (Optimization) 'Airport Carbon Accreditation' by ACI. Continuous Improvement Projects (CIP) on water conservation has been awarded 1st Prize at GMR Group level CIP competitions. CIP on reduction in energy consumption has been awarded 1st Prize in GMR Group level CIP competitions.

World Environment Day 2013, Earth Hour, Ozone day and Earth Day were observed to create awareness on global environmental issues amongst the airport community. RGIA has won 1st prize for the best landscape in private institutions category, in the competition conducted by the Department of Horticulture, Government of Andhra Pradesh consecutively for last 4 years. GHIAL was also recognized with ASSOCHAM-CSR Excellence Award 2012-13 for Corporate Sustainability and FICCI CSR Award 2012-13.

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

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

Particulars of employees

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

Fixed Deposits

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

Acknowledgements

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

For and on behalf of the Board

Place: Bangalore
Date: July 15, 2014

G.M.Rao
Executive Chairman

Annexure 'A' to the Directors' Report

GMR Infrastructure Limited - Subsidiaries

| Direct Subsidiaries | Subsidiaries to Subsidiaries | | | | | | | | | | | |
|---|--|---|---|--|---|--|---|--|---|---|--|--|
| Highways | GMR Highways Limited (GHL) | Subsidiaries of GHL | | | | | | | | | | |
| | | GMR Pochanpalli Expressways Limited | GMR Highways Projects Private Limited | GMR Kishangarh Udaipur Ahmedabad Expressways Limited | GMR Tambaram - Tindivanam Expressways Limited | GMR Tunji - Anakapalli Expressways Limited | GMR Ambala-Chandigarh Expressways Private Limited | GMR Hyderabad Vijayawada Expressways Private Limited | GMR Chennai Outer Ring Road Private Limited | GMR OSE Hungund Hospet Highways Private Limited | | |
| Urban Infrastructure | GMR SEZ & Port Holdings Private Limited (GSPHPL) | Subsidiaries of GSPHPL | | | | | | | | | | |
| | | Kakinada SEZ Private Limited | Adivika Properties Private Limited | Bougainvillea Properties Private Limited | Aklina Properties Private Limited | Anarvya Properties Private Limited | Baruni Properties Private Limited | Camella Properties Private Limited | Ella Properties Private Limited | Gerbera Properties Private Limited | | |
| | GMR Krishnaagiri SEZ Limited (GKSEZ) | Subsidiaries of GSPHPL | | | | | | | | | | |
| | | Lakshmi Priya Properties Private Limited | Honeysuckle Properties Private Limited | Idika Properties Private Limited | Krishnapriya Properties Private Limited | Nadira Properties Private Limited | Prakalpa Properties Private Limited | Pranesh Properties Private Limited | Purnachandra Properties Private Limited | Shreyadita Properties Private Limited | | |
| | | Sreepa Properties Private Limited | Deepesh Properties Private Limited | Padmapriya Properties Private Limited | Radhapriya Properties Private Limited | Larkspur Properties Private Limited | Asteria Real Estates Private Limited | GMR Hosur Industrial City Private Limited | Namitha Real Estates Private Limited | Honeyflower Estates Private Limited | | |
| | Corporate & International Business | GMR Infrastructure (Mauritius) Limited (GIML) | Subsidiaries of GIML | | | | | | | | | |
| | | | GMR International Airport Private Limited | GMR Infrastructure (UK) Limited | GMR Infrastructure Overseas (Malta) Limited | GMR Infrastructure (Cyprus) Limited (GICL) | GMR Infrastructure (Singapore) PTE Limited (GISL) | | | | | |
| | | GMR Infrastructure (Overseas) Limited | Subsidiaries of GIML | | | | | | | | | |
| | | | Subsidiary of GICL | Subsidiary of GIGL | Subsidiary of GIGL | Subsidiary of GEGG | | | | | | |
| | | GMR Corporate Affairs Private Limited (GCAPL) | Subsidiaries of GIML | | | | | | | | | |
| GMR Infrastructure (Global) Limited (GGL) | | | GMR Energy (Global) Limited (GEGG) | GMR Energy Projects (Mauritius) Limited | | | | | | | | |
| GMR Corporate Center Limited | | Subsidiary of GCAPL | | | | | | | | | | |
| | | GMR Business Process and Services Private Limited | | | | | | | | | | |
| | | Dhruvi Securities Private Limited | | | | | | | | | | |
| GMR Aviation Private Limited | | | | | | | | | | | | |

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

| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|------|---|---------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| 1 | GMR Krishnagiri SEZ Limited | 117.50 | (5.24) | 392.32 | 280.06 | 0.40 | - | (1.18) | - | (1.18) | - |
| 2 | GMR Aviation Private Limited | 86.44 | (52.85) | 246.78 | 213.19 | 5.11 | 61.03 | (6.06) | - | (6.06) | - |
| 3 | GMR SEZ & Port Holdings Private Limited | 47.99 | (5.46) | 398.65 | 356.12 | - | 3.25 | (3.31) | - | (3.31) | - |
| 4 | Advika Properties Private Limited | 1.00 | (0.03) | 7.01 | 6.05 | - | - | - | - | - | - |
| 5 | Aklima Properties Private Limited | 1.00 | (0.04) | 4.10 | 3.14 | - | - | - | - | - | - |
| 6 | Amartya Properties Private Limited | 1.00 | - | 7.83 | 6.83 | - | - | - | - | - | - |
| 7 | Baruni Properties Private Limited | 1.00 | (0.04) | 6.12 | 5.16 | - | - | - | - | - | - |
| 8 | Bougainvillea Properties Private Limited | 1.00 | 0.77 | 5.89 | 4.12 | - | - | - | - | - | - |
| 9 | Camelia Properties Private Limited | 1.00 | (0.49) | 31.52 | 31.01 | 25.20 | - | (0.32) | - | (0.32) | - |
| 10 | Deepesh Properties Private Limited | 1.00 | 1.79 | 5.82 | 3.02 | 0.05 | - | - | - | - | - |
| 11 | Elia Properties Private Limited | 1.00 | (0.04) | 7.64 | 6.68 | - | - | - | - | - | - |
| 12 | Gerbera Properties Private Limited | 1.00 | (0.38) | 33.35 | 32.73 | 26.44 | - | (0.38) | - | (0.38) | - |
| 13 | Lakshmi Priya Properties Private Limited | 1.00 | (0.04) | 7.29 | 6.32 | - | - | - | - | - | - |
| 14 | Larkspur Properties Private Limited | 1.00 | 0.27 | 14.86 | 13.58 | - | - | 0.45 | 0.14 | 0.31 | - |
| 15 | Honeysuckle Properties Private Limited | 1.00 | 0.28 | 7.49 | 6.21 | - | - | - | - | - | - |
| 16 | Idika Properties Private Limited | 1.00 | (0.03) | 6.37 | 5.40 | - | - | - | - | - | - |
| 17 | Krishnapriya Properties Private Limited | 1.00 | (0.07) | 5.93 | 5.00 | - | - | (0.02) | - | (0.02) | - |
| 18 | Nadira Properties Private Limited | 1.00 | (0.09) | 6.76 | 5.85 | 0.17 | - | (0.16) | - | (0.16) | - |
| 19 | Prakalpa Properties Private Limited | 1.00 | (0.22) | 6.89 | 6.10 | - | - | (0.18) | - | (0.18) | - |
| 20 | Purnachandra Properties Private Limited | 1.00 | (0.11) | 6.84 | 5.96 | - | - | (0.02) | - | (0.02) | - |
| 21 | Padmapriya Properties Private Limited | 1.00 | 1.13 | 29.23 | 27.09 | 5.57 | - | 0.66 | 0.20 | 0.46 | - |
| 22 | Pranesh Properties Private Limited | 1.00 | (0.06) | 7.14 | 6.20 | - | - | (0.02) | - | (0.02) | - |
| 23 | Radhapriya Properties Private Limited | 1.00 | (0.03) | 4.61 | 3.64 | - | - | - | - | - | - |
| 24 | Shreyadita Properties Private Limited | 1.00 | (0.07) | 5.77 | 4.84 | - | - | (0.02) | - | (0.02) | - |
| 25 | Sreepa Properties Private Limited | 1.00 | (0.04) | 5.53 | 4.57 | - | - | - | - | - | - |
| 26 | Asteria Real Estates Private Limited | 0.03 | (0.04) | 9.24 | 9.25 | 0.08 | - | (0.02) | - | (0.02) | - |
| 27 | GMR Hosur Industrial City Private Limited | 0.01 | (0.01) | 7.74 | 7.74 | - | - | - | - | - | - |
| 28 | Namitha Real Estates Private Limited | 0.01 | (0.02) | 7.02 | 7.04 | - | - | (0.02) | - | (0.02) | - |
| 29 | Honeyflower Estates Private Limited | 4.76 | 25.85 | 38.64 | 8.03 | - | 0.55 | (0.39) | 0.02 | (0.41) | - |
| 30 | GMR Hosur EMC Private Limited | 0.10 | - | 2.38 | 2.28 | - | - | - | - | - | - |
| 31 | GMR Corporate Affairs Private Limited | 20.00 | (0.85) | 189.95 | 170.80 | - | 1.59 | (1.17) | (0.05) | (1.12) | - |
| 32 | GMR Hotels and Resorts Private Limited | 109.66 | (105.76) | 192.44 | 188.54 | 0.12 | 43.56 | (20.73) | - | (20.73) | - |
| 33 | Kakinada SEZ Private Limited | 93.99 | (2.41) | 1,155.18 | 1,063.60 | - | - | (0.14) | - | (0.14) | - |
| 34 | Dhruvi Securities Private Limited | 210.06 | 130.08 | 739.05 | 398.91 | 108.10 | 40.51 | (46.47) | 1.73 | (48.20) | - |

(₹ In Crore)

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

| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | | | Proposed Dividend |
|------|--|----------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| | | | | | | | | Profit before Taxation | Provision for Taxation | Profit after Taxation | |
| 35 | GMR Business Process and Services Private Limited | 0.01 | (0.85) | 5.21 | 6.05 | - | 0.33 | (0.01) | - | (0.01) | - |
| 36 | GMR Airport Developers Limited | 5.10 | 32.05 | 146.46 | 109.31 | 4.81 | 53.69 | 8.77 | 3.10 | 5.67 | - |
| 37 | GMR Hyderabad International Airport Limited | 378.00 | 200.32 | 3,143.95 | 2,565.64 | 47.44 | 725.25 | 174.69 | 39.85 | 134.84 | - |
| 38 | Hyderabad Airport Security Services Limited | 12.50 | 0.48 | 60.60 | 47.62 | - | - | 0.03 | 0.01 | 0.02 | - |
| 39 | GMR Hyderabad Airport Resource Management Limited | 0.05 | (0.06) | 0.10 | 0.11 | 0.05 | - | (0.17) | - | (0.17) | - |
| 40 | GMR Hyderabad Airport Power Distribution Limited | 0.05 | (0.02) | 0.04 | 0.01 | - | - | (0.01) | - | (0.01) | - |
| 41 | GMR Hyderabad Aerropolis Limited | 23.63 | (1.11) | 34.02 | 11.50 | 3.10 | 0.44 | (0.64) | 0.01 | (0.65) | - |
| 42 | Hyderabad Menzies Air Cargo Private Limited | 19.04 | 33.67 | 71.50 | 18.79 | - | 61.68 | 22.26 | 4.65 | 17.61 | 14.43 |
| 43 | GMR Hyderabad Multi Product SEZ Limited | 0.05 | (0.04) | 0.02 | 0.01 | - | - | - | - | - | - |
| 44 | GMR Hyderabad Aviation SEZ Limited | 35.00 | 10.13 | 115.32 | 70.19 | - | 16.00 | 0.05 | (0.46) | 0.51 | - |
| 45 | Gateways for India Airports Private Limited | 0.01 | 1.89 | 2.80 | 0.90 | 2.31 | - | 0.18 | 0.06 | 0.12 | - |
| 46 | Delhi International Airport Private Limited | 2,450.00 | (969.86) | 11,610.34 | 10,130.20 | 108.79 | 3,922.70 | 410.83 | - | 410.83 | - |
| 47 | Delhi Aerropolis Private Limited | 0.10 | (0.15) | 0.09 | 0.14 | - | - | - | 0.04 | (0.04) | - |
| 48 | Delhi Duty Free Services Private Limited | 80.00 | 46.61 | 403.27 | 276.66 | - | 656.56 | 59.77 | 20.34 | 39.43 | - |
| 49 | Hyderabad Duty Free Retail Limited | 16.95 | 0.70 | 27.57 | 9.92 | 5.37 | 49.24 | 6.95 | 0.43 | 6.52 | - |
| 50 | GMR Airport Handling Services Company Limited | 0.05 | (0.02) | 0.03 | - | - | - | - | - | - | - |
| 51 | GMR Airports Limited | 1,828.67 | 145.56 | 1,988.29 | 14.06 | 18.61 | 119.87 | 93.96 | 32.96 | 61.00 | - |
| 52 | GMR Energy Limited | 3,150.96 | 1,581.34 | 9,661.76 | 4,929.46 | 5.58 | - | (296.85) | 7.29 | (304.14) | - |
| 53 | GMR Vemagiri Power Generation Limited | 774.50 | (204.97) | 784.97 | 215.44 | - | 209.01 | (58.86) | - | (58.86) | - |
| 54 | GMR Power Corporation Limited | 247.50 | 671.32 | 2,136.09 | 1,217.27 | - | 1,032.07 | 118.97 | 25.13 | 93.84 | - |
| 55 | GMR (Badrinath) Hydro Power Generation Private Limited | 5.00 | (9.81) | 463.89 | 468.70 | 0.10 | - | (0.47) | - | (0.47) | - |
| 56 | GMR Maharashtra Energy Limited | 0.05 | (0.03) | 7.10 | 7.08 | - | - | (0.01) | - | (0.01) | - |
| 57 | GMR Kamalanga Energy Limited | 1,852.76 | (489.58) | 6,803.91 | 5,440.73 | - | 237.54 | (474.72) | - | (474.72) | - |
| 58 | GMR Energy Trading Limited | 74.00 | (15.77) | 316.73 | 258.50 | - | 760.95 | (7.00) | (0.15) | (6.85) | - |
| 59 | GMR Consulting Services Private Limited | 0.01 | 1.40 | 4.64 | 3.23 | - | 2.11 | (0.54) | (0.03) | (0.51) | - |
| 60 | GMR Coastal Energy Private Limited | 0.01 | (0.06) | 3.08 | 3.13 | - | - | (0.01) | - | (0.01) | - |
| 61 | GMR Bajoli Holi Hydro Power Private Limited | 182.54 | (1.79) | 483.31 | 302.56 | 25.86 | - | (1.33) | - | (1.33) | - |
| 62 | GMR Londa Hydro Power Private Limited | 0.01 | (0.41) | 51.86 | 52.26 | 0.08 | - | (0.13) | - | (0.13) | - |
| 63 | GMR Kakinada Energy Private Limited | 0.01 | (0.02) | 4.50 | 4.51 | - | - | (0.01) | - | (0.01) | - |
| 64 | GMR Chhattisgarh Energy Limited | 1,577.20 | (16.01) | 9,300.41 | 7,739.22 | - | - | (5.05) | - | (5.05) | - |
| 65 | GMR Rajahmundry Energy Limited (GREL) | 520.00 | (4.58) | 4,471.16 | 3,955.74 | - | - | (0.52) | - | (0.52) | - |
| 66 | SJK Powergen Limited (SJK) | 0.50 | (2.14) | 297.67 | 299.31 | - | - | (6.20) | - | (6.20) | - |
| 67 | EMCO Energy Limited | 435.00 | (555.50) | 4,043.00 | 4,163.50 | - | 742.96 | (562.65) | (30.07) | (532.58) | - |
| 68 | GMR Mining & Energy Private Limited | 0.05 | (0.61) | 0.01 | 0.57 | - | - | (0.01) | - | (0.01) | - |

(₹ In Crore)

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

| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|------|--|----------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| 69 | GMR Bundeekhand Energy Pvt. Limited | 0.01 | (0.07) | 11.97 | 12.03 | - | - | (0.01) | - | (0.01) | - |
| 70 | GMR Uttar Pradesh Energy Pvt Limited | 0.01 | (0.02) | 0.17 | 0.18 | - | - | (0.01) | - | (0.01) | - |
| 71 | GMR Hosur Energy Limited | 0.05 | (0.02) | 21.31 | 21.28 | - | - | (0.01) | - | (0.01) | - |
| 72 | GMR Gujarat Solar Power Private Limited | 73.60 | 12.29 | 362.55 | 276.66 | 1.20 | 63.79 | 4.78 | 0.96 | 3.82 | - |
| 73 | GMR Indo-Nepal Energy Links Limited | 0.05 | (0.02) | 0.21 | 0.18 | - | - | (0.01) | - | (0.01) | - |
| 74 | GMR Indo-Nepal Power Corridors Limited | 0.05 | (0.02) | 0.35 | 0.32 | - | - | (0.01) | - | (0.01) | - |
| 75 | GMR Renewable Energy Limited | 2,614.01 | (0.01) | 2,614.01 | 0.01 | 0.70 | 1.68 | 0.13 | 0.04 | 0.09 | - |
| 76 | GMR Power Infra Limited | 1.70 | 0.69 | 15.92 | 13.53 | 0.20 | 0.72 | (0.13) | - | (0.13) | - |
| 77 | GMR Tambaram Tindivanam Expressways Limited | 1.00 | 169.68 | 500.13 | 329.45 | - | 81.42 | 19.79 | 4.27 | 15.52 | - |
| 78 | GMR Tuni Anakapalli Expressways Limited | 1.00 | 95.19 | 354.64 | 258.45 | - | 58.97 | 10.12 | 2.18 | 7.94 | - |
| 79 | GMR Ambala Chandigarh Expressways Private Limited | 239.59 | (132.90) | 557.52 | 450.83 | - | 32.54 | (29.69) | - | (29.69) | - |
| 80 | GMR Pochanpalli Expressways Limited | 182.50 | 56.66 | 803.75 | 564.59 | 0.58 | 108.36 | 17.71 | 3.71 | 14.00 | - |
| 81 | GMR Highways Limited | 726.54 | (180.61) | 2,010.51 | 1,464.58 | 133.18 | 35.44 | (101.39) | 0.05 | (101.43) | - |
| 82 | GMR Hyderabad Vijayawada Expressways Private Limited | 302.53 | (117.70) | 2,276.65 | 2,091.82 | 0.86 | 216.25 | (93.58) | - | (93.58) | - |
| 83 | GMR Chennai Outer Ring Road Private Limited | 150.00 | (18.14) | 938.11 | 806.25 | - | 93.58 | (17.12) | - | (17.12) | - |
| 84 | GMR OSE Hungund Hospet Highways Private Limited | 230.00 | (40.90) | 1,286.63 | 1,097.53 | - | 64.62 | (24.50) | 0.01 | (24.51) | - |
| 85 | GMR Highways Projects Private Limited | 0.01 | (0.01) | - | - | - | - | - | - | - | - |
| 86 | GMR Kishangarh Udaipur Ahmedabad Expressways Limited | 700.00 | (2.63) | 730.96 | 33.59 | - | - | (0.18) | - | (0.18) | - |
| 87 | GMR Infrastructure (Global) Limited (b) | 887.70 | 57.83 | 957.19 | 11.66 | - | - | 59.74 | - | 59.74 | - |
| 88 | GMR Infrastructure (Cyprus) Limited (b) | 0.04 | 80.31 | 1,722.53 | 1,642.19 | - | - | 131.82 | 3.05 | 128.76 | - |
| 89 | GMR Energy (Global) Limited (b) | 885.89 | (885.54) | 0.47 | 0.13 | - | - | (132.11) | - | (132.11) | - |
| 90 | GMR Infrastructure Overseas Limited, Malta (d) | 0.02 | 747.35 | 997.23 | 249.86 | - | - | 508.81 | 1.20 | 507.60 | - |
| 91 | GMR Infrastructure (Mauritius) Limited (b) | 1,939.01 | (142.55) | 3,245.05 | 1,448.59 | - | 11.87 | (24.06) | - | (24.06) | - |
| 92 | GMR Infrastructure (UK) Limited (e) | 49.98 | (102.02) | 49.73 | 101.76 | - | 11.66 | (5.46) | - | (5.46) | - |
| 93 | GMR Airports (Malta) Limited (d) | 0.01 | 3.88 | 120.42 | 116.53 | - | - | 3.85 | - | 3.85 | - |
| 94 | GADL (Mauritius) Limited (b) | 0.83 | (0.06) | 0.85 | 0.08 | - | 0.12 | (0.04) | - | (0.04) | - |
| 95 | GADL International Limited (b) | 0.15 | (22.40) | 288.30 | 310.55 | 30.13 | - | (39.32) | (0.06) | (39.26) | - |
| 96 | GMR Infrastructure (Overseas) Limited (b) | - | 0.07 | 0.13 | 0.06 | - | - | 8.55 | - | 8.55 | - |
| 97 | GMR Male International Airport Private Limited (b) | 181.77 | 32.06 | 1,431.50 | 1,217.67 | - | 0.77 | (171.16) | (0.48) | (170.68) | - |
| 98 | GMR Airport (Global) Limited (b) | 0.60 | 86.77 | 92.96 | 5.59 | - | 36.80 | 9.80 | - | 9.80 | - |
| 99 | GMR Airports (Mauritius) Limited (b) | 0.91 | (14.83) | 405.56 | 419.48 | 384.11 | - | (14.93) | - | (14.93) | - |
| 100 | GMR Male Retail Private Limited (b) | - | (0.07) | 0.06 | 0.13 | - | - | (0.01) | - | (0.01) | - |
| 101 | GMR Energy (Mauritius) Limited (b) | 451.01 | (14.98) | 551.86 | 115.83 | - | - | (0.68) | - | (0.68) | - |

(₹ In Crore)

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

| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|------|--|---------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| 102 | GMR Lion Energy Limited(b) | 17.80 | (0.75) | 50.84 | 33.79 | - | - | (0.14) | (0.14) | (0.14) | - |
| 103 | GMR Energy(Cyprus) Limited (b) | 0.03 | 7.84 | 331.01 | 323.15 | - | - | (55.01) | (55.01) | (55.01) | - |
| 104 | GMR Energy (Netherlands) B.V.(b) | 0.14 | 253.74 | 492.00 | 238.11 | - | - | (14.27) | (14.27) | (14.27) | - |
| 105 | PT Unsoco (c) | 0.53 | 0.09 | 0.61 | - | - | - | - | - | - | - |
| 106 | PT Dwikarya Sejahta Utama (b) | 0.66 | (23.55) | 346.49 | 369.11 | - | - | (3.75) | - | (3.75) | - |
| 107 | PT Duta Sarana Internusa (b) | - | - | - | 0.01 | - | - | - | - | - | - |
| 108 | PT Barasentosa Lestari (b) | - | - | 0.03 | 0.03 | - | - | - | - | - | - |
| 109 | Homeland Mining & Energy SA (Pty) Limited@ (g) | - | 2.12 | 10.10 | 7.99 | - | - | (71.83) | 64.52 | (136.35) | - |
| 110 | Homeland Coal Mining (Pty) Limited@ (g) | - | 0.45 | 1.25 | 0.79 | - | 68.87 | 66.89 | 12.84 | 54.06 | - |
| 111 | Corpco 331 (Pty) Limited@ (g) | - | 0.03 | 0.03 | - | - | 5.56 | 5.32 | - | 5.32 | - |
| 112 | Ferret Coal (Kendal) (Pty) Limited@ (g) | - | - | - | - | - | - | - | - | - | - |
| 113 | Homeland Energy Group Limited @ (h) | 575.32 | (791.93) | 19.90 | 236.51 | 3.33 | - | 64.12 | - | 64.12 | - |
| 114 | Homeland Energy Corporation@ (h) | 233.53 | (245.90) | 209.82 | 3.58 | 3.33 | - | (60.15) | - | (60.15) | - |
| 115 | GMR Infrastructure (Singapore) Pte Limited (f) | 329.03 | 1,416.54 | 1,747.13 | 1.56 | - | - | 6.90 | (0.65) | 7.55 | - |
| 116 | GMR Energy Projects (Mauritius) Limited (b) | 0.06 | (0.01) | 1,175.84 | 1,175.79 | - | - | (1.24) | 0.01 | (1.25) | - |
| 117 | GMR Coal Resources Pte Ltd (b) | 37.81 | (281.27) | 3,135.85 | 3,379.31 | - | 175.72 | (108.11) | 5.79 | (113.90) | - |
| 118 | Himtal Hydro Power Co. (P) Limited (a) | 12.50 | (0.90) | 29.21 | 17.61 | - | - | (0.56) | - | (0.56) | - |
| 119 | GMR Upper Karnali Hydro Power Public Limited (a) | 0.94 | (1.51) | 40.19 | 40.76 | - | - | (0.21) | - | (0.21) | - |
| 120 | Karnali Transmission Company Private Limited (a) | 0.21 | (0.04) | 1.12 | 0.95 | - | - | (0.01) | - | (0.01) | - |
| 121 | Marsyangdi Transmission Co. Pvt. Limited (a) | 0.21 | (0.04) | 2.10 | 1.93 | - | - | (0.01) | - | (0.01) | - |
| 122 | Aravali Transmission Service Company Ltd | 5.23 | (0.67) | 161.70 | 157.14 | - | - | (0.03) | - | (0.03) | - |
| 123 | Maru Transmission Service Company Ltd | 8.94 | (2.06) | 258.63 | 251.75 | - | 8.22 | (0.92) | - | (0.92) | - |

(₹ In Crore)

Notes:

1. The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the Company and the subsidiary companies seeking such information at any point of time.
The annual accounts of the subsidiary companies will also be kept for inspection by any member in the registered office and that of the subsidiary companies concerned.
2. * Investments except investment in Subsidiaries & Joint Ventures.
3. @These companies financial statements are for the period ended on and as at December 31, 2013.
4. The Ministry of Corporate Affairs, Government of India vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance of Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the Circulars. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.
5. Details of reporting currency and the rate used in the preparation of consolidated financial statements.

| Reporting Currency Reference | For Conversion | | |
|------------------------------|----------------|---------------------|---------------------|
| | Currency | Average Rate (in ₹) | Closing Rate (in ₹) |
| a | NPR | 1.60 | 1.60 |
| b | USD | 60.89 | 60.49 |
| c | IDR | 0.006 | 0.005 |
| d | Euro | 80.54 | 82.69 |
| e | GBP | 95.47 | 99.77 |
| f | SGD | 47.83 | 47.58 |
| g | ZAR | 6.03 | 5.88 |
| h | CAD | 56.66 | 58.05 |

Annexure 'C' to the Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended and forming part of the Directors' Report for the year ended March 31, 2014:

1. Conservation of energy and technology absorption:

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

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

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

i. The Foreign Exchange earnings during the year:

(₹ in Crore)

| Particulars | March 31, 2014 | March 31, 2013 |
|---|----------------|----------------|
| Interest income | - | 10.09 |
| Profit on sale of Investment | 471.21 | 75.83 |
| Income From Management and other Services | 9.90 | 6.58 |
| Total | 481.11 | 92.50 |