aspiration to inspiration...

creating tomorrow today

GMR Infrastructure Limited

14th Annual Report 2009-10

Aspiration to Inspiration...
creating tomorrow today

At GMR, we promise to deliver and we deliver that promise.

GMR has built itself upon this foundation, thriving on its unique system of values and beliefs. Fired by a passion to excel we have completed every project on or ahead of schedule. We have not just met time lines, we have created new standards of quality.

Whether it is in airports, energy, highway or urban infrastructure, we have delivered every promise and will continue to do so. Istanbul Sabiha Gocken International airport was completed 12 months ahead of schedule. The construction of the integrated Terminal 3 at Delhi International Airport is complete and will be ready well before the Commonwealth Games 2010. Our barge mounted power plant has been relocated from Mangalore to Kakinada as per plan. In fact, all our 3 operating power plants and 6 operating road assets were completed on schedule despite several challenges. As testimony to our commitment to quality, our Rajiv Gandhi International Airport at Hyderabad International Airport has been rated the best in the world in the 5 to 15 mn passenger category and our Indira Gandhi International Airport at Delhi has been ranked the most improved airport in the 15 to 25 Mn passenger category in the APAC region.

We are committed to be builders and custodians of world-class infrastructure assets that every Indian would be proud of. We have 11 power projects and 3 road projects under development; world-class aerotropolises are being created around our Delhi and Hyderabad airports, which will house convention centres, hotels, schools, speciality hospital, aviation training academy and much more, creating new paradigms of urbanization in terms of quality and timeliness.

At GMR, we take pride in creating tomorrow today…

General Information

Board of Directors

G M Rao
Executive Chairman

Srinivas Bommidala
Managing Director

G B S Raju
Group Director

Kiran Kumar Grandhi
Group Director

B V Nageswara Rao
Group Director

O Bangaru Raju
Director

Arun K Thiagarajan
Independent Director

K R Ramamoorthy
Independent Director

Dr. Prakash G Apte
Independent Director

R S S L N Bhaskarudu
Independent Director

Udaya Holla
Independent Director

Uday M Chitale
Independent Director

Company Secretary & Compliance Officer
C. P. Sounderarajan

Audit Committee

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

Shareholders' Transfer & Grievance Committee

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

Bankers
Axis Bank Limited
ICICI Bank Limited
IDBI Bank Limited

Statutory Auditors
S.R. Batliboi & Associates
Chartered Accountants
Price Waterhouse
Chartered Accountants

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

Registrar and Share Transfer Agent
Karvy Computershare Pvt. Ltd.
No. 17-24, Vittalrao Nagar,
Madhapur, Hyderabad - 500 081

Values and Beliefs

Humility
We value intellectual modesty and detest false pride and arrogance.

Learning
Nurturing active curiosity - to question, share and improve

Entrepreneurship
We seek opportunities - they are everywhere

Social responsibility
Anticipating and meeting relevant and emerging needs of society

Teamwork and Relationships
Going beyond the individual, encouraging boundaryless behaviour

Respect for individual
We will treat others with dignity, sensitivity and honour

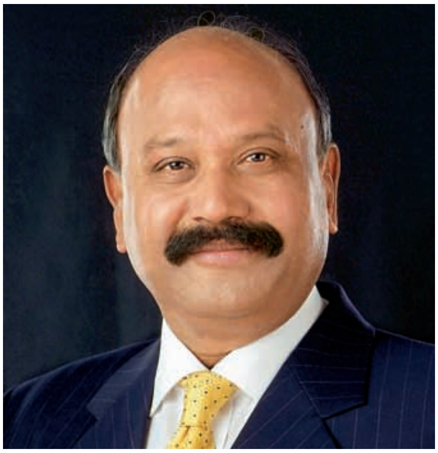
Deliver the promise
We value a deep sense of responsibility and self discipline, to meet and surpass commitments made

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

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

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

Chairman's letter to the shareholders



Dear Shareholders,

It is my privilege to present you the 14th Annual Report of your company.

"The only way of finding the limits of the possible, is by going beyond them into the impossible" said eminent futurist Sir Arthur C Clarke. That has been the story of India in the recent past and I am confident, it will be so in the foreseeable future.

According to latest reports, in the next 20 years, urban population in India will grow to 590 million, twice the population of USA today, 70% net new employment will be generated in cities, and 60 cities will reach a population of 1 million compared to 35 cities in Europe today. Average national income will grow four-fold in the next 2 decades. Therefore, for infrastructure developers like us, the sky is the limit.

So far the Indian economy has shown remarkable resilience and smart recovery. It expanded 7.2% in the previous year and is expected to grow at 8.5% in the fiscal FY11, making it the world's second-fastest growing major economy after China. Consumption will strengthen as the labour market improves, and investment is expected to be boosted by strong profitability, rising business confidence, and favourable financing conditions. To increase the flow of funds for infrastructure, India plans to launch an $11 billion infrastructure fund that will go a long way to develop the domestic bond market and refinance high-cost debt.

We are buoyed by the continued thrust of Government policies to create world-class infrastructure assets. To compliment this, there has been increasing learning, adaption, acceptance and implementation of Public-Private Partnerships (PPP) in this domain. We believe that your company is well poised to leverage this and deliver the promise of providing superior infrastructure assets. Your company has chosen the strategy of diversification across infrastructure sectors to spread its risk. Today, we have operations and investments across airports, energy, urban infrastructure and highways sectors. We shall continue to evaluate other related and emerging opportunities in the infrastructure domain.

During the financial year under review, we have been able to sustain our optimism and have successfully continued to grow, develop assets, raise finance from banks and financial institutions, worked closely with government and demonstrated our commitment of providing infrastructure services of the highest standards to the public. We have also formed several Joint Ventures bringing in partners who will help enhance the value of our business. We have achieved several key milestones as per plan. Our excellence in execution has been recognized through several industry and global awards and accolades.

The year under review has been a story of delivery excellence by your company.

Business Development & Financials

"To accomplish great things, we must not only act, but also dream; not only plan but also believe!!" said Nobel prize winning poet and novelist Anatole France.

Airport Sector

At New Delhi's Indira Gandhi International Airport (IGIA), the company delivered a new terminal 1D in April 2009 which was beyond our original mandate. Passenger traffic grew by 14% making it the busiest airport in India.

We completed the construction of the mammoth terminal T3 on time in March 2010. This new terminal is a state-of-the-art complex with the highest standards and it will be dedicated to the Nation on 3rd July 2010 by the Prime Minister of India and Chairperson of the UPA. Completion of T3 in a record time of 37 months is a global benchmark for an airport of such scale.

IGIA was declared the World's 4th Best Airport and Asia-Pacific's Most Improved Airport for Airport Service Quality in the 15 to 25 million passengers category by the Airports Council International (ACI).

In order to focus on the non-aero & aero revenue streams, during the year, Delhi International Airport Private Limited (DIAL) signed agreements for 11 Joint Venture partnerships which include Duty-free, F&B, Cargo, IT, Fuel Farm, Car Parking, Advertising and Bridge Mounted Equipments. These partnerships will help in value enhancement as well as bring in operational expertise.

The Rajiv Gandhi International Airport (RGIA) at Hyderabad witnessed a 5% growth in overall passenger traffic despite an unfavorable business scenario globally and political disturbances locally. Our company's sustained airline marketing efforts have resulted in additional routes and schedules being started from Hyderabad. Cargo volumes have shown a remarkable growth of 14.8% touching 65,727 tons in FY 2010.

RGIA created Indian aviation history by being declared the best airport in the world for Airport Service Quality by ACI in the 5-15 million passenger category.

During the year, GMR Aviation Academy in collaboration with Jeppesen Aviation Training Services, a subsidiary of Boeing, will start Flight Operations Management training courses at its training academy at Rajiv Gandhi International Airport. Another JV was signed with Malaysian Airlines Systems in the presence of the Malaysian Prime Minister for a new MRO facility which is all set to begin the first phase of operations by the later part of 2011.

Our Istanbul Sabiha Gocken International airport (ISGIA) in Turkey involved construction of a new international terminal and complimentary facilities, as well as management of two existing terminals. Construction of the new terminal was completed in a record period of 18 months that was 12 months ahead of schedule and inaugurated on 31st October 2009 in the presence of the Turkish Prime Minister and Indian Union Minister of Civil Aviation. The airport can now handle 25 million passengers annually.

The airport won the anna.aero Airport Traffic Growth award for highest traffic growth of 48% in the 5-10 million passenger category and handled 6.3 million passengers.

Energy Sector

India's Energy Sector is one of the key enablers for achieving overall economic growth. The country faced a peak power deficit of 13.3% during the year. In the coming years, the deficit is expected to continue despite the significant capacity additions that have been planned.

Your company has 3 operational power plants with a total capacity of 808 MW:

Projects under operation	Fuel	Capacity
Basin Bridge Chennai, Tamil Nadu	Diesel	200 MW
Barge mounted Kakinada, Andhra Pradesh	Gas	220 MW
Vemagiri, Andhra Pradesh	Gas	388 MW
Total		808 MW

In addition, the company has 11 projects at various stages of progress with an aggregate of over 8,448 MW:

Projects under development	Fuel	Capacity	Financial Closure	Commercial Operation Date
Kamlanga, Orissa	Coal	1400 MW	Done May 2009	By Mar 2012
EMCO, Warora, Maharashtra	Coal	600 MW	Done Mar 2010	By Jun 2012
Raikhera, Chhattisgarh	Coal	1370 MW	By Sep 2010	By Feb 2014
SJK Power, Shahdol, Madhya Pradesh	Coal	1370 MW	By Oct 2010	By Dec 2014
	Total Coal	4740 MW		
Rajahmundry Energy, Andhra Pradesh	Gas	768 MW	By July 2010	By Mar 2012
Island Power, Jurong, Singapore	Gas	800 MW	By Oct 2010	By Nov 2013
	Total Gas	1568 MW		
Alaknanda, Uttarakhand	Hydro	300 MW	By Mar 2011	By Mar 2015
Upper Karnali, Nepal	Hydro	900 MW	By Mar 2012	By Dec 2015
Talong, Arunachal Pradesh	Hydro	160 MW	By Mar 2012	By Jun 2016
Bajoli Holi, Himachal Pradesh	Hydro	180 MW	By Mar 2012	By Jul 2016
Upper Marsyangdi, Nepal	Hydro	600 MW	By Mar 2012	By Oct 2016
	Total Hydro	2140 MW		

Out of these, the company acquired 2 power projects with a total capacity of 1970 MW in the year under review - EMCO and SJK power projects.

A significant achievement was the successful relocation of our barge mounted 220 MW power plant from Mangalore (West coast) to Kakinada (East coast). This will help the power plant operate at lower cost by replacing the feedstock from naphtha to natural gas. With fuel supply and power purchase lined up, it will start generation in Jun 2010 in single cycle and July 2010 in combined cycle.

Your company has made several strategic investments to ensure long term fuel security.

Coal Mine	Reserves	Resources	Status
PT BSL Indonesia	104 MMT	700 MMT	Under development
HEG Kendall South Africa	25 MMT	621 MMT	Under operation
HEG Eloff South Africa	275 MMT		Under development
HEG 4 other coal mines, South Africa	Being evaluated		Under development
Rampia Orissa India	454 MMT Allocation to GMR: 112 MMT	645 MMT	Under development

The company has also built capability and assets in transmission business. In power trading, GMR Energy Trading Limited, is today among the top ten power traders in the country.

Highways Sector

In the Highways sector, the Government of India has taken several initiatives to encourage private investment in roads. We believe that the sector will witness growth on fast track owing to political will, structural changes (land acquisition, clearances etc) and changes in capital and financial markets providing options for fund raising. The company has currently 6 highway projects under operation across India measuring a total length of around 421 km (1684 Lane Km). These include a balanced mix of both Annuity and Toll-based projects.

Project	Lane-km	Type
59 km Tuni - Anakapalli	236	Annuity
93 km Tambaram - Tindivanam	372	Annuity
103 km Pochanpalli	412	Annuity
Total Annuity	1020	
35 km Ambala - Chandigarh	140	Toll
58 km Faruknagar - Jadcherla	232	Toll
73 km Tindivanam - Ulundurpet	292	Toll
Total Toll	664	

During the year, the company won 3 road projects with a total length of 310 km (1664 Lane Km).

Project	Lane-km	Type
181 km Hyderabad – Vijayawada Highway	1090	Toll
30 km Chennai Outer Ring Road	178	Annuity
99 km Hungund – Hospet Highway	396	Toll
Total	1664	

Urban Infrastructure

In Indira Gandhi International Airport (IGIA) Delhi, in Phase I of the hospitality district, the Company awarded all asset areas (45 acres) to successful bidders for commercial property development. This is a major step forward towards unlocking the value of real estate around IGIA.

Your company has plans to build a large aerotropolis around the Rajiv Gandhi International Airport (RGIA) Hyderabad with 6 specific themes – Education port, Healthcare port, Entertainment Port, Hospitality Port, Commercial Port and Logistics Port. To this end, the company is working closely with leading international players to form Joint Venture partnership and bring best-in-class business assets across 1000 acres.

The exports from the functioning SEZs in India have grown considerably with a CAGR of about 48%, establishing beyond doubt that the response to the SEZ policy of the Central Government has been overwhelming and the scheme has been able to achieve the envisaged objectives. Your company has plans to develop aviation SEZ spread over 250 acres and multi-product SEZ in another 250 acres close to RGIA.

Results

(Rs. in Crore)

Particulars	Year ended		
	31st March'10	31st March'09	% change
Net Revenue	4,566.5	4,019.2	13.6%
EBITDA	1,364.3	1,066.8	27.9%
PAT*	158.4	279.5	-43.3%
Cash Profit	734.6	643.8	14.1%

* After minority interest and Share of Loss from Associate

Net Revenues have gone up a modest 13.6%, primarily impacted by the absence of Revenues from the decommissioned 220 MW barge mounted power plant during the year. EBITDA, Cash Profit moved up significantly, signifying efficient and profitable operations of the business.

Organization Development

It is said "Your greatest achievement is not to get ahead of others but to surpass yourself".

While business building has been on course, our emphasis on institution building has remained a very high priority. We are continuing to invest in this area to ensure that our organizational growth remains sustainable taking care of our relationship with all our stakeholders – shareholders, lenders, customers, suppliers, JV partners, government, employees, society and environment.

Performance Management, Talent Review, Training & Development

We believe that our employees are our greatest source of strength and differentiation. During the year gone by, we IT-enabled several people processes, brought performance management process to high level of maturity and introduced world-class development programs for our leadership team.

Corporate Governance

While we already have a high standard of corporate governance, we initiated a major initiative to strengthen this further with the creation of a corporate governance framework. A team of very senior cross-functional team is now engaged in taking corporate governance in your company to a different level.

Business Excellence and Knowledge Management

Business Excellence is very crucial for us and even though the journey may be a long one, it will build and upgrade our processes and systems to be more efficient and effective. As a Group we have embarked on the Business Excellence journey based on the globally acclaimed Malcolm Baldridge Business Excellence Model.

Knowledge Management is also an integral part of institution building. It is essential for us to create future value, mitigate risks and build organizational capabilities.

Environmental Protection and Energy Conservation

The success of your company is integrated with strong environmental management practices. Clean environment is our top priority and to support that several unique schemes have been implemented to prevent pollution and conserve natural resources to achieve sustainable development. High priority is given to energy conservation and carbon footprint minimization in all our assets and projects.

Risk Management

Over the last few years, the Company has consciously embedded formal Enterprise Risk Management (ERM) practices into every facet of the decision-making process. Our approach is holistic in nature and we consider risk at various stages of the value chain, i.e. at Bid, Project and Asset stages. The Company's ERM philosophy is to integrate the process for managing risk across its business and lifecycle to enable protection and enhancement of stakeholder value. ERM is an integral component of our corporate strategy, culture and value generation process.

Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) is our corporate social responsibility arm. GMRVF aims to contribute to this objective by focusing on education, health, hygiene, and sanitation; empowerment; and community development initiatives. The Foundation works intensively with the poorer sections of society surrounding the business operations and projects of various GMR Group companies all over the country. The thrust areas enable the Foundation to develop need-based and locale-specific responses to the needs of the diverse communities it works with. It is now present in 22 locations.

GMRVF won the prestigious TERI Corporate Award for Corporate Social Responsibility in recognition of corporate leadership for social responsibility and sustainable development initiatives from the President of India.

Acknowledgements

I express my sincere gratitude to our shareholders, investors, JV partners, banks and financial institutions with whom we have enjoyed excellent symbiotic relationships. I would also like to thank SEBI, NSE, BSE, RBI, NHAI, TIDCO, AAI, AERA, CERC, Central and State Governments and all other regulatory and state bodies for providing continuous direction, support and an enabling environment for smooth conduct of business. I wish to express my appreciation to my colleagues on the Board and our employees for their thought leadership, dedication and commitment.

I acknowledge my deep appreciation to the Board of Directors and the employees of the subsidiaries for their continued support.

I am grateful to you all for your cooperation and the trust you have reposed in us.

Best Regards

G M Rao
Executive Chairman

Key Milestones Achieved

Month/Year	Project	Project Milestone Achieved
April 2009	Indira Gandhi International Airport, Delhi	New Domestic Departure Terminal 1D was completed and commercial operations successfully commenced.
May 2009	1400 MW Kamalanga Thermal Power Project, Orissa	Achieved financial closure.
July 2009	73 km Tindivanam-Ulundurpet highway project	Was completed and commenced commercial operations.
October 2009	Sabiha Gokcen International Airport, Istanbul	Inauguration of the new passenger terminal building on 31st October 2009 in a record time of 18 months.
2009-10	Indira Gandhi International Airport, Delhi	Agreements concluded for 11 Joint Venture partnerships - Duty free, F&B, Cargo, Fuel Farm, Car Parking, Advertising, Bridge Mounted Equipment etc.
February 2010	Indira Gandhi International Airport, Delhi	In Phase I of the hospitality district, awarded all asset areas across 45 acres for commercial property development.
February 2010	Rajiv Gandhi International Airport, Hyderabad	MRO JV signed with Malaysian Airlines Systems
March 2010	Rajiv Gandhi International Airport, Hyderabad	CFM International, world's leading aircraft engine manufacturer, inaugurated the engine Maintenance Training Center.
March 2010	600 MW EMCO Thermal Power Project, Maharashtra	Achieved financial closure.
March 2010	Indira Gandhi International Airport, Delhi	Construction on the new integrated Terminal 3 was completed in March 2010 in a record time of 37 months.

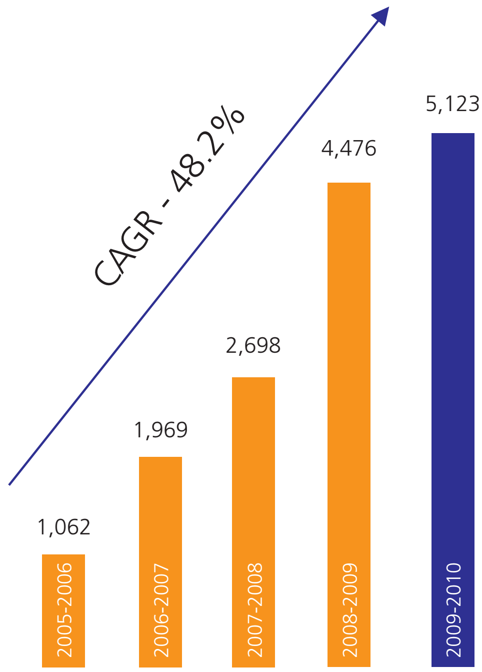
Highlights of 2009-10

Consolidated Financials

- Gross revenues up by 14.46% from Rs. 4,476.19 Crore to Rs. 5,123.42 Crore
- Net Revenues up by 13.62% from Rs. 4,019.22 Crore to Rs. 4,566.51 Crore
- EBITDA up by 27.89% from Rs. 1,066.79 Crore to Rs. 1,364.31 Crore
- PAT before minority interest and share of profits/(losses) of associates decreased by 18.68% from Rs. 277.11 Crore to Rs. 225.34 Crore.
- PAT after minority interest and share of profits/(losses) of associates decreased by 43.32% from Rs. 279.45 Crore to Rs. 158.40 Crore.
- Cash Profit (PAT before Minority plus depreciation plus deferred tax plus MAT credit entitlement) increased by 14.10% from Rs. 643.82 Crore to Rs. 734.61 Crore.
- Total assets increased by 42.59% from Rs. 22,296.78 Crore to Rs. 31,793.20 Crore.
- Net Worth increased by 4.59% from Rs. 8,277.24 Crore to Rs. 8,657.21 Crore

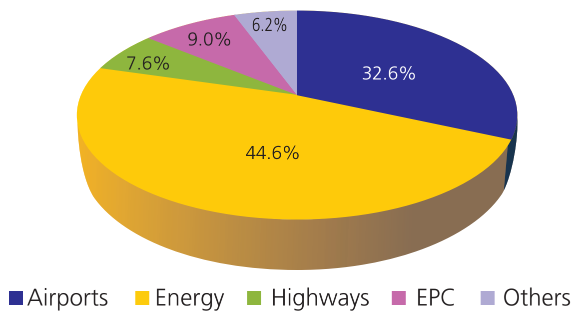
Business Developments/ Operation

- Delhi's new integrated Terminal 3 construction has been completed in a record time of 37 months and commercial operations are slated to commence from July 2010.
- Delhi International Airport Pvt. Ltd. has signed agreements for 11 Joint Venture partnerships which include Duty-free, F&B, Cargo, IT, Fuel Farm, Car Parking, Advertising and Bridge Mounted Equipments.
- The company is developing Delhi Aerocity in Delhi Airport Already leased out 45 acres of land for the development of Hospitality District with plans to bring leading international & national hotel brands to this location.
- Istanbul Sabiha Gokcen International Airport - Construction of the new terminal was completed in November 2009, in 18 months i.e. 12 months ahead of schedule.
- CFM International, world's leading aircraft engine manufacturer, inaugurated the engine Maintenance Training Center at Hyderabad Airport Aerospace Park.
- The Group acquired two power projects with a total capacity of 1970 MW. They are (i) 600 MW coal based EMCO power project in Maharashtra and (ii) 1370 MW coal based SJK power project in Madhya Pradesh.
- The barge mounted power plant is relocated from Mangalore to Kakinada in April 2010 and is converted to operate on natural gas.
- Tindivanam - Ulundurpet project on NH-45 in Tamil Nadu became operational.
- Successfully won three new projects in the highways sector viz. Hyderabad - Vijayawada, Chennai ORR and Hungund - Hospet.



Consolidated Gross Revenue (Rs. In Crore)

Sectorwise net revenue in 2009-10

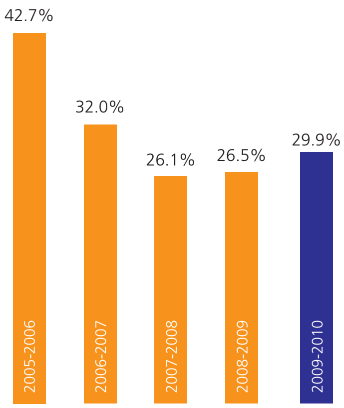


Consolidated Financial Performance

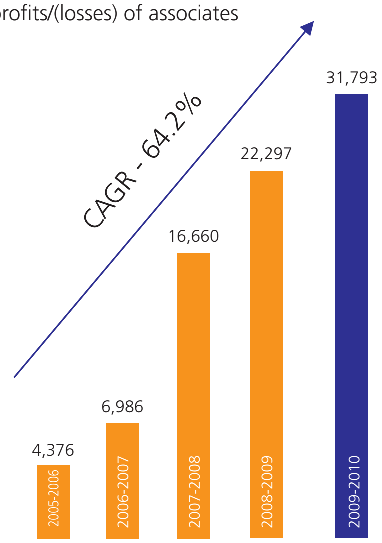
(Rs. in Crore)

Year End	Net Revenue	EBITDA	PAT**	Cash Profits	Cash & Cash Equivalent*
FY 2010	4,566.5	1,364.3	225.3	734.6	4,892.6
FY 2009	4,019.2	1,066.8	277.1	643.8	2,781.6
FY 2008	2,294.8	598.5	262.6	469.2	5,779.3
FY 2007	1,696.7	543.7	241.8	390.6	1,562.3
FY 2006	1,061.6	453.0	93.6	313.5	931.4

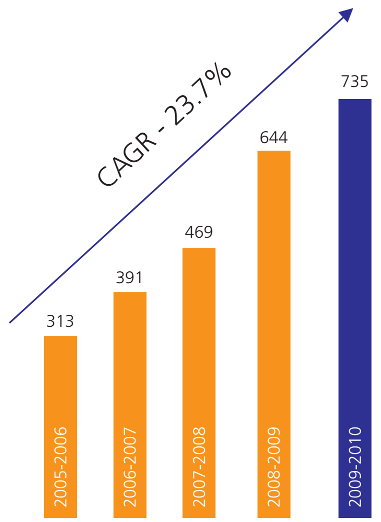
*Cash+ mutual funds +bonds+ government securities+ certificate of deposit + investments in quoted equity shares
** PAT before minority interest and share of profits/(losses) of associates



EBITDA Margin

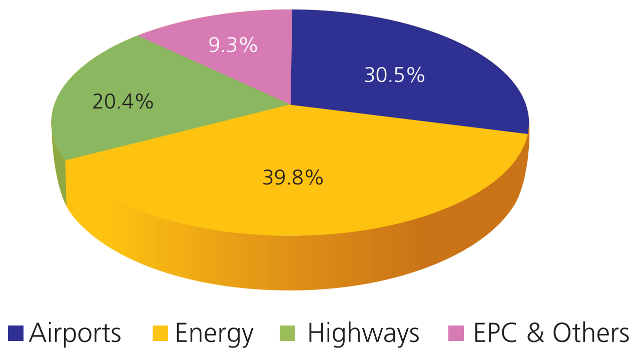


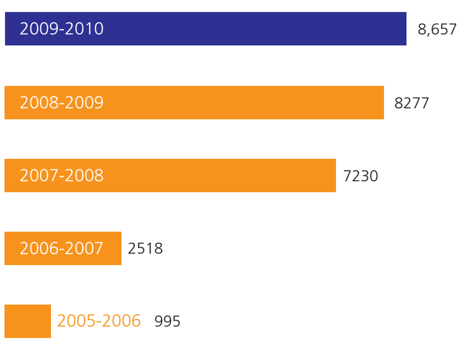
Total Assets (Rs. in Crore)



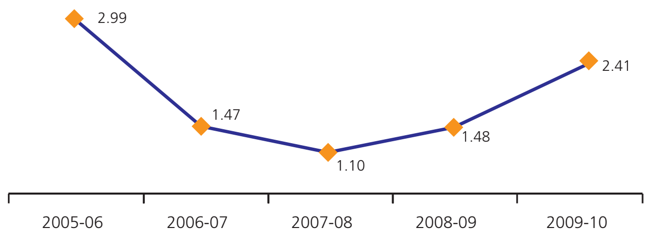
Cash Profit (Rs. in Crore)

Sector wise contribution in EBITDA in 2009-10





Net worth (Rs. in Crore)



Debt Equity Ratio

Airports

Airports business of the group consists of three airports – Indira Gandhi International Airport (IGIA) in Delhi; Rajiv Gandhi International Airport (RGIA) in Hyderabad and Istanbul Sabiha Gokcen International Airport (ISGIA) in Turkey. Significant features and developments in these three assets during the year are given below:

Indira Gandhi International Airport, New Delhi

The Brownfield development of IGIA in Delhi commenced in January 2006. This Public Private Partnership project is being promoted by Delhi International Airport Private Ltd. (DIAL), a joint venture between GMR Group (54%), the Airports Authority of India (26%), Fraport AG (10%) and Malaysia Airports (Mauritius) Private Limited (10%) of Malaysia Airports. The consortium entered into a long-term agreement to operate, manage and develop the Delhi airport following a competitive bidding process. IGIA is now the biggest and busiest airport in the country. It has handled 26.12 million passengers in the year 2009-10.

The airport is being developed in 5 phases. Phase I was completed in March 2010, the airport is now capable of handling 60 million passengers per annum (mppa), with a total capacity of 100 mppa and a cargo capacity of 3.6 million tons by end of phase V. DIAL has successfully commissioned the third runway measuring 4,430 meters in length. This is amongst the longest runways in Asia, capable of handling Airbus A380 sized aircraft and is CAT III B compliant.

The company has developed the new integrated terminal building (T3) - a state-of-the-art complex with the highest security standards which was completed in March 2010 and will be commissioned in July 2010. Completion of T3 in a record time of 37 months is a world benchmark for an Airport of such scale. Operational Readiness and Airport Transfer (ORAT) trials are being undertaken in order to ensure glitch-free operations post inauguration.

Salient features of T3:

- Multimodal connectivity via 8 lane expressway and metro rail
- 9 Level building
- 2 Piers - 1.2 Km each
- 71 Visual Deck Guidance Systems
- Access Control Card Entry
- Public Address system - 8,000 speakers
- Multi-level car parking facility for 4,300 cars in addition to surface parking for 2,300 cars
- Common check-in hall for domestic and international passengers with 168 Common User Terminal Equipment (CUTE) check-in counters
- Advanced 5 Level in-line baggage handling system with CTX machines for greater efficiency and security
- 78 aerobridges, 48 Contact & 9 Remote Parking Stands
- 92 Walklators, 31 Escalators, 63 Lifts
- 34 security channels (screening machines)
- 14 baggage reclaim belts
- 49 departure and 46 arrival immigration counters
- Passenger facilities such as restaurants, shopping, duty free complexes, modern communication equipments and executive lounges
- State-of-the-Art Airport Operation Command Centre (AOCC) (already commissioned)

DIAL has signed agreements for 11 Joint Venture partnerships which include Duty-free, F&B, Cargo, IT, Fuel Farm, Car Parking, Advertising and Bridge Mounted Equipments. These partnerships would help in value enhancement as well as bring in operational expertise.

DIAL has envisaged IGIA as a Cargo Gateway of India & aspires to become the number one cargo airport in India. DIAL has outsourced its cargo operations to global professionals Celebi Hava Servisi (Celebi) and Cargo Service Centre (CSC) to improve operational standards and also has plans to develop a logistics park.

In the 2nd half of the year under review, a branding campaign under the name 'T3 Explore' was launched. This unique initiative will promote the flow and exchange of people, ideas, services and real estate that give rise to new areas of living and leisure.

DIAL proposes to build a world class Aerotropolis by developing 250 acres of land around the Airport for commercial activities. The first phase of development is focused around creation of a Hospitality District towards which 45 acres of land has already been bid out.

IGIA, Delhi has been declared the World's 4th Best Airport and Asia Pacific's Most Improved Airport for Airport Service Quality (ASQ) in the 15 to 25 million passengers category by Airports Council International (ACI). It has improved its ASQ score from 3.15 in 2008 to 4.16 in 2009.

Rajiv Gandhi International Airport, Hyderabad

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

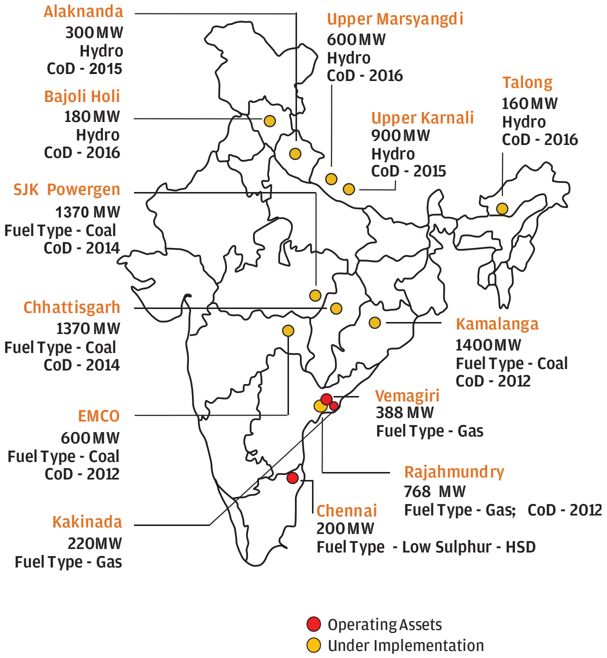
RGIA was declared world's best airport in 5 to 15 million passengers category and 5th best overall by ACI (ASQ 4.44 in 2009) on service quality standards. Also it has won the 'Best Airport India' Award at the Skytrax World Airports Awards 2010.

Key features

- Capability to handle 12 mppa and 150,000 tonnes of cargo per annum in the initial phase.
- The Ultimate capacity of the airport would be 40 mppa and 1 million tonnes of cargo per annum in the final phase
- Integrated Passenger Terminal building spread over an area of 117,000 sq.mt ensuring rapid transit between domestic and international concourses
- Among the longest runways in India measuring 4,260 mts and capable of handling Airbus A-380 aircraft.
- Fully automated Airport Operations Command Centre (AOCC)
- Tallest ATC Tower (75 mts) in India
- Medical Center at the Terminal building
- Airport Hotel of 5 Star class
- Slumber lounge at Arrival with shower and nap facilities.
- Peak hour capacity of 3,200 passengers
- 4 Inclined Baggage carousels
- 46 Immigration counters
- 146 Check-in counters including 16 with Self-service facilities
- 30 Escalators and 32 Elevators
- Wi-Fi Access in the Passenger Terminal Building
- Parking for 3,500 cars

Energy

The GMR Group is among the major private players in the Indian power sector. The Company currently has three operating power plants with an aggregate capacity of about 808 MW. The Company has ambitious growth plans in the sector with 7,648 MW of capacity under various stages of implementation & development. The Company is developing 10 projects in different states and will have a diversified portfolio of assets based on different fuels namely gas, coal and hydro projects. The Company also has an international presence with two hydro projects in Nepal, one gas based power project in Singapore and coal assets in South Africa and Indonesia.



Power Assets

GMR Energy Limited

Installed capacity: 220 MW

Location: Kakinada, India

The plant was operating since 2001 on Naphtha in Mangalore, is relocated to Kakinada and converted to operate on Gas.

Fuel Type: Natural Gas

Key features

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

GMR Power Corporation Limited

Installed capacity: 200 MW

Location: Chennai, India

Year of commissioning: November 1999

Fuel type: LSHS

Key features

- Tamil Nadu's first independent power producer.
- Entire power off-take by Tamil Nadu State Electricity Board under a 15-year PPA valid till 2014. German technology for two-stroke diesel engine from MAN B&W.
- Established a unique sophisticated sewage treatment unit that treats 7,200 cubic meters of raw sewage per day from

Chennai Metropolitan & Sewerage Board to produce 5,400 cubic meters of clean water for its own use.

- Incorporation of reverse-osmosis technology for the final stage of purification to neutralize harmful pollutants.
- Achieved ISO 14001 and OHSAS 18001 certifications from Det Norske Veritas for its eco-friendly initiatives.
- Awarded 'The M.S. Swaminathan Award' for Environment Protection.

GMR Vemagiri Power Generation Limited

Installed capacity: 388.5 MW

Location: Rajahmundry, India

Year of commissioning: September, 2006

Fuel type: Natural Gas

Key features

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

Our Coal Assets

To ensure fuel security for its domestic energy business, the Group has acquired coal assets in South Africa & Indonesia:

- The Group owns 100% stake in a coal mine in Indonesia, PT Barasentosa Lestari (PTBSL) with total mineable reserves of about 104 MMT.
- The Group also has a stake of 38.55% in Homeland Energy Group (HEG) a Canadian listed entity. HEG through its subsidiaries in South Africa owns controlling interest in already operational Kendel mines, fully explored Eloff Mines and also other exploration areas with total mineable reserves of around 300 MMT.

Projects under implementation

GMR Rajahmundry Energy Limited, Andhra Pradesh

The 768 MW gas based, thermal power project is being set up in Rajahmundry, Andhra Pradesh. The EPC contract has been placed with L&T and the project is expected to be commissioned by 2012.

GMR Kamalanga Energy Limited, Orissa

The 1400 MW coal based, thermal power project is being set up in the Dhenkanal district of Orissa. The project has achieved financial closure. The EPC contract has been placed with SEPCO, China and the project is expected to be commissioned by 2012.

EMCO Energy Limited, Maharashtra

The 600 MW coal based, thermal power project is being set up in the Warora district of Maharashtra. The project has achieved financial closure. The order for BTG equipment has been placed with SEC, China & the project is expected to be commissioned by 2012.

GMR Chhattisgarh Energy Private Limited, Chhattisgarh

The 1,370 MW coal based, thermal power project is being set up in the Raipur district of Chhattisgarh. The Project is based on the environment friendly Super Critical Technology. The EPC order for BTG package has been placed with Doosan, South Korea & the project is expected to be commissioned by 2014.

Others

In addition, the Group is developing the 1,370 MW SJK Powergen in Madhya Pradesh and 2,140 MW Hydro power projects in India and Nepal.

Power Trading

GMR Energy Trading Limited

The Group's power trading arm has within a short span of one and half years of operations become the sixth largest private power trader in the country.

Highways & Urban Infrastructure

Highways

GMR Group is a leading developer and operator of highways business in India and holds concessions for six highways which are under operations (measuring a total length of around 1684 Lane kms) and for three highways which are under development /construction (measuring a total length of around 1664 Lane kms).

The six operating highways are a diversified mix of three annuity (around 1020 Lane kms) and three toll-based projects (664 Lane kms) and were awarded by the National Highways Authority of India (NHAI) under National Highways Development Programme (NHDP). The Group has signed Concession Agreements for three new road projects, the 1090 Lane kms Hyderabad - Vijayawada project in Andhra Pradesh on toll basis, 178 Lane kms Chennai Outer Ring Road state project in Tamil Nadu on annuity basis as well as the 396 Lane kms Hungund - Hospet stretch on National Highway-13. All the three projects will be built on BOT basis. Going forward, GMR Group will participate in six-laning and other corridor projects of the NHDP in India and is also exploring opportunities in Sri Lanka, Turkey, East Europe and Africa. Quality of Construction and Operational safety is of utmost priority at GMR Group and highways are being constructed taking into consideration all safety aspects. Safety measures adopted by the Group comprise the construction of pedestrian fencing along service roads, installation of appropriate caution and safety boards, provision of exclusive bus bays, installation of reflective road delineators at sharp curves, etc.

The Group also provides state-of-the-art illumination, with special high-mast lighting at all major junctions and fly overs. The highways are provided with a 24-hour highway patrol as well as first-aid facilities.

Key features

- The Tambaram - Tindivanam road development project in Tamil Nadu was completed 29 days ahead of schedule, earning a bonus from NHAI. The project includes two major bridges, three railway over-bridges, two toll plazas, four fly overs and one trumpet interchange. The Tuni - Anakapalli project in Andhra Pradesh was completed on schedule. This was achieved inspite of facing constraints related to land acquisition issues, which was resolved by strategic co-ordination with National Highways Authority of India
- The Ambala - Chandigarh project is the Group's first highways project in North India. Completed as per schedule, it involved construction of two crucial fly overs, totalling more than 15 Lane kms of elevated carriage way. A state of the art, 12 lane toll plaza is also operational.
- Thondapalli - Jadcherla and Adloor - Gundla Pochanpalli were won through international competitive bid from NHAI in October, 2005 and have been completed on schedule. Four laning of these roads is expected to ease traffic congestion and provide a tremendous boost to trade and commerce in the region. The roads have been built to world-class standards and will provide travellers a safe and fast means to commute. The Tindivanam - Ulundurpet project measuring 292 Lane kms has been built on a BOT basis to world-class standards. The project was completed on schedule and is awaiting clearance to begin commercial operation.
- The Hyderabad – Vijayawada project measuring over 1090 Lane kms is the seventh and the longest highway project of the Group. The Group won the project through an international competitive bidding process involving several national and international consortia. The project will connect the two

major economic hubs of Andhra Pradesh namely Vijayawada and Hyderabad which are witnessing multi-fold growth. Additionally, it will also serve as a vital link in facilitating the movement of traffic between Kolkata and Bengaluru.

- The Chennai Outer Ring Road measuring 178 Lane kms is the Group's first state highway project. The Group emerged as the lowest bidder in an international competitive bid for the project in Tamil Nadu. It will be built at a total cost of about Rs. 1,100 Crore.
- The Hungund - Hospet highway is the latest road project of the Group. The Concession Agreement for this 396 Lane kms road which passes through three districts of Karnataka was signed in March 2010.

Details of Highway Projects

	Tambaram – Tindivanam	Tuni – Anakapalli	Ambala – Chandigarh	Thondapalli – Jadcherla	Adloor – Gundla Pochanpalli	Tindivanam – Ulundurpet	Hyderabad – Vijayawada*	Chennai Outer Ring Road (CORR)*	Hungund - Hospet*
Location	NH-45, Tamil Nadu	NH-5, Andhra Pradesh	NH-22,21, Haryana, Punjab	NH-7, Andhra Pradesh	NH-7, Andhra Pradesh	NH-45, Tamil Nadu	NH-9, Andhra Pradesh	Tamil Nadu	NH-13, Karnataka
Length	372 Lane kms	236 Lane kms	140 Lane kms	232 Lane kms	412 Lane kms	292 Lane kms	1090 Lane Kms	178 Lane Kms	396 Lane Kms
Type of Concession	BOT Annuity Project	BOT Annuity Project	BOT Toll project	BOT Toll project	BOT Annuity Project	BOT Toll project	BOT Toll project	BOT Annuity Project	BOT Toll project
Concession period	17.5 years incl. Construction Period: 2.5 years	17.5 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	25 years incl. Construction Period: 2.5 years	20 years incl. Construction Period: 2.5 years	19 years incl. Construction Period: 2.5 years
Year of completion	2004	2004	2008	2009	2009	2009	Expected: 2012	Expected: 2012	Expected: 2012

*Under Development BOT - Build, Own, Transfer

Urban Infrastructure

The interests of the GMR Group as part of the Urban Infrastructure division lie primarily in Special Economic Zones (SEZs) and property development around Group's infrastructure assets The current focus of property development is to develop an aerotropolis around the Delhi and Hyderabad International Airports.

Delhi International Airport Property Development:

It is aimed to create an alternate Central Business District for Delhi centered around the airport, through development of commercial, hospitality and retail property offerings. As part of the first phase, the Group has already leased out 45 acres of land for the development of Hospitality District with plans to bring leading international & national hotel brands to this location. Mixed use development for the second phase of land disbursement will be conceptualised and planned in financial year 2011.

Hyderabad International Airport Property Development:

The Group further plans to develop approximately 1,000 acres of commercial land at the Hyderabad airport and has initiated several measures towards this.

SEZ Development

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

Key features

A 3,300 acre SEZ envisaged in Krishnagiri as the first green SEZ in the country on account of its eco-friendly construction (green corridors, ecological efficiency, quality and social infrastructure). Focus shall be on sunrise sectors like solar PV with additional possibilities including bio-technology, IT, ITeS, as well as traditional electronics and engineering industries. Intended to benefit over 300,000 people through direct and indirect employment, the SEZ will lead to physical and social infrastructure development in the region through its multiplier effect. Excellent road and rail connectivity is expected to bolster demand for the asset.

International Business

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

The division, headquartered in London, leverages the Group's bidding, financing, project management, and partnership development skills to develop, own and operate assets abroad. GMR International focuses on a few 'hot spot' regions characterized by high growth, high demand - supply gap and openness to Indian investment. The regions of interest for growing GMR's footprint are Middle East and North Africa (MENA), South East Asia (ASEAN) and Emerging Europe.

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

GMR International's assets are listed below:

The Sabiha Gokcen International Airport

GMR owns 40% of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme A.S., (ISGIA), the company that is operating and expanding the Istanbul Sabiha Gokcen International Airport at Istanbul, Turkey for a concession period of 20 years. The other shareholders in ISGIA are Limak Insaat Sanayi Ve Tic A.S. with 40% and Malaysia Airports Holdings Berhad with 20%. The consortium took over the operations of the Istanbul airport in May 2008. Key milestones achieved during the year at ISGIA are:

- Inauguration of the new passenger terminal building on October 31, 2009 (the building was completed 12 months ahead of schedule in 18 months)
- The airport can now handle 25 million passengers annually
- Developed Cargo Handling capacity of over 1,000 tons monthly
- All the contracts have been in place and the concessions fully operational (F&B, Duty Free, Advertizing etc)
- The airport had a 48% increase in the passenger traffic and handled 6.3 million passengers in the year 2009.
- The airport won the anna.aero Airport Traffic Growth Award for highest traffic growth in the 5-10 million passenger category
- The airport also won the Routes Airport Marketing Award 2010 for European Region

InterGen N.V.

GMR extended its global presence further through the acquisition of 50% stake in InterGen, a leading global power generation company. InterGen N.V., has 8088 MW of gross operating capacity (6254 net equity MW) across five countries and about 5500 MW capacity under development. The balance 50% equity stake is held by Ontario Teachers' Pension Plan, the largest single profession pension plan in Canada with $108.5 billion in net assets. This acquisition is the largest ever acquisition of a global energy utility by an Indian company. With this acquisition GMR Group has graduated as one of the largest private Independent Power Producers (IPPs) in India. This will provide GMR with a global platform for growth and will propel it from an energy provider in its domestic market of India to one of the world's leading IPPs targeting multiple opportunities in the rapidly growing energy sector across the world.

Island Power Corporation

The GMR Group is developing the Island Power Project in Singapore after acquisition of 100% stake last year in the gas based 800 MW private power utility .

GMR Varalakshmi Foundation

The GMR Group believes that its commitment goes beyond business gains. This translates to a deep sense of ownership and practice of the concept of 'Social Entrepreneurship'. The Group ensures that the peripheral community that it influences remains vibrant through its Corporate Social Responsibility (CSR) arm - The GMR Varalakshmi Foundation (GMRVF), working in various segments as mentioned further.

GMRVF's initiatives are spread across various locations in India- AP Roads, Arunachal Pradesh, Bengaluru, Chandigarh, Chhattisgarh, Chennai, Delhi, Haliyal, Himachal Pradesh, Hyderabad, Kakinada, Kamalanga, Mangalore, Rajahmundry, Rajam, Ramdurg, Uttaranchal, Villupuram, Warora and in Nepal - Upper Karnali & Upper Marsyangdi.

During the year, GMRVF won the prestigious TERI Corporate Award for CSR in recognition of corporate leadership for social responsibility and sustainable development initiatives. The Foundation also won the Silver Plaque instituted by Help Age India for providing exemplary services to the elderly.

Education

- Provides quality education to under-served areas and communities. It is closely involved with 8 educational institutions, namely GMR Institute of Technology , Sri GCSR College, GMR Community College, GMR Polytechnic, GMR Varalakshmi DAV School, Seethamahalakshmi DAV Public School, St. Ann's Varalakshmi Vidyashram & GMR Chinmaya Vidyalaya.
- Provides pre-school education to 3,000 children in the 3-5 year age group through Bala Badis & tie-ups with Anganwadis, indirectly eliminating child labour.
- Supports about 163 government schools in improving the quality of education and reaches out to over 22,500 children.
- Supports education of deserving students via the Gifted Children Scheme and scholarships.
- Provides mid-day meals at schools
- Special concentration on out-of-school children like those of the migrant laborers, sugar cane harvesting laborers, differently abled children etc. Reaches out to almost 900 children.

Health, Hygiene and Sanitation

- Provides ambulance service in 5 geographically remote areas.
- 3 mobile medical units provide regular support in villages, catering to over 6,200 senior patients per month (age 60+) by delivering doorstep health care
- Initiated 13 health clinics in various locations; attending almost 2,200 people every month.
- Conducts various health awareness sessions (including AIDS awareness), health camps at various locations for different age groups.
- Initiated nutrition centres for pregnant and lactating women, providing them a diet supplement which is prepared in consultation with the National Institute of Nutrition.
- Facilitates public sanitation for disadvantaged by running 16 public toilets.

Empowerment and livelihoods

- Runs 7 training institutes to provide skill training & entrepreneurship development for school and college dropout youths making them employable.
- Works with 172 self-help groups (SHGs), providing facilitation, capacity building, motivation and training in empowering women financially.
- Empowers local women groups to take up micro enterprises and provides marketing support for their products.

Community development

- Has established 52 community libraries in villages to reinforce the reading habit and help communities bond better. Also runs mobile libraries for making reading more approachable.
- Promotes women literacy through adult literacy programmes.
- Observes important National & International days to raise awareness on various issues

GMR Group

"Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following;"

GMR Holdings Private Limited - Holding Company	PT Barasentosa Lestari
Delhi International Airport Private Limited	PT Dwikarya Sejati Utma
GMR Hyderabad International Airport Limited	PT Duta Sarana Internusa
GMR Airports Holding Limited	PT Unsoco
GMR Hyderabad Aerotropolis Limited	Island Power Intermediary Pte. Limited
GMR Hyderabad Airport Resource Management Limited	Island Power Company Pte. Limited
Hyderabad Menzies Air Cargo Private Limited	Island Power Supply Pte. Limited
Gateways for India Airports Private Limited	GMR Rajahmundry Energy Limited
GMR Hyderabad Aviation SEZ Limited	SJK Powergen Limited
GMR Hyderabad Multiproduct SEZ Limited	Karnali Transmission Company Private Limited
Hyderabad Airport Security Services Limited	Marsyangdi Transmission Company Private Limited
GMR Hotels and Resorts Limited	GMR Maharashtra Energy Limited
DIAL Cargo Private Limited	GMR Highways Limited
Delhi Aerotropolis Private Limited	GMR Tuni Anakapalli Expressways Private Limited
Delhi Aviation Fuel Facility Private Limited	GMR Tambaram Tindivanam Expressways Private Limited
East Delhi Waste Processing Company Private Limited	GMR Jadcherla Expressways Private Limited
GMR Energy Limited	GMR Pochanpalli Expressways Limited
GMR Power Corporation Limited	GMR Ulundurpet Expressways Private Limited
GMR Vemagiri Power Generation Limited	GMR Hyderabad Vijayawada Expressways Private Limited
GMR Mining & Energy Private Limited	GMR Ambala - Chandigarh Expressways Private Limited
GMR Chhattisgarh Energy Private Limited	GMR Chennai Outer Ring Road Private Limited
GMR Energy Trading Limited	GMR OSE Hungund Hospet Highways Private Limited
GMR Consulting Services Private Limited	GMR Krishnagiri SEZ Limited
Himtal Hydro Power Company Private Limited	Advika Properties Private Limited
GMR (Badrinath) Hydro Power Generation Private Limited	Aklima Properties Private Limited
GMR Kakinada Energy Private Limited	Amartya Properties Private Limited
Badrinath Hydro Power Generation Private Limited	Baruni Properties Private Limited
GMR Kamalanga Energy Limited	Camelia Properties Private Limited
GMR Upper Karnali Hydro Power Public Limited	Eila Properties Private Limited
GMR Coastal Energy Private Limited	Gerbera Properties Private Limited
GMR Bajoli Holi Hydropower Private Limited	Lakshmi Priya Properties Private Limited
GMR Londa Hydropower Private Limited	Honeysuckle Properties Private Limited
EMCO Energy Limited	Idika Properties Private Limited

GMR Group

"Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following;"

Krishnapriya Properties Private Limited
Nadira Properties Private Limited
Prakalpa Properties Private Limited
Purnachandra Properties Private Limited
Shreyadita Properties Private Limited
Sreepa Properties Private Limited
Bougainvillea Properties Private Limited
GMR SEZ and Port Holdings Private Limited
GMR Energy (Mauritius) Limited
GMR Lion Energy Limited
Lion Energy Tuas Pte. Limited
GMR Energy (Cyprus) Limited
GMR Energy (Netherlands) BV
GMR Infrastructure (Mauritius) Limited
GMR Infrastructure (Cyprus) Limited
GMR Infrastructure Overseas Sociedad Limitada
GMR International (Malta) Limited
GMR Infrastructure (Global) Limited
GMR Energy (Global) Limited
GMR Infrastructure (Singapore) Pte. Limited
GMR Corporate Affairs Private Limited
GMR Infratech Private Limited
GMR Campus Private Limited
GMR Aviation Private Limited
GMR Corporate Center Limited
Dhruvi Securities Private Limited
GMR Ventures Mauritius Limited
GMR Infrastructure (UK) Limited
GMR Sports Private Limited
GMR League Games Private Limited
GMR Projects Private Limited
Kakinada Refinery & Petrochemicals Private Limited

GMR Infrastructure (Netherlands) B.V.
GMR Infrastructure Investments (Singapore) Pte. Limited
GBS Holdings Private Limited
BSR Holdings Private Limited
GKR Holdings Private Limited
GMR Airport Developers Limited
GMR Infra Ventures Private Limited
GMR Varalakshmi Foundation
GMR Ventures Pte. Limited
GMR Holding Pte. Limited
GMR Ventures (UK) Limited
GMR Infra Holdings (Mauritius) Limited
GMR International (Mauritius) Limited
GMR Infra (Overseas) Limited
Mr. G M Rao
Mr. Srinivas Bommidala
Mr. G B S Raju
Mr. Kiran Kumar Grandhi
Ms. G Varalakshmi
Ms. B Ramadevi
Ms. Smitha Raju
Ms. Ragini Kiran
Other Group Companies
GMR Industries Limited
Alagwadi Bireshwar Sugars Private Limited
Raxa Security Services Limited
Ideaspace Solutions Limited
GMR Estates Private Limited
GMR Bannerghatta Properties Private Limited
GMR Hebbal Towers Private Limited
Asteria Real Estates Private Limited
Nirasree Real Estates Private Limited

GMR Group

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Rajeswara Real Estates Private Limited
Salvia Real Estates Private Limited
Sreejaya Properties Private Limited
Vijay Nivas Real Estates Private Limited
Ganasatya Real Estates Private Limited
Dandelion Properties Private Limited
Fabcity Properties Private Limited
Kondampeta Properties Private Limited
Larkspur Properties Private Limited
Delhi Golf Link Properties Private Limited
Hyderabad Jabilli Properties Private Limited
MAS GMR Aerospace Engineering Company Limited
Rajam Enterprises Private Limited
Grandhi Enterprises Private Limited
Kirthi Timbers Private Limited
Corporate Infrastructure Services Private Limited
GMR Holdings (Mauritius) Limited
Crossridge Investments Limited
Master Globe Limited
GMR Holding (Malta) Limited
GMR Infrastructure (Malta) Limited
GMR Holdings (Overseas) Limited
Toridon Enterprises Limited
GMR International FZE
GMR Holdings Overseas Spain, S.L.U
Leora Real Estates Private Limited
Pashupati Artex Agencies Private Limited
Ravivarma Realty Private Limited
InterGen N.V.
GMR Enterprises Private Limited
Sri Varalakshmi Jute Twine Mills Private Limited
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim ve Isletme A S.(Sabiha Gokcen International Airport, Istanbul)
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri A. S (Ground Handling Company)
LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi
LGM Guvenlik Hizmetleri Anonim Sirketi
Limak-GMR Adi-Ortakl (Limak-GMR Joint Venture)
Homeland Energy Group Limited
Deepesh Properties Private Limited
Padmapriya Properties Private Limited

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 14th Annual Report together with the audited accounts of your Company for the year ended March 31, 2010.

Financial Results

Your Company, as a holding company, operates in four different business sectors – energy, airports, highways and urban infrastructure through subsidiary and associate companies. During the year under review, your Company commenced the Engineering, Procurement and Construction (EPC) business as a separate operating division mainly to cater to the requirements for implementing the projects undertaken by the subsidiaries. This strategy would enable the Company to insulate the risks associated with third party contractors, ease in accessing funds, servicing debt through operating revenues, enhancement of project management, procurement and construction skills, reinforce risk management processes, better cost management besides enhancing the synergies and operational advantages thereof. The company's revenue, expenditure and results of operations are presented through consolidated financial statements and the details given below show both the consolidated and standalone financial results.

Presented below are the consolidated financial results of your Company:

(Rs. in Crore)

Particulars	March 31, 2010	March 31, 2009
Gross revenue	5,123.42	4,476.19
Fee paid to Airports Authority of India	556.91	456.97
Net revenue	4,566.51	4,019.22
Operating and administrative expenditure	3,202.20	2,952.43
EBITDA	1,364.31	1,066.79
Other Income	163.39	21.37
Interest & finance charges	722.33	368.20
Depreciation / amortisation	612.24	389.83
Profit before tax	193.13	330.13
Provisions for taxation (including deferred tax, MAT credit entitlement and fringe benefit tax)	(32.21)	53.02
Profit after tax	225.34	277.11
Minority interest - (Profits)/ Losses	(45.36)	2.34
Share of Profits/(Losses) of Associates	(21.58)	_
Profit after tax and Minority interest and share of Profits/(Losses) of associates	158.40	279.45
Surplus brought forward from previous year	778.36	524.21
Amount available for appropriation after minority interest	936.76	803.66
Appropriations / Adjustments	22.64	25.30
Available surplus carried to Balance Sheet	914.12	778.36
Earnings per share (Rs.) (Face value of Re.1/- each) – Basic and Diluted	0.43	0.77

Consolidated gross revenue grew by 14.46% from Rs. 4,476.19 Crore to Rs. 5,123.42 Crore and net revenue by 13.62% from Rs. 4,019.22 Crore to Rs. 4,566.51 Crore. Airport, Energy, Highways, EPC and other (net of inter segment) segments contributed Rs. 2,045.53 crore (39.93%), Rs. 2,039.47 crore (39.81%), Rs. 346.07 crore (6.75%) Rs. 409.85 crore (8.00%) and Rs. 282.50 crore (5.51%) respectively to the gross revenues.

EBITDA has grown by 27.89% as compared to the previous year from Rs.1,066.79 Crore to Rs. 1,364.31 Crore. PAT has gone down from Rs. 277.11 Crore to Rs. 225.34 Crore as compared to the previous year mainly due to the higher depreciation and interest charges. Most of the projects are in their initial phase of operations wherein the capacity costs tend to be higher and revenue optimization yet to accrue.

Presented below are the standalone financial results of your Company:

(Rs. in Crore)

Particulars	March 31, 2010	March 31, 2009
Gross revenue	169.36	159.20
Operating and administrative expenditure	95.09	37.13
EBITDA	74.27	122.07
Other Income	9.42	5.82
Interest & finance charges	69.11	23.79
Depreciation	0.94	0.11
Profit before tax	13.64	103.99
Provisions for taxation (including deferred tax and fringe benefit tax)	0.19	6.32
Profit after tax	13.45	97.67
Surplus brought forward from previous year	251.04	149.62
Amount available for appropriation	264.49	247.29
Appropriations		
Debenture redemption reserve	(12.98)	(3.75)
Surplus carried to Balance Sheet	277.48	251.04
Earnings per share (Rs.) – Basic and Diluted	0.04	0.27

The total revenues of your Company on standalone basis have gone up by 6.38% from Rs. 159.20 Crore to Rs. 169.36 Crore primarily due to revenue from EPC division of Rs.101.39 Crore. The increase in operating and administrative expenditure from Rs. 37.13 Crore to Rs. 95.09 Crore is mainly due to operating expenses of construction division. Increase in interest expenditure from Rs. 23.79 Crore to Rs. 69.11 Crore is on account of interest on borrowings made during the year to meet the increased requirement of funds for investments. During the year under review, the Company allotted unsecured debentures of Rs. 500 Crore on private placement basis which are listed on National Stock Exchange.

Dividend

The strength of your company lies in identification, planning, execution and successful implementation of the projects in the infrastructure space. To strengthen the long-term prospects and ensuring sustainable growth in assets and revenue, it is important for your company to evaluate various opportunities in the different business verticals in which your company operates. Your company currently has several projects under implementation and continues to explore newer opportunities, both domestic and international.

Your Board of Directors considers this to be in the strategic interest of the Company and believe that this will greatly enhance the long term shareholders' value. In order to fund these projects in their development, expansion and implementation stages, conservation of funds is of vital importance. Therefore, your Directors have not recommended any dividend for the financial year 2009-10.

Subsidiary companies

As stated earlier, your Company carries its business operations through several subsidiary and associate companies which are formed either directly or as step-down subsidiaries or in certain cases by acquisition of a majority stake in existing enterprises, mainly due to the requirement of concession agreements. As on March 31, 2010, your Company has total 89 Subsidiary Companies apart from other joint ventures / associate companies.

The total list of subsidiary companies as on March 31, 2010 is provided as annexure 'A' to this report.

Review of Operations / Projects of Subsidiary Companies

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

Airport Sector

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

Delhi International Airport Private Limited (DIAL)

DIAL is a joint venture between your Company (54%), Airports Authority of India (26%), Fraport AG (10%) and Malaysia Airports (10%). DIAL has entered into a long term agreement to operate, manage and develop the Indira Gandhi International Airport, Delhi. The significant progresses achieved during the current year are:

- Work on the new integrated Terminal 3 construction has been completed in a record time of 37 months and commercial operations are slated to commence from July 2010.
- DIAL has signed agreements for 11 Joint Venture partnerships which include Duty-free, F&B, Cargo, IT, Fuel Farm, Car Parking, Advertising and Bridge Mounted Equipments.
- In Phase I of the hospitality district, the Company awarded all asset areas (45 acres) to successful bidders for commercial property development.
- Delhi Airport has been declared the World's 4th Best Airport and Asia Pacific's Most Improved Airport for Airport Service Quality (ASQ) in the 15 to 25 million passengers category by Airports Council International (ACI). It has improved its ASQ score from 3.15 in 2008 to 4.16 in 2009.

DIAL recorded 7% and 18% growth in international and Domestic passenger traffic respectively for the year 2009-10. With overall growth of 14%, DIAL recorded 26.1 million passengers traffic for 2009-10 making it the busiest airport in India.

GMR Hyderabad International Airport Limited (GHIAL)

GHIAL has set up India's first Greenfield Airport, Rajiv Gandhi International Airport (RGIA) in Shamshabad, Hyderabad through the Public Private Partnership (PPP) route. GHIAL is a joint venture between your Company (63%), Airports Authority of India (13%), Government of Andhra Pradesh (13%) and Malaysia Airports Holdings Berhad (11%). The progresses achieved during the current year are:

- RGIA was declared world's best airport in 5 to 15 million passengers category and 5th best overall by ACI (ASQ 4.44 in 2009) on service quality standards. It also won the "Best Airport Award" at the Skytrax World Airports Awards, 2010.
- On Airlines marketing, Jet Airways and Etihad have started one new route each to Dubai and Abu Dhabi respectively; Indigo has added new routes, Silk Air, Etihad and Malaysian Airlines have increased their frequency. RGIA has been successful in bringing Lufthansa Cargo to Hyderabad.
- GMR Aviation Academy in collaboration with Jeppesen Aviation Training Services, a subsidiary of Boeing, is in process of initiating Flight Operations Management training courses at its training academy at Rajiv Gandhi International Airport.
- CFM International, world's leading aircraft engine manufacturer, inaugurated the engine Maintenance Training Center at Hyderabad Airport Aerospace Park.

GHIAL has seen a 5% growth in overall passenger traffic during Financial Year 2009-10 with the international traffic growing by 9% and domestic traffic by 3%. Cargo volumes have also recorded growth of 14.8% reaching a volume of 65.727 tonnes in Financial Year 2009-10.

The Istanbul Airport

Your Company owns 40% of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme A.S., (ISGIA), the company that is operating and expanding the Istanbul Sabiha Gokcen International Airport at Istanbul, Turkey for a concession period of 20 years. The other shareholders of ISGIA are Limak Insaat Sanayi Ve Tic A.S. with 40% and Malaysia Airports Holdings Berhad with 20%. The consortium took over the operations of the Istanbul airport in May 2008. Key milestones achieved during the year at ISGIA are:

- Inauguration of the new passenger terminal building on October 31, 2009 (the building was completed 12 months ahead of schedule in 18 months).
- The airport can now handle 25 million passengers annually.
- Developed Cargo Handling capacity of over 1,000 tons monthly.
- All the contracts are in place and the concessions fully operational (F&B, Duty Free, Advertising etc).
- The airport achieved a 48% increase in the passenger traffic and handled 6.3 million passengers in the year 2009.
- The airport won the anna.aero Airport Traffic Growth Award for highest traffic growth in the 5 to 10 million passengers category. The airport also won the Routes Airport Marketing Award 2009 for European Region.

Energy Sector

The year under review was a significant year for the Energy Sector of your Company. To further strengthen presence in the power generation; your Company acquired two power projects with a total capacity of 1,970 MW. They are (i) 600 MW coal based EMCO Power project in Warora, Maharashtra and (ii) 1,370 MW coal based SJK power project in Shahdol, Madhya Pradesh.

The year was significant for three operating power plants which your company currently owns:

- Owing to availability of gas, the 388.5 MW GMR Vemagiri Power Plant achieved its first full year of operation since it was commissioned recording 89% PLF for the year.
- The 220 MW barge mounted power plant was successfully relocated from Mangalore to Kakinada and converted to operate on gas. This plant is expected to commence operation by June 2010.
- O&M operations at the 200 MW contracted capacity LSHS-fired Chennai power plant was taken over by the Company achieving significant cost savings.

During the year, your Company achieved significant milestones for different projects which are under different stages of implementation:

- Kamalanga Project: Achieved financial closure for the 1050 MW plant;
- Chhattisgarh Project: EPC order for BTG package has been placed for the 1370 MW plant;
- EMCO Project: Achieved financial closure and order for BTG equipment placed for the 600 MW plant; and
- Rajahmundry Energy Project: EPC contract placed for the capacity of 768 MW.

Your Company is on track to implement the other projects which it is developing and due progress has been made in these projects during the year. These projects are coal based 1,370 MW SJK Powergen Project, gas based 800MW Island power project in Singapore and the five hydroelectric power projects - (i) 300 MW Alaknanda power project on the Alaknanda River in the state of Uttarakhand, (ii) 160 MW Talong power project in the East Kameng district in the state of Arunachal Pradesh, (iii) 180 MW Bajoli Holi power plant in the Chamba district in the state of Himachal Pradesh, (iv) 600 MW Upper Marsyangdi power project in Nepal; and (v) 900 MW Upper Karnali power project in Nepal.

Highways

Your Company has six highway projects under operation across India measuring a total length of around 421 kms. These include three Annuity based projects: Tuni - Anakapalli, Tambaram - Tindivanam, Adloor Yellareddy - Gundla Pochanpalli and three Toll based projects: Ambala - Chandigarh, Thondapalli - Jadcherla and Tindivanam - Ulundurpet. The Company commenced this business in October 2004, when the Tambaram - Tindivanam road project entered into commercial operation. The Group has been maintaining safety standards by continuous monitoring of traffic and accident analysis. Several accident mitigation measures have been put in place.

During the financial year under review, the sixth road project, namely Tindivanam - Ulundurpet was completed and commenced commercial operations as per schedule.

Your Company has been successful in winning three new projects in the Highways Sector. These are the 181.6 kms Hyderabad - Vijayawada toll project, 29.65 kms Chennai Outer Ring Road annuity project and 99.05 kms Hungund – Hospet toll project.

Urban Infrastructure

Your Company is developing SEZ in Krishnagiri and two Aerotropolis around the Delhi and Hyderabad Airports as part of this sector. The major developments are:

Krishnagiri SEZ.

Pursuant to a memorandum of understanding entered into with the state of Tamil Nadu, SEZ is being developed at Krishnagiri district in the state of Tamil Nadu, through a joint venture with Tamil Nadu Industrial Development Corporation. The Krishnagiri SEZ is expected to cater to biotechnology, information technology, traditional electronics and engineering companies.

The Krishnagiri SEZ is planned to be spread over 3,300 acres, approximately 60% of which has already been acquired. Commercial operation of this SEZ is expected to commence by 2014.

Aerotropolis Development

Your Company is developing airport cities around the Delhi and Hyderabad Airports to match world class standards.

The Delhi Airport Aerocity is in its first phase of development, which may ultimately cover up to 5% of the 5,100 acres of the land area of Delhi Airport. The hospitality district is envisaged to be developed in the first phase of property development to bring in leading national and international brands of hotels. A total of 45 acres of land divided into 14 asset areas has been leased out. 7 asset areas (21.8 acres) were awarded to successful bidders in 2008-09 during the first round of bidding and the remaining 7 assets were successfully awarded during the current year. Second phase development is expected to start in financial year 2010-11.

The Hyderabad Aerotropolis is envisaged on a 1,000 acres of commercial land around the Hyderabad Airport. Your Company plans to develop the Hyderabad Aerotropolis on a theme based development and it is in the conceptualization stage. Some of these theme based developments is likely to happen during financial year 2010-11.

Corporate and International Business

The Corporate business includes provision of common services and resources to all Group businesses. It also includes the Group's Corporate Aviation business which consists of chartering business jets both to the Group companies as well as to third parties. The Company's wholly owned subsidiary, GMR Aviation Private Limited (GAPL) has a young fleet comprising of short-haul & long-haul planes and helicopters with experienced crew & operational staff. The fleet includes Falcon and Hawker aircrafts and Bell helicopter.

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

This division, headquartered in London, leverages the Group's bidding, financing, project management, and partnership development skills to develop, own and operate assets abroad. GMR International focuses on a few 'hot spot' regions characterized by high growth, high demand - supply gap and openness to Indian investment. The regions of interest for growing GMR's footprint are Middle East and North Africa (MENA), South East Asia (ASEAN) and Emerging Europe.

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

Your Company is also developing the Island Power Project in Singapore after acquisition of its 100% stake last year in the gas based 800 MW private power utility.

Your Company continuously monitors overseas investment made by the Group. The Company has taken efforts to strengthen the managerial focus in respect of investments made in InterGen N.V. The investment in Homeland Energy Group is for long term strategic requirements to meet the fuel needs of the energy companies of the Group. The management team has been strengthened in the Homeland Energy to ensure profitable operations.

Risk Management

Like all businesses in the Infrastructure sector, your Company is exposed to a number of risk factors, both known and unknown, not all of which are wholly within our control. All of them have the potential to impact our business, revenues, profits, assets, liquidity and capital resources adversely.

We realize that it is imperative to identify and address these risks and leverage opportunities in order to achieve the objectives that it has set for itself. Enterprise Risk Management (ERM) Framework is aimed at institutionalizing a culture of risk awareness and facilitating risk based decision making across the Group by establishing a suitable balance between harnessing opportunities and containing risks.

Your Company has well defined processes for risk identification, risk assessment, appropriate risk mitigation treatment and monitoring actions thereof at various stages of the value chain, i.e. Bid, Project and Asset stages.

Your Company also continuously seeks to bring the existing risk policies in line with current ERM thinking, revisit the risk management organization structure, refine roles and responsibilities, strengthen the process for risk treatment and ensure regular reviews at all levels of the organization.

As a measure of derisking its business, your Company seeks to follow a policy of undertaking diversified projects in different segments, geographies and revenue models.

A process exists to inform the Board / Audit Committee Members about the risk assessment and minimization procedures. These procedures are subjected to a periodical review to ensure that the management controls the risk through means of a properly defined framework.

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

Developments in Human Resources and Organisation Development

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

Consolidated Financial Statements

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss account of its subsidiary companies to its Annual Report. The Ministry of Corporate Affairs, Government of India (GoI) has granted exemption to your Company for not attaching the above documents of subsidiary companies with the Annual Report of the Company for the financial year 2009-10. Accordingly, this Annual Report does not contain the reports and other statements of the subsidiary companies. Your Company will make available the annual audited accounts and related detailed information of the subsidiary companies to the investors of the company and its subsidiaries seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection during business hours at the head / registered office of the Company and that of the subsidiary companies concerned.

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

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

Changes in Share capital

Sub-division of Equity Shares

During the year under review, your Company has sub-divided its equity shares from a face value of Rs.2 to Re.1 in order to facilitate the benefits like more liquidity, less volatility and broad basing of small investors.

Qualified Institutional Placements (QIP)

Your Company successfully completed issue of 22,50,80,390 equity shares of Re.1 each at a price of Rs.62.20 per equity share, including premium of Rs.61.20 per equity share, aggregating Rs.1400 Crore to Qualified Institutional Buyers (QIBs) as per Chapter VIII of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009, through the QIP. The QIP opened for subscription to QIBs on April 15, 2010 and closed on April 19, 2010.

The entire money amounting to Rs.1400 Crore was received and allotment of shares was made on April 21, 2010. The BSE and the NSE had given trading permission for the equity shares issued to QIBs on April 22, 2010. Consequent to this allotment, the listed equity share capital has been increased from Rs. 366,73,54,392 to Rs. 389,24,34,782.

The Company has paid the listing fees payable to the BSE and the NSE for the financial year 2010-11.

Directors

Mr. G.B.S. Raju, resigned as the Managing Director with effect from May 12, 2010. He continues as a Director on the Board of Directors of the Company. The Board places on record, its appreciation for the valuable contribution made by Mr. G.B.S. Raju during his tenure as the Managing Director of the Company.

Mr. Srinivas Bommidala has been appointed as the Managing Director of the Company with effect from May 24, 2010 for a period of 5 years subject to the approval of the members at the ensuing General Meeting.

Mr. G.B.S. Raju, Mr. B.V. Nageswara Rao, Mr. Arun K. Thiagarajan and Mr. K.R. Ramamoorthy, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment for your approval.

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

Group

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising 'group' are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Directors' responsibility statement

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

1. That in the preparation of the annual accounts for the year ended March 31, 2010, the applicable Accounting Standards have been followed and proper explanations were provided for material departures, if any.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year.
3. That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the accounts for the financial year ended March 31, 2010, on a going concern basis.

Corporate Governance

Corporate Governance at GMR is driven by a simple principle - 'Achieve right results through right means'. Your Company continually works at improving its practices and processes as it is spreading its presence through continents. Your Company has a Corporate Governance Committee which was constituted in 2009 to ensure that the best practices are identified, adopted and followed. Your company has also developed a framework for corporate governance and a roadmap for forward thinking corporate governance practices.

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

Secretarial Audit

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

Awards and Recognitions

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

- GMR Varalakshmi Foundation, the CSR arm of the Group, received the Silver Plate Award for supporting cause of Elders – on October 1, 2009, New Delhi for the CSR works with elderly. The award aims to recognize and applaud the highest contribution given to the cause of disadvantaged older persons.
- Delhi's Indira Gandhi International Airport (IGIA) was ranked 4th best airport in the world at the Airport Council International's (ACI) Annual Airport Service Quality (ASQ) Awards. It received this prestigious rating for airports in the 15 to 25 million passenger traffic per annum category in ACI's announcement on February 16, 2010.
- IGIA was also declared the winner of the 'Best Improved Airport' award in the Asia Pacific Region by ACI.
- Rajiv Gandhi International Airport (RGIA) was adjudged as the best airport in the 5 to 15 million passenger capacity airports in the world.
- Further, RGIA secured the fifth position amongst all airports, both worldwide and in the Asia-Pacific region. This unique achievement comes within less than two years of the green field airport having commenced operations.
- RGIA also won the 'Essar Steel Infrastructure Excellence Award 2009' organized by CNBC TV 18.
- Mr. Kiran Kumar Grandhi, Business Chairman - Airports and Managing Director - DIAL received SATTE's - ' Young Entrepreneur Award 2009' in the area of Travel and Tourism.

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

- 'First Generation Entrepreneur of The Year' at the CNBC TV18 India Business Leader Awards 2009.
- Doctorate from Andhra University - received an honorary doctorate (Doctor of Letters) from Governor of Andhra Pradesh and Chancellor of the Andhra University at the 76th Convocation on December 5, 2009.

Management Discussion and Analysis (MDA)

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

Auditors and Auditors' Report

M/s. S. R. Batliboi & Associates, Chartered Accountants and M/s. Price Waterhouse, Chartered Accountants, joint statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. M/s Price Waterhouse, Chartered Accountants have expressed their desire to discontinue as joint Statutory Auditors of the Company for the financial year 2010-11.

M/s. S. R. Batliboi & Associates, Chartered Accountants have expressed their willingness for appointment as statutory auditors and confirmed that their appointment, if made, will be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. Special notice has also been received from a member proposing the appointment of M/s. S. R. Batliboi & Associates, Chartered Accountants as statutory auditors of the Company for the financial year 2010-11.

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

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

Corporate Social Responsibility (CSR)

GMR Group believes corporates have a special and continuing responsibility towards the society. GMR Varalakshmi Foundation (GMRVF) is the CSR arm of the Group. GMRVF is actively involved in the areas of education, health, hygiene & sanitation, community development programmes, employment and livelihood by developing a sense of entrepreneurship, especially in the areas where the Group has a presence. GMRVF's mission is to make a difference in all the above fields through empowerment and capacity building of the poorest of the poor and their institutions, especially in rural India with humility, compassion and empathy.

Details on the activities of GMRVF are covered elsewhere in the Annual Report.

Environmental Protection and Sustainability

Industrial entrepreneurial success of your company is integrated with strong Environmental Management practices across all process operations. Clean environment is our top priority and to support that several unique schemes have been implemented and continually progressed to prevent pollution and conserve natural resources to achieve sustainable development.

All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Pollution Control Board authorized agencies. Continuous Ambient Monitoring systems have been set up at appropriate locations in and around the plants and the Environmental performance indicators like Stack emissions, Ambient air quality etc. are much below the stipulated norms.

Vemagiri and Chennai units are certified with OHSAS 18001, ISO 14001, ISO 9001 and work is on for establishing Integrated Management System Certification for Quality, Environment, Health, and Safety in all our existing and proposed units.

At Chennai plant, fully integrated Sewerage Water Treatment Plant has been set up including Reverse Osmosis process for treating 10% of Chennai plant's total sewage saving fresh water intake of 5,400 m3/day, which is equivalent to the water use by 100,000 people. The treated STP water is used for cooling operations and green belt development. Waste Heat Recovery Boilers generate steam for use in indirect heating of fuel storage tanks and pipelines. Solar energy is used to lighten the boundary fence.

At Vemagiri Plant the Gas Turbine uses the advanced Dry Low NOx (DLN 2.0 +) burner system to reduce NOx emissions at source. Waste heat from Gas Turbine is used for power production in Steam Turbine through Heat Recovery Steam Generator (HRSG). Reuse of Steam Condensate and HRSG is designed for zero make up.

At GMR Hyderabad International Airport Limited (GHIAL), special environment friendly design features have been incorporated for power savings by using natural sun light. The Lighting per square foot in the passenger terminal block uses only 0.9 watts of energy as against the minimum of 1.3 watts prescribed by the American Society of Heating, Refrigerating and Air-Conditioning Engineers. Process has been put in place for effective waste management system and Carbon footprint studies have been initiated aiming to reduce carbon footprint.

Delhi International Airport Private Limited (DIAL) has won Greentech Gold award Environmental Excellence in Aviation Sector two years in succession (2008 and 2009). The Greentech award is presented to company in recognition of outstanding achievements in the field of environment protection on the basis of evaluation of performance every year. DIAL is certified for its Implemented Environmental Management System ISO 14001:2004. DIAL has also undertaken initiative for the certification of new integrated passenger Terminal Building –T3 under LEED (Leadership in Energy and Environmental Design) Green Building Rating System.

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, as amended, the names and other particulars of employees are set out in the annexure 'D' to the Directors' Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Fixed Deposits

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

Acknowledgments

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

For and on behalf of the Board

Sd/-

G. M. Rao

Executive Chairman

Place: Bengaluru

Date : June 10, 2010

Annexure 'A' to the Directors' Report

GMR Infrastructure Limited - Subsidiaries

Sector	Direct Subsidiaries	Subsidiaries to Subsidiaries									
Airports	Delhi International Airport Pvt. Ltd. (DIAL)	Subsidiaries of DIAL									
		DIAL Cargo Pvt. Ltd.	Delhi Aviation Fuel Facility Pvt. Ltd.	East Delhi Waste Processing Company Pvt. Ltd.	Delhi Aerotropolis Pvt. Ltd.						
	GMR Hyderabad International Airport Ltd. (GHIAL)	Subsidiaries of GHIAL									
		Hyderabad Menzies Air Cargo Pvt. Ltd.	GMR Hyderabad Airport Resource Management Ltd.	Hyderabad Airport Security Services Ltd.	GMR Hotels and Resorts Ltd.	GMR Hyderabad Aviation SEZ Ltd.	GMR Hyderabad Aerotropolis Ltd.	GMR Hyderabad Multi Product SEZ Ltd.			
Energy	GMR Energy Ltd. (GEL) GMR Energy Trading Ltd. (GETL)	Subsidiaries of GEL									
		GMR Vemagiri Power Generation Ltd.	GMR (Badrinath) Hydro Power Generation Pvt. Ltd.	GMR Mining & Energy Pvt. Ltd.	GMR Kakinada Energy Pvt. Ltd.	GMR Kamalanga Energy Ltd.	GMR Consulting Services Pvt. Ltd.	GMR Coastal Energy Pvt. Ltd.	GMR Bajoli Holi Hydropower Pvt. Ltd.	GMR Londa Hydropower Pvt. Ltd.	Badrinath Hydro Power Generation Pvt. Ltd.
		Subsidiaries of GEL						Subsidiaries of GENB		Subsidiary of PT DSU	Subsidiary of PT DSI
		GMR Rajahmundry Energy Ltd.	SJK Powergen Ltd.	GMR Chhattisgarh Energy Pvt.Ltd.	Himtal Hydro Power Company Pvt. Ltd.	Lion Energy Tuas Pte. Ltd.	EMCO Energy Ltd.	PT Unsoco	PT Dwikarya Sejati Utma (PT DSU)	PT Duta Sarana Internusa (PT DSI)	PT Barasentosa Lestari
		Subsidiaries of GEL			Subsidiary of GEML	Subsidiary of GLEL	Subsidiary of GECL	Subsidiaries of GISPL		Subsidiary of IPC	
		GMR Power Corporation Ltd.	GMR Energy (Mauritius) Ltd. (GEML)	GMR Lion Energy Ltd. (GLEL)	GMR Energy (Cyprus) Ltd. (GECL)	GMR Upper Karnali Hydro Power Public Ltd.	GMR Energy (Netherlands) BV (GENB)	Island Power Intermediary Pte. Ltd. (IPI)	Island Power Company Pte. Ltd. (IPC)	Island Power Supply Pte. Ltd.(ISI)	
Highways	GMR Highways Ltd. (GHL) GMR Ambala – Chandigarh Expressways Pvt. Ltd. (GACEPL) GMR Pochanpalli Expressways Ltd. (GPEL) GMR Jadcherla Expressways Pvt. Ltd. (GJEPL) GMR Tambaram – Tindivanam Expressways Pvt. Ltd. (GTTEPL) GMR Tuni – Anakapalli Expressways Pvt. Ltd. (GTAEPL) GMR Ulundurpet Expressways Pvt. Ltd. (GUEPL) GMR Hyderabad Vijayawada Expressways Pvt. Ltd. (GHVEPL) GMR Chennai Outer Ring Road Pvt. Ltd. (GCORRPL) GMR OSE Hungund Hospet Highways Pvt. Ltd. (GOHHHPL)										
Urban Infrastructure	GMR Krishnagiri SEZ Ltd. (GKSL)	Subsidiaries of GKSL									
		Advika Properties Pvt. Ltd.	Aklima Properties Pvt. Ltd.	Amartya Properties Pvt. Ltd.	Baruni Properties Pvt. Ltd.	Camelia Properties Pvt. Ltd.	Bougainvillea Properties Pvt. Ltd.	Eila Properties Pvt. Ltd.	Gerbera Properties Pvt. Ltd.	Lakshmipriya Properties Pvt. Ltd.	
		Honeysuckle Properties Pvt. Ltd.	Idika Properties Pvt. Ltd.	Krishnapriya Properties Pvt. Ltd.	Nadira Properties Pvt. Ltd.	Prakalpa Properties Pvt. Ltd.	Purnachandra Properties Pvt. Ltd.	Shreyadita Properties Pvt. Ltd.	Sreepa Properties Pvt. Ltd.		
Corporate & International Business	GMR Infrastructure (Mauritius) Ltd. (GIML) GMR Corporate Centre Ltd. (GCCL) GMR Airports Holding Ltd. (GAHL) GMR Aviation Pvt. Ltd. (GAPL) GMR SEZ and Port Holdings Pvt. Ltd. (GSPHPL) Gateways for India Airports Pvt. Ltd. (GFIAPL) GMR Campus Pvt. Ltd. (GCPL) GMR Infratech Pvt. Ltd. (GMR Infratech) GMR Corporate Affairs Pvt. Ltd. (GCAPL) Dhruvi Securities Pvt. Ltd. (DSPL)	Subsidiaries of GIML				Subsidiary of GIUL	Subsidiaries of GICL				
		GMR Infrastructure (UK) Ltd. (GIUL)	GMR Infrastructure (Cyprus) Ltd. (GICL)	GMR International (Malta) Ltd. (GIML)	GMR Infrastructure (Singapore) Pte. Ltd. (GISPL)	GMR Infrastructure Overseas Sociedad Limitada (GIOSL)	GMR Infrastructure (Global) Ltd. (GIGL)	GMR Energy (Global) Ltd. (GEGL)			

Annexure 'B' to the Directors Report: Statement Pursuant to approval of the Central Government Under Section 212(8) of the Companies Act,1956 exempting from attaching Financial Statements of Subsidiary Companies vide letter nos. 47/265/2010-CL-III dated May 03, 2010 and June 01, 2010.

Rs. in Crore

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend
	Indian Subsidiaries										
1	GMR Energy Limited	1,305.05	853.00	4,168.66	2,010.61	441.08	236.39	18.01	4.18	13.83	-
2	GMR Vemagiri Power Generation Limited	274.50	(128.13)	1,250.73	1,104.36	137.86	766.50	94.87	(74.19)	169.06	-
3	GMR Power Corporation Limited	247.50	287.80	820.75	285.45	240.99	870.33	151.52	23.84	127.68	49.50
4	GMR Mining & Energy Private Limited	0.02	(0.05)	0.01	0.04	-	-	(0.05)		(0.05)	-
5	GMR Consulting Services Private Limited	0.01	0.09	27.38	27.28	-	26.72	0.17	0.08	0.09	-
6	GMR Energy Trading Limited	52.00	(1.12)	98.01	47.13	47.04	345.89	(2.23)		(2.23)	
7	GMR Kamalanga Energy Limited	354.68	(9.53)	891.49	546.34	14.36		(9.03)	0.50	(9.53)	
8	GMR (Badrinath) Hydro Power Generation Private Limited	5.00	(7.24)	226.95	229.19	-		(7.24)	-	(7.24)	
9	Badrinath Hydro Power Generation Private Limited	0.01	(0.00)	0.01	0.00	-		(0.00)	-	(0.00)	-
10	GMR Coastal Energy Private Limited	0.01	(0.04)	0.01	0.04	-		(0.04)	-	(0.04)	-
11	GMR Bajoli Holi Hydropower Private Limited	0.01	(0.05)	69.18	69.22	-		(0.05)	-	(0.05)	-
12	EMCO Energy Limited	155.29	(3.06)	156.78	4.55	-		(1.45)	-	(1.45)	-
13	GMR Londa Hydropower Private Limited	0.01	(0.22)	40.86	41.07	-		(0.22)	-	(0.22)	-
14	Londa Hydro Power Private Limited	0.01	(0.00)	0.01	0.00	-		(0.00)	-	(0.00)	
15	GMR Chhattisgarh Energy Private Limited	0.01	(0.76)	176.15	176.89	-		(0.74)	0.01	(0.76)	
16	SJK Powergen Limited	0.50	4.15	8.18	3.53	-		(0.02)	-	(0.02)	
17	GMR Rajahmundry Energy Limited	0.05	(0.51)	558.30	558.76	-		(0.51)	-	(0.51)	
18	GMR Ulundurpet Expressways Private Limited	344.17	(32.75)	1,079.29	767.87	78.71	37.47	(32.75)	-	(32.75)	-
19	GMR Pochanpalli Expressways Limited	182.50	5.62	840.59	652.46	57.56	108.36	6.70	1.24	5.46	-
20	GMR Jadcherla Expressways Private Limited	197.00	(22.94)	504.13	330.07	6.81	41.78	(21.39)	0.03	(21.43)	-
21	GMR Ambala Chandigarh Expressways Private Limited	216.59	(54.60)	591.40	429.41	-	18.62	(41.06)	-	(41.06)	-
22	GMR Tambaram Tindivanam Expressways Private Limited	1.00	110.91	550.34	438.43	32.60	80.86	42.12	7.16	34.96	-
23	GMR Tuni Anakapalli Expressways Private Limited	1.00	62.54	402.95	339.41	21.16	58.97	12.20	2.07	10.13	-
24	GMR Hyderabad Vijayawada Expressways Private Limited	2.01	-	81.23	79.22	4.20					
25	GMR Chennai Outer Ring Road Private Limited	0.01	-	202.21	202.20	-	-				
26	GMR OSE Hungund Hospet Highways Private Limited	0.01	-	15.68	15.67	-	-				
27	GMR Highways Limited	361.49	(3.13)	803.18	444.83	241.95	6.17	(3.11)	(0.47)	(2.64)	-
28	GMR Hyderabad International Airport Limited	378.00	(184.09)	2,822.97	2,629.06	5.00	433.23	(109.22)	-	(109.22)	-
29	Hyderabad Airport Security Services Limited	12.50	(0.60)	95.06	83.15	5.00	-	(0.86)	-	(0.86)	-
30	GMR Hyderabad Airport Resource Management Limited	0.05	0.39	0.44	(0.00)	-	33.86	0.17	0.05	0.12	-
31	GMR Hyderabad Aerotropolis Limited	2.18	(0.09)	2.09	(0.00)	-	-	(0.09)	0.00	(0.09)	-
32	Hyderabad Menzies Air Cargo Private Limited	19.04	8.20	29.44	2.21	-	40.36	10.58	0.56	10.02	4.74
33	GMR Hyderabad Multiproduct SEZ Limited	0.05	(0.02)	0.03	(0.00)	-	-	(0.00)	-	(0.00)	-
34	GMR Hyderabad Aviation SEZ Limited	1.90	(0.20)	1.70	0.00	-	-	(0.01)	0.00	(0.01)	-
35	GMR Hotels & Resorts Limited	0.05	(0.02)	0.69	0.66	-	-	(0.02)	-	(0.02)	-

Annexure 'B' to the Directors Report: Statement Pursuant to approval of the Central Government Under Section 212(8) of the Companies Act,1956 exempting from attaching Financial Statements of Subsidiary Companies vide letter nos. 47/265/2010-CL-III dated May 03, 2010 and June 01, 2010. (contd.)

Rs. in Crore

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend
	Indian Subsidiaries										
36	Gateways For India Airports Private Limited	0.01	0.04	3.05	3.00	2.80	-	0.12	0.04	0.09	-
37	Delhi International Airport Private Limited	1,200.00	82.39	11,133.85	9,851.46	922.66	614.35	16.83	(3.06)	19.89	-
38	Delhi Aerotropolis Private Limited	0.10	-	4.90	4.80	-	-	-	-	-	-
39	DIAL Cargo Private Limited	0.10	(0.04)	0.06	-	-	-	(0.04)	-	(0.04)	-
40	East Delhi Waste Processing Company Private Limited	0.02	(0.03)	8.28	8.29	-	-	-	-	-	-
41	Delhi Aviation Fuel Facility Private Limited	0.01	-	8.55	8.54	-	-	-	-	-	-
42	GMR Airports Holding Private Limited	340.87	37.30	378.17	0.00	82.10	23.82	23.92	2.01	21.91	-
43	GMR Krishnagiri SEZ Limited	117.50	(2.38)	379.22	264.10	100.55	-	(2.26)	0.06	(2.32)	-
44	GMR Aviation Private Limited	86.44	(16.25)	417.96	347.77	-	67.43	(15.78)	(5.05)	(10.73)	-
45	GMR SEZ & Port Holdings Private Limited	0.05	(0.00)	0.05	-	-	-	(0.00)	-	(0.00)	-
46	GMR Corporate Affairs Private Limited	5.00	0.47	22.46	16.99	-	15.18	0.78	0.35	0.42	-
47	GMR Campus Private Limited	0.01	(0.00)	0.01	-	-	-	(0.00)	-	(0.00)	-
48	GMR Headquarters Private Limited	0.01	(0.00)	0.01	(0.00)	-	-	(0.00)	-	(0.00)	-
49	Dhruvi Securities Private Limited	2.85	11.00	51.49	37.64	40.84	0.06	(0.07)	0.01	(0.07)	-
50	Advika Properties Private Limited	0.01	(0.00)	7.01	7.00	-	-	(0.00)	-	(0.00)	-
51	Aklima Properties Private Limited	0.01	(0.00)	4.07	4.06	-	-	(0.00)	-	(0.00)	-
52	Amartya Properties Private Limited	0.01	(0.00)	8.24	8.23	-	-	(0.00)	-	(0.00)	-
53	Baruni Properties Private Limited	0.01	(0.00)	6.12	6.11	-	-	(0.00)	-	(0.00)	-
54	Bougainvillea Properties Private Limited	0.01	0.00	6.58	6.57	-	-	0.01	0.00	0.00	
55	Camelia Properties Private Limited	0.01	(0.00)	5.95	5.94	-	-	(0.00)	-	(0.00)	-
56	Eila Properties Private Limited	0.01	(0.00)	7.45	7.44	-	-	(0.00)	-	(0.00)	-
57	Gerbera Properties Private Limited	0.01	(0.00)	6.49	6.48	-	-	(0.00)	-	(0.00)	-
58	Lakshmi Priya Properties Private Limited	0.01	(0.00)	7.26	7.25	-	-	(0.00)	-	(0.00)	-
59	Honeysuckle Properties Private Limited	0.01	(0.01)	7.63	7.62	-	-	(0.01)	-	(0.01)	-
60	Idika Properties Private Limited	0.01	(0.00)	6.36	6.35	-	-	(0.00)	-	(0.00)	-
61	Krishnapriya Properties Private Limited	0.01	(0.00)	5.96	5.95	-	-	(0.00)	-	(0.00)	-
62	Nadira Properties Private Limited	0.01	(0.00)	6.73	6.72	-	-	(0.00)	-	(0.00)	-
63	Prakalpa Properties Private Limited	0.01	(0.00)	6.77	6.76	-	-	(0.00)	-	(0.00)	-
64	Purnachandra Properties Private Limited	0.01	(0.00)	6.83	6.82	-	-	(0.00)	-	(0.00)	-
65	Shreyadita Properties Private Limited	0.01	(0.00)	5.70	5.69	-	-	(0.00)	-	(0.00)	-
66	Sreepa Properties Private Limited	0.01	(0.00)	5.51	5.50	-	-	(0.00)	-	(0.00)	-
67	GMR Corporate Centre Limited	-	-	0.52	0.52						

Annexure ‘B’ to the Directors Report: Statement Pursuant to approval of the Central Government Under Section 212(8) of the Companies Act,1956 exempting from attaching Financial Statements of Subsidiary Companies vide letter nos. 47/265/2010-CL-III dated May 03, 2010 and June 01, 2010. (contd.)

Rs. in Crore

S.No	Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover	Profit before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend
	Foreign Subsidiaries										
Foreign Subsidiaries (Reporting currency reference mentioned against each Subsidiary)											
68	Himtal Hydro Power Company Private Limited, Nepal (a)	2.83	0.27	15.23	0.00	-	-	0.37	0.10	0.27	-
69	GMR Upper Karnali Hydropower Public Limited (a)	0.94	(0.09)	22.33	0.00	-	-	(0.08)	0.01	(0.09)	-
70	GMR Energy (Mauritius) Limited (b)	67.14	0.36	39.69	(27.81)	-	-	(0.28)	-	(0.28)	-
71	GMR Lion Energy Limited (b)	13.41	(0.23)	13.31	0.14	-	-	(0.13)	-	(0.13)	-
72	GMR Energy (Netherlands) B.V. (b)	0.11	73.58	257.22	183.53	-	-	(10.94)	-	(10.94)	-
73	GMR Energy (Cyprus) Limited (b)	0.02	47.44	127.34	79.88	-	-	(0.24)	-	(0.24)	-
74	GMR Energy (Global) Limited (b)	884.33	226.96	1,249.74	138.45	1,159.64	95.33	98.07	-	98.07	-
75	GMR Infrastructure (Global) Limited (b)	893.86	(0.43)	893.82	0.39	-	-	(0.31)	-	(0.31)	-
76	GMR Infrastructure (Mauritius) Limited (b)	1,005.27	16.22	1,808.94	787.46	0.03	-	(13.63)	-	(13.63)	-
77	PT Barasentosa Lestari (b)	0.00	(0.00)	0.01	0.01	-	-	(0.00)	0.00	(0.00)	-
78	PT Dwikarya Sejati Utama (c)	0.50	(10.48)	28.83	38.82	-	-	2.76	-	2.76	-
79	PT Duta Sarana Internusa (c)	0.50	(10.35)	62.81	72.67	-	-	2.76	0.04	2.72	-
80	PT Unsoco (c)	0.50	(0.00)	0.49	(0.00)	-	-	0.01	0.01	-	-
81	GMR International (Malta) Limited (d)	0.01	(0.15)	0.02	0.16	-	-	(0.11)	-	(0.11)	-
82	GMR Infrastructure (Cyprus) Limited (d)	0.03	46.61	1,116.51	1,069.87	-	-	2.12	0.57	1.55	-
83	GMR Infrastructure Overseas Sociedad Limitada (Spain) (d)	0.02	(31.85)	199.03	230.86	0.05	3.67	(20.24)	(4.40)	(15.84)	-
84	GMR Infrastructure (UK) Limited (e)	34.05	(24.50)	74.01	64.46	-	74.97	(1.73)	-	(1.73)	-
85	Lion Energy Tuas Pte. Limited (f)	-	-	-	-	-	-	-	-	-	-
86	GMR Infrastructure (Singapore) Pte Limited (f)	221.81	(0.89)	267.49	46.56	-	-	0.28	-	0.28	-
87	Island Power Intermediary Pte Limited(f)	220.79	(46.68)	228.63	54.51	-	-	-	-	-	-
88	Island Power Company Pte Limited (f)	46.72	-	46.72	(0.01)	-	-	-	-	-	-
89	Island Power Supply Pte Limited (f)	0.00	(0.00)	-	(0.01)	-	-	-	-	-	-

Notes: 1 The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the investors of the Company and the subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor in the head office and that of the subsidiary companies concerned.

2 * Investments except investment in Subsidiaries.

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

Reporting Currency Reference	For Conversion		
	Currency	Average Rate(in Rs.)	Closing Rate(in Rs.)
a	NPR	1.60	1.60
b	USD	48.29	45.58
c	IDR(Indonesian Rupee)	0.004716	0.004950
d	Euro	67.42	60.45
e	GBP	75.99	67.96
f	Singapore Dollar	33.32	32.08

Annexure "C" to the Directors' Report

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended and forming part of the Directors' Report for the year ended March 31, 2010.

1. Conservation of energy and technology absorption:

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

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

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

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

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

(Rs. in Crore)

Particulars	Year ending March 31, 2010	Year ending March 31, 2009
Travelling expenses	0.52	1.71
Professional charges	1.11	1.51
Others	0.15	0.01

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

Place: Bengaluru
Date : June 10, 2010

Report on Corporate Governance

Company's Philosophy on Corporate Governance

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

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

1. Board of Directors

a. Composition of the Board

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

The Board comprises of the following Directors:

Sl. No.	Name of the Director	Director Identification Number (DIN)	Category	Number of other Directorships held in other Public Limited Companies as on 31-03-2010#		Number of committee Chairmanships / memberships held in other Public Limited Companies as on 31-03-2010*	
				Chairman	Director	Chairman	Member
1	Mr. G.M. Rao	00574243	Executive Chairman	4	1	–	–
2	Mr. Srinivas Bommidala@	00061464	Managing Director	3	10	–	4
3	Mr. G.B.S. Raju@	00061686	NEPD	–	5	–	1
4	Mr. Kiran Kumar Grandhi	00061669	NEPD	–	5	–	–
5	Mr. B.V. Nageswara Rao	00051167	NED	3	7	–	1
6	Mr. O. Bangaru Raju	00082228	NED	–	10	–	7
7	Mr. Arun K. Thiagarajan	00292757	NEID	–	9	1	6
8	Mr. K.R. Ramamoorthy	00058467	NEID	1	9	2	6
9	Dr. Prakash G. Apte	00045798	NEID	–	3	–	3
10	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	1	4	3	2
11	Mr. Udaya Holla	00245641	NEID	–	3	–	1
12	Mr. Uday M. Chitale	00043268	NEID	–	6	3	1

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

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

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

@ Mr. G.B.S. Raju ceased to be the Managing Director on May 12, 2010 and Mr. Srinivas Bommidala has been appointed as the Managing Director with effect from May 24, 2010.

Relationship between Directors inter–se.

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

Eight Board Meetings were held during the financial year ended March 31, 2010. These meetings were held on May 9, 2009, June 4, 2009, June 9, 2009, July 30, 2009 (adjourned to July 31, 2009), August 31, 2009, October 26, 2009, December 5, 2009 and January 28, 2010. The maximum gap between two meetings was 55 days.

c. Directors' Attendance Record:

The attendance of Directors at the Board meetings held during the financial year ended March 31, 2010 and at the previous General Meetings was as under.

Name of the Director	Board Meetings during the period April 01, 2009 to March 31, 2010		Whether present at the previous AGM held on August 31, 2009
	Held	Attended#	
Mr. G. M. Rao	8	7	Yes
Mr. Srinivas Bommidala	8	6	Yes
Mr. G. B. S. Raju	8	3	Yes
Mr. Kiran Kumar Grandhi	8	5	Yes
Mr. B. V. Nageswara Rao	8	7	Yes
Mr. O. Bangaru Raju	8	5	Yes
Mr. Arun K. Thiagarajan	8	5	Yes
Mr. K. R. Ramamoorthy	8	8	Yes
Dr. Prakash G Apte	8	6	No
Mr. R.S.S.L.N. Bhaskarudu	8	8	Yes
Mr. Udaya Holla	8	4	No
Mr. Uday M. Chitale	8	8	Yes

#Attendance includes participation through video conference

Note: Mr. Kiran Kumar Grandhi, Mr. B.V. Nageswara Rao, Mr. K.R. Ramamoorthy and Mr. Udaya Holla attended the adjourned Board Meeting on July 31, 2009 and their attendance is also taken for the above record.

d. Profile of Directors being appointed in the ensuing Annual General Meeting to be held on August 27, 2010.

(i) Mr. G.B.S. Raju, 36, Group Director, is the elder son of Mr. G.M. Rao and has been on the Company's Board since 1999. He completed his bachelor's degree in commerce from Vivekananda College, University of Madras, Chennai, in 1995. He began his career as the Managing Director of GMR Energy Limited and was responsible for setting up the 220 MW barge-mounted power plant. He led the Company's involvement in the roads sector and is currently actively involved in the Company's foray into international business. He also heads various corporate services such as human resources, finance, legal, corporate communications, central procurement and information technology.

He holds 4,76,660 equity shares of the Company as on March 31, 2010.

Details of Mr. G.B.S. Raju's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Shareholders' Transfer & Grievance Committee, Management Committee and Debenture Allotment Committee
GMR Holdings Private Limited	–
GMR Hyderabad International Airport Limited*	–
Delhi Aerotropolis Private Limited	–
GMR Varalakshmi Foundation	–
Delhi International Airport Private Limited	Member – Audit Committee
Kakinada Refinery and Petrochemicals Private Limited	–
GMR Infrastructure (UK) Limited	–
Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapim ve Isletme Anonim Sirketi (Sabiha Gokcen International Airport)	–
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri A. S (Ground Handling Company)	–
LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi	–
InterGen N.V.	–
GMR Coastal Energy Private Limited	–
GMR Energy Ltd	–
GBS Holdings Private Limited	–
GMR Infrastructure (Singapore) Pte. Limited	–
GMR Aviation Private Limited	–
Island Power Intermediary Pte. Ltd.	–
Island Power Company Pte. Ltd.	–
Island Power Supply Pte. Ltd.	–
GMR Infrastructure (Netherlands) B.V	–

* Alternate Director

(ii) Mr. B. V. Nageswara Rao, 56, Group Director, has been associated with the Group since 1990 and is one of the first Directors of the Company. He is a graduate in mechanical engineering from Andhra University. He has held various senior responsibilities in the Group. Currently, he heads the energy sector business. He is the managing director of GMR Energy Limited and is a director on the board of several Subsidiaries of the Company. In addition, he holds charge of the corporate relationship functions at the Group level. During his tenure with Andhra Bank before joining the Group, he gained extensive experience in the banking sector with specific focus in industrial finance.

He holds 1,50,000 equity shares of the Company as on March 31, 2010.

Details of Mr. B. V. Nageswara Rao's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Shareholders' Transfer & Grievance Committee, Management Committee and Debenture Allotment Committee
GMR Kamalanga Energy Limited	Member- Securities Allotment Committee
GMR Power Corporation Ltd	–
GMR Energy Limited	Member - Securities Allotment Committee, IPO Committee and Management Committee
GMR Vemagiri Power Generation Limited	–
GMR Hyderabad International Airport Limited	Member – Audit Committee, Remuneration Committee and Shares Allotment and Shares Transfer Committee
GMR Bajoli Holi Hydropower Private Limited	–
GMR Chhattisgarh Energy Private Limited	–
EMCO Energy Limited	–
SJK Powergen Limited	–
GMR Rajahmundry Energy Limited	–
GMR Varalakshmi Foundation	Member – Audit Committee
GMR Holdings Private Limited	–
Himtal Hydropower Company Private Limited.	–
GMR Energy (Mauritius) Limited,	–
GMR Lion Energy Limited,	–
GMR Upper Karnali Hydropower Public Limited.	–
Kakinada Refinery and Petrochemicals Pvt Ltd	–
GMR Energy (Cyprus) Limited	–
GMR Energy (Netherlands) BV	–
Homeland Energy Group Ltd.	–

(iii) Mr. Arun K Thiagarajan, 65, Independent Director, has been on the Company's Board since September, 2005. He completed his masters in electrical engineering from the Royal Institute of Technology, Sweden. He also secured a management degree from Sweden and completed an advanced management program from the Harvard Business School, USA. He held several senior positions in various global companies including as the President and Country General Manager - Hewlett-Packard India Limited, the Vice Chairman - Wipro limited and the Managing Director - ABB Limited. He is also on the board of directors of several other companies.

He holds 36,000 equity shares of the Company as on March 31, 2010.

Details of Mr. Arun K. Thiagarajan's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Audit Committee Chairman – Corporate Governance Committee
ING Vysya Bank Limited	Chairman - Audit Committee Member - Investors Committee and Corporate Governance Committee
Alstom Projects India Limited	Member - Audit Committee
ADC India Communications Limited	Member - Audit Committee
Aditya Birla Minacs IT Services Limited	Member - Audit Committee
GMR Energy Limited	-
Aditya Birla Minacs Worldwide Limited	-
Idea Cellular Ltd	Member - Audit Committee
TTK Prestige Ltd	-
Gokaldas Exports Limited	Member - Audit Committee
Westrup A/S	-
CITEC Engineering India Private Limited	-
CITEC Information India Private Limited	-
Techset Composition India Private Limited	-

(iv) Mr. K. R. Ramamoorthy, 70, Independent Director, has been on the Company's Board since September, 2005. He is a graduate in arts (economics) and also holds a bachelor's degree in law and is a fellow member of Institute of Company Secretaries of India. He is also on the board of directors of some of the Company's subsidiaries. He is a senior banker, with over four decades of commercial and banking experience in India. He served as the chairman and managing director of Corporation Bank and Vysya Bank. He is currently the non-executive chairman of ING Vysya Bank. He has been providing consultancy services to commercial banks in India and other developing countries. He also provides services to the World Bank, International Monetary Fund and International Finance Corporation. Presently, he is also on the board of directors of several other companies.

He does not hold any equity shares of the Company as on March 31, 2010.

Details of Mr. K. R. Ramamoorthy's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Chairman – Audit Committee and Remuneration Committee Member – Shareholders Transfer and Grievance Committee
ING Vysya Bank Limited	Member – Audit Committee and Corporate Governance Committee
The Clearing Corporation of India Limited	Member – Audit Committee
Subros Limited	Member – Audit Committee
Nilkamal Plastics Limited	Chairman – Audit Committee
FIL Trustee Company Private Limited	Member – Audit Committee
Amrit Crop Limited	
GMR Power Corporation Limited	Member – Audit Committee
Clear Corp Dealing System Limited	-
Ujjivan Financial Services Private Limited	-
IFCI Factors Limited	Member – Audit Committee
ABC Paper Limited	Member – Audit Committee
GMR Ambala Chandigarh Expressways Private Limited	Chairman – Audit Committee Member – Remuneration Committee

(v) Mr. Srinivas Bommidala, 47, Managing Director, son-in-law of Mr. G. M. Rao and is one of the first directors of the Company. He has been a member of the Board since 1996. He is a graduate in commerce and entered his family tobacco export business in 1982 and subsequently led the diversification into new businesses such as Agri, aerated water bottling plants, etc. and was also in charge of international marketing and management of the organization. Subsequently, he led the team as the Managing Director of GMR Power Corporation for setting up the first Independent Power Project. This 200 MW project with slow speed diesel technology is the world's largest diesel engine power plant under one roof situated at Chennai in southern part of India. He was also instrumental in implementing the 388 MW combined cycle gas turbine power project in Andhra Pradesh. At present the combined generation capacity of the Group is 808 MW and also developing and implementing additional capacity of 7648 MW. When the Government of India decided to modernise and restructure New Delhi airport under a Public Private Partnership scheme in 2006, Mr. Srinivas Bommidala became the first Managing Director of this venture and successfully handled the most challenging job of managing the transition process from a public owned entity to a Public Private Partnership enterprise.

Currently, he is the Managing Director of the Company and as the Chairman for Urban Infrastructure and Highways business, he is spearheading new initiatives for commercial Property development/ Aerotropolis at New Delhi and Hyderabad airports. His portfolio also includes Highways (where GMR Group is one of the largest toll operators in the country), Construction, Special Economic Zones and the Delhi Daredevils, cricket franchise of Indian Premier League for the city of New Delhi.

He holds 4,51,660 equity shares of the Company as on March 31, 2010.

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

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Management Committee and Debenture Allotment Committee
GMR Highways Limited	Chairman – Remuneration Committee Member – Audit Committee
GMR Hyderabad International Airport Limited	Member – Shares Allotment and Shares Transfer Committee
GMR Hyderabad Aerotropolis Limited	-
GMR Varalakshmi Foundation	-
GMR Krishnagiri SEZ Limited	-
GMR Sports Private Limited	-
GMR League Games Private Limited	-
GMR Holdings Private Limited	-
Delhi International Airport Private Limited	Member – Share Allotment Committee
GMR Tuni - Anakapalli Expressways Private Limited	Member – Audit Committee
GMR Tambaram - Tindivanam Expressways Private Limited	Member – Audit Committee
GMR Ambala - Chandigarh Expressways Private Limited	-
Kakinada Refinery & Petrochemicals Private Limited	-
BSR Infrastructure Pvt. Ltd.	-
Bommidala Tobacco Exporters Pvt. Ltd.	-
Bommidala Exports Pvt. Ltd	-
BSR Holdings Private Ltd	-
Hotel Shivam International Pvt Ltd	-
Bommidala Exims Private Ltd	-
GMR Hyderabad Vijayawada Expressways Pvt Ltd	-
GMR Chennai Outer Ring Road Private Limited	-
Bommidala Tobacco Threshers Pvt Ltd	-
GMR SEZ & Port Holdings Private Limited	-

e. Code of Conduct

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

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

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.

f. Whistleblower Policy

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

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

g. Risk Management

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

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

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

Business Risks:

Client concentration, Contracts, Regulatory, Technological obsolescence

Financial Risks:

Interest rates, Foreign exchange fluctuations, Liquidity management

Legal and Statutory Risks:

Contractual liabilities, Statutory compliance, Fixed asset, Employee insurance

Organisational and Management Risks:

Leadership development, Human resource management, Process maturity, Internal control systems.

Political Risks:

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

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

h. Subsidiary Companies

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

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

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

iii. The details of significant transactions and arrangements entered into by the 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 Bhaskarudu	Member

ii. Previous Annual General Meeting of the Company was held on August 31, 2009.

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 the Secretary to the Audit Committee.

b. Meetings and attendance during the year:

During the financial year ended on March 31, 2010, seven Audit Committee meetings were held on April 16, 2009, June 4, 2009, July 29, 2009, September 26, 2009, October 26, 2009, January 28, 2010 and March 29, 2010.

The attendance of the Audit Committee members was as under:

Names	No. of the Meetings	
	Held	Attended#
Mr. K. R. Ramamoorthy	7	7
Mr. Arun K. Thiagarajan	7	5
Mr. Uday M. Chitale	7	7
Mr. R S S L N Bhaskarudu	7	7

Attendance includes participation through video conference

Special meetings of the Committee were held on September 26, 2009 and March 29, 2010 exclusively to review the matters relating to adequacy of internal control, Enterprise Risk Management (ERM) 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 fees 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 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 mechanisim

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. Attendance during the year:

During the financial year ended March 31, 2010, no meeting of the Committee was held.

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

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

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

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

iv. The Committee shall take into consideration and ensure the compliance of provisions of Schedule XIII of the Companies Act, 1956 for appointing and fixing remuneration of Managing Directors / Whole time 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, 2010 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	7,287,000	98,841	–	7,385,841	253,330
Mr. Srinivas Bommidala	–	–	–	–	451,660
Mr. G. B. S. Raju	4,432,000	–	–	4,432,000	476,660
Mr. Kiran Kumar Grandhi	–	–	–	–	451,660
Mr. B. V. Nageswara Rao	–	–	–	–	150,000
Mr. O. Bangaru Raju	–	–	–	–	40,000
Mr. Arun K. Thiagarajan	–	–	220,000	220,000	36,000
Mr. K. R. Ramamoorthy	–	–	340,000	340,000	NIL
Dr. Prakash G Apte	–	–	140,000	140,000	30,000
Mr. R.S.S.L.N. Bhaskarudu	–	–	320,000	320,000	NIL
Mr. Udaya Holla	–	–	110,000	110,000	NIL
Mr. Uday M. Chitale	–	–	320,000	320,000	30,000

Note: The remuneration paid to the Executive Chairman and the 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. G.B.S. Raju	Member
Mr. B.V. Nageswara Rao	Member

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

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2010, four meetings were held on June 4, 2009, July 29, 2009, October 26, 2009 and January 28, 2010. . The attendance of the Shareholders' Transfer and Grievance Committee members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. Udaya Holla	4	3
Mr. K. R. Ramamoorthy	4	4
Mr. G.B.S. Raju	4	1
Mr. B.V. Nageswara Rao	4	2

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

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

ii. Transfer, transposition and transmission of securities.

iii. Issuance of duplicate shares or other securities.

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

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

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

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

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

The details of the complaints received during the financial year 2009-10 and the status of the same are as below:

Nature of Complaints	No. of Complaints received	No. of Complaints resolved	Pending Complaints
Non-Receipt of Electronic Credit	17	17	0
Non-Receipt of Allotment/Call Notice	1	1	0
Non-Receipt of Dividend Warrants	30	30	0
Non-Receipt of Share Certificates	23	23	0
Non-Receipt of Annual Reports	10	10	0
SEBI Complaints	1	1	0
Stock Exchange Complaints	1	1	0
Total	83	83	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. Srinivas Bommidala	Member
Mr. G.B.S. Raju	Member
Mr. Kiran Kumar Grandhi	Member
Mr. B.V. Nageswara Rao	Member

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2010, ten meetings of the Committee were held on April 10, 2009, May 19, 2009, June 19, 2009, July 22, 2009, November 19, 2009, December 21, 2009, December 30, 2009, March 6, 2010, March 11, 2010 and March 26, 2010 and the attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended#
Mr. G.M. Rao	10	6
Mr. Srinivas Bommidala	10	4
Mr. G.B.S. Raju	10	8
Mr. Kiran Kumar Grandhi	10	4
Mr. B.V. Nageswara Rao	10	8

Attendance includes participation through video conference

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

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

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

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

6. Debentures Allotment Committee

a. Constitution of Debentures Allotment Committee:

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

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

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

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2010, one meeting of the Committee was held on March 2, 2010 and the attendance of the members is as under:

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

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 Goverance 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 the Secretary to the Corporate Governance Committee.

b. Meetings and Attendance during the year:

During the financial year ended on March 31 2010, two Committee meetings were held on September 26, 2009 and March 29, 2010 and the attendance of the members is as under:

Names	No. of the Meetings	
	Held	Attended#
Mr. Arun K Thiagarajan	2	2
Dr. Prakash G Apte	2	2
Mr. R S S L N Bhaskarudu	2	2
Mr. Uday M Chitale	2	2

Attendance includes participation through video conference

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. 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 thereat are as under:

Year	Venue	Date & Time	Special Resolutions passed
2008-09	Convention Centre, NIMHANS Hosur Road, Bengaluru – 560 029	August 31, 2009, 2.30 p.m	No Special Resolution was passed.
2007-08	Jnana Jyothi Auditorium, Central College Campus, Bengaluru – 560 001	August 19, 2008, 2.30 p.m.	No Special Resolution was passed.
2006-07	Convention Centre, NIMHANS Hosur Road, Bengaluru – 560 029	August30 ,2007, 10.30 a.m	1. Under Section 163 of the Companies Act, 1956, approval for keeping of register of members etc. at the office of Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company, within the city of Bengaluru. 2. Under Section 31 of the Companies Act, 1956, alteration of Article 82 of Articles of Association pertaining to the powers of the Board with regard to borrowing. 3. Under Section 81(1A) of the Companies Act, 1956, approval for issue of equity shares / convertible securities to any person. 4. Under Section 61 of the Companies Act, 1956, approval for variation in utilization of IPO proceeds.

b. Extraordinary General Meetings

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

Year	Venue	Date & Time	Special Resolutions Passed
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, 1956 - 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.

Year	Venue	Date & Time	Special Resolutions Passed
2007-08	Dr. Ambedkar Bhavan, Millers Road, Vasanth Nagar, Bengaluru – 560 052	November 26, 2007 11:00 a.m.	Under Section 81 (1A) of the Companies Act, 1956, issue of securities through Qualified Institutional Placements (QIP)
2006-07	25/1, Skip House, Museum Road, Bengaluru – 560 025	May 20, 2006 11:00 a.m.	No Special Resolution was passed.
	The Parliament Room, Hotel Taj Mahal, Mansingh Road, New Delhi – 110 001	April 25, 2006 12.00 noon	1. Approval for preferential issue of equity shares to the ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund). 2. Under Section 31 of the Companies Act, 1956, replacing with new set of Articles of Association of the Company.
	25/1, Skip House, Museum Road, Bengaluru – 560 025	April 19, 2006 11:00 a.m.	Approval for preferential issue of equity shares to the India Development Fund (IDF).

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

c. Special Resolutions passed through postal ballot:

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

9. 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 on page no.147, 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 the SEBI or any statutory authority.

10. Means of Communication

The Company has been sending Annual Reports, notices and other communications to each shareholder through post or courier.

The quarterly / annual results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with stock exchanges are generally published in the 'Business Line', 'Financial Express' and 'Samyukta Karnataka' (a regional daily in Kannada language). Quarterly and Annual Financial Statements, along with the 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.

11. Management Discussion and Analysis Report (MDA)

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

12. General Shareholder Information

a. Date, time and venue of the 14th AGM:

Friday, August 27, 2010 at 2.30 p.m. at Jnana Jyothi Auditorium, Central College Campus, Palace Road, Bengaluru – 560 001.

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, 2010	first fortnight of August 2010
Financial reporting for the quarter / half year ending September 30, 2010	first fortnight of November 2010
Financial reporting for the quarter / nine months ending December 31, 2010	first fortnight of February 2011
Financial reporting for the quarter / year ending March 31, 2011	second fortnight of May 2011
Annual General Meeting for the year ending March 31, 2011	September 2011

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Friday, August 20, 2010 to Friday, August 27, 2010 (both days inclusive) for the purpose of the 14th 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 2009-10.

e. Listing on Stock Exchanges:

(i) Equity Shares:

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

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

Annual listing fees for the year 2010-11 has been paid by the Company to both the Stock Exchanges.

(ii) Privately Placed Debt Instruments:

The Company's privately placed debt instruments which were listed on The Bombay Stock Exchange Limited were redeemed fully in January 2010. The stock code of the securities was 934728, 934729, 934730 and 934751.

The Company has made a fresh allotment of Unsecured Non-Convertible Debentures (NCDs) which are listed on the National Stock Exchange of India Ltd. The stock code of NCDs is GMRI15.

Listing fees for the debt securities for the year 2010-11 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 2009	123.75	94.00	123.70	94.05
May 2009	173.65	105.60	175.30	105.35
June 2009	183.50	133.25	183.50	133.50
July 2009	149.50	119.70	149.90	119.50
August 2009	145.40	126.50	145.90	126.60
September 2009	145.85	123.70	146.00	133.35
October 2009	76.90	59.60	76.80	60.00
November 2009	71.00	58.10	71.50	58.00
December 2009	73.90	65.55	74.00	65.60
January 2010	70.60	58.15	70.60	58.15
February 2010	61.95	50.50	61.80	50.60
March 2010	63.40	54.50	63.40	54.65

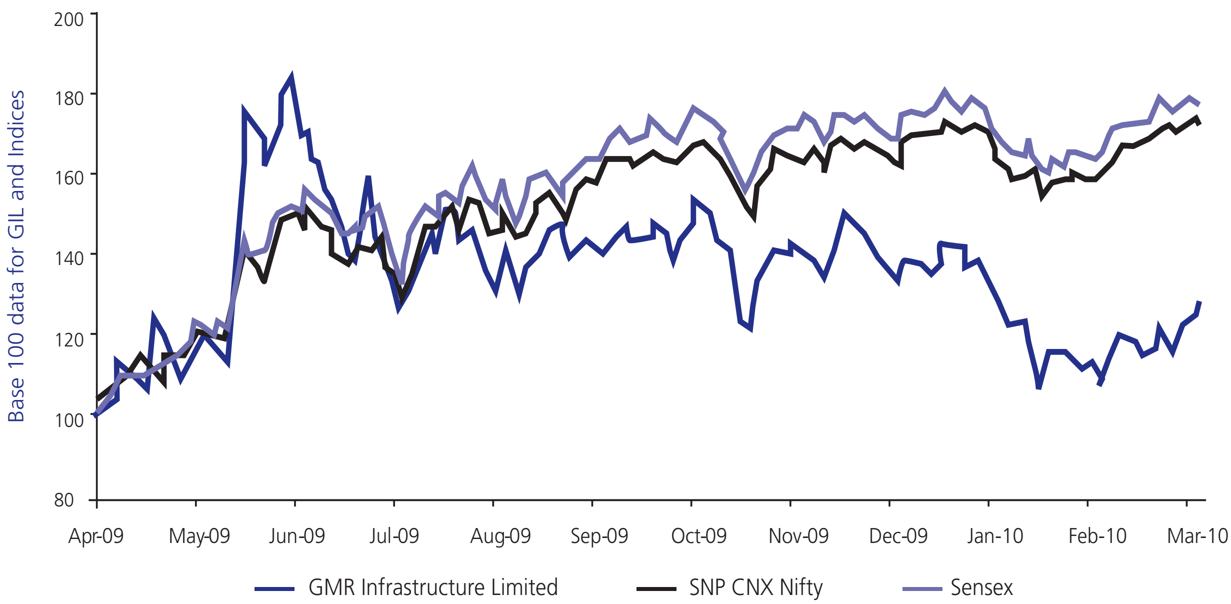
The Equity Shares of Rs.2/- each have been split into Re.1/- each based on the record date of October 5, 2010.

g. Registrar & Share Transfer Agent (RTA)

Main Office:
Karvy Computershare Private Limited

Unit: GMR Infrastructure Limited, Plot no. 17 to 24,
Vittal Rao Nagar, Madhapur, Hyderabad - 500 081
Tel. : 040 2342 0819 to 24
Fax No. 040 2342 0814
Email : einward.ris@karvy.com

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



Branch Office:
Karvy Computershare Private Limited

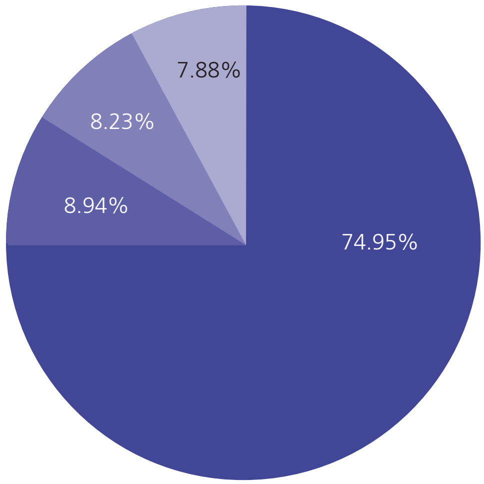
No. 51/2, TKN Complex, Vani Vilas Road, Opp. National College, Basavanagudi, Bengaluru - 560 004.
Tel. : 080 4120 4350
Fax : 080 2662 1169
Email : bangalore@karvy.com

h. Share Transfer procedure:

The share transfers which are received in physical form are processed and the share certificates are returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated powers of approving transfers and transmission of securities to the Shareholder's Transfer and Grievance Committee. The Committee has authorised each member of the Committee to approve the transfer of shares up to 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 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, 2010

Distribution by category



Distribution by Category

Description	No. of Cases	Total Shares	% Equity
Banks	35	129,025,338	3.52
Clearing Members	465	2,423,637	0.07
Foreign Institutional Investors	177	327,896,282	8.94
Indian Financial Institutions	18	157,290,036	4.29
Bodies Corporates	3,204	56,500,874	1.54
Mutual Funds	11	15,511,381	0.42
Non Resident Indians	4,540	6,742,888	0.18
Promoters	32	2,748,535,794	74.95
Resident Individuals	456,260	197,054,600	5.37
Trusts	20	26,373,562	0.72
Total	464,762	3,667,354,392	100.00

The Equity Shares of Rs.2/- each have been split into Re.1/- each based on record date of October 5, 2009. Consequently, number of issued equity shares increased from 183,36,77,196 equity shares to 366,73,54,392 equity shares.

Distribution by size

Range of equity shares held	March 31, 2010				March 31, 2009			
	No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1 – 500	386,184	83.09	64,386,239	1.76	426,682	92.65	50,393,009	2.77
501 – 1000	45,394	9.77	35,914,867	0.98	20,006	4.34	15,904,160	0.87
1001 – 2000	19,713	4.24	31,119,925	0.85	8,389	1.82	12,948,478	0.71
2001 – 3000	4,882	1.05	12,611,947	0.34	2,132	0.46	5,422,191	0.30
3001 – 4000	3,175	0.68	11,969,198	0.32	820	0.18	2,976,888	0.16
4001 – 5000	1,381	0.30	6,492,344	0.18	669	0.15	3,189,652	0.18
5001 – 10000	2,204	0.48	16,392,618	0.45	874	0.19	6,509,500	0.36
10001 and above	1,829	0.39	3,488,467,254	95.12	975	0.21	1,723,314,210	94.65
Total	464,762	100.00	3,667,354,392	100.00	460,547	100.00	1,820,658,088	100.00

The Equity Shares of Rs.2/- each have been split into Re.1/- each based on the record date of October 5, 2010. Consequently, number of issued equity shares increased from 183,36,77,196 equity shares to 366,73,54,392 equity shares.

j. Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization in both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.86 % of shares have been dematerialized as on March 31, 2010.

ISIN: INE776C01039 (Fully Paid Shares)

IN9776C01037 (Partly Paid shares)

Description	No. of Shareholders	No. of Shares	% Equity
PHYSICAL	369	1,704,512	0.05
NSDL	311,449	3,603,409,335	98.25
CDSL	152,944	62,240,545	1.70
Total	464,762	3,667,354,392	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

Associate Company Secretary

Mr. Narendra Singh
Skip House, 25/1, Museum Road, Bengaluru - 560 025
Telephone No. +91 80 40534126 Fax No. +91 80 22279353
E-mail: narendra.singh@gmrgroup.in

m. Prevention of Insider Trading:

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

n. Secretarial Audit for Reconciliation of Capital:

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

o. Corporate Identity Number (CIN)

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

p. Compliance Certificate of the Auditors

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

q. Unclaimed Shares

As per the provisions of Clause 5A(a) of the Listing Agreement, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. As on March 31, 2010, there are 15 allottees pertaining to 13250 unclaimed equity shares of the Company and the same are lying in the escrow account.

In accordance with the said Clause 5A(a) of the Listing Agreement, the Company has sent three reminders to all the persons concerned vide letters dated June 23, 2009, August 25, 2009 and January 15, 2010. The process of transferring these unclaimed shares into a demat suspense account is in progress.

r. Adoption of non-mandatory requirements of Clause 49

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

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, Srinivas Bommidala, 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, 2010.

Sd/-
Srinivas Bommidala
Managing Director

Place: New Delhi
Date : May 24, 2010

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, 2010 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
Sd/-	Sd/-
Srinivas Bommidala	Subba Rao Amarthaluru
Managing Director	Group CFO

Place: New Delhi

Date : May 24, 2010

Auditors' Certificate regarding Compliance of conditions of Corporate Governance

To,

The Members of GMR Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by GMR Infrastructure Limited ('the Company'), for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

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

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

Per Navin Agrawal
Partner
Membership number: 56102

Place: Bengaluru

Date: May 24, 2010

Management Discussion and Analysis

Forward-looking Statements

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

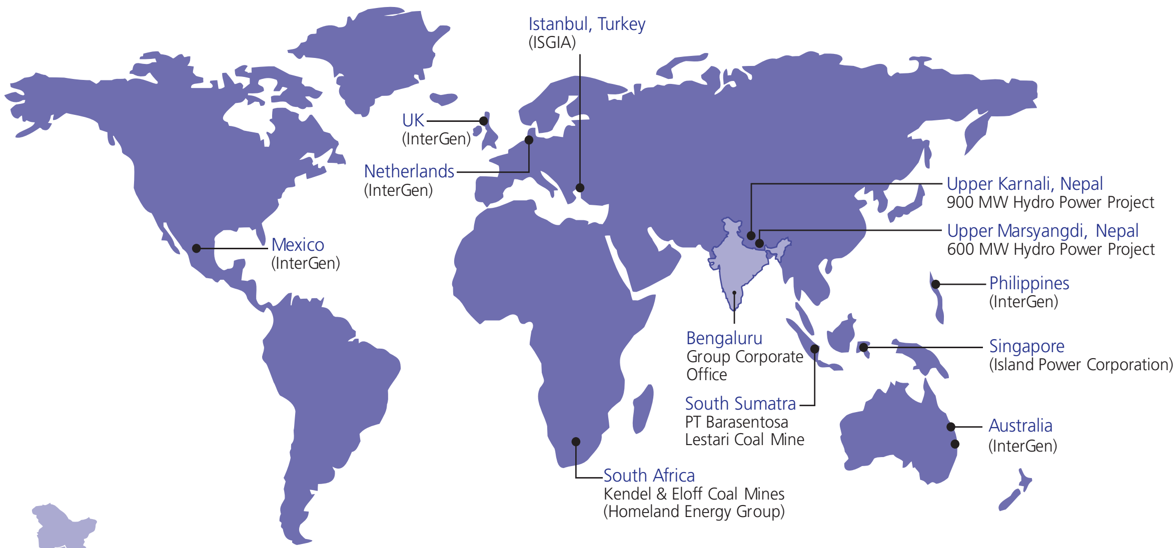
Management Discussion and Analysis

About Us

We are a diversified infrastructure company with operations and investments across the airport, energy, urban infrastructure and highways sectors. We have substantial experience in the above mentioned areas. Our airport business consists of interests in the companies that operate Rajiv Gandhi International Airport in Hyderabad, Indira Gandhi International Airport in New Delhi, and Sabiha Gokcen International Airport in Istanbul. Our Energy business consists of three power plants that are in commercial operation, four power projects under implementation, six power projects under development, one coal mining project under development in Indonesia and an investment in a company that owns coal mining interests in South Africa. Our highways business consists of six highways in commercial operation and three projects under development. We play an active role in all stages of development of our projects, including construction, financing and operation.

Geographical presence of our businesses

Our Company, over the last decade, has set up projects in various parts of India. In the past couple of years, the Company has forayed into the International arena with sizeable investments in airport and energy sectors. The Company has strategic plans to further expand its operations to markets across the globe in the infrastructure space.



❶ Karnataka
Group Corporate Office at Bengaluru
99 KM Hospet-Hungund Road Project

❷ Arunachal Pradesh
160 MW Hydro Power Project at Talong

❸ Chhattisgarh
1370 MW Coal based Power Project at Raikheda

❹ Delhi
Indira Gandhi International Airport

❺ Haryana - Punjab
35 Km Ambala – Chandigarh Road Project

❻ Himachal Pradesh
180 MW Hydro Power Project at Bajoli Holi

❼ Andhra Pradesh
Rajiv Gandhi International Airport
220 MW Barge-mounted Power Plant at Kakinada
388.5 MW gas based Power Plant at Vemagiri
768 MW Power Plant at Vemagiri
59 Km Tuni - Anakapalli Road Project
103 Km Pochanpalli Road Project
59 Km Thondapalli - Jadcherla Road Project
181Km Hyderabad - Vijayawada Road Project

❽ Madhya Pradesh
1370MW Coal Power Plant in Shahdol

❾ Maharashtra
600 MW Coal Power Plant at Warora, Chandrapur

❿ Orissa
1400 MW Coal based Power Project at Kamlanga

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

⓬ Uttarakhand
300MW Alaknanda Hydro Power Project

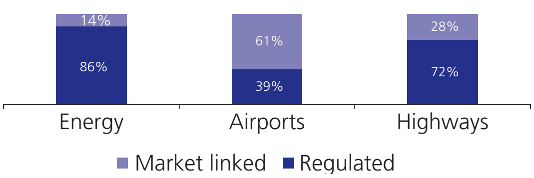
Financial Year	Airport	Energy	Urban Infrastructure & Highways and Other Opportunities
2009-10	• Delhi International Airport – new Terminal 1D commissioned. • New Terminal 3 project completed. Opening on 3rd July'10.	• Acquired EMCO and SJKPowergen, coal based power projects • Achieved financial closure for Kamalanga and EMCO Projects • Expansion work started at Vemagiri Power Plant for additional 768 MW	• Won Chennai Outer Ring Road project • Won Hungund-Hospet road project. • Won Hyderabad-Vijayawada road project
2008-09		• Acquired 100% Stake in PT Barasentosa Lestari - Indonesia coal mine • Acquired 33.34% stake in Homeland Energy Group (HEG) • Acquired 50% stake for US $ 1.1 bn in InterGen N.V	Commercial operation of • Adloor Yellareddy - Gundla Pochanpalli • Thondapalli - Jadcherla • Ambala - Chandigarh
2007-08	• Commenced operation at the Hyderabad International Airport • First International foray - Awarded the Operation and development of Sabiha Gokcen International Airport, Istanbul, Turkey	• MoU for 160 MW Talong • MoU for 1,200 MW Plant in Chhattisgarh • Awarded 180 MW Bajoli Holi • Awarded 250 MW Upper Marsyangdi • Awarded 300 MW Upper Karnali	• Krishnagiri SEZ Project, Tamil Nadu • Two Hyderabad Airport SEZ • Established a Sports franchisee, Delhi Daredevils
2006-07		• Commercial Operation of 388.5 MW Vemagiri Power Plant • MoU for 1,050 MW Kamalanga Power Plant in Orissa	
2005-06	• Awarded operation, management and development of Delhi International Airport	• Awarded 300 MW Alaknanda	
2004-05			• Commercial operation of Tambaram – Tindivanam and Tuni Anakapalli
2003-04	• Awarded Hyderabad Airport		
2001-02		• Commercial operation of 220MW power plant in Mangalore	
2000-01	• Ventured in Airport Sector		
1998-99		• Commercial operation of 200MW in Chennai Power Plant	
1996-97		• Ventured into the Power sector	

We are operating, implementing or developing various infrastructure projects in India, Turkey, Nepal, Singapore and Indonesia. We have also invested in a company that owns coal mines in South Africa. Our power portfolio is diversified in terms of geography, fuel type, fuel source and off-take arrangements. Our highway projects are spread across the country.

Our assets and revenues comprise a healthy mix of diversified assets and revenue streams:

Asset mix

Revenue Mix



We continue to take steps to diversify at various levels, in terms of type and location of assets, fuel, and pricing. Some of the steps taken are,

- The operation of the Istanbul airport, which is our first operating asset outside India.
- The operation, development and modernization of Delhi airport, where construction of the new integrated terminal was completed in March 2010 and the terminal is expected to commence commercial operation from July 2010.
- Relocation of the barge-mounted power plant to Kakinada in the state of Andhra Pradesh and conversion of the plant to use natural gas - completion by April 2010.
- The implementation of a 1,400 MW coal-fired power project in Orissa, a 600 MW coal-fired power project in Maharashtra, 1,370 MW coal-fired power project in Chhattisgarh and 768 MW gas-fired power project in Andhra Pradesh.
- The development of a 1,370 MW coal-fired power project in Madhya Pradesh.
- The development of an 800 MW gas-fired power project in Singapore which is expected to be our first overseas greenfield power project.
- The development of a 300 MW hydroelectric power plant on the river Alaknanda in Uttarakhand, a 160 MW hydroelectric power plant in Arunachal Pradesh, a 180 MW hydroelectric power plant in Himachal Pradesh.
- The development of two hydroelectric power projects in Nepal, namely the 900 MW Upper Karnali power project and the 600 MW Upper Marsyangdi power project.

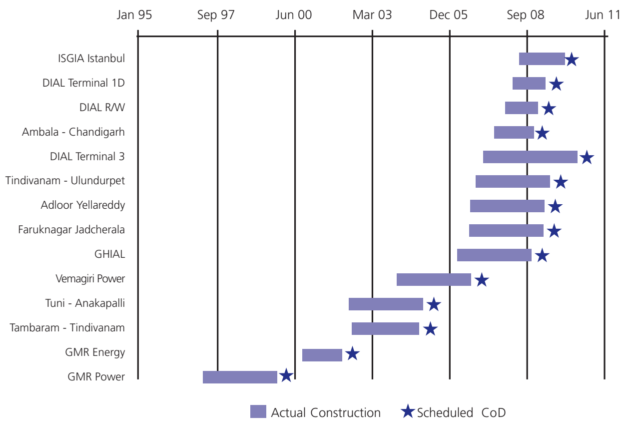
- The development of coal mines in Indonesia.
- The development of toll roads on a 181 kilometer stretch on the Hyderabad - Vijayawada (NH-9) and a 99 kilometer stretch between Hungund and Hospet (NH-13) and the development of a 30 kilometer annuity road project as the outer ring road for the city of Chennai.
- The development of 5% of the total land area of approximately 5,100 acres (subject to certain excluded land) at the Delhi airport, of which approximately 45 acres has been licensed to developers.
- The development of up to 1,000 acres of land area at the Hyderabad airport for commercial property development.
- The development of two 250-acre SEZs at the Hyderabad airport.
- The development of a 3,300-acre SEZ in Krishnagiri, in the State of Tamil Nadu.

We expect that once these new projects enter into full commercial operation, they will help further mitigate our risks and improve our business prospects.

Excellent track record

Industry Structure and Developments

Project Execution Timelines



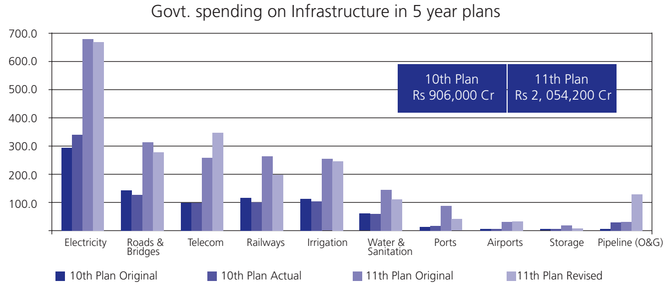
Consistent track record of completing projects simultaneously on or before scheduled dates

The Indian growth story, post the liberalization and structural reforms of 1991, has been moving on a progressive growth track. Barring few instances like the Asian currency crisis, internet bubble and more recently the global credit crisis, the overall direction has been positive. The Indian economy, caught in the global economic meltdown recently, grew gradually as reflected in growth rate of real GDP for FY 2009 (6.7%). The real GDP growth rate moved up in the current FY 2010 (7.2%) in line with the visible global economic recovery and this trend is expected to continue in FY 2011(8.2%) (source: RBI).

Post the easing of global credit crisis of late 2008, the world has seen a fragile economic recovery - countries like China and India are widely expected to drive economic recovery as they embark on a journey to create infrastructure for their citizens. The economies of US and Europe are expected to gradually emerge out of the crisis erasing the impacts of high leverage and the subsequent bailouts. With the improved sentiments, towards the second half of the financial year, the credit and equity markets have become more receptive to corporate fund raising. There are early signs post the economic crisis that the global wealth is eager to participate in the long-term India growth story and Infrastructure will play a vital part in the overall scheme of things.

The need for Infrastructure development in India is rightfully reflected in the increased allocation made in the 11th Five year plan of approx. US$ 500 billion. This is widely expected to further double to almost a trillion dollars in the 12th Five year plan. About a third of the planned investment is expected to come from private sector, where the PPP model will continue to play an important role. Moreover, we expect the Planning Commission to take active interest in execution of plans to achieve targets by 2012 and therefore most of the targets for FY 2011 are significantly higher than the progress made in the current financial year. This should augur well for the infrastructure sector players and the overall activity on the ground should pick up pace.

Govt. spending on Infrastructure in 5 year plans



Airport Sector

The fiscal year 2010 marked a visible comeback for the Indian economy especially in Q4 when the GDP grew by 7.9 %. World Bank's projections show that the Indian economy is slated to grow at 8% per annum during the period 2010-2014. Historically, GDP and Aviation fuel price are the lead indicators for business in the aviation industry. While, challenges of volatility in global fuel prices remain, the overall growth and turnaround seem to be well placed.

Growth in domestic air travel has reversed the downward trend of the previous year. Domestic air traffic registered positive growth from June 2009 and thereafter. Industry and consumer confidence seem to have returned, which uphold this upward trend. There is also a shift in the profile of passengers. Business travelers, which accounted for 80% of all travelers six years ago now account for about 30%. This has been driven mainly by the dominance of the Low-Cost Carriers which have been able to bring many train and bus travelers into the air travel fold. Growth has also returned to the cargo segment since April 2009, after a fall in 2008. The recovery is driven by double digit growth from the domestic cargo segment, the international cargo segment remaining relatively flat. Industry observers project a growth rate of 8.5% for the next 5 years in Indian air cargo segment.

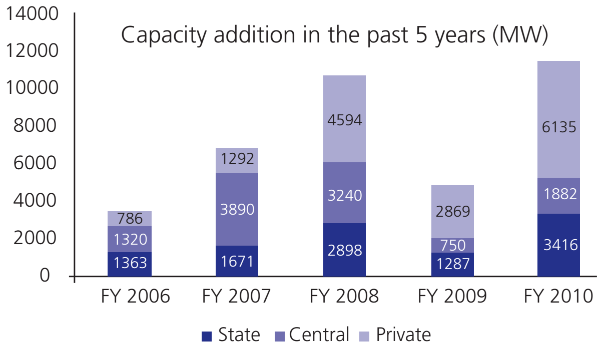
Favourable demographics and revived economic growth point to a continued high growth phase in domestic passenger traffic and international outbound traffic. International inbound traffic is also expected to grow with increasing investment, trade activity and as India's tourism potential is marketed to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

Airports are the largest gateway and the first point of contact for foreign passengers to any country. Hence, the quality of airport infrastructure and services are vital to a country's image and also for the overall transportation network, contributing directly to a country's development in terms of foreign trade. To meet India's huge demand for capacity addition in the aviation sector, it was estimated that investments of US$9 billion will be required till 2013-14. This is a significant amount and implies that a substantial portion has to come from the private sector. It is estimated that approximately US$6.9 billion will come in the form of Public Private Partnerships (PPPs). The Government has assigned high priority to improving the services and facilities at Indian airports and to bring them at par with international standards.

Energy Sector

Indian Power sector has come a long way since the reforms were first introduced in 1991. The Electricity Act 2003 however, proved to be the landmark step for the sector reforms. Provisions of the Act such as "Delicensing of generation", "Procurement of power through competitive bidding" & "Recognition of power trading", etc. have been key enablers for attracting huge private interest in the sector. The number of private players in power sector has correspondingly increased to a significant level in the past few years.

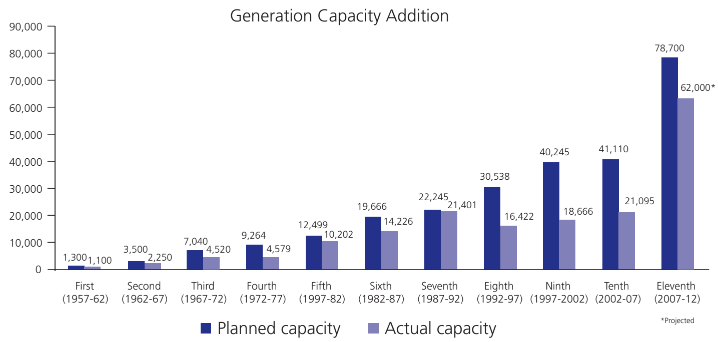
It is evident from the graph below that capacity addition in the Private sector has outpaced additions in State & Central Sectors in the past 3 years .



The installed capacity as on 31.03.2010 was 1,59,398 MW . The fuel wise break up is as follows:

Type	Capacity (MW)	% of Total Capacity
Coal	84198	52.8%
Gas	17056	10.7%
Diesel	1200	0.8%
Total Thermal	102454	64.3%
Nuclear	4560	2.9%
Hydro	36863	23.1%
RE Sources	15521	9.7%
Total (MW)	159398	100%

It was planned that the sector will add about 78,000 MW in the current Five Year plan. However, recent estimates suggest that the sector will be able to achieve capacity addition of about 62,000 MW only. Even the past data presented in the graph below suggests that capacity addition has not kept pace with the targets.



It has been observed that availability of fuel has been one of the key constraints for capacity addition. In this regard, the recent commencement of gas production from KG basin is expected to play a key role in the sector's future capacity expansion plans.

Going forward, the power sector is likely to face coal shortages to the extent of 62 Million tonnes by 2012, by which time coal requirement for this sector is estimated to grow to 540 Million tonnes, as projected by CEA, whereas cumulative availability of coal for this sector from CIL, SCCL and from the captive mine blocks already allotted to Power Utilities is estimated at about 478 Million tonnes. Based on the demand-supply mismatch of domestic coal, non-coking coal has to be imported to sustain and increase generation level as well as to achieve capacity addition programme. As per the present Import policy, coal can be freely imported (under Open General License) by the consumers themselves considering their needs based on their commercial prudence and that is expected to play a crucial role in long term energy security.

To address various constraints in Energy sector, GMR has taken a long-term strategic view:

- It has optimized its power sale strategy by judicious mix of power sale through long term PPA and short & medium term merchant sale.
- Existing projects and running assets are with multiple fuel mix – balanced portfolio of coal, gas , liquid fuel and hydro projects.
- Ensuring fuel security of upcoming projects through fuel linkage, developing domestic coal blocks and acquisition of coal assets overseas.
- Diversification in Power trading and Transmission business.

1 Source : CEA website
2 Source : CEA website.
3 Source : During the Power Ministers Conference held on 28.04.2010 it was noted that during the 11th Five Year Plan, about 62,374 MW capacity addition was likely to be achieved with high degree of certainty.
4 Source : Central Electricity Authority (CEA) website
5 XIth Plan Working Committee Report

Highways Sector

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

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

Out of the total Indian road network of 3.3 million kilometers, National highways amount to 66,590 kms.

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

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

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

From the fiscal year 2007 to 2012, the Indian government has predicted a requirement of US$ 90 billion to enhance the nation's road infrastructure. With the initiation of the National Highway Development Program (NHDP), the government is looking forward to sponsor more than 200 schemes in NHDP Phase III & V to be tendered out embodying around 13,000km of pathways. Phase VI has received in principle approval from the Government while Phase IV and VII are yet to be approved by the Government. The average plans are anticipated to use US$150 million to US$200 million while bigger plans are likely to touch US$700 million to US$800 million. The acquisition method prefers firms with decent knowledge and sound fiscal vigor.

The prospects for a developer are greater as more than 10 Indian states are also vigorously scheduling the growth of their highways. Moreover, in the year 2010 more than 4,500km of state freeways are expected to be felicitated by the government.

It is believed that the Sector is on fast track owing to: 1) Political will; 2) Structural Changes; and 3) Buoyant Capital Markets (boosts confidence levels that fund raising is still an option). The Sector looks positive as in the recent past all Road projects have achieved financial closure. This reflects the increasing readiness and confidence of the financiers to fund Road Projects. Going ahead, we expect both domestic as well as international funds to flow into the Sector to capitalize on the upcoming lucrative opportunities in the Sector. Finally, it is believed that structural, financial and procedural changes are required to help in achieving the aggressive target of constructing 20km/day as against 5-6km/ day achieved during FY2005- 09. NHAI's new qualification policy ensures that only developers with robust technical and financial capabilities are selected for large projects.

Investment in Road infrastructure has been the focal point in recent years, as the government has ultimately recognized the fact that inadequate infrastructure has been constraining growth and deterring foreign players from investing in the country. The "Global Competitiveness Report 2007-08" by the World Bank points at the "Inadequate supply of Infrastructure", which is the most problematic factor for doing business in India, and which sums up the crucial role that infrastructure plays in ushering growth. The government will continue its focus on infrastructure development in the country, particularly in the Road Segment.

It is believed there exists significant opportunities in the Road Sector, which can provide investors a platform to grow and expand in the Indian economy. The government is also focusing on nurturing the profitable partnership with the private sector to bridge the investment and knowledge gaps in Road infrastructure. However, investment in Road Infrastructure entails substantial investments, and while returns are also high, investors will have to accept the long gestation periods involved. Thus, it is clear that the way ahead is through well-defined and innovative partnerships

Urban Infrastructure Sector

a) Special Economic Zones

Asia's first Export Processing Zone (EPZ) was set up in Kandla in 1965. With a view to attract larger foreign investment in India, the Special Economic Zones (SEZs) Policy was announced in April 2000. This policy was intended to make SEZs an engine for economic growth supported by quality infrastructure and by an attractive fiscal package, both at the Centre and the State level, with the minimum possible regulations. The functioning of the SEZs in India is guided by the provisions of the Foreign Trade Policy and fiscal incentives have been made effective through the provisions of relevant statutes.

Special Economic Zones Act, 2005 instills confidence in investors and to impart stability to the SEZ regime thereby generating greater economic activity and employment through the establishment of SEZs, by providing simplification of procedures and single window clearance on matters relating to Central as well as State Governments.

The exports from the functioning SEZs have grown considerably from Rs.13,854 Cr in 2003-04 to Rs. 99,689 Cr in 2008-09 with a CAGR of 48%. The fact that during the same time India's overall exports have grown with a CAGR of 21%, establishes beyond doubt that the response to the SEZ policy of the Central Government has been overwhelming and the scheme has been able to achieve the envisaged objectives. An investment of Rs. 1,08,903 crore has been made in SEZs. This includes Foreign Direct Investment of US $ 2.29 billions (9.4% of total investment). (Source: Department of Industrial Policy and Promotion).

India's quest for higher exports as a share of its GDP will be considerably helped by successful SEZs. SEZs help in creating high-quality infrastructure in pockets and provide a supportive business environment. They allow the government to experiment with the liberalization of labour laws. The liberalized regime allows SEZs to attract foreign capital and technology. Meeting the challenging goal of increasing the exports manifolds requires huge investment in SEZs, both domestic as well as FDI. It is estimated that an additional 6 to 7 lacs acres of land is required for SEZ development. So far, formal approvals have been granted for setting up of 576 SEZs out of which 319 have been notified. Considering the potential to grow exports, it is expected that the trend in SEZ development will continue in the medium to long term.

b) Property Development

The Indian real estate sector plays a significant role in the country's economy. The real estate sector contributes heavily towards the gross domestic product (GDP). Almost six per cent of the country's GDP is contributed by the Real estate sector. In the next five years, this contribution to the GDP is expected to rise substantially.

Faster economic growth in Brazil, Russia, India and China (BRIC) could result in the real estate markets of these nations recovering at a faster rate than the UK and US real estate markets. India's property sector has started to improve from end 2009 and is expected to continue its growth trajectory. India may attract up to US$ 12.11 billion in real estate investment over a five-year period.

India leads the pack of top real estate investment markets in Asia for 2010. Almost 80 per cent of real estate developed in India is residential space, the rest comprises of offices, shopping malls, hotels and hospitals.

The real estate sector is also likely to get a boost from Real Estate Mutual Funds (REMFs) and Real Estate Investment Trusts (REITs). In fact, according to a CRISIL, the REITs will have the potential to hold at least 5 per cent share of the total global real estate market by 2010, the size of which will reach US$ 1,400 billion in the next three years.

The government has introduced many progressive reform measures to unlock the potential of the sector and also meet increasing demand levels. The stimulus package announced by the government, coupled with the Reserve Bank of India's (RBI) move allowing banks to provide special treatment to the real estate sector, is likely to impact the Indian real estate sector in a positive way. RBI has decided to extend exceptional concessional treatment to the commercial real estate exposure which is restructured, up to June 30, 2009.

- 100 per cent FDI allowed in realty projects through the automatic route.
- In case of integrated townships, the minimum area to be developed has been brought down to 25 acres from 100 acres.
- Urban Land (Ceiling and Regulation) Act, 1976 (ULCRA) repealed by increasingly larger number of states.
- Minimum capital investment for wholly-owned subsidiaries and joint ventures stands at US$ 10 million and US$ 5 million, respectively.
- Full repatriation of original investment after three years.
- 51 per cent FDI allowed in single-brand retail outlets and 100 per cent in cash-and-carry through the automatic route.

Segment-wise Performance and Outlook

Airport Sector

The airport business of the Company consists of two Indian airports – Rajiv Gandhi International Airport, Hyderabad (RGIA); Indira Gandhi International Airport, Delhi (IGIA); and one overseas airport – Istanbul Sabiha Gokcen International Airport, Turkey (ISGIA). All the airports are in commercial operation. The new green field Terminal-3 in Delhi project is completed and will be inaugurated in July 2010. During financial year 2009-10, the airport sector has achieved several landmarks, awards and accolades. Some of these are described in the subsequent sections:

RGIA – GMR Hyderabad International Airport Ltd

In financial year 2010, RGIA has seen a 5% growth in overall passenger traffic with the international traffic growing by 9% and domestic traffic growing by 3%. International air traffic movements (ATMs) grew by 12% while the domestic ATMs at the RGIA airport contracted by 3%, which has resulted in the contraction of overall ATMs by 0.5%. It is worthy to note that passenger traffic has grown although the aircraft movements have declined. This is mainly due to schedule revisions by airlines which have optimized capacity, enhanced yields and controlled costs.

Airline Marketing's efforts have resulted in additional routes and schedules. On the international front, Jet Airways and Etihad have started one new route each to Dubai and Abu Dhabi respectively; on the domestic front Indigo has added 2 new routes from Hyderabad to Patna and Lucknow. There has also been an increase in frequency on the existing routes. Silk Air and Etihad have increased their frequency from 5 to 7 per week and Malaysian Airlines from 3 to 4 per week. RGIA has been successful in bringing Lufthansa Cargo to operate at a frequency of 2 per week in addition to other non-scheduled cargo operators.

Cargo volumes have shown a remarkable growth of 14.8% touching 65,727 tons in FY10. Again, domestic growth has immensely contributed to overall growth by displaying Y-o-Y growth of 22%. International cargo tonnage grew at 10%.

GMR Aviation Academy in collaboration with Jeppesen Aviation Training Services, a subsidiary of Boeing, will start Flight Operations Management training courses at its training academy at Rajiv Gandhi International Airport. The MRO facility is all set to begin the first phase of operations by next year in July 2011.

RGIA Highlights

- Notification for Aviation SEZ received
- CFM International, world's leading aircraft engine manufacturer, inaugurated the engine Maintenance Training Center at Hyderabad Airport Aerospace Park
- Aero Express service extended to Kukatpally. Also direct route started from the airport to Vijayawada
- Passenger Transportation Center inaugurated at the airport for the convenience of passengers and cab drivers
- GMR Aviation Academy appointed as Airport Council International's Global Training Hub for the Asia Pacific Region
- RGIA bagged three Integrated Management System (IMS) certifications at one go - The first airport in the PPP sector, to achieve IMS certifications comprising Quality, Safety and Environment management systems: International Quality Management Standard ISO 9001:2008, Environment Management Standard ISO – 14001:2004 and Occupational Health and Safety Management standard BS OHSAS 18001:2007
- Animal Quarantine Facility inaugurated at RGIA

Awards & Accolades

- Declared world's best airport in 5 to 15 million passengers category and 5th best overall by ACI (ASQ 4.44 in 2009) on service quality standards
- First place in The Routes Asia Airport Marketing Awards for the Indian Sub-Continent category in 2009
- CNBC Infrastructure excellence award for Airports
- CAPA Environment Award of the year : Airport, 2009
- 'Best Airport India' Award at the Skytrax World Airports Awards 2010

IGIA - Delhi International Airport Private Limited (DIAL)

The new Domestic Departure Terminal 1 D was completed and commercial operations successfully commenced in April, 2009. Work on the new integrated Terminal 3 construction has been completed in a record time of 37 months and commercial operations are slated to commence from July 2010. In order to focus on the non-aero and aero revenue streams, during the year, DIAL has signed agreements for 11 Joint Venture partnerships which include Duty-free, F&B, Cargo, IT, Fuel Farm, Car Parking, Advertising and Bridge Mounted Equipments. These partnerships will help in value enhancement as well as bring in operational expertise. DIAL has outsourced its cargo operations to global professionals Celebi Hava Servisi, Turkey which will modernize and operate the existing cargo terminal while Cargo Service Centre (CSC) will design, construct and operate a Greenfield Cargo Terminal. In Phase I of the hospitality district, the Company awarded all asset areas (45 acres) to successful bidders for commercial property development. This is a major step forward towards unlocking the value of real estate property around IGIA.

DIAL recorded 7% growth in international passenger traffic and 18% in domestic for the year 2009-2010. With overall growth of 14% DIAL recorded 26.1 million passengers traffic for 2009-2010 making it the busiest airport in India.

IGIA Highlights

- Improved its ASQ score from 3.15 in 2008 to 4.16 in 2009 giving it a ranking of 32 out of 140 participating airports.
- Achieved ISO 14001 Environmental Management System accreditation and was conferred with the Greentech Environmental Excellence Gold Award for the second consecutive year.
- Taxiway – E2 was extended and joined with Junction-A in August 2009. This will enable faster aircraft movement at domestic terminals and also release parking stands which were previously used for movement of aircraft.
- State-of-the-art new Airport Operation Command Centre (AOCC) was commissioned

Awards & Accolades

- IGIA was declared the World's 4th Best Airport and APAC's Most Improved Airport for Airport Service Quality (ASQ) in the 15 to 25 million passengers category by the Airports Council International (ACI)

Istanbul Sabiha Gokcen International Airport, Turkey

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

Construction of the new terminal was completed in November 2009, in 18 months i.e. 12 months ahead of schedule which is record by itself. The airport can now handle 25 million passengers annually.

Key milestones achieved during the year:

- Developed monthly Cargo Handling capacity of over 1,000 tons
- All the contracts have been finalized and the concessions are fully operational (F&B, Duty Free, Advertizing etc)
- The airport experienced a 48% increase in the passenger traffic and handled 6.3 million passengers
- The airport won the anna.aero Airport Traffic Growth Award for highest traffic growth in the 5-10 million passenger category
- The airport also won the Routes Airport Marketing Award 2010 for the European Region

Outlook for FY 2010-11 and future plan:

Airport Sector

Last year was a challenging one for the entire civil aviation industry. While the business environment is yet to recover to the pre-recession years levels, it has improved significantly. Most of the airlines and airports across the globe have declared improved performances. Even IATA has revised its industry forecast and has estimated speedier recovery of civil aviation industry.

Indian aviation industry, too, has witnessed similar up trends. Air traffic, both passenger and cargo, has improved significantly. All, Indian carriers have declared better operational and financial results. The long-term potential of Indian aviation industry is attracting major industry players to India. With economic growth and development of aviation infrastructure, India is poised to become a more lucrative market. Global airlines view India as a driver for future growth in the global arena. They are developing India specific growth plans. Manufactures and maintenance service providers are setting up facilities in India to tap this market.

However, major challenges for the industry in India remains to be high operating cost and poor financial health of major Indian airlines. Indian players have to meet additional challenges posed by the aggressive plans of other international airlines and airports. In addition, metro airports face increasing competition from non-metro airports due to increased direct access to foreign airlines to the non-metro airports, which severely affects Indian aviation industry value chain operator.

It is expected that LCCs would further increase dominance in Indian domestic market. Traditional airlines have identified the trend and have started offering similar services through sister brands. The trend is expected to continue and LCCs would further increase their market share.

Airport Economic Regulatory Authority (AERA), which has assumed office in 2009-10, has indicated preference for a Single-Till regime with due considerations to existing concession agreements. It is generally accepted that while Double-Till regime is beneficial for attracting investment from private investors, Single Till regime helps in reducing the user charges for the passengers. AERA's final policy stand is still awaited. It would provide more clarity to investors interested in new airport projects in India.

New terminal at Istanbul Sabiha Gokcen Airport was opened for commercial operations in November 2009. The commercial opening of the Terminal 3 at IGIA, Delhi is scheduled in July 2010. Our immediate challenges would be to provide consistently excellent experience to passengers and simultaneously ensuring the commercial success of our airport projects in the emerging regulatory regime. We have plans to exploit the commercial potential of both our domestic airports, IGIA Delhi and RGIA Hyderabad, to maximize returns from both these assets. We are exploring various alternate avenues to enhance our revenue and improve profitability of our airport projects. We have already started working in these directions. Work is going on in full swing to set up an MRO facility at Hyderabad in partnership with MAS Aerospace Engineering. In Delhi, we have already awarded land parcels to the best in class players for developing hospitality district around the airport.

We are also exploring new airport development opportunities across the globe.

Energy Sector

The Group has three power plants namely the - 200 MW LSHS fired Chennai power plant, 388.5 MW gas-fired combined-cycle Vemagiri power plant and the 220 MW barge mounted power plant. The barge mounted Naphtha based power plant is converted to operate on gas and relocated to Kakinada.

The year was significant for the three power plants:

- Owing to availability of gas, the Vemagiri power plant achieved a PLF of 89 % during the year
- Significant progress was made to relocate barge mounted power plant from Mangalore to Kakinada & to convert it to operate on gas
- The Company took over the O&M operations at Chennai power plant

During the year the company achieved significant milestones for different projects which are under various stages of implementation and development:

- 1,050 MW coal based Kamalanga Power Project: The Project achieved financial closure and the construction activities are progressing. The Project has also received approval from the Government of Orissa for expansion of the project by another 350 MW. The project is scheduled to start commercial operation by 2012
- 1,370 MW coal based Chhattisgarh Power Project: The land acquisition for the project has been completed & the EPC order for BTG package has been placed. The project will move into construction phase in 2010 and will start commercial operation by 2014
- 600 MW coal based EMCO Power Project: The Group acquired this project in July 2009 and significant progress has been achieved since then. The Project achieved financial closure and order for BTG equipment has been placed. All the pre-development activities have been completed and the project will move into construction phase during 2010 and will start commercial operation by 2012
- 768 MW gas based GREL Power Project (existing VPGL plant expansion): The EPC contract for the project has been placed and the construction activities are in full swing and the project will start commercial operation by 2012
- 1,370 MW coal based power project at Shahdol, Madhya Pradesh: The Group acquired this project in December 2009. The land acquisition & other development activities are under progress
- 300 MW Alaknanda hydro power project: All pre-development activities have been completed. The land acquisition and forest clearance are in advanced stage
- 180 MW Bajoli Holi & 160 MW Talong hydro power project: The DPR approval process is currently underway for these projects
- 900 MW Upper Karnali & 600 MW Upper Marsyangdi hydro power projects in Nepal: Government of Nepal has approved enhanced capacities for these projects and the DPRs are under final stages of completion

- 800 MW Island power project in Singapore: the gas based power project is under development

Business Development

The Group acquired two power projects with a total capacity of 1970 MW. They are (i) 600 MW coal based EMCO power project in Maharashtra and (ii) 1370 MW coal based SJK power project in Madhya Pradesh.

Transmission

The Group, in line with its vision of being an integrated energy player, has participated in the bid route transmission opportunities that came up during the year for some of which results are awaited.

Coal

After the acquisition of 100% stake in PT Barasentosa Lestari (PTBSL) (Indonesian Coal Asset) in February 2009, the Company is making progress in mine development activities. The Company plans to start production from these mines by 2011.

The Group increased its stake in Homeland Energy Group (HEG) a Canadian listed entity to 38.55% during the year. HEG through its subsidiaries in South Africa owns controlling interest in already operational Kendel mines, fully explored Eloff Mines and also other exploration areas with total mineable reserves of around 300 MMT.

Power Trading

GMR Energy Trading Limited: The Group's power trading arm has within a short span of one and half years of operations become the sixth largest private power trader in the country.

Outlook for FY 2010-11 and beyond:

Power Sector is one of the key enablers for achieving overall economic growth. The country faced a peak power deficit of 13.3% during the year. In the coming years, the deficit is expected to continue despite the significant capacity additions that have been planned. Issues like land acquisition, fuel and water availability, huge order backlog with EPC vendors will continue to pose challenges to the sector's capacity expansion plans in the coming years.

GMR Group has in the past displayed its ability to implement large infrastructure projects within time and costs. The Group is hence confident that it will be able to implement all the power projects that are currently under various stages of implementation & development without any delays or cost overruns.

Following are certain snapshots of company's plans for FY 2010-11

- Maximize value from existing assets through exploring merchant opportunities.
- Focus on execution of projects under development.
- Add further power assets diversified across fuel types in India.
- Bid for UMPP and other projects coming up for bidding across the country.
- Actively look at enhancing project pipeline through acquisitions/ MoU route.
- Pursue acquisition of coal assets to ensure fuel security for upcoming projects & other expansion plans.
- Diversification into allied power infrastructure businesses like Transmission.

Projects under implementation:

	Rajahmundry ▪	Kamalanga ▪	Chhattisgarh ▪	EMCO ▪	SJK ■	Island power ■	Talong Hydro Power Plant ■	Alaknanda ■	Bajoli Holi ■	Upper Karnali ■	Upper Marsyangdi ■
Location	Andhra Pradesh	Orissa	Chhattisgarh	Maharashtra	Madhya Pradesh	Singapore	Arunachal Pradesh	Uttaranchal	Himachal Pradesh	Nepal	Nepal
Capacity (MW)	768	1,400	1,370	600	1,370	800	160	300	180	900	600
Fuel	Natural Gas	Coal	Coal	Coal	Coal	Natural Gas	Hydro	Hydro	Hydro	Hydro	Hydro
Type of Project	BOO	BOO	BOO	BOO	BOO	BOO	Run of River on BOOT basis for a concession period of 40 years from CoD	Run of River on BOOT basis for 45 years from implementation Agreement	Run of River on BOOT basis for a concession period of 40 years from CoD	Run of River on BOOT basis for a concession period of 30 years from Generation License	Run of River on BOOT basis for a concession period of 30 years from Generation License
CoD/Expected CoD	2012	2012	2014	2014	2014	2013	2016	2015	2016	2015	2016

▪ Under Construction ■ Under Development

The Highways Sector

Your company has six highway projects under operation across India measuring a total length of around 1684 Lane kms. These include three Annuity based projects: Tuni-Anakapalli, Tambaram-Tindivanam, Adloor Yellareddy-Gundla Pochanpalli and three Toll based projects: Ambala-Chandigarh, Thondapalli - Jadcherla and Tindivanam –Ulundurpet. The company commenced this business in October 2004, when the Tambaram-Tindivanam road project entered into commercial operation.

Annuity Road Projects

- Tuni-Anakapalli, a 236 Lane kms road project on NH5, Andhra Pradesh commenced commercial operation in December 2004. The concession period for the project is 17.5 years with operation period of 15 years.

- Tambaram-Tindivanam, a 372 Lane kms road project on NH45, Tamil Nadu commenced commercial operation in October 2004. The concession period for the project is 17.5 years with operation period of 15 years.
- Pochanpalli, a 412 Lane kms road project between Adloor -Yellareddy and Gundla-Pochanpalli on NH7, Andhra Pradesh commenced commercial operation in March 2009. The concession period for the project is 20 years with operation period of 17.5 years.

Toll Road Projects

- Ambala-Chandigarh, a 140 Lane kms road project between Ambala and Chandigarh on NH21/ NH22), Haryana-Punjab which commenced commercial operation in November 2008. The concession period for the project is 20 years including construction period of 2.5 years.
- Jadcherla, a 232 Lane kms road project between Thondapalli and Jadcherla on NH7, Andhra Pradesh which commenced commercial operations in February 2009. The concession period for the project is 20 years including construction period of 2.5 years.
- Ulundurpet, a 292 Lane kms road project between Tindivanam and Ulundurpet on NH-45, Tamil Nadu highway which commenced commercial operation in July 2009. The concession period for the project is 20 years including construction period of 2.5 years.

Highways Sector Performance

During the year, Tindivanam and Ulundurpet on NH-45, Tamil Nadu became operational.

Also, during FY 2009-10 the company has been successful in winning three new projects in the highways sector. These are namely Hyderabad-Vijayawada, Chennai ORR and Hungund-Hospet.

Hyderabad-Vijayawada Road Project:

In May 2009, a consortium led by company was awarded a 25-year concession to develop the 1090 Lane kms Hyderabad –Vijayawada toll road on NH-9. The project involves widening of two-lane road to four lanes and subsequent widening to six-lanes. The concession period is for 25 years which includes a construction period of 2.5 years. The company expects to achieve commercial operation of this project in early 2012.

Chennai Outer Ring Road Project:

The Chennai Outer Ring Road in Tamil Nadu measuring 178 Lane kms is the company's first state highway project. It entails design, construction, development, finance, operation and maintenance of the six lane and two service lanes from the Vandalur to Nemilicheri section in Chennai. The concession period is for 20 years which includes a construction time of 30 months.

Hungund Hospet Road Project:

Hungund Hospet project measuring 396 Lane kms on NH-13 is the company's first project in Karnataka. The concession period for the project (which includes the construction time of 30 months) is 19 years.

Outlook for FY 2010-11 and future plan:

The relatively low gestation period of road projects makes it attractive for the company to balance the longer gestation periods of airports and power projects. The company's focus for highway projects is on projects of longer stretch and higher traffic potential. It is at various stages of the bidding process for new toll and annuity road projects for NHAI and various states. The company has submitted qualification documents to NHAI for various forthcoming projects and will continue to evaluate various road projects and submit qualification and bid documents as appropriate in its endeavour to maintain a sustainable and robust portfolio which offers significant value to all its stakeholders.

Urban Infrastructure

The company is planning to develop a 3,300-acre SEZ at Krishnagiri in Tamil Nadu, with respect to which the company has acquired over 60% of the required land.

The company plans to develop each of the Hyderabad and Delhi airports and surrounding land as an airport city or "Aerotropolis", with a mix of aeronautical and non-aeronautical developments. The Delhi airport is expected to include Delhi Aerocity – a world class development constituting hospitality and commercial developments, which may ultimately cover up to 5% of the approximately 5,100-acre land area at the airport. As part of the first phase, the company has already leased out 45 acres of land for the development of Hospitality District with plans to bring leading international & national hotel brands to this location. The company further plans to develop approximately 1,000 acres of commercial land at the Hyderabad airport and has initiated several measures towards this.

The company believes that "Aerotropolis" strategy will benefit the Group's relatively new urban infrastructure business by providing large areas for diversified property development in strategically important locations, while potentially boosting the airports business through increased air traffic at the Delhi and Hyderabad airports.

Outlook for FY 2010-11 and future plans:

a) Special Economic Zones: With the revival of economy in India, and the expected recovery in the global arena, the lure of investments in SEZ will increase. Also the increased emphasis in value maximization is leading to a new wave of off-shoring of manufacturing and services to India by global corporates seeking cost economies and Indian skilled workforce. This will augur well for SEZ sector and the company will look to leverage the same for its first phase of Krishnagiri SEZ, likely to commence during the year 2010-11.

b) Property Development: The realty sector has emerged successfully from the downturn of the recent past and has started posting significant gains. The Group will leverage its significant holding in scarce land resource by developing the Delhi and Hyderabad Aerotropolis in order to derive maximum valuation. The Group is in the process of conceptualizing and planning the mixed use development for the second phase of land disbursement at the Delhi Airport in FY 2010-11.

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial position as at March 31, 2010 and performance of the Company and its subsidiaries during the Financial Year ended as per Indian GAAP are discussed hereunder:

Share Capital Rs. 366.74 Crore (2009: Rs. 364.13 Crore)

(Rs. in Crore)

Particulars	March 31,2010		March 31,2009	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount
Share Capital - beginning of the year of Rs. 2 each (2009: Rs. 2 each)	1,820,658,088	364.13	1,820,658,088	364.13
Add: Equity shares of Rs. 2 each fully paid-up allotted in Jun-09 to IDF	13,019,108	2.61	–	–
Add: Increase in number of Shares due to sub division of Equity Shares of Rs. 2 each into 2 Equity Shares of Re. 1 each	1,833,677,196	–	–	–
Share Capital - end of the Year	3,667,354,392	366.74	1,820,658,088	364.13

Increase in share capital is due to allotment of 13,019,108 shares of the Company of Rs. 2/- each to Infrastructure Development Finance Corporation Limited Infrastructure Fund (IDF). These shares were allotted to IDF in exchange for IDF's 3.90% equity interest in Delhi International Airport Private Limited (DIAL) and Rs. 48.75 Crore Advance paid by IDF for the subscription of additional equity in DIAL. Further, consequent to the approval of the Shareholders in the Annual General Meeting held on August 31, 2009, Company in October 2009, sub divided its shares from Rs. 2/- each into 2 Equity Shares of Re. 1/- each.

Reserves and Surplus Rs. 6,300.32 Crore (2009: Rs. 6,107.00 Crore)

A summary of reserves and surplus is as follows

Rs. in Crore

Particulars	March 31, 2010	March 31, 2009
Capital Reserve on Consolidation	113.34	70.47
Capital Reserve on Acquisition	3.41	3.41
Capital Reserve Govt Grant	67.41	67.41
Securities Premium	5,168.30	5,070.80
Debenture Redemption Reserve	35.07	26.91
Foreign Currency Translation Reserve	(1.33)	89.64
Profit and Loss Account	914.12	778.36
Total	6,300.32	6,107.00

There is an increase of Rs. 193.32 Crore in the Reserves and Surplus from Rs. 6,107.00 Crore in March 31, 2009 to Rs. 6,300.32 Crore in March 31, 2010. The detailed analysis of the same is furnished as follows:

a. Capital Reserve on Consolidation Rs. 113.34 Crore (2009: Rs. 70.47 Crore)

Rs. in Crore

Particulars	March 31, 2010	March 31, 2009
Balance - Beginning of the year	70.47	70.45
Additions for the year	42.87	0.02
Total	113.34	70.47

The Capital Reserve on consolidation represents the difference between the book value (as per Subsidiary books) and the amount paid for acquisition of shares in subsidiaries or on dilution of interest in Subsidiaries where the amount paid by minority shareholders is higher than the book value. The increase of Rs. 42.87 Crore during the year is on account of dilution due to allotment of shares to Minority in GMR Energy Limited.

b. Securities Premium Rs. 5,168.30 Crore (2009: Rs. 5,070.80 Crore)

Rs. in Crore

Particulars	March 31, 2010	March 31, 2009
Balance - Beginning of the year	5,070.80	5,070.82
Add: Received through fresh issue of equity / preference shares	309.10	-
Less: Transferred to Capital Reserve	42.87	-
Less: Utilised towards Debenture / share issue expenses / redemption premium	168.33	0.03
Less: Transferred to minority	0.40	-
Add : Amount received against calls unpaid	-	0.01
Total	5,168.30	5,070.80

The addition of Rs 309.10 Crore during the year is on account of:

- Rs. 147.12 Crore on allotment of 13,019,108 shares of Rs. 2/- each at a premium of Rs. 113/- each to IDF by the Company.
- Rs. 61.98 Crore on allotment of 15,000,000 shares of Rs. 10/- each to Welfare Trust for GMR Group Employees at a premium of Rs. 41.32 by GMR Energy Limited.
- Rs. 100.00 Crore on Allotment of Preference Shares by GMR Energy Limited

An amount of Rs. 42.87 Crore transferred to Capital Reserve being the impact of dilution and amount of Rs. 168.33 Crore is utilized towards Debenture issue expenses and Debenture Redemption Premium.

c. Debenture Redemption Reserve Rs. 35.07 Crore (2009: Rs. 26.91 Crore)

Rs. in Crore

Particulars	March 31, 2010	March 31, 2009
Balance - Beginning of the year	26.91	20.00
Less: Transfer to Profit and Loss Account	(16.25)	(3.75)
Add: Transfer from Profit and Loss Account	24.41	10.66
Total	35.07	26.91

An amount of Rs. 16.25 Crore transferred to Profit & Loss Account as the same is no longer required on redemption of Debentures of Rs. 65.00 Crore by the Company. An amount of Rs. 24.41 Crore is transferred from Profit & Loss Account as required Under Section 117C of the Companies Act in respect of Non Convertible debentures (NCD) of Rs. 500 Crore issued by the Company and NCD issued of Rs. 425 Crore by one of the subsidiaries.

d. Profit and Loss Account Rs. 914.12 Crore (2009: Rs. 778.36 Crore)

The increase of Rs. 135.76 Crore is on account of current year profit (Profit after Minority Interest/Share of profits/(losses) of Associates) amounting to Rs. 158.40 Crore and allocation of profits to minority of Rs. 12.68 Crore in the Profit and Loss Account (on account of fresh Minority Interest in GEL Group Companies) as reduced by dividend and dividend distribution tax totaling to Rs. 1.80 Crore in case of Hyderabad Menzies Air Cargo Pvt. Limited and an amount of Rs. 8.16 Crore (Net) transferred to the Debenture Redemption Reserve account.

Shareholders' funds Rs. 6,667.06 Crore (2009: Rs. 6,471.13 Crore)

On account of the above the total shareholder funds (excluding minority interest) have increased by Rs. 195.93 Crore compared to March 31, 2009.

Minority Interest Rs 1790.15 Crore (2009: Rs 1806.11 Crore)

Minority Interest has decreased by Rs. 15.96 Crore as compared to March 31, 2009 mainly due to reduction in Minority of Delhi International Airport Private Limited on account of the purchase of stake of IDF and reduction in Minority in GMR Energy Trading Limited. This has been partially offset by profit of Rs. 45.36 Crore attributable to minority due to higher share of minority shareholders' profit in GPCL and DIAL and the introduction of Minority in GMR Energy Limited.

Preference shares issued by subsidiary company Rs. 200 Crore (2009: NIL)

This is on account of issue of preference share capital by GMR Energy Limited.

Loan Funds

a. Secured Loans Rs. 16,229.40 Crore (2009: Rs. 10,664.40 Crore)

The increase of Rs 5,565.00 Crore is mainly on account of the fresh Project Loan Disbursements in Delhi International Airport Limited, Sabiha Gokcen International Airport (SGIA) and GMR Kamalanga Energy Limited to meet the cost of Projects under development. Further, the Company has also raised additional loans for investments in its subsidiaries.

b.Unsecured Loans: Rs. 4,607.95 Crore (2009: Rs. 1,545.76 Crore)

The increase of Rs. 3,062.19 Crore is mainly due to deposits from Concessionaires in Airports which have gone up by Rs. 1330.11 Crore to Rs. 1526.79 Crore on monetization of from Real Estate in Delhi International Airport and deposits from trade concessionaires. Unsecured Loans from Banks have gone up by Rs. 1160.76 Crore to Rs. 2090.97 Crore due to short term borrowings made to meet the temporary mismatches in cash flows. Further the Company has issued unsecured Debentures of Rs. 500 Crore during the year.

Deferred payment liability - Negative grant/ Utilisation fees

The Company, at a consolidated level, has Deferred payment liability of Rs. 333.92 Crore as at March 31, 2010 as compared to Rs. 290.20 Crore as at March 31, 2009. This is mainly on account of higher utilisation fees in Sabiha Gokcen International Airport (SGIA).

Deferred Tax Asset / Liability

The Company, at a consolidated level, has Deferred Tax Asset (Net) of Rs. 80.47 Crore as at March 31, 2010 as compared to Deferred Tax Liability of Rs. 19.15 Crore as at March 31, 2009. This is mainly on account of recognition of Deferred Tax Asset by GMR Vemagiri Power Generation Limited.

Fixed Assets

A statement of movement in fixed assets is given below:

Rs. in Crore

Particulars	March 31, 2010	March 31, 2009
1) Tangible Assets	10,035.12	8,100.83
2) Intangible Assets		
Goodwill on Consolidation	841.43	584.64
Carriage Ways	3,516.53	2,509.09
Others	488.66	230.19
3) Assets Taken on Lease	7.91	7.85
Gross Block	14,889.64	11,432.60
Less: Accumulated Depreciation	2,341.58	1,780.97
Net Block	12,548.06	9,651.63
Add: Capital Work in Progress including Capital Advances	10,382.87	6,790.93

Particulars	March 31, 2010	March 31, 2009
Net Fixed Assets	22,930.93	16,442.56
Depreciation / Amortisation as % of Gross Revenues	11.95	8.71
Accumulated Depreciation as % of Gross Block *	15.96	15.72

* Excluding Land

Gross Block have gone up by Rs. 3,457.04 Crore mainly on account of capitalisation of GMR Ulundurpet Expressways Pvt. Ltd. and Sabiha Gokcen International Airport, Turkey during the year and additional capitalisation of Terminal 1D at Delhi International Airport.

Capital Work-in-Progress (including capital advances) has increased by Rs. 3,591.94 Crore primarily on account of ongoing project in Delhi International Airport and other new projects in Energy Sector.

Investments: Rs. 4641.05 Crore (2009: Rs. 1,310.89 Crore)

Rs. in Crore

Particulars	March 31, 2010	March 31, 2009
Long term Investments		
Debentures of Companies / Body Corporates	1,259.64	845.06
Equity / Preference shares of Companies / Associate Companies / Body Corporates	171.45	150.78
Current Investments		
Mutual Funds	2,361.89	204.95
Government Securities / Certificate of Deposits	808.09	87.33
Equity Shares (Net of Provision)	39.98	22.77
Total	4,641.05	1,310.89

The increase in Long Term Investment is mainly due to further investment in Debentures of GMR Holding Malta.

During the year there was a shift from Bank Fixed Deposits to Mutual Funds to take advantage of optimum yields coupled with flexibility as reflected in decrease in 'Cash and Bank Balances' also. The Company and its subsidiaries invest the temporary surpluses in various mutual funds, Govt. Securities, Certificate of Deposits etc.

Current Assets, Loans and Advances

Inventories: Rs. 115.92 Crore (2009: Rs. 131.88 Crore)

The inventory primarily constitutes fuel stocks, stores and spares of energy & airport subsidiaries. The marginal reduction in inventory by Rs. 15.96 Crore is primarily on account of non operation of GMR Energy Limited in the last quarter.

b. Sundry Debtors: Rs. 864.93 Crore (2009: Rs. 660.91 Crore)

Sundry Debtors as at March 31, 2010 aggregated to Rs. 864.93 Crore compared to Rs. 660.91 Crore as at March 31, 2009. In DIAL & GVPGL there is an increase in Debtors on account of higher Revenue. All these receivables are considered good and receivable.

c. Cash and Bank Balances: Rs. 1,682.62 Crore (2009: Rs. 2,466.52 Crore)

The decrease in the Cash and Bank Balance by Rs. 783.90 Crore is mainly on account of shift of Investment Pattern from Bank Deposits to Liquid Mutual Funds which are classified as Investments for the Balance Sheet purposes.

d. Other Current Assets: Rs. 161.65 Crore (2009: Rs. 17.75 Crore)

Other Current Assets mainly includes Interest Accrued on deposits / investments and Claims and Grants Receivables. The increases in Other Current Assets by Rs. 143.90 Crore is on account of increase of Rs. 82.81 Crore in Interest Accrued but not due and Rs. 61.09 Crore in Claims receivable mainly in VPGL on account of the Duty drawback granted during the year.

e. Loans and Advances: Rs. 1,315.63 Crore (2009: Rs. 1,266.27 Crore)

The increase of Rs. 49.36 Crore is mainly on account of increase in balance with Govt. Authorities incl. Customs, Excise etc (Rs. 92.75 Crore) and increase in advances recoverable in cash or in kind to the extent of Rs. 242.59 Crore which is partial offset by reduction in deposits with others of Rs. 242.16 Crore and Loans to Others of Rs. 44.37 Crores.

Current Liabilities and Provisions

a. Current Liabilities: Rs. 1,582.14 Crore (2009: Rs. 1,409.91 Crore)

The increase of Rs. 172.23 Crore is mainly due to increase of Rs. 188.30 Crore in Advance / Deposits from Concessionaires in Delhi International Airport Limited in the form of Infrastructure Deposits received on Monetization of the Land Parcels and increase in Sundry Creditors by Rs. 70.83 Crore. These increases have been partly offset by reduction in retention money to the extent of Rs. 91.70 Crore.

b. Provisions: Rs. 383.11 Crore (2009: Rs. 83.25 Crore)

The increase of Rs. 299.86 Crore as compared to last year is mainly due to Provision for Voluntary Retirement Compensation for the AAI Employees of Rs. 170.88 Crore made in Delhi International Airport Limited, increase in the Provision for Debenture Redemption Premium in GEL and GIL by Rs. 83.14 Crore.

Overview of our Results of Operations

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

Rs. in Crore

Particulars	For the year ended March 31,			
	2010		2009	
	Amount	% of Net Income	Amount	% of Net Income
Gross Sales/ Income from Operations	5,123.42	-	4,476.19	-
Less: Revenue share paid / payable to Concessionaire grantors	556.91	-	456.97	-
Net Income	4,566.51	100%	4,0192.22	100%
Expenditure				
Generation and Operating Expenses	2,576.59	56.42%	2,282.59	56.79%
Administration and Other Expenses	625.61	13.70%	669.84	16.67%
EBITDA	1,364.31	29.88%	1,066.79	26.54%
Other Income	163.39	3.58%	21.37	0.53%
Interest and Finance Charges (net)	722.33	15.82%	368.20	9.16%
Depreciation / amortisation	612.24	13.41%	389.83	9.70%
Total Expenditure (net of other income)	4,373.38	95.77%	3,689.09	91.79%
Profit Before Taxation and before Minority Interest / Share of Profits/(Losses) of Associates	193.13	4.23%	330.13	8.21%
Provision for Taxation				
Current Tax [includes tax adjustments relating to earlier years of Rs. 5.29 crore (2009: Rs. 0.75 crore)]	70.76	1.55%	70.10	1.74%
Less: MAT Credit entitlement	(4.41)	-0.10%	–	0.00%
Deferred Tax Credit	(98.56)	-2.16%	(23.12)	-0.58%
Fringe Benefit Tax	–	–	6.04	0.15%
Total Tax Liability	(32.21)	-0.71%	53.02	1.32%
Profit After Taxation and before Minority Interest / Share of Profits/(Losses) of Associate	225.34	4.93%	277.11	6.89%
Minority Interest - (Profits)/Losses	(45.36)	-0.99%	2.34	0.06%
Share of Profits/(Losses) of Associate	(21.58)	-0.47%	–	–
Net Profit After Minority Interest / Share of Profits of Associate	158.40	3.47%	279.45	6.95%

Net Income

The Segment wise break - up of the Net Income are as follows:

Rs. in Crore

Particulars	For the year ended March 31,			
	2010		2009	
	Amount	% of Total Income	Amount	% of Total Income
Net Sales and Operating Income:				
Airports Business	1,488.62	32.60%	1,206.24	30.01%
(Net of Revenue Share of 556.91 crore (2009: Rs. 456.97 crore)				
Power Business	2,039.47	44.66%	2,138.71	53.21%
Road Business	346.07	7.58%	151.90	3.78%
EPC division	409.85	8.98%	304.17	7.57%
Other *	282.50	6.19%	218.20	5.43%
Total Net Sales and Operating Income	4,566.51	100.00%	4,019.22	100.00%

* Others represent management services incomes, investment income and operating income of GMR Aviation Pvt. Ltd. less inter- segment revenues.

Inter segment revenues: Rs. 48.29 crore (2009: Rs. 33.95 crore)

There is an increase of Rs. 547.29 Crore in Net Sales and Operating Income. There is a healthy distribution of business over various sectors. The detailed analysis on the sectoral revenues is as follows:

a) Operating Income from Airport business

Income from our airport business consists of income from aeronautical sources (principally consisting of landing and parking, passenger service fees and user development fees charged by GHIAL), non-aeronautical sources (consisting principally of income from rentals, trade concessionaires and ground handling) and our cargo operations and rentals received in connection with commercial development on land that is part of our airport projects and we have recorded such revenue under income from our airport business, which is offset by the fees that we are required to pay to the AAI. Income from airport business is derived primarily from the operations of Delhi International Airport Private Limited (DIAL), GMR Hyderabad International Airport (GHIAL) & Sabiha Gokcen International Airport (ISGIA), Turkey.

The gross operating income for the period ended March 31, 2010 was Rs. 2,045.53 Crore as against Rs. 1,663.21 Crore for the year ended March 31, 2009. As per the terms of Operations, Maintenance and Development Agreement in DIAL and Concession Agreement in GHIAL, Rs. 556.91 Crore was accounted towards revenue share in the current year.

Net Sales and Operating Income from airport operations has increased by 23.40% from Rs. 1,206.24 Crore in FY 2008-09 to Rs. 1,488.62 Crore during the current year.

The increase in DIAL is mainly on account of increase in Aero Revenue due to increase in Passenger Traffic, increase in Duty Free Rental, Land & Space rental and lease rentals from Commercial Property Development. In case of GHIAL, the increase is mainly on account of increase in Passenger Traffic and increase in Hotel revenue which was operational for part of the year during FY 2008-09. In ISGIA, Turkey the increase is mainly attributable to increase in passenger growth and the commencement of operation of the new terminal in October 2009.

Net Income from Airport business contributed 32.60% of the net income of the Company for the year ended March 31, 2010 as against 30.01% during the year ended March 31, 2009. The Airport business has recorded a robust growth on account of increase in Passenger Traffic in all the Airports.

b) Operating Income from Power business

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

Income from power business has decreased by 4.64 % from Rs. 2,138.71 Crore for the year ended March 31, 2009 to Rs. 2039.47 Crore for the year ended March 31, 2010. The decrease is mainly due to non operation of the Mangalore Power Plant since November 2009 which was being relocated to Kakinada. The plant is expected to commence its operations after relocation & conversion to natural gas by July 2010. The operating income of Chennai Plant has come down on account of lower plant load factor during the current year as compared to last year. There is a significant increase in the operating income of Vemagiri plant as the plant was operational for the entire year in 2009-10 as compared to partial operation in the year 2008-09 due to non availability of gas in that year.

The share of power business in the total revenue has decreased to 44.66% during the year ended March 31, 2010 as compared to 53.21% during the year ended March 31, 2009.

c) Operating Income from Road business

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

The operating income from Road business has increased by 127.83% from Rs. 151.90 Crore in FY 2008-09 to Rs. 346.07 Crore during the year ended March 31, 2010. The increase is due to commencement of commercial operation of Tindivanam-Ulundurpet toll project in July 2009 and a full year operation of Adloor Yellareddy-Kalkallu (Pochanpalli) annuity project, Ambala-Chandigarh toll road project and Faruknagar-Jadcherla toll road project which commenced operations during the year.

The share of road business in total revenue has increased to 7.58 % during the year ended March 31, 2010 as compared to 3.78% during the year ended March 31, 2009.

d) Operating income from EPC Sector

Income from our EPC division is derived from the execution of engineering, procurement and construction works in connection with our power and road projects under implementation and from development and an unincorporated joint venture, of which we are a 50% partner, which is implementing the Istanbul airport project pursuant to an EPC contract with ISGIA.

During the current year, the EPC sector has contributed Rs. 409.85 Crore to the Net Operating Income as against Rs. 304.17 Crore in the previous year. The increase is mainly contributed by construction income on account of execution of certain subcontracted portions of turnkey contracts awarded by our power and road projects.

e) Operating income from Other Sector

Income from other sector includes management services incomes, investment income and operating income of GMR Aviation Pvt. Ltd. During the current year, the other sector (net of inter segment revenues) has contributed Rs. 282.50 Crore to the Net Operating Income as against Rs. 218.20 Crore in the previous year.

Other Income

Other income includes income from investments, profit on sale of investments, gain on foreign exchange fluctuations, reversal of provisions and other miscellaneous income. Other income has increased by Rs. 142.02 Crore from Rs. 21.37 Crore for the year ended March 31, 2009 to Rs. 163.39 Crore for the year ended March 31, 2010. The increase is mainly due to reversal of provision no longer required/ provision for claims recoverable amounting to Rs. 72.77 Crore during the current year. Miscellaneous income has increased by Rs. 47.83 Crore from Rs. 4.73 Crore to Rs. 52.55 Crore mainly on account of increase in income from the Airport Sector. Further there is also an increase of Rs. 23.20 Crore in investment income due to increase in investible surpluses.

Expenditure

The expenditure has the following major components:

- Generation and operating expenses (including consumption of fuel and lubricants, water, salaries and wages of operational employees, operations and maintenance, technical consultancy fee, cost of variation works, insurance for plant and machinery, airport operator fee, cargo handling charges, lease rentals and repairs and maintenance to plant and machinery),
- Administration and other expenses (including salaries, allowances and benefits to employees, office rental, travel, insurance, electricity, consultancy and other professional charges, contributions to provident fund, provision for advances, claims and debts, losses on sale of fixed assets and investments, travelling and conveyance, communication and other miscellaneous expenses),
- Finance charges (including interest on term loans, interest to others and other finance charges viz., prepayment premiums, guarantee commission, bank charges etc.) and
- Depreciation & Amortization

Generation and Operating Expenses:

Generation and operating expenses has increased by 12.88% from Rs. 2,282.59 Crore for the year ended March 31, 2009 to Rs. 2,576.59 Crore for the year ended March 31, 2010. This is on account higher generation in Vemagiri power plant; which is partially offset by a non operation of the Mangalore power plant for part of the year. There is an increase of Rs. 64.98 Crore on account of increase in the purchase of traded goods due to increased operations in SGIA and GMR Energy Trading Limited. There is also an increase on account of construction activities taken up by GIL EPC division during the year.

Administration and Other Expenses:

Administration and other expenses decreased by 6.60% from Rs. 669.84 Crore for the year ended March 31, 2009 to Rs. 625.61 Crore for the year ended March 31, 2010. Personnel cost has decreased by Rs. 47.32 Crore mainly due to reduced operation support expenses payable by DIAL to AAI (as such payments were required to be paid pursuant to our Operation, Maintenance and Development Agreement for the Delhi airport through May 2009 only), which has been marginally offset by increase in administration expenses due to full year operation of some Road assets and EPC Division starting its operation during the year.

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

The EBITDA has increased by 27.89% from Rs. 1,066.79 Crore during 2008-09 to Rs. 1,364.31 Crore during 2009-10.

The overall EBIDTA Margins has improved from 26.54% in 2008-09 to 29.88% in 2009-10.

Interest and Finance Charges (net)

Interest and finance charges have increased by Rs. 354.13 Crore from Rs. 368.20 Crore for the year ended March 31, 2009 to Rs. 722.33 Crore for the year ended March 31, 2010. The additional interest is mainly due to (i) commencement of operation of Ulundurpet toll during the year 2009-10, (ii) full year operation of Pochanpalli, Ambala-Chandigarh & Jadcherla Road projects as against partial operation during last year, (iii) increased interest expenditure in DIAL on account of capitalization of new Terminal 1-D during the year 2009-10 and second Runway (for the full year as compared to a part of the year in FY 2008-09) and (iv) increase in SGIA in connection with the commercial operation of the new terminal. SGIA also had notional MTM Loss of Rs 23.84 Crore on account of IRS in the year ended March 31, 2010.

Depreciation

Depreciation for the financial year increased by Rs. 222.41 Crore from Rs. 389.83 Crore for the year ended March 31, 2009 to Rs. 612.24 Crore for the year ended March 31, 2010, due to capitalization of new terminal at SGIA, Turkey and Terminal 1D at DIAL during the year 2009-10. Further the impact of capitalization of the second Runway in DIAL has been for the full year in 2009-10 as compared to a part of the year in FY 2008-09. Depreciation in Road sector has increased due to commercial operation of Ulundurpet project during the year 2009-10 and increased operational days for Ambala-Chandigarh, Pochanpalli and Jadcherla road assets.

Profit Before Taxation and Minority Interest / Share of Profits/ (Losses) of Associates

Profit before taxation and minority interest / share of profits/ (losses) of associates for the year ended March 31, 2010 is Rs. 193.13 Crore as compared to Rs. 330.13 Crore for the year ended March 31, 2009. The decrease is mainly due to higher Interest & Depreciation during the year 2009-10.

Taxes

The total tax expense declined from Rs. 53.02 Crore for the year ended March 31, 2009 to Rs. (32.21) Crore for the year ended March 31, 2010. This is primarily due to recognition of deferred tax asset in GMR Vemagiri Power Generation Limited (on past losses) & Sabiha Gokcen International Airport.

Profit After Taxation and Before Minority Interest/Share of Profits/ (losses) of Associates

As a result of the foregoing, Profit after taxation and before minority interest and share of profits/(losses) of associates has come down by 18.68 % from Rs. 277.11 Crore for the year ended March 31, 2009 to Rs. 225.34 Crore for the year ended March 31, 2010.

Net Profit after Minority Interest / Share of Profits/(Losses) of Associates:

Net profit after minority interest / share of profits/(losses) of associates decreased by 43.32% from Rs. 279.45 Crore for the year ended March 31, 2009 to Rs. 158.40 Crore for the year ended March 31, 2009. Minority interest represents share of the profits and losses of various subsidiaries which relates to the minority shareholders. The share of minority shareholders in the profit for 2009-10 is Rs. 45.36 Crore as against a loss of Rs. 2.34 for the previous year. Loss from Associates of Rs. 21.58 Crore in 2009-10 is mainly on account of loss in Homeland Energy Group, where the Company has 33.47% equity interest as on 31st March 2010.

Risks and Concerns

Our strategic focus on the Infrastructure sector in India & overseas exposes the company to a variety of risks like operational risk, market risk, regulatory risk, political / country risk, natural hazard risk, financial risks, environment, health & safety risks, project management and execution risks. Our 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 stakeholder value.

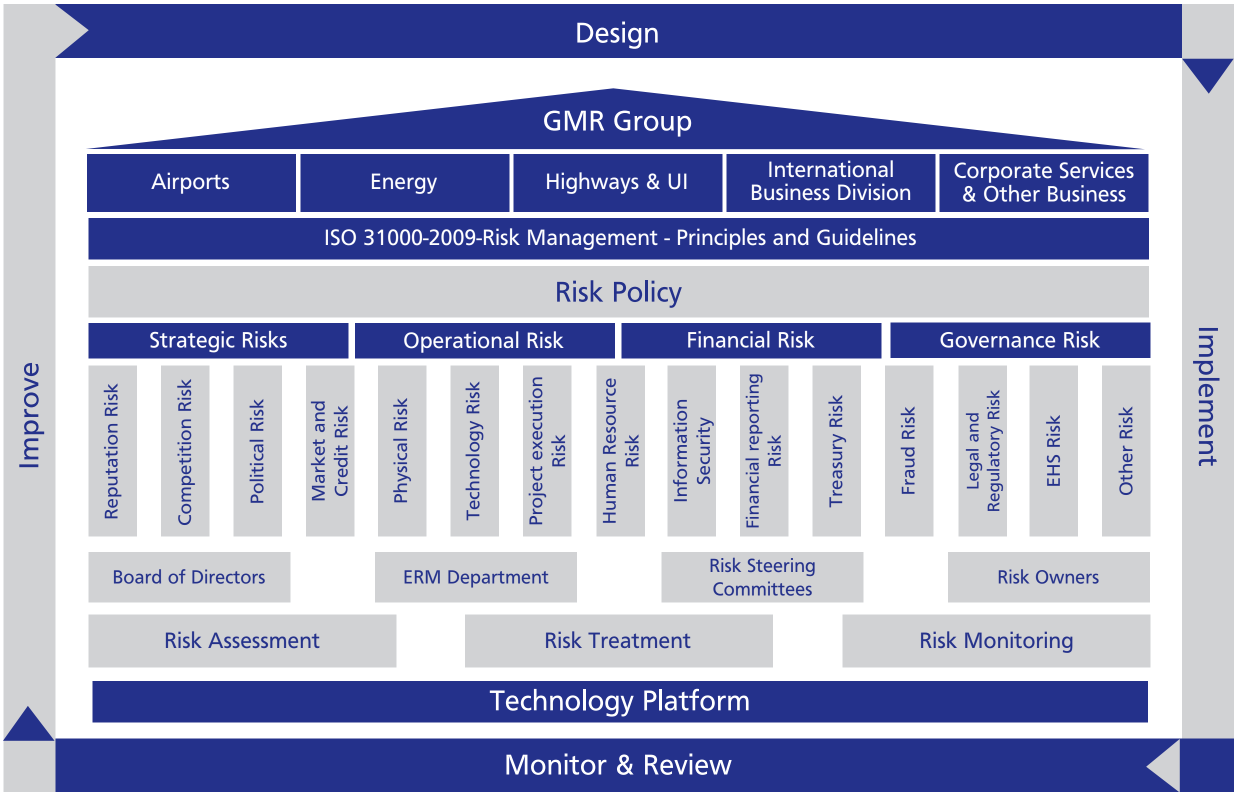
The company's aim is to ensure that we proactively understand, measure and monitor the various risks and develop and implement appropriate risk treatment plans to deal with them by establishing a suitable balance between harnessing opportunities and containing risks.

The company has developed an integrated approach to proactively manage risks which may hinder achievement of business goals. Company has well defined processes for risk identification, assessment, treatment and monitoring actions thereof. Our dedicated in-house team of ERM specialists coordinates risk at various stages of the value chain, i.e. Bid, Project and Asset stages.

The company seeks to continuously improve its ERM processes, and has embarked upon a journey of updating its existing ERM Framework to align itself with the recently released "ISO 31000:2009 - Risk Management Principles and Guidelines' standard".

The company's ERM Framework is as depicted in the diagram below:

A formal risk escalation mechanism has also been put in place that ensures all identified critical risks are reported to the Board on a regular basis to approve the proposed treatment plans and to enable continuous monitoring and review.



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

Fuel availability risks: Two operational power plants in Andhra Pradesh are gas based. The potential non-availability of natural gas could adversely affect plant operations and hence profitability. Chennai power plant is HSD based. Thus diversification has reduced the risk. Moving forward, coal based projects and hydro projects will further diversify our fuel mix thereby reducing our business risk further.

Project development, acquisition and management: We plan to make significant investments in a number of projects over the next several years. Our financial condition and earnings could be adversely affected if we are unable to win them at competitive prices, complete them within time & cost budgets. This is being mitigated by organizational development in terms of research, risk assessment at bidding stage, skills development, IT enablement of project monitoring and management and highly developed procurement process and partner management.

Ability to borrow funds at competitive rates: Infrastructure projects by their very nature, are typically capital intensive and may require high levels of debt financing. We have in the past been able to raise debt financing on terms acceptable to us. We believe that, with the continued growth of our businesses and reputation in the Infrastructure sector, we will be able to obtain debt financing on competitive terms.

Credit Risk: With our increasing exposure on merchant sale of electricity to private sector customers, we will be exposed to credit risk of default in payments. We have developed models to check and ensure the credit-worthiness of our customers.

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

Foreign Currency Exchange Rate Risk: Our majority of revenues are in Indian Rupees however, airports and other international assets earn foreign currency. As against this, some of our expenditures are in foreign currencies for purchase of equipment meant for projects. A depreciation of the Indian Rupee will increase the effective cost of projects outside of India and result in an increase in the price of imported goods and professional services that we purchase from our suppliers overseas. However, going forward, because of our better Forex management, some parts being covered through natural hedging, no major impact is foreseen.

Commodities Risk: We have historically entered into fixed or guaranteed maximum price construction contracts with independent construction companies. Going forward, we expect to bring in-house an increasing portion of the construction works associated with our present and future projects under development. Hence we will be directly exposed to the variation in price of input materials and allied costs.

Internal Control Systems and their Adequacy

The Company has in place adequate systems of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with best practices in these areas as well. All these controls and processes have been embedded and integrated with SAP system which has been implemented across all Group Companies. During the year, the Group has also carried out a SAP based post-implementation audit to assess the effectiveness of SAP implementation across the Group by an external agency which has assessed implementation as robust. Some significant features of the internal control systems include the following:

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

Developments in Human Resources and Organisation Development at GMR Group

"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it's the only thing that ever has"

- Margaret Mead

Creating teams of competent and committed people across all businesses, functions and levels – this has been the prime focus of People and Organization building efforts at GMR Group last year.

We successfully rolled out Talent Management and Leadership Development processes, so vital to long term sustainability and business continuity.

Professional Development Dialogue (PDD), that aims to capture people's career aspirations were completed for all General Managers & above and development plans are being rolled out.

Talent Review (TR) – a facilitated process (using the 9-Box Performance - Potential Matrix), was conducted at all businesses and at Corporate. TR is an important step in helping the business leadership teams arrive at a shared understanding of the supply and demand situation of talent pipeline in each business. The Talent Review process culminated in the preparation of a Human Capital Plan that outlines the Group's overall talent management strategy covering recruitment, development and succession planning.

The Multi tier Leadership Development Programme focusing on developing a robust leadership pipeline has been successfully rolled out. The year began with Senior Leadership Team (SLT) members going through an intensive Individual Development Centre and a 360 degree feedback process. This was followed by preparation of their Individual Development Plans (IDPs). The Leadership Development Programme (LDP), targeted at the VPs and AVPs across the Group has been commenced. The first batch of participants went through multiple modules at IIM – Bangalore covering Leadership, Strategy and Change Management. Executive Coaching was also introduced as a special component of the program design to support reflection and development of self awareness. A panel of distinguished external coaches from India and abroad, has been engaged for the purpose. At the next level, the NextGen Managers Programme is targeted at the emerging leadership talent of GMs & AGMs across the Group, with a focus of building a strong band of operational leaders with strong people and resource management capabilities.

Being a core Infrastructure developer in India and an organization with a passion to build world class national assets, we realize the importance of technical and functional expertise. Further, technical leadership is also a key requirement for us to keep pace with our exponential growth in projects and operating assets. So, a special high level team has been formed with exclusive focus on building capability in the areas of Commercial & Contracts, Engineering, Procurement, Construction, Operations and Maintenance (CEPCOM). The highlight of the year was the development of the Technical Competency Dictionary covering all businesses, functions and levels, followed by competency mapping. Going ahead, technical training programmes would be designed and delivered to address measured competency gaps. We believe that such competency based HR practices are key to continuous development of the talent pipeline.

During the year, the HR function also moved to the next level of automation with the successful implementation of SAP Human Capital Modules including Individual Learning plans, Talent Engagement and Mobility (TEAM) and Internal Job Posting. The "HR Helpdesk", an online 24 x 7 support facility for employees was also launched during the year to clarify employees' queries on any HR related issue.

Internal communication is key to sustaining vibrancy and organizational health. Throughout the year, Town Hall meetings were conducted across the Group, where Group Holding Board (GHB) members and CEOs shared the Group's plans with employees and answered several queries. The year also saw the invent of Skip Level Meetings, an initiative meant to provide a formal forum for employees to share specific views and opinions about the work environment to their skip level manager. Another important development was the completion of the Employee Engagement Survey with support from Gallup Inc. The results of the survey are currently under analysis and action plans for the next year are being prepared.

The sheer nature of the infrastructure business necessitates team working and matrix relationships. To support this, a number of team building and alignment exercises in the form of offsite workshops and Out Bound Training (OBT) programmes were conducted throughout the year. These programmes also help in integration of new comers into the GMR culture through understanding and alignment of our core values and beliefs.

As we look back, we see several building blocks of People and Organization capability development being put in place. Looking ahead, our focus and priority next year would be to stabilize these processes and driving these towards excellence for maximum business impact.

Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) is the corporate social responsibility arm of the GMR Group. GMRVF aims to contribute to this objective by focusing on education, health, hygiene and sanitation; empowerment and community development initiatives.

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

GMRVF will continue to work with communities around the Group's existing and future businesses and assets in an effort to enhance the quality of their lives and livelihoods, in a manner to ensure a win win for the communities and the corporate. The Foundation works towards improving access and quality of primary education for these communities; it works towards primary health care, sanitation and health awareness; focuses on skill training of youth and income enhancement of women through training, organization of groups and marketing support; and towards participatory development through strengthening communities and institutions.

The Foundation will continue to develop educational facilities in under-served areas, to bring quality education to its target communities, and will work to make these accessible to the most deserving through financial and other supports.

GMRVF Technical and Vocational Training initiatives will work to bridge the skill deficit in India through interventions at various levels-entry level, supervisory level and higher and specialized levels. This will be through acting as a bridge between industry (GMR Group, its vendors, contractors, concessionaires and consultants) and educational and training institutions, so that relevant and industry-ready manpower is developed.

The Foundation has initiated its foray into healthcare institutions. During the year, 2 healthcare institutions will be opened. In the coming years, one of these will be enhanced and developed into a medical education facility.

GMRVF looks forward to contributing to the development of innovative models for CSR in India through its initiatives and organizational arrange.

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

The Board of Directors of GMR Infrastructure Limited

1. We, S.R. Batliboi & Associates and Price Waterhouse have audited the attached consolidated Balance Sheet of GMR Infrastructure Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate companies [collectively hereinafter referred to as 'the Group' and individually as 'components' (refer Note [2] on Schedule [19] to the attached consolidated financial statements)] as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto ('consolidated Financial Statements'), which we have signed under reference to this report. These consolidated Financial Statements are the responsibility of the Company's management and have been approved by the board of directors of the Company. Our responsibility is to express an opinion on these consolidated Financial Statements based on our audit.

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

3. a) Price Waterhouse did not audit the financial statements and other financial information of (i) 3 subsidiaries whose financial statements reflect total assets of Rs. 15,077.42 Crore as at March 31, 2010, total revenue (including other income) of Rs.1,119.74 Crore, total losses of Rs. 79.31 Crore and net cash inflows amounting to Rs. 21.59 Crore for the year then ended (before adjustments on consolidation) and (ii) 1 jointly controlled entity whose financial statements include the Group's share of total assets of Rs. 17.74 Crore as at March 31, 2010, total revenue (including other income) of Rs. 0.09 Crore, total losses of Rs. 0.34 Crore and net cash inflows amounting to Rs. 0.38 Crore for the year then ended (before adjustments on consolidation), that have been audited either singly or jointly by S.R. Batliboi & Associates and on whose reports Price Waterhouse has placed reliance for the purpose of this report.

   b) S.R. Batliboi & Associates did not audit financial statements and other financial information of 5 subsidiaries, whose financial statements reflect total assets of Rs. 7,624.35 Crore as at March 31, 2010, total revenue (including other income) of Rs.2,100.01 Crore, total profits of Rs. 275.48 Crore and net cash outflows amounting to Rs. 150.98 Crore for the year then ended (before adjustments on consolidation), that have been audited either singly or jointly by Price Waterhouse and on whose reports S.R. Batliboi & Associates has placed reliance for the purpose of this report.

   c) Price Waterhouse and S.R. Batliboi & Associates did not audit the financial statements and other financial information of (i) 76 subsidiaries whose financial statements reflect total assets of Rs. 13,731.67 Crore as at March 31, 2010, total revenue (including other income) of Rs. 1,074.85 Crore, total profits of Rs. 35.11 Crore and net cash inflows amounting to Rs. 541.81 Crore for the year then ended (before adjustments on consolidation); (ii) 4 jointly controlled entities whose financial statements include the Group's share of total assets of Rs. 1,590.01 Crore as at March 31, 2010, total revenue (including other income) of Rs.983.79 Crore, total profit of Rs. 52.75 Crore and net cash inflows amounting to Rs. 35.35 Crore for the year then ended (before adjustments on consolidation) and (iii) an associate for the period June 5, 2009 to December 31, 2009 and another associate for the period form November 8, 2009 to March 31, 2010, included in the consolidated Financial Statements for the year ended March 31, 2010 whose financial statements include Group's share of total losses of Rs. 22.81 Crore for the year then ended. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion on the consolidated Financial Statements, is based solely on the report of such other auditors.

   d) Price Waterhouse and S.R. Batliboi & Associates did not audit the financial statements and other financial information of (i) 4 subsidiaries whose financial statements reflect total assets of Rs. 24.48 Crore as at March 31, 2010, total revenue (including other income) of Rs. 0.17 Crore, total losses of Rs. 0.14 Crore and net cash outflows amounting to Rs. 2.52 Crore for the year then ended (before adjustments on consolidation); (ii) 5 jointly controlled entities whose financial statements include the Group's share of total assets of Rs. 254.11 Crore as at March 31, 2010, total revenue (including other income) of Rs. Nil Crore, total losses of Rs. 1.28 Crore and net cash inflows amounting to Rs. 33.48 Crore for the year then ended (before adjustments on consolidation) and (iii) 1 associate company whose financial statements include the Group's share of total profits of Rs. 1.23 Crore for the period ended March 31, 2010. These financial statements and other financial information have been incorporated in the consolidated Financial Statements of the Group based on un-audited financial statements as provided by the management of respective component entities as audited financial statements of such component entities as at and for the year/period ended March 31, 2010 are not available.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, AS 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and AS 27 - Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956 of India.

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

   (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;

   (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership No.:56102

Place: Bengaluru
Date: May 24, 2010

For Price Waterhouse
Firm registration number: 007568S
Chartered Accountants

J Majumdar
Partner
Membership No.:F51912

Place: Bengaluru
Date: May 24, 2010

Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Particulars	Schedule Ref	March 31, 2010		March 31, 2009	
Sources of Funds					
Shareholders' Funds					
Share capital	1	366.74		364.13	
Reserves and surplus	2	6,300.32	6,667.06	6,107.00	6,471.13
Preference shares issued by a subsidiary company	19 (4) (iv)		200.00		-
Minority Interest			1,790.15		1,806.11
Loan Funds					
Secured loans	3	16,229.40		10,664.40	
Unsecured loans	4	4,607.95	20,837.35	1,545.76	12,210.16
Deferred payment liability - Negative grant/ Utilisation fees	19 (4) (viii)		333.92		290.20
Deferred Tax Liability (Net)	19 (4) (xvi)		-		19.15
Foreign Currency Monetary Item Translation Difference Account	19 (4) (vi)		-		6.87
Total			29,828.48		20,803.62
Application of Funds					
Fixed Assets					
Gross block	5	14,889.64		11,432.60	
Less: Accumulated depreciation/ amortisation		2,341.58		1,780.97	
Net block		12,548.06		9,651.63	
Capital work-in-progress including capital advances	6	10,382.87	22,930.93	6,790.93	16,442.56
Investments	7		4,641.05		1,310.89
Deferred Tax Asset (Net)	19 (4) (xvi)		80.47		-
Foreign Currency Monetary Item Translation Difference Account	19 (4) (vi)		0.53		-
Current Assets, Loans and Advances					
Inventories	8	115.92		131.88	
Sundry debtors	9	864.93		660.91	
Cash and bank balances	10	1,682.62		2,466.52	
Other current assets	11	161.65		17.75	
Loans and advances	12	1,315.63		1,266.27	
		4,140.75		4,543.33	
Less: Current Liabilities and Provisions	13				
Liabilities		1,582.14		1,409.91	
Provisions		383.11		83.25	
		1,965.25		1,493.16	
Net Current Assets			2,175.50		3,050.17
Total			29,828.48		20,803.62
Statement on Significant Accounting Policies and Notes to the Consolidated Accounts	19				

The schedules referred to above form an integral part of the Consolidated Balance Sheet.

As per our report of even date.

For PRICE WATERHOUSE
Firm Registration Number: 007568S
Chartered Accountants

For and on behalf of the Board of Directors

J Majumdar
Partner
Membership No.: F51912

G.M. Rao
Chairman

Srinivas Bommidala
Managing Director

For S.R. BATLIBOI & ASSOCIATES
Firm Registration Number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 24, 2010

Place: New Delhi
Date: May 24, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

(Rs. in crore)

Particulars	Schedule Ref	March 31, 2010	March 31, 2009
Income			
Sales and operating income	14	5,123.42	4,476.19
Less: Revenue share paid/ payable to concessionaire grantors		556.91	456.97
		4,566.51	4,019.22
Other income	15	163.39	21.37
Net Income		4,729.90	4,040.59
Expenditure			
Generation and operating expenses	16	2,576.59	2,282.59
Administration and other expenses	17	625.61	669.84
Interest and finance charges (net)	18	722.33	368.20
Depreciation / amortisation [Refer note 4(viii)(b)(i) of schedule 19]	5	612.24	389.83
		4,536.77	3,710.46
Profit before Taxation, Minority Interest and Share of profits/ (losses) of Associates		193.13	330.13
Provision for taxation			
- Current tax [includes tax adjustments relating to earlier years of Rs. 5.29 crore (2009: Rs. 0.75 crore)]		70.76	70.10
Less: MAT credit entitlement		(4.41)	-
- Deferred tax credit	19 (4)(xvi)	(98.56)	(23.12)
- Fringe benefit tax		-	6.04
Profit after Taxation and before Minority Interest/ Share of profits/ (losses) of Associates		225.34	277.11
Share of profits/(losses) of associates		(21.58)	-
Minority interest - profits/(losses)		(45.36)	2.34
Net Profit after Minority Interest/ Share of profits/ (losses) of Associates		158.40	279.45
Surplus brought forward		778.36	524.21
Less: Foreign exchange fluctuations on long term monetary liabilities relating to acquisition of depreciable fixed assets hitherto recognised in the Profit and Loss account now adjusted to the carrying value of depreciable fixed assets	19 (4)(vi)(a)	-	18.19
Profit available for appropriation		936.76	785.47
Appropriations:			
Transfer from debenture redemption reserve		(16.25)	(3.75)
Transfer to debenture redemption reserve		24.41	10.66
Transfer of profits to minority on dilution of interest in subsidiaries		12.68	-
Preference dividend declared by a subsidiary		1.39	-
Dividend distribution tax		0.41	0.20
Available Surplus carried to Balance Sheet		914.12	778.36
Earnings per share (Rs.) - Basic and Diluted [Per equity share of Re.1 each]	19 (4)(xv)	0.43	0.77
Statement on Significant Accounting Policies and Notes to the Consolidated Accounts	19		

The schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

As per our report of even date.

For PRICE WATERHOUSE
Firm Registration Number: 007568S
Chartered Accountants

J Majumdar
Partner
Membership No.: F51912

For S.R. BATLIBOI & ASSOCIATES
Firm Registration Number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership No.: 56102

Place: Bengaluru
Date: May 24, 2010

For and on behalf of the Board of Directors

G.M. Rao
Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: New Delhi
Date: May 24, 2010

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 1 I SHARE CAPITAL	March 31, 2010	March 31, 2009
Authorised		
7,500,000,000 (2009: 3,750,000,000 shares of Rs. 2 each) equity shares of Re. 1 each	750.00	750.00
	750.00	750.00
Issued, Subscribed and Paid up		
3,667,354,392 (2009: 1,820,658,088 shares of Rs. 2 each) equity shares of Re. 1 each fully paid-up	366.74	364.13
Notes: Of the above, (i) 1,057,747,230 (2009: 528,873,615 equity shares of Rs. 2 each) equity shares of Re. 1 each fully paid-up were allotted during the year ended March 31, 2006, by way of bonus shares by capitalising free reserves of the Company. (ii) 2,725,850,824 (2009: 1,362,523,238 shares of Rs. 2 each) equity shares of Re. 1 each fully paid-up are held by the Holding Company, GMR Holdings Private Limited.		
	366.74	364.13
Less: Calls unpaid - others Rs. 2,750 (2009: Rs. 2,750)	-	-
Total	366.74	364.13
Notes: (1): Refer Note 4 (iii) (a) of schedule 19 for details of additional issue of shares during the year to IDFC Infrastructure Fund - India Development Fund for consideration other than cash. (2): Refer Note 4 (iii) (b) of schedule 19 on sub division of one equity share of the Company carrying face value of Rs. 2 each into 2 equity shares of Re. 1 each during the year ended March 31, 2010.		

(Rs. in crore)

Schedule 2 I RESERVES AND SURPLUS	March 31, 2010	March 31, 2009
Capital Reserve on Consolidation		
As at the commencement of the year	70.47	70.45
Add: Additions for the year	42.87	0.02
[Refer Note 4(v)(b) of Schedule 19]	113.34	70.47
Capital Reserve on Acquisition	3.41	3.41
[Refer Note 4(v)(c) of Schedule 19]		
Capital Reserve (Government Grant)	67.41	67.41
[Refer Note 4(v)(a) of Schedule 19]		
Securities Premium Account		
At the commencement of the year	5,070.80	5,070.82
Add: Received towards allotment of equity / preferrence shares	309.10	-
Less: Transferred to capital reserve	42.87	-
Less: Utilised towards debenture/ share issue expenses/ redemption premium	168.33	0.03
Less: Transferred to minority interest	0.40	
Add: Received against calls unpaid	-	0.01
	5,168.30	5,070.80
Debenture Redemption Reserve		
At the commencement of the year	26.91	20.00
Transfer to Profit and Loss Account on redemption	(16.25)	(3.75)
Transfer from Profit and Loss Account	24.41	10.66
	35.07	26.91
Foreign Currency Translation Reserve	89.64	0.18
Add: Movement during the year	(90.97)	89.46
	(1.33)	89.64
Balance in Profit and Loss Account	914.12	778.36
Total	6,300.32	6,107.00

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 3 I SECURED LOANS		March 31, 2010	March 31, 2009
Debentures			
(i)	4,250 (2009: 4,250) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	425.00	425.00
	[These debentures bear an overall interest cost at the rate of 17% (2009: 15.20%) per annum till September 29, 2011 and 19% (2009: 17%) per annum thereafter till October 6, 2013 (including coupon rate of 6%, redemption premium and processing fees) and are redeemable on October 6, 2013.]		
	[Secured by a subservient charge on all the movable assets of GMR Energy Limited (GEL) both present and future. Additionally secured by a subservient charge by way of equitable mortgage by constructive delivery of title deeds of GEL's immovable properties.]		
(ii)	6,500 (2009: Nil) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	650.00	-
	[These debentures bear an interest of 9.38% per annum and are secured by way of pari passu first charge over GMR Pochanpalli Expressways Private Limited's (GPEPL) movable properties, both present and future, including plant and machinery. Further, it is secured by the rights, title, interest, benefit, claims, of GPEPL in respect of the project agreements executed/ to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GPEPL in respect of monies lying to the credit of trust and retention account and other accounts. These debentures are redeemable half yearly in 34 unequal installments starting from April 15, 2010 to October 15, 2026.]		
(iii)	Nil (2009: 650) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	-	65.00
	[These debentures bear interest at the rate of 11.93% per annum (10.40% upto September 2008) and were repayable in 3 equal annual installments of Rs. 15 crores starting from September 2009 and later 3 equal annual installments of Rs. 6.66 crores each. These debentures were redeemed during the year. These debentures are secured by immovable property of the Company and further secured by margin money deposit.]		
Term Loans			
Rupee Loans			
	From financial institutions	2,666.44	1,384.07
	From banks	9,925.38	6,847.26
	From others	167.10	111.99
Foreign Currency Loans			
	From financial institutions	68.37	77.18
	From banks	2,012.13	1,481.16
Suppliers' credit		107.31	-
Out of the above:			
a.	Rupee term loans from financial institutions amounting to Rs. 1,275 crore (2009: Rs. 275 crore) are secured by pledge of 160,546,832 (2009: 80,273,416 equity shares of Rs. 2 each) fully paid-up equity shares of Re. 1 each of GMR Infrastructure Limited, held by GMR Holdings Private Limited and by way of guarantee issued by GMR Holdings Private Limited, of which Rs. 1,000 crore (2009: Rs. Nil) are further, secured by exclusive charge on barge mounted power plant of GEL.		
b.	Rupee term loans of subsidiary companies under roads segment amounting to Rs. 1,835.02 crore (2009: Rs. 2,490.20 crore) are secured by way of pari passu first charge over the respective companies moveable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of the respective companies in respect of the project agreements executed/ to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of the respective companies in respect of monies lying to the credit of trust and retention account and other accounts. These loans are further secured by pledge of 142,467,781 (2009: 184,880,055) equity shares of the respective subsidiary companies held by their holding companies.		

(Rs. in crore)

Schedule 3 I SECURED LOANS (contd.)	March 31, 2010	March 31, 2009
c. Rupee term loans from financial institutions amounting to Rs. 240 crore (2009: Rs. Nil) are secured by an exclusive pledge of mutual fund units of equivalent amount and a demand promissory note.		
d. Rupee and Foreign currency term loans of certain subsidiary companies under power segment amounting to Rs. 1,363.26 crore (2009: Rs. 940.14 crore) are secured by way of joint equitable mortgage by deposit of the title deeds of the leasehold land of GMR Power Corporation Limited (GPCL) and by way of pari passu first charge over freehold land of GMR Vemagiri Power Generation Limited (VPGL). Further secured by pari-passu first charge on the respective subsidiary companies movable assets, immovable assets and other assets, both present and future. Further secured by right, title, interest, benefits, claims and demands of the respective companies in respect of the project agreements, executed / to be executed, insurance policies both present and future and all right, title, interest, benefits, claims and demands of the respective subsidiary companies in respect of monies lying to the credit of Trust and Retention Account and other accounts. These loans are further secured by pledge of 240,015,000 (2009: 202,890,000) equity shares of the respective subsidiary companies held by their holding companies.		
e. Foreign currency term loan from banks amounting to Rs. 182.32 crore (2009: Rs. 164.67 crore) of GMR Energy (Netherlands) B.V. (GENBV) are secured by pledge of shares held in the subsidiary company by GENBV. Further the facility is additionally secured by corporate guarantee of the Company. In the previous year, this loan was granted out of a deposit placed by GENBV with the bank as a participation amount, which has been withdrawn during current year.		
f. Rupee term loan from banks amounting to Rs. 40.53 crore (2009: Rs. 39.85 crore) relating to GEL is secured by way of an equitable mortgage of the immovable property comprising of land and building both present and future acquired with the loan proceeds. Further, the same is secured by the corporate guarantee of GEL.		
g. Rupee term loan from financial institutions amounting to Rs. Nil (2009: Rs. 1.50 crore) relating to GEL is secured by second charge on all the intangibles, and cash flows, both present and future, in the form of dividends and management/ consultancy fees from subsidiary companies and a joint mortgage of the immovable properties ranking pari passu. Further, it was secured by second charge on the movable properties, both present and future, rights, title, interests, benefits, claims and demands in the operating cash flows, treasury income, revenues/receivables and by way of pledge of 27,225,000 equity shares held in a subsidiary company and 32,607,413 equity shares of GEL held by the Company.		
h. Term loans of subsidiaries under airport segment amounting to Rs. 7,058.90 crore (2009: Rs. 5,014.12 crore) are secured by mortgage of Leasehold right, title, interest and benefit in respect of leasehold land and first charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the Trust and Retention Account, Debt Service Reserve Account and further secured by the pledge of equity shares of such subsidiaries held by the holding company along with its subsidiaries and certain other share holders.		
i. Rupee term loans from banks of Delhi International Airport Private Limited amounting to Rs. 1,386.44 crore (2009: Rs. 250 crore) are secured against Development Funds Receipts.		
j. Foreign currency loans from banks amounting Rs. 775.24 crore (2009: Rs. 545.86 crore) relating to Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Ve Isletme Sirketi (ISG) are secured against present and future receivables, rights, income, claims, interest, benefits, in to and under its receivables and all kinds of receivables arising out of or in connection with other agreements.		

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 3 I SECURED LOANS (contd.)	March 31, 2010	March 31, 2009
k. Foreign currency loans from banks amounting Rs.41.78 crore (2009: Rs. Nil) relating to LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM) are secured by corporate guarantee given by the Company and further secured by pledge of shares of borrowed company held by its holding companies.		
l. Rupee term loans from banks under airport segment amounting Rs. 137.45 crore (2009: Rs. Nil) are secured by way of an exclusive first charge on cash flows through escrow account.		
m. Term loans of subsidiaries under others segment amounting to Rs. 281.92 crore (2009: Rs. 180.32 crore) are secured by way of hypothecation of aircraft and guarantees issued by the subsidiary companies.		
n. Foreign currency loans from banks amounting to Rs. 328.87 crore (2009: Rs. Nil) relating to GMR Infrastructure (Mauritius) Limited is secured by way of pledge of 69,148,900 shares of GMR Infrastructure (Singapore) Pte. Ltd and further secured by way of corporate guarantee given by the Company.		
Short Term Loans		
Cash Credit, Demand Loans and Working Capital Loans from Banks	39.61	104.77
[Short term loans of subsidiaries under airport segment amounting to Rs. 26.55 crore (2009: Rs. 96.38 crore) are secured by way of first pari passu charge by way of hypothecation of the stocks, consumable stores and spares, other movables including book debts, bills, outstanding monies receivable, both present and future and whole of the moveable properties including moveable plant and machinery, machinery spares, tools and accessories, whether stored or not or in the course of transit or on high seas or on order of delivery, but not limited to documents of title to goods.]		
[Short term loans of GPCL amounting to Rs. 9.97 crore (2009: Rs. 5.58 crore) are secured by hypothecation of stocks and book debt, both present and future, and further secured by creation of a joint mortgage by deposit of title deeds in respect of immovable properties together with all plant and machinery attached to the earth.)]		
[Short term loans of subsidiaries under others segment amounting to Rs. 3.09 crore (2009: Rs. 2.81 crore) are secured by way of hypothecation of aircraft, charge over receivables and guarantee issued by the holding company.]		
Bills Discounted	164.86	83.45
[Bills discounted by subsidiaries under power segment amounting to Rs. 164.86 crore (2009: Rs. 83.45 crore) are secured against letters of credit issued by IDBI Bank Limited.]		
Finance lease obligation	3.20	4.22
[Secured by underlying assets taken on finance lease arrangement.]		
Bank Overdraft	-	80.30
[Secured by pledge of Nil (2009: 5,000,000) fully paid-up equity shares of Rs. 10 each of GMR Industries Limited, held by GMR Holdings Private Limited and by way of guarantee issued by GMR Holdings Private Limited.]		
Total	16,229.40	10,664.40

(Rs. in crore)

Schedule 4 I UNSECURED LOANS	March 31, 2010	March 31, 2009
Short Term		
From banks	2,090.97	930.21
Other than Short Term		
From banks [Repayable within 1 year Rs. Nil (2009: Rs. 0.06 crore]	-	0.06
From Government of Andhra Pradesh (interest free) [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]	315.05	315.05
From financial institutions [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]	52.00	-
From others [Repayable within 1 year Rs. 0.10 crore (2009: Rs. 0.10 crore)]	27.40	26.00
Debentures	500.00	-
[These debentures are redeemable at a premium yielding 14% p.a. in 5 annual installments starting from April 2011] [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]		
Deferred obligation - Deposit from Concessionaires [Repayable within 1 year Rs. 99 crore (2009: Rs. 128.93 crore)]	1,526.79	196.68
Deferred obligation - Concession fee payable [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]	34.74	16.76
Suppliers' credit [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]	61.00	61.00
Total	4,607.95	1,545.76

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 5 I FIXED ASSETS

Description	Gross Block					Depreciation					Net Block	
	As at April 01, 2009	Additions	Additions on inclusion of subsidiaries	Withdrawals/ adjustments	As at March 31, 2010	As at April 01, 2009	For the year	On account of inclusion of subsidiaries	On withdrawals/ adjustments	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Tangible Assets												
Freehold land	106.82	19.96	19.88	-	146.66	-	-	-	-	-	146.66	106.82
Leasehold land	-	64.88	8.27	-	73.15	-	-	-	-	-	73.15	-
Runways and others	1,524.08	7.85	-	48.85	1,483.08	34.79	37.90	-	-	72.69	1,410.39	1,489.29
Buildings	1,850.61	1,725.62	-	146.27	3,429.96	108.11	118.47	-	2.81	223.77	3,206.19	1,742.50
Plant and machinery	3,579.49	143.12	-	101.09	3,621.52	1,324.31	148.72	-	0.44	1,472.59	2,148.93	2,255.18
Office equipment	499.13	77.91	0.08	15.90	561.22	53.43	63.11	0.01	1.17	115.38	445.84	455.70
Leasehold improvements	102.08	27.92	-	1.95	128.05	2.06	3.64	-	0.18	5.52	122.53	100.02
Furniture and fixtures	125.04	19.79	0.10	5.18	139.75	15.14	13.24	0.01	1.12	27.27	112.48	109.90
Vehicles	313.58	141.60	-	3.46	451.72	21.71	22.82	-	0.82	43.71	408.01	291.87
Intangible Assets												
Goodwill on consolidation	584.64	234.54	-	(22.25)	841.43	-	-	-	-	-	841.43	584.64
Capitalised software	29.26	1.53	-	0.04	30.75	5.26	4.69	-	0.03	9.92	20.83	24.00
Carriage ways	2,509.09	1,007.44	-	-	3,516.53	203.95	143.87	-	-	347.82	3,168.71	2,305.14
Airport concessionaire rights	200.93	257.96	-	0.98	457.91	10.61	8.97	-	0.23	19.35	438.56	190.32
Sub Total	11,424.75	3,730.12	28.33	301.47	14,881.73	1,779.37	565.43	0.02	6.80	2,338.02	12,543.71	9,645.38
Assets Taken on Lease												
Office equipment	5.39	-	-	-	5.39	1.59	1.47	-	-	3.06	2.33	3.80
Vehicles	-	0.06	-	-	0.06	-	-	-	-	-	0.06	-
Plant and machinery	2.46	-	-	-	2.46	0.01	0.49	-	-	0.50	1.96	2.45
Sub Total	7.85	0.06	-	-	7.91	1.60	1.96	-	-	3.56	4.35	6.25
Grand Total	11,432.60	3,730.18	28.33	301.47	14,889.64	1,780.97	567.39	0.02	6.80	2,341.58	12,548.06	9,651.63
Previous year	6,691.72	4,717.94	23.71	0.77	11,432.60	1,421.81	359.53	0.01	0.38	1,780.97	9,651.63	

Notes:

1. Buildings with a gross book value of Rs. 2,240 crore (2009 : Rs. 1,720 crore) and runways are on leasehold land.
2. Gross block withdrawals/ adjustments include:
   a. Foreign exchange gain of Rs. 120.87 crore (2009 : Rs. Nil) on account of the effect of translation of assets held by foreign subsidiaries which are consolidated as non integral foreign operations in terms of Accounting Standard 11.
   b. Foreign exchange gain of Rs. 22.25 crore (2009 : Rs. Nil) on account of the effect of translation of goodwill arising out of consolidation of foreign subsidiaries which are consolidated as non integral foreign operations in terms of Accounting Standard 11.
   c. Rs. 69.09 crore (2009 : Rs. Nil) on account of refund of custom duty granted to GMR Vemagiri Power Generation Limited on import of plant and machinery.
   d. Foreign exchange gain of Rs.90.12 crore (2009: additions include Loss of Rs. 180.53 crore) in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets. Refer Note 4(vi) of Schedule 19.
3. Depreciation for the year includes Rs. 9.32 crore (2009 : Rs. 6.84 crore) relating to certain consolidated entities in the project stage which is included in Schedule 6.
4. Depreciation for the year is net off refund of custom duty granted to GMR Vemagiri Power Generation Limited on import of plant and machinery amounting to Rs. 11.19 crore charged from the date of capitalisation till the date of grant of such refund.
5. Depreciation withdrawals/ adjustments include Rs. 4.11 crore (2009 : Rs. Nil) on account of the effect of translation of assets held by foreign subsidiaires which are consolidated as non integral foreign operations in terms of Accounting Standard 11.

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 6 I CAPITAL WORK IN PROGRESS INCLUDING CAPITAL ADVANCES	March 31, 2010	March 31, 2009
Capital expenditure including land, buildings, roads, plant and machinery, computing equipment, electrical equipment, furniture and fixtures and capital advances [includes Negative Grant of Rs. 250.51 crore (2009: Rs. 507.96 crore)]	9,720.93	6,373.80
Salaries, allowances and benefits to employees	279.29	191.02
Contribution to provident and other funds	4.12	5.31
Staff welfare expenses	16.29	8.42
Rent	56.17	37.69
Repairs and maintenance		
Buildings	0.39	0.24
Others	29.64	17.78
Rates and taxes	15.31	13.53
Insurance	27.78	19.27
Consultancy and other professional charges	545.97	376.23
Travelling and conveyance	138.29	61.08
Communication expenses	6.82	6.38
Depreciation/ amortisation	12.25	8.14
Interest on term loans	901.12	628.51
Interest on debentures	15.41	-
Interest - others	32.54	21.47
Bank and other finance charges	394.30	112.43
Operations and maintenance	9.55	0.04
Printing and stationery	2.11	0.01
Loss on account of foreign exchange fluctuations (net)	0.88	0.91
Miscellaneous expenses	133.70	132.60
(i)	12,342.86	8,014.86
Less: Other Income		
Interest income (gross)	1.48	13.75
Income from current investments-other than trade (gross)	56.45	18.24
Miscellaneous income	0.78	0.64
Provisions no longer required, written back	0.74	-
(ii)	59.45	32.63
Total - (iii) = (i) - (ii)	12,283.41	7,982.23
Less: Apportioned over the cost of fixed assets	1,353.04	1,141.02
Less: Charged to profit and loss account	21.76	15.16
Less: Development fund	525.74	35.12
(iv)	1,900.54	1,191.30
Total - (v) = (iii) - (iv)	10,382.87	6,790.93

Refer Note 4(vii) of schedule 19

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 7 I INVESTMENTS	March 31, 2010		March 31, 2009
LONG TERM - AT COST			
Unquoted			
A. In Equity shares of Companies - Trade			
Rampia Coal Mine and Energy Private Limited [10,434,864 (2009 : 5,217,430) equity shares of Re. 1 each, fully paid up]		1.04	0.50
Vemagiri Power Services Limited [5,000 (2009 : 5,000) equity shares of Rs. 10 each, fully paid up]		0.01	0.01
Power Exchange India Limited [2,500,000 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		2.50	-
GMR Chhattisgarh Energy Private Limited# [Nil (2009 : 4,500) equity shares of Rs. 10 each, fully paid up]		-	0.01
B. In Equity shares of Associate Companies/Body Corporates - Trade			
Celebi Delhi Cargo Terminal Management Private Limited at cost@ [18,720,000 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	18.72		
Add: Share of profit during the year	1.23	19.95	-
Delhi Cargo Service Centre Private Limited at cost@ [98,000 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.01		
Add: Share of profit during the year	0.13	0.14	-
Limak GMR Construction JV@@ [Nil (2009 : 2,575) equity shares of Turkish Lira 1 each, fully paid up]		-	0.01
C. In Debentures of Companies - Trade			
Kakinada Infrastructure Holdings Private Limited [100 (2009 : Nil) 0.1% cumulative optionally convertible Debentures of Rs. 10,000,000 each]		100.00	-
D. In Debentures of Body Corporates - Trade			
GMR Holding (Malta) Limited [254,419,001 (2009 : 164,248,904) compulsory convertible debentures of USD 1 each]		1,159.64	845.06
E. In Preference shares of Companies - Other than trade			
Rushil Constructions (India) Private Limited [3,841,000 (2009 : 2,599,600) preference share of Rs. 100 each, fully paid up]		38.41	26.00
F. In Equity shares of Companies - Other than trade			
Business India Publications Limited [5,000 (2009 : 5,000) equity shares of Rs. 10 each, fully paid up]		0.06	0.06
Ujjivan Financial Services Private Limited [5,000 (2009 : 5,000) equity shares of Rs. 10 each, fully paid up]		0.05	0.05
Sold during the year			
GMR Ferro Alloys & Industries Limited [Nil (2009 : 407,329) equity shares of Rs. 10 each, fully paid up]		-	0.37

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 7 I INVESTMENTS (contd.)	March 31, 2010		March 31, 2009
Quoted			
A. In Equity shares of Associate Companies/Body Corporates - Trade			
Homeland Energy Group Limited at cost@ [103,257,095 (2009 : 75,792,027) Non - Assessable Common shares representing 33.47% ownership interest] [Includes goodwill on acqusition of Rs.77.31 crore]	132.23		
Less: Share of loss during the year	(22.94)	109.29	123.77
(i)		1,431.09	995.84
CURRENT			
Other than trade, Quoted			
A. Investment In Equity shares of Companies			
Federal Bank Limited## [218,009 (2009 : 218,959) equity shares of Rs. 10 each, fully paid up]		5.64	5.03
ING Vysya Bank Limited## [384,910 (2009 : 384,910) equity shares of Rs. 10 each, fully paid up]		10.76	4.81
Karur Vysya Bank Limited## [80,000 (2009 : 80,000) equity shares of Rs. 10 each, fully paid up]		3.56	1.24
Brigade Enterprises Limited## [274,744 (2009 : 274,746) equity shares of Rs. 10 each, fully paid up]		3.87	4.66
Gokaldas Exports Limited## [50,000 (2009 : 50,000) equity shares of Rs. 5 each, fully paid up]		0.76	0.91
Kalyani Steels Limited## [25,000 (2009 : 25,000) equity shares of Rs. 10 each, fully paid up]		0.57	0.55
Noida Toll Bridge## [250,000 (2009 : 250,000) equity shares of Rs. 10 each, fully paid up]		0.87	1.03
Reliance Communications Limited## [75,000 (2009 : 75,000) equity shares of Rs. 5 each, fully paid up]		1.20	3.75
Siemens Limited## [27,546 (2009 : 27,546) equity shares of Rs. 2 each, fully paid up]		2.03	1.16
Sterilite Industries (India) Limited## [22,776 (2009 : 22,776) equity shares of Rs. 2 each, fully paid up]		1.89	1.47
UTV Software Communications Limited## [10,000 (2009 : 10,000) equity shares of Rs. 10 each, fully paid up]		0.47	0.77
NTPC Limited## [98,000 (2009 : 98,000) equity shares of Rs. 10 each, fully paid up]		1.97	1.64
Purchased during the year			
Aditya Birla Nuvo Limited [1,057 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.09	-
Bank Of Baroda [2,663 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.17	-
Esab India Limited [2,575 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.15	-
Fulford India Limited [109 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.01	-

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 7 I INVESTMENTS (contd.)		March 31, 2010	March 31, 2009
HDFC Bank Limited [1,335 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.26	-
HDFC Limited [1,817 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.49	-
HEG Limited [7,960 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.27	-
Hindustan Petroleum Corporation Limited [8,402 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.27	-
Indian Oil Corporation Limited [6,206 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.19	-
KEC International Limited [5,425 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.32	-
Oil India Limited [1,177 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.13	-
ONGC Limited [2,188 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.24	-
REC Limited [13,952 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.35	-
Reliance Industries Limited [2,156 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.24	-
Zensar Technologies Limited [10,465 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]		0.30	-
Bharti Tele Venture Limited [6,371 (2009 : Nil) equity shares of Rs. 5 each, fully paid up]		0.20	-
Cadila Healthcare Limited [4,730 (2009 : Nil) equity shares of Rs. 5 each, fully paid up]		0.39	-
Infosys Technologies Limited [173 (2009 : Nil) equity shares of Rs. 5 each, fully paid up]		0.05	-
Amara Raja Batteries Limited [4,521 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]		0.07	-
Financial Technologies (India) Limited [959 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]		0.16	-
Ipca Laboratories Limited [21,455 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]		0.58	-
Jagran Prakashan Limited [14,280 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]		0.17	-
United Phosphorous Limited [13,979 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]		0.21	-
Dabur India Limited [10,850 (2009 : Nil) equity shares of Re. 1 each, fully paid up]		0.18	-
ITC Limited [11,477 (2009 : Nil) equity shares of Re. 1 each, fully paid up]		0.31	-

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 7 I INVESTMENTS (contd.)		March 31, 2010	March 31, 2009
TCS Limited [3,279 (2009 : Nil) equity shares of Re. 1 each, fully paid up]		0.27	-
Sold during the year			
Kasturi Foods Limited [Nil (2009 : 15,000) equity shares of Rs. 10 each, fully paid up]		-	0.02
Oil & Natural Gas Corporation Limited [Nil (2009 : 4,431) equity shares of Rs. 10 each, fully paid up]		-	0.30
Hindustan Petroleum Corporation Limited [Nil (2009 : 7,676) equity shares of Rs. 10 each, fully paid up]		-	0.20
ITC Limited [Nil (2009 : 7,751) equity shares of Re. 1 each, fully paid up]		-	0.13
HDFC Bank Limited [Nil (2009 : 1,335) equity shares of Rs. 10 each, fully paid up]		-	0.12
Housing Development Finance Corporation Limited [Nil (2009 : 1,817) equity shares of Rs. 10 each, fully paid up]		-	0.28
KEC International Limited [Nil (2009 : 5,425) equity shares of Rs. 10 each, fully paid up]		-	0.10
Rural Electrification Corporation Limited [Nil (2009 : 13,952) equity shares of Rs. 10 each, fully paid up]		-	0.10
Mcleod Russel India Limited [Nil (2009 : 18,019) equity shares of Rs. 5 each, fully paid up]		-	0.09
Bharati Airtel Limited [Nil (2009 : 1,417) equity shares of Rs. 10 each, fully paid up]		-	0.08
United Phosphorous Limited [Nil (2009 : 7,199) equity shares of Rs. 2 each, fully paid up]		-	0.08
Mphasis BFL Limited [Nil (2009 : 1,577) equity shares of Rs. 10 each, fully paid up]		-	0.04
Reliance Industries Limited [Nil (2009 : 2,898) equity shares of Rs. 10 each, fully paid up]		-	0.37
Transformers & Rectifiers Limited [Nil (2009 : 500) equity shares of Rs. 10 each, fully paid up]		-	0.02
Less: Provision for diminution in value of investments		(0.07)	(6.57)
(ii)		39.59	22.38
Other than trade, unquoted			
A. Investment in Mutual Funds			
BSL Infrastructure Fund - Dividend Payout [4,723,347 (2009 : 4,723,346) units of Rs. 10 each]		3.50	3.50
Reliance Liquid Fund - Weekly Dividend [694,114 (2009 : 996,783) units of Rs. 10 each]		1.06	1.53
Purchased during the year			
UTI Treasury Advantage Fund -Institutional Plan- Daily Dividend Scheme [350,017 (2009 : Nil) units of Rs. 1,000 each]		35.01	-

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 7 I INVESTMENTS (contd.)		March 31, 2010	March 31, 2009
AXIS Liquid Fund Institutional - Growth Scheme [245,311 (2009 : Nil) units of Rs. 1,000 each]		25.00	-
Birla Sun Life Cash Plus - Institutional Premium Growth [327,093,619 (2009 : Nil) units of Rs. 10 each]		572.64	-
Birla Sun Life Saving Fund Institutional - Growth [8,333,809 (2009 : Nil) units of Rs. 10 each]		14.56	-
Birla Sun life Savings Fund Institutional -Daily Dividend [14,868,353 (2009 : Nil) units of Rs. 10 each]		14.88	-
Birla Sunlife Cash Plus Institutional - Daily Dividend [299,731 (2009 : Nil) units of Rs. 10 each]		0.30	-
BSL Savings Fund Institutional - Growth [25,526,525 (2009 : Nil) units of Rs. 10 each]		44.60	-
HDFC Cash Management Fund - Treasury Advantage Plan-Growth [4,459,889 (2009 : Nil) units of Rs. 10 each]		9.00	-
HDFC Liquid Fund - Premium Plan - Growth [113,892,875 (2009 : Nil) units of Rs. 10 each]		223.01	-
ICICI Liquid Super Institutional Plan-Growth option [8,759,985 (2009 : Nil) units of Rs. 100 each]		150.03	-
ICICI Prudential - Super Institutional Growth Fund [21,785,567 (2009 : Nil) units of Rs. 100 each]		296.24	-
ICICI Prudential Flexible Income Plan premium -Daily Dividend [740,913 (2009 : Nil) units of Rs. 100 each]		7.83	-
ICICI Prudential Flexible Income Plan Premium - Growth [12,599,989 (2009 : Nil) units of Rs. 100 each]		215.73	-
ICICI Prudential Instl. Liquid Plan - Super Instl. Growth [3,675,436 (2009 : Nil) units of Rs. 100 each]		50.00	-
ICICI Prudential - Ultra Short Term Super Premium Growth [209,269,177 (2009 : Nil) units of Rs. 10 each]		216.03	-
ICICI Prudential - Short Term Plan Institutional Growth [12,414,778 (2009 : Nil) units of Rs. 10 each]		24.00	-
IDFC Money Manager Fund - Treasury Plan Super Institutional Plan-Growth [249,808,847 (2009 : Nil) units of Rs. 10 each]		272.75	-
IDFC Cash Fund Super Institutional Plan-Growth [51,086,077 (2009 : Nil) units of Rs. 10 each]		57.18	-
IDFC Cash Fund-Super Institutional Plan-Daily Dividend [3,381,759 (2009 : Nil) units of Rs. 10 each]		3.38	-
IDFC Money Manager Fund - Treasury Plan - Institutional Plan - Growth [63,245,289 (2009 : Nil) units of Rs. 10 each]		69.03	-
UTI Fixed Income Interval Fund - Monthly Interval Plan II - Growth [25,000,000 (2009 : Nil) units of Rs. 10 each]		25.00	-
UTI Treasury Advantage Fund - Institutional Plan - Growth [251,734 (2009 : Nil) units of Rs. 1000 each]		31.13	-

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 7 I INVESTMENTS (contd.)	March 31, 2010		March 31, 2009
Sold during the year			
ICICI Prudential Institutional Liquid Plan - Super Institutional - Daily Dividend [Nil (2009 : 12,322,669) units of Rs. 10 each]		-	16.00
UTI - Liquid Cash Plan Institutional - Daily Income/Dividend Option [Ni l (2009 : 194,482) units of Rs. 1,000 each]		-	19.82
UTI - Liquid Cash Plan Institutional - Growth Option [Nil (2009 : 16,530,046) units of Rs. 10 each]		-	40.65
UTI Money Market Fund-Growth Plan [Nil (2009 : 27,666,334) units of Rs. 10 each]		-	68.09
SBI Insta Cash Fund Growth Option [Nil (2009 : 28,207,337) units of Rs. 10 each]		-	55.36
B. Investment in Government Securities			
6.35% Government of India 2020 [1,500,000 (2009 : 1,500,000) units of Rs. 100 each]		13.49	14.10
6.05% Government of India 2019 [500,000 (2009 : 500,000) units of Rs. 100 each]		4.40	4.64
Sold during the year			
5.59% Government of India 2016 [Nil (2009 : 1) unit of Rs. 10.00 crore each]		-	8.83
7.38% Government of India 2015 [Nil (2009 : 1) unit of Rs. 10.00 crore each]		-	10.45
7.46% Government of India 2017 [Nil (2009 : 1) unit of Rs. 1.00 crore each]		-	1.04
C. Investment in Non-Government Securities			
Purchased during the year			
8.40 % ONGC Videsh Limited [150 (2009 : Nil) units of Rs. 100 each]		14.92	-
8.90% Power Grid Corporation Limited [40 (2009 : Nil) units of Rs. 100 each]		5.04	-
D. Investment in Certificate of Deposits			
Purchased during the year			
Allahabad Bank [5,000 (2009 : Nil) units of Rs. 1 lakh each]		48.70	-
Canara Bank [35,000 (2009 : Nil) units of Rs. 1 lakh each]		336.26	-
Central Bank of India [2,500 (2009 : Nil) units of Rs. 1 lakh each]		24.97	-
Punjab National Bank [2,500 (2009 : Nil) units of Rs. 1 lakh each]		23.51	-
State Bank of Bikaner and Jaipur [2,500 (2009 : Nil) units of Rs. 1 lakh each]		23.56	-

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 7 I INVESTMENTS (contd.)		March 31, 2010	March 31, 2009
State Bank of Bikaner and Jaipur [2,500 (2009 : Nil) units of Rs. 1 lakh each]		24.91	-
Union Bank of India [1,500 (2009 : Nil) units of Rs. 1 lakh each]		14.12	-
Corporation Bank [2,000 (2009 : Nil) units of Rs. 1 lakh each]		19.97	-
Bank of India [2,500 (2009 : Nil) units of Rs. 100 each]		24.89	-
Dena Bank [10,000 (2009 : Nil) units of Rs. 100 each]		97.39	-
Central Bank of India [2,500 (2009 : Nil) Bonds of Rs. 1 lakh each]		24.84	-
HDFC Bank Limited [10,000 (2009 : Nil) Bonds of Rs. 1 lakh each]		97.35	-
State Bank of Travancore [1,000 (2009 : Nil) Bonds of Rs. 1 lakh each]		9.77	-
Sold during the year			
State Bank of India [Nil (2009 : 5,000) units of Rs. 1 lakh each)		-	48.27
(iii)		3,168.98	292.28
Other than Trade, unquoted			
A. Investment In Equity shares of Companies			
Sai Rayalaseema Paper Mills Limited [323,210 (2009: 323,210) equity shares of Rs. 10 each, fully paid up]		0.39	0.39
(iv)		0.39	0.39
Total (i)+(ii)+(iii)+(iv)		4,641.05	1,310.89

#Considered as a subsidiary company during the year.
@Considered as an associate company during the year.
@@Considered as a joint venture during the year.
The shares existing as on 31st March 2009 have been sold and new shares have been purchased from the open market.

Notes:-
Aggregate market value of quoted investments - Rs. 71.51 crore (2009 : Rs. 98.03 crore)
Aggregate amount of quoted investments - Rs. 39.59 crore (2009 : Rs. 22.38 crore)
Aggregate amount of unquoted investments - Rs. 4,601.46 crore (2009 : Rs. 1,288.51 crore)

(Rs. in crore)

Schedule 8 I INVENTORIES	March 31, 2010	March 31, 2009
(at lower of cost and net realisable value)		
Stores and spares	35.00	33.35
Raw materials	56.50	89.48
Contract work in progress	12.53	-
Finished goods - traded fuel stock	11.89	9.05
Total	115.92	131.88

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 9 I SUNDRY DEBTORS	March 31, 2010	March 31, 2009
(Unsecured and considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months:		
Considered good	162.86	83.73
Considered doubtful	0.54	44.07
Less: Provision for doubtful debts	(0.54)	(44.07)
	162.86	83.73
Other debts:		
Considered good*	702.07	577.18
Considered doubtful	0.69	3.83
Less: Provision for doubtful debts	(0.69)	(3.83)
	702.07	577.18
Total	864.93	660.91

* Includes unbilled revenue amounting to Rs. 327.98 crore (2009: Rs. 206.39 crore)

[Debtors include Rs. Nil (2009: Rs. 27.61 crore) on account of PSF (Security Component) balances]

(Rs. in crore)

Schedule 10 I CASH AND BANK BALANCES	March 31, 2010	March 31, 2009
Cash and cheques on hand	7.61	1.08
Balances with scheduled banks		
On current accounts - others*	231.44	239.92
On deposit accounts **	506.82	1,882.50
On unpaid dividend accounts ***	-	3.66
On margin money deposit accounts ****	42.45	85.22
Balances with banks other than scheduled banks		
On current accounts	874.88	235.68
On deposit accounts	19.42	18.46
Total	1,682.62	2,466.52

* 1. Balances in current accounts with schedule banks include Rs. Nil (2009: Rs. 1.22 crore) on account of PSF (Security Component) balances.
2. Includes share application money pending refund Rs. 0.05 crore (2009: Rs. 0.05 crore)

** 1. Balance in deposit accounts with schedule banks include Rs. Nil (2009: Rs. 78.14 crore) on account of PSF (Security Component) balances.
2. Balance in deposit accounts includes deposit of Rs. 10 crore (2009: Rs. Nil) on which charge has been created for working capital facility.
3. Balance in deposit accounts includes deposit of Rs. Nil (2009: Rs. 65 crore) pledged in favour of debenture holders of the Company.

*** There is no amount due an outstanding to be credit to Investor Education and Protection Fund.

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

(Rs. in crore)

Schedule 11 I OTHER CURRENT ASSETS	March 31, 2010	March 31, 2009
(Unsecured and considered good)		
Interest accrued on deposits	9.67	16.84
Interest accrued on investments	89.98	-
Claims recoverable	61.96	0.87
Grant receivable from authorities	0.04	0.04
Total	161.65	17.75

(Rs. in crore)

Schedule 12 l LOANS AND ADVANCES	March 31, 2010	March 31, 2009
(Unsecured and considered good, unless otherwise stated)		
Loans to employees	4.49	1.44
Advance towards share application money	-	28.62
Loans to others	137.61	181.98
Advances recoverable in cash or in kind or for value to be received		
Considered good	677.63	435.04
Considered doubtful	-	6.43
Less: Provision for doubtful advances	-	(6.43)
Deposit with government authorities	114.98	113.23
Deposits with others*	71.14	313.30
Balances with customs, excise, etc.,	200.52	107.77
Advance tax (net of provision)	90.92	70.98
MAT credit entitlement	18.34	13.91
Total	1,315.63	1,266.27

* [Includes Rs. Nil (2009: Rs. 164.67 crore) deposited with a bank towards security by way of participation amount against a loan granted to a subsidiary company.]

(Rs. in crore)

Schedule 13 l CURRENT LIABILITIES AND PROVISIONS	March 31, 2010	March 31, 2009
a) Liabilities		
Sundry Creditors		
Dues to micro and small enterprises [Refer Note 4 (xi)(a) of schedule 19]	-	-
Dues to other than micro and small enterprises	855.22	784.39
	855.22	784.39
Book overdraft	3.34	9.62
Share application money refunds - not claimed*	0.05	0.05
Advances/ Deposits from customers/ concessionaires	440.05	251.75
Retention money	69.89	161.59
Other liabilities	138.32	190.08
Interest accrued but not due on loans	75.27	12.43
	1,582.14	1,409.91
b) Provisions		
Provision for preference dividend	1.04	-
Provision for dividend distribution tax	0.26	-
Provision for voluntary retirement compensation [Refer Note 4 (xvii)(c) of schedule 19]	170.88	-
Provision for wealth tax	0.06	0.07
Provision for taxation (net of advance tax)	44.65	5.03
Provision for employee benefits	29.44	7.64
Provision for debenture redemption premium	106.96	23.82
Provision for preference shares redemption premium	14.38	-
Provision for operations and maintenance (net of advances) [Refer Note 4 (xvii) of schedule 19]	15.44	46.69
	383.11	83.25
Total	1,965.25	1,493.16

[Liabilities includes Rs. Nil (2009: Rs. 106.97 crore) pertaining to PSF (Security Component) balances]
* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2010

(Rs. in crore)

Schedule 14 I SALES AND OPERATING INCOME	March 31, 2010	March 31, 2009
Power		
Income from sale of electrical energy*	2,083.41	2,012.87
Less: prompt payment rebate	45.85	46.97
Income from management and other services	-	169.31
	2,037.56	2,135.21
Roads		
Annuity income from expressways	248.19	141.38
Toll income from expressways	97.88	10.52
	346.07	151.90
Airports		
Aeronautical	702.58	581.34
Non - Aeronautical**	1,080.51	828.42
Cargo operations	215.67	253.45
Income from commercial property development	46.38	-
	2,045.14	1,663.21
EPC		
Construction revenue	409.85	304.17
	409.85	304.17
Others		
Income from management and other services	125.28	46.09
Interest income (gross)	126.71	61.22
[Tax deducted at source - Rs.6.63 crore (2009: Rs. 8.79 crore)]		
Dividend income on current investments (other than trade) (gross)	1.58	109.26
Profit on sale of current investments (other than trade)	31.23	5.13
	284.80	221.70
Total	5,123.42	4,476.19

* Includes Rs. 168.78 crore (2009: Rs. 138.60 crore) from energy trading operations.
** Includes Rs. 258.16 crore (2009: Rs. 209.08 crore) from fuel trading operations.

(Rs. in crore)

Schedule 15 I OTHER INCOME	March 31, 2010	March 31, 2009
Provision for claims recoverable/doubtful debts written back	30.32	-
Provisions no longer required, written back	42.45	1.79
Profit on sale of current investments (other than trade)	37.33	14.13
Lease income	0.74	0.72
Miscellaneous income	52.55	4.73
Total	163.39	21.37

Schedules forming part of the Consolidated Balance Sheet as at March 31, 2010

(Rs. in crore)

Schedule 16 I GENERATION AND OPERATING EXPENSES	March 31, 2010	March 31, 2009
Consumption of fuel and lubricants	1,386.92	1,353.27
Purchase of traded goods		
Cost of power purchased for re-sale	161.83	129.88
Cost of jet fuel purchased for re-sale	242.41	209.38
Operations and maintenance	242.28	143.71
Airport operator fee	30.81	27.29
Construction cost [net of closing contract work in progress of Rs. 12.53 crore (2009: Rs. Nil)]	253.83	204.61
Cargo handling charges	14.68	17.56
Insurance	16.82	9.24
Technical consultancy fee	9.26	11.48
Salaries, allowances and benefits to employees	27.31	24.34
Contribution to provident fund and others	0.86	0.13
Electricity and water charges	60.14	56.35
Repairs and maintenance		
Plant and machinery	48.16	35.32
Buildings	31.38	26.89
Others	39.94	30.35
Lease rentals [net of sub-lease rentals - Rs. 0.28 crore (2009: Rs. 0.28 crore) and includes landlease rentals of Rs. 4.99 crore (2009: Rs. 4.69 crore)]	10.90	6.49
Others	1.90	5.35
	2,579.43	2,291.64
Stock as at April 1, of traded fuel	9.05	-
Less: Stock as at March 31, of traded fuel	11.89	9.05
(Increase) / Decrease in stock in trade	(2.84)	(9.05)
Total	2,576.59	2,282.59

Schedules forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2010

(Rs. in crore)

Schedule 17 I ADMINISTRATION AND OTHER EXPENSES	March 31, 2010	March 31, 2009
Salaries, allowances and benefits to employees	243.79	189.57
Contribution to provident and other funds	12.27	9.89
Staff welfare	26.72	25.68
Operation support cost paid to Airports Authority of India	10.38	115.34
Rent	39.74	32.73
Repairs and maintenance		
Buildings	0.06	0.04
Others	4.92	1.87
Rates and taxes	31.34	13.92
Insurance	6.90	8.10
Consultancy and other professional charges	108.93	122.85
Directors' sitting fee	0.63	0.51
Electricity charges	1.86	1.41
Advertisement	22.90	13.53
Travelling and conveyance	15.99	24.67
Communication	9.46	9.00
Printing and stationery	6.61	4.76
Provision for doubtful advances and debtors	0.79	17.83
Provision for diminution in value of investments	0.07	5.98
Donations	14.99	6.62
Loss on account of foreign exchange fluctuations (net)	0.01	0.20
Loss on sale of fixed assets	3.85	0.08
Bad debts written off (net of provisions no longer required written back of Rs. 17.94 crore)	11.45	-
Miscellaneous expenses	51.95	65.26
Total	625.61	669.84

(Rs. in crore)

Schedule 18 I INTEREST AND FINANCE CHARGES (NET)	March 31, 2010	March 31, 2009
Interest on term loans	757.94	436.40
Interest on debentures	32.17	8.04
Interest - others	9.01	5.29
Mark to market losses on derivative instruments	25.93	-
Bank and other finance charges	25.23	15.14
Less: Interest income on deposits (gross)	(127.95)	(96.67)
[Tax deducted at source - Rs. 13.89 crore (2009: Rs. 17.78 crore)]		
Total	722.33	368.20

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

1. Description of Business

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

Energy Sector

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

Infrastructure Business (Airport)

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

Development of highways

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

Construction Business

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

Others

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

2. Principles of Consolidation

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

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

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

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

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

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

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

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

No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
1	GMR Energy Limited (GEL)	India	Subsidiary [1]	97.91%	100.00%	97.91%	100.00%
2	GMR Power Corporation Limited (GPCL) (formerly GMR Power Corporation Private Limited)	India	Subsidiary [2]	49.93%	51.00%	51.00%	51.00%
3	GMR Vemagiri Power Generation Limited (VPGL) (formerly Vemagiri Power Generation Limited)	India	Subsidiary [2]	97.91%	100.00%	100.00%	100.00%
4	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	Subsidiary [2]	97.91%	100.00%	99.90%	100.00%
5	Badrinath Hydro Power Generation Private Limited (BHPL)	India	Subsidiary[2]	96.93%	99.00%	99.00%	99.00%
6	GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary[2]	87.14%	89.00%	89.00%	89.00%
7	GMR Kamalanga Energy Limited (GKEL)	India	Subsidiary[2&8]	78.33%	100.00%	80.00%	100.00%
8	EMCO Energy Limited (EMCO)	India	Subsidiary[2&3]	97.91%	-	100.00%	-
9	GMR Chhattisgarh Energy Private Limited (GCHEPL)	India	Subsidiary[2&12]	97.91%	45.00%	100.00%	45.00%
10	GMR Rajahmundry Energy Limited (GREL)	India	Subsidiary[2&4]	97.91%	-	100.00%	-
11	SJK Powergen Limited (SJK)	India	Subsidiary[2&3]	68.54%	-	70.00%	-
12	GMR Coastal Energy Private Limited (GCEPL)	India	Subsidiary[2]	97.91%	100.00%	100.00%	100.00%
13	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	Subsidiary[2]	97.91%	100.00%	100.00%	100.00%
14	GMR Londa Hydropower Private Limited (GLHPPL)	India	Subsidiary[2]	97.91%	100.00%	100.00%	100.00%
15	Londa Hydropower Private Limited (LHPL)	India	Subsidiary[2]	96.93%	99.00%	99.00%	99.00%
16	GMR Energy Trading Limited(GETL)	India	Subsidiary[2,5&10]	99.60%	51.00%	100.00%	51.00%

No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
17	GMR Consulting Services Private Limited (GCSPL) (formerly GMR Consulting Engineers Private Limited)	India	Subsidiary[2]	96.93%	99.00%	99.00%	99.00%
18	GMR Highways Limited (GMRHL) (formerly GMR Highways Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
19	GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL)	India	Subsidiary[2]	60.48%	60.77%	74.00%	74.00%
20	GMR Tuni Anakapalli Expressways Private Limited (GTAEPL)	India	Subsidiary[2]	60.48%	60.77%	74.00%	74.00%
21	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary[2]	99.46%	100.00%	100.00%	100.00%
22	GMR Jadcherla Expressways Private Limited (GJEPL)	India	Subsidiary[2]	99.90%	100.00%	100.00%	100.00%
23	GMR Pochanpalli Expressways Limited (GPEL) (formerly GMR Pochanpalli Expressways Private Limited)	India	Subsidiary[2]	99.90%	100.00%	100.00%	100.00%
24	GMR Ulundurpet Expressways Private Limited (GUEPL)	India	Subsidiary[2]	99.90%	100.00%	100.00%	100.00%
25	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	India	Subsidiary[3]	74.00%	-	74.00%	-
26	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	India	Subsidiary[3]	89.79%	-	90.00%	-
27	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)	India	Subsidiary[3]	51.00%	-	51.00%	-
28	GMR Airports Holding Limited (GAHL) (formerly GVL Investments Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
29	GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary	63.00%	63.00%	63.00%	63.00%
30	Hyderabad Menzies Air Cargo Private Limited (HMACPL)	India	Subsidiary	32.13%	32.13%	51.00%	51.00%
31	Hyderabad Airport Security Services Limited (HASSL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
32	GMR Hyderabad Airport Resource Management Limited(GHARML)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
33	GMR Hyderabad Aerotropolis Limited (GHAL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%

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

No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
34	GMR Hyderabad Aviation SEZ Limited (GHASL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
35	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
36	GMR Hotels and Resorts Limited (GHHL) (formerly GMR Airport Handling Services Limited)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
37	MAS GMR Aerospace Engineering Company Private Limited (MGECPL)	India	Joint Venture[6]	31.50%	-	50.00%	-
38	Delhi International Airport Private Limited (DIAL)	India	Subsidiary[2&5]	53.79%	50.10%	54.00%	50.10%
39	DIAL Cargo Private Limited(DCPL)	India	Subsidiary[11]	53.79%	50.10%	100.00%	100.00%
40	Delhi Aerotropolis Private Limited(DAPL)	India	Subsidiary[11]	53.79%	50.10%	100.00%	100.00%
41	East Delhi Waste Processing Company Private Limited (EDWPCPL)	India	Subsidiary[11]	63.17%	40.08%	87.50%	80.00%
42	Delhi Aviation Fuel Facility Private Limited (DAFFPL)	India	Subsidiary[4]	33.89%	-	63.00%	-
43	Devyani Food Street Private Limited(DFSPL)	India	Joint Venture[6]	21.52%	-	40.00%	-
44	Delhi Select Services Hospitality Private Limited (DSSHPL)	India	Joint Venture[6]	21.52%	-	40.00%	-
45	Delhi Duty Free Services Private Limited (DDFSPL)	India	Joint Venture[6]	26.84%	-	49.90%	-
46	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL)	India	Associate[7]	13.99%	-	26.00%	-
47	Wipro Airport IT Services Private Limited (WAITSPL)	India	Joint Venture[6]	13.99%	-	26.00%	-
48	Delhi Cargo Service Centre Private Limited (DCSCPL)	India	Associate[7]	13.99%	-	26.00%	-
49	Delhi Airport Parking Services Private Limited (DAPSPL)	India	Joint Venture[6]	26.84%	-	49.90%	-
50	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Ve Isletme Sirketi (ISG)	Turkey	Joint Venture	40.00%	40.00%	40.00%	40.00%
51	Istanbul Sabiha Gokcen Uluslararasi Hvalimani Yer Hizmetleri Anonim Sirketi (SGH)	Turkey	Joint Venture	29.00%	29.00%	29.00%	29.00%

No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
52	GMR SEZ and Port Holdings Private Limited(GSPHPL) (formerly GMR Oil and Natural Gas Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
53	GMR Krishnagiri SEZ Limited(GKSEZL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
54	Advika Properties Private Limited(APPL) (formerly Advika Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
55	Aklima Properties Private Limited(AKPPL) (formerly Aklima Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
56	Amartya Properties Private Limited(AMPPL) (formerly Amartya Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
57	Baruni Properties Private Limited(BPPL) (formerly Baruni Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
58	Bougainvillea Properties Private Limited(BOPPL)	India	Subsidiary[3]	100.00%	-	100.00%	-
59	Camelia Properties Private Limited(CPPL) (formerly Camelia Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
60	Eila Properties Private Limited(EPPL) (formerly Eila Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
61	Gerbera Properties Private Limited(GPPL) (formerly Gerbera Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
62	Nadira Properties Private Limited(NPPL) (formerly Nadira Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
63	Honeysuckle Properties Private Limited(HPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
64	Idika Properties Private Limited(IPPL) (formerly Idika Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
65	Krishnapriya Properties Private Limited(KPPL) (formerly Krishnapriya Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%

No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
66	Lakshmi Priya Properties Private Limited(LPPPL) (formerly Hiral Real Estates Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
67	Prakalpa Properties Private Limited(PPPL) (formerly Prakalpa Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
68	Purnachandra Properties Private Limited(PUPPL) (formerly Purnachandra Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
69	Shreyadita Properties Private Limited(SPPL) (formerly Shreyadita Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
70	Sreepa Properties Private Limited(SRPPL) (formerly Sreepa Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
71	GMR Aviation Private Limited(GAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
72	Gateways for India Airports Private Limited(GFIAPL)	India	Subsidiary	86.49%	86.49%	86.49%	86.49%
73	GMR Headquarters Private Limited(GHDPL)	India	Subsidiary[3]	100.00%	-	100.00%	-
74	GMR Campus Private Limited(GCPL)	India	Subsidiary[3]	100.00%	-	100.00%	-
75	GMR Corporate Affairs Private Limited(GCAPL)	India	Subsidiary[3]	99.00%	-	99.00%	-
76	Dhruvi Securities Private Limited(DSPL)	India	Subsidiary[3]	100.00%	-	100.00%	-
77	GMR Infrastructure (Mauritius) Limited(GIML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
78	GMR Infrastructure (Cyprus) Limited(GICL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	100.00%
79	GMR Infrastructure Overseas Sociedad Limitada(GIOSL)	Spain	Subsidiary	100.00%	100.00%	100.00%	100.00%
80	GMR Infrastructure (UK) Limited(GIUL)	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%
81	GMR Infrastructure (Global) Limited(GIGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
82	GMR Infrastructure (Singapore) Pte Limited(GISPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
83	GMR International (Malta) Limited (GMRIML)	Malta	Subsidiary	100.00%	100.00%	100.00%	100.00%

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

No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
84	Island Power Intermediary Pte Limited(IPIPL)	Singapore	Subsidiary[3]	100.00%	-	100.00%	-
85	Island Power Company Pte Limited(IPCPL)	Singapore	Subsidiary[13]	100.00%	-	100.00%	-
86	Island Power Supply Pte Limited(IPSPL)	Singapore	Subsidiary[13]	100.00%	-	100.00%	-
87	Himtal Hydro Power Company Private Limited (HHPCPL)	Nepal	Subsidiary[2]	78.33%	80.00%	80.00%	80.00%
88	GMR Upper Karnali Hydropower Public Limited (GUKHL)	Nepal	Subsidiary[2&5]	71.55%	50.50%	73.00%	73.00%
89	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Subsidiary[2]	98.01%	100.00%	100.00%	100.00%
90	GMR Lion Energy Limited (GLEL)	Mauritius	Subsidiary[2&5]	98.01%	69.18%	100.00%	69.18%
91	GMR Energy (Cyprus) Limited (GECL)	Cyprus	Subsidiary[2]	98.01%	100.00%	100.00%	100.00%
92	GMR Energy (Netherlands) B.V (GENBV).	Netherlands	Subsidiary[2]	98.01%	100.00%	100.00%	100.00%
93	PT Dwikarya Sejati Utma (PTDSU)	Indonesia	Subsidiary[2]	98.01%	100.00%	100.00%	100.00%
94	PT Duta Sarana Internusa (PTDSI)	Indonesia	Subsidiary[2]	98.01%	100.00%	100.00%	100.00%
95	Limak GMR Construction JV(LGCJV)	Turkey	Joint Venture	50.00%	50.00%	50.00%	50.00%
96	GMR Energy (Global) Limited(GEGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
97	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi(LGM)	Turkey	Joint Venture[6]	40.00%	-	40.00%	-
98	PT Barasentosa Lestari (PTBL)	Indonesia	Subsidiary[2]	98.01%	99.97%	100.00%	99.97%
99	Homeland Energy Group Limited (HEGL)	Canada	Associate[9]	33.47%	-	34.17%	-
100	Lion Energy Tuas Pte Limited (LETPL)	Singapore	Subsidiary[3]	98.01%	-	100.00%	-
101	PT Unsoco(PT)	Indonesia	Subsidiary [2&3]	98.01%	-	100.00%	-

1. Dilution in GEL due to fresh equity share capital issued to minority shareholders
2. Dilution consequent to GEL's issue of equity share capital issued to minority shareholders
3. Acquisition during the year
4. Incorporation during the year
5. Additional shares acquired from the minority shareholders
6. New joint venture company formed during the year
7. New associate formed during the year
8. Shares issued to minority shareholders
9. Became an associate during the year
10. Further investments made during the year
11. Consequent to increase in Group's shareholding in DIAL
12. Became subsidiary during the year consequent to increase in Group's shareholding
13. Became subsidiary on acquisition of IPIPL

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

3 Significant accounting policies

(i) Use of estimates

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

(ii) Revenue recognition

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

Energy Sector business

In case of power generating companies, revenue from sale of energy is recognised on accrual basis in accordance with the provisions of the Power Purchase Agreements (PPAs) and includes unbilled revenue accrued up to the end of the accounting year; and in other cases revenue is recognised in accordance with invoices raised on consumers based on the units of energy delivered.

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

Development of Highways

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

Infrastructure Business (Airport)

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

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

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

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

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

Revenue from the sale of fuel is measured at the consideration received or receivable, net of returns and trade discounts.

Construction Business

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

Others

- Dividend income on investments is accounted for when the right to receive the payment is established by Balance Sheet date.
- Income from management/technical services is recognised as per the terms of the agreement on the basis of services rendered.

- Interest on investments and bank deposits are booked on a time proportion basis taking into account the amounts invested and the rate of interest.
- Benefits arising out of duty free scrips utilized for the acquisition of fixed assets are recognized as income once it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

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

(iii) Operations and Maintenance

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

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

(iv) Fixed Assets

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

Development fee received / accrued, towards development of aeronautical assets is reduced from the cost of such assets.

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

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

Intangible Assets

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

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

(v) Exploration and evaluation expenditure

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

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

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

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

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

(vi) Leases

For Lessee:

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

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

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

For Lessor:

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

(vii) Depreciation/ Amortisation

Tangible Assets

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

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

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

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

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

Asset category	Useful life in years	
	Min	Max
Lease Hold Improvements	3	16
Buildings	10	10
Plant & Machinery	5	15
Furniture & Fixture	4	20
Software	3	3
Other Tangible Fixed Assets	5	5
Computer, Office equipment	3	4
Motor vehicles	4	7

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

Intangible Assets

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

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

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

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

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

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

(viii) Impairment of assets

All the fixed assets including intangible assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being the excess of carrying value over the recoverable value of the asset) is charged to the Profit and Loss account in the respective financial year. Recoverable amount is higher of the net selling price of an asset and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(ix) Investments

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

(x) Inventories

Inventories are valued as follows:

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

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

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

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

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

(xi) Employee benefits

a) Defined Contribution Plans

Contributions paid/payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc. in accordance with the applicable laws and regulations are recognised as expenses during the period in which the employees perform the services that the payments cover.

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

b) Defined Benefit Plan

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

c) Other Long term employee benefits

Employee benefits including compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date based on actuarial valuation method of Projected Unit Credit carried out at each Balance Sheet date. Actuarial Gains and Losses are recognised immediately in the Profit and Loss account as an income or expense.

d) Short term employee benefits

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

(xii) Foreign Currency Transactions

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions.

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

Exchange differences in respect of accounting periods commencing on or after December 07, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortised over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2011.

All other monetary assets and liabilities denominated in foreign currency are restated using the closing rate and all exchange gains/losses arising therefrom are adjusted to the Profit and Loss account except, those covered by forward contracted rates (not intended for trading or speculation), where the premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

Exchange differences on forward contracts are recognised in the Profit and Loss account in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense for the year.

In translating the financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rates and the income and expenses are translated at the dates of the transaction and all the resulting exchange differences are accumulated in foreign exchange fluctuation reserve until the disposal of the investment. On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised. Any goodwill or capital reserve arising on acquisition of non-integral operation is translated at closing rate.

(xiii) Earnings per share

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

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

(xiv) Government Grants

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

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

(xv) Taxes on Income

Tax expense comprises of current and deferred tax. Current tax is determined based on the amount of tax payable in respect of taxable income for the year in accordance with the applicable laws. Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years.

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

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

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

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

(xvi) Segment Reporting Policies

Identification of segments:

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

Inter segment Transfers:

The Group accounts for intersegment sales/ transfers at arm's length price.

Allocation of common costs:

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

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

Segment Policies:

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

(xvii) Provisions

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

(xviii) Derivative Instruments

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

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

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

(xx) Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and, to the extent not provided for, are disclosed as contingent liability by way of notes on the accounts

(xxi) Cash and cash equivalents

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

4. Notes to the consolidated accounts

(i) Contingent Liabilities

(Rs.i nc rore)

Particulars	March 31, 2010	March 31, 2009
a. Corporate guarantees	8,944.63	7,100.10
b. Claims against the group not acknowledged as debts	188.93	0.01
c. Matters relating to income tax under dispute	0.32	0.03
d. Matters relating to indirect taxes under dispute	137.14	90.45

e. In case of DIAL, with effect from June 1, 2007, the AAI claimed service tax on the annual fee payable to it considering same as rental from immovable property. DIAL has disputed the grounds of the levy as well as their liability under provisions of the OMDA. As the matter is under dispute and pending with the Hon'ble High Court of Delhi, the impact of the same, if any, has not been considered. Such payment, if required to be made, would, however, be eligible for claiming set off against the Service Tax outgo.

f. SGH, a joint venture of the Group, has dismissed 226 workers in September 2009 without payment of any termination benefits. There is a collective lawsuit filed by dismissed employees and the local court has decided against SGH. SGH has filed an appeal before the Supreme Court and the management is confident that the case will be settled in favour of SGH and hence no provision has been made for any amounts demanded by dismissed employees as at March 31, 2010.

(ii) Capital Commitments

(Rs. in crore)

Particulars	March 31, 2010	March 31, 2009
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	14,136.06	8,666.16

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

(iii) Equity Shares:

a. During the year, 46,800,000 equity shares of Rs. 10 each of DIAL were acquired from IDFC Infrastructure Fund – India Development Fund (IDF) at a consideration of Rs.149.73 crore which was discharged by allotment of 26,038,216 equity shares of GIL of Re.1 each at issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards securities premium). Consequently, the effective share holding of the Company in DIAL has increased to 53.79%.

b. Consequent to the approval of the shareholders in their Annual General Meeting held on August 31, 2009 the Board of Directors had fixed record date of October 5, 2009 for sub-division of equity shares of the Company of Rs. 2 each into 2 equity shares of Re. 1 each. Weighted average number of shares used in computing the earnings per share is based on a face value of Re.1 per share.

(iv) Preference shares issued by a subsidiary company

During the year ended March 31, 2010, GEL issued 200,000,000 non-cumulative redeemable preference shares of Rs. 10 each at a premium of Rs. 5 each fully paid up totaling to Rs. 300.00 crore to a bank. GEL shall redeem 5% of the subscription amount outstanding under each tranche on the completion of 13th, 24th, 36th and 48th month from the date on which the subscription money was remitted and remaining outstanding amount shall be redeemed on December 31, 2014. The applicable yield shall be 14% per annum for tranches subscribed prior to December 31, 2010 and for tranches subscribed on or after January 01, 2011 onwards, the applicable yield shall be 14% or bank's benchmark advance rate plus the applicable liquidity premia plus 0.25% per annum, whichever is higher.

(v) Reserves and Surplus

a. During the financial year 2005-06 GHIAL had received a grant of Rs. 107.00 crore from Government of Andhra Pradesh towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project, and the Group's share amounting to Rs. 67.41 crore has been included in Schedule 2 – Reserves and Surplus as Capital Reserve.

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

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

(vi) Foreign Currency Transactions

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

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

Accordingly,

a. exchange differences of Rs. Nil (2009: Rs. 18.19 crore) recognised as gain in the Profit and Loss account in respect of the financial year ended March 31, 2008 has been adjusted to the cost of fixed assets by carrying out a corresponding adjustment of Rs. Nil (2009: Rs. 18.19 crore) in the opening debit balance of Profit and Loss account as on April 1, 2008

b. exchange gain amounting to Rs. 90.12 crore for the year ended March 31, 2010 (2009: loss Rs. 180.53 crore) have been adjusted to the cost of depreciable asset in these consolidated financial statements.

c. an amount of Rs. 7.40 crore, being the exchange loss (2009: exchange gain of Rs. 9.28 crore) on long term monetary asset has been accumulated in the Foreign Currency Monetary Items Translation Difference Account and is being amortised in the Profit and Loss account over the balance period of such long term asset but not beyond March 31, 2011. The unamortised balance as at March 31, 2010 amounts to a debit balance of Rs. 0.53 crore (2009: credit balance of Rs. 6.87 crore).

(vii) Expenditure during construction period

The entities in the Group, which were in project stage, hitherto grouped and disclosed all the expenditure during construction stage pending allocation under "Expenditure during Construction Period Pending Allocation (Net)". Such entities have drawn up their Profit and Loss account during the year and accordingly, out of the total "Expenditure During Construction Period Pending Allocation (Net)" as on March 31, 2010 of Rs. 2,812.58 crore (2009: Rs. 2,116.39 crore), an amount of Rs. 2,790.98 crore, directly attributable to the cost of construction has been transferred to "Capital Work in Progress" and the remaining amount of Rs 21.60 crore relating to earlier years has been charged to the Profit and Loss account of the current year under the relevant heads of accounts.

(viii) Deferred payment liability

a. Negative Grant

In accordance with the terms of the concession agreements entered into with National highways Authority of India ('NHAI') by GACEPL, GJEPL and GUEPL dated November 16, 2005, February 20, 2006, April 19, 2006 respectively, the companies have an obligation to pay an amount of Rs. 507.96 crore by way of Negative Grant to NHAI and pursuant to which an amount of Rs. 257.60 crore has been paid as at March 31, 2010 and the balance amount of Rs. 250.36 crore has been disclosed as a deferred payment liability.

(Rs. in crore)

Name of subsidiary	Date of Concession Agreement	Total Negative grant	March 31, 2010	March 31, 2009
GACEPL	16.11.2005	174.75	118.83	118.83
GJEPL	20.02.2006	82.70	-	-
GUEPL	19.04.2006	250.51	131.53	132.77
Total			250.36	251.60

Amount payable within 1 year is Rs. 22.49 crore (2009: Rs. 1.24 crore)

b. Utilisation fees

Pursuant to the implementation agreement between Undersecretariat for Defense Industries (Administration) and consortium consisting of Limak Insaat Sanayi Ve Ticaret A.S., GIL & Malaysian Airport Holding Berhad, utilisation fee of Euro 1,932 million is payable in annual installments over the final 17 years of the 20 year concession period, starting from 2011 and which has been extended by a total of 665 days through February 2030 for an additional concession fee totaling approximately Euro 244 million which is accounted as below:

(i) Depreciation/ amortisation for the year ended March 31, 2010 includes Rs. 54.17 crore towards amortisation of utilisation fees based on units of usage method. (2009: Rs. 37.14 crore) with a corresponding credit to utilisation fees liability.

(ii) Utilisation fees liability as at March 31, 2010 amounts to Rs. 83.56 crore (2009: Rs. 38.60 crore). Amount payable to administration within 1 year is Rs. 83.56 crore (2009: Rs. Nil).

(ix) Sundry Debtors

a. In case of GPCL, claims/ counterclaims arising out of the PPA and Land Lease Agreement (LLA) in respect of the dues recoverable from Tamil Nadu Electricity Board (TNEB) on account of sale of energy including reimbursement towards interest on working capital, MAT, rebate, start/stop charges and payment of land lease rentals to TNEB respectively were pending settlement/reconciliation with TNEB. In this regard, GPCL had approached Tamil Nadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/ counterclaims. TNERC had vide its order dated April 16, 2010 (hereinafter referred to as "order") directed GPCL to submit all of its claims calculated in accordance with the directions set forth in the order issued by TNERC within a period of two months from the date of the order. GPCL has filed its claim on April 30, 2010.

In view of the favourable order from TNERC, GPCL has written back provision amounting to Rs. 30.32 crore made against amounts recognised as due as per the terms of the PPA. However, pending acceptance of claims by TNEB, and in accordance with the Group's accounting policy, claims aggregating to Rs. 402.13 crore have not been recognised in these consolidated financial statements.

b. Pursuant to the expiry of the PPA of GEL with Karnataka Power Transmission Corporation Limited on June 8, 2008, GEL has been generating and selling power directly to consumers as a merchant plant based on short term power supply agreements. During the current year, GEL has commenced the process of relocation to Kakinada (Andhra Pradesh) and conversion of the barge-mounted power plant to a natural gas fuel source power plant. The relocation and conversion to alternate fuel is expected to be completed by July 2010.

c. The Government of Karnataka vide its Order No. EN 540 NCE 2008 dated January 1, 2009 (the Order) invoked Section 11 of the Electricity Act, 2003 and directed GEL to supply power to the State Grid during the period 1st January, 2009 to 31st May, 2009 at a specified rate. The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22,

2009. GEL had an existing contract with a buyer till January 31, 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue recognition in respect of power supplied during January 2009 has been made in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to Rs. 44.04 crore.

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

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

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

(x) Operating Income

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

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

The following are the details of PSF (SC) balances.

(Rs. in crore)

Description	March 31, 2010		March 31, 2009	
Passenger Service fee (Security Component)	216.73		195.99	
Interest and other income	0.73	217.46	12.93	208.92
Less: Expenses		229.37		170.62
Net Income (expenses)		(11.91)		38.30
Surplus brought forward		199.49		161.19
Total		187.58		199.49
Fixed Assets (Net)		266.23		215.78
Investments		-		-
Receivables		19.46		27.61
Sundry debtors		3.72		-
Other assets		41.60		20.66
Cash and bank balance in escrow account		28.80		79.36
		359.81		343.41
Less: Other Liabilities		172.23		143.92
Total		187.58		199.49

b. The Ministry of Civil Aviation (MOCA), has issued a circular vide no. 13028 / 001 / 2009-AS dated January 08, 2010 (as amended vide clarification dated April 16, 2010) (Circular on PSF), that provides for all private airport operators to settle certain expense items without having recourse to the relevant passenger security funds. As a result, certain expense items of Rs 22.18 crore (including Rs. 12.15 crore incurred upto March 31, 2009), relating to personnel cost and operating expenses which were previously not recorded in the Profit and Loss account of DIAL have been recognised as an expense. Further in case of GHIAL, certain security related expenditure amounting to Rs. 1.73 crore and fixed assets amounting to Rs. 10.65 crore, transferred to PSF (SC) account during earlier years have been charged back/ reinstated in the books of GHIAL.

c. During the year ended March 31, 2010, based on the Circular on PSF issued by MOCA, DIAL has recognised income amounting to Rs. 37.33 crore including Rs. 26.60 crore pertaining to period up to March 31, 2009 relating to rental towards back office space and accommodation provided to Central Industrial Security Force (CISF) at the Airport premises in accordance with State Support Agreement and as an expenditure to be met out of PSF (SC). Accordingly, an amount of Rs. 37.33 crore has been appropriated out of PSF (SC) accounts.

d. The Airport Infrastructure companies, have represented to MOCA for allowing certain expenses such as land side security cost, security related consultancy expenses and other administration costs which are currently not covered as per Circular on PSF (SC) account. Currently, these expenses amounting to Rs. 42.30 crore are debited to PSF (SC) account. The companies are hopeful of obtaining the permission from MOCA to meet these expenses through PSF (SC) account and accordingly, no further adjustments have been considered necessary in the financial statements as at March 31, 2010.

e. In accordance with the terms of memorandum of understanding entered into by DIAL with one of its customers during the year, the management has determined and accrued revenue aggregating to Rs. 37.31 crore (including Rs. 26.44 crore pertaining to period up to March 31, 2009) and interest thereon of Rs. 5.91 crore as recoverable from a customer. The management is confident that no further material adjustments are likely.

f. Revenue earned by GHIAL for the year ended March 31, 2010 is net of service tax on User Development Fee (UDF) pertaining to previous year amounting to Rs. 12.39 crore. Expenses during the year ended March 31, 2010 include depreciation of Rs. 6.43 crore, personnel cost of Rs. 0.50 crore and finance charges of Rs. 6.06 crore under respective accounts pertaining to previous years.

(xi) Others

a. There are no micro and small enterprises, to which the Group owes dues, or with which the Group had transactions during the year, based on the information available with the Group, which has been relied upon by the Auditors.

b. The Company, through its step-down subsidiary GEGL, has entered into arrangements to acquire 50% equity stake in InterGen NV by means of Compulsorily Convertible Debentures (CCDs) in GMR Holding (Malta) Limited ('GHML'), a fellow subsidiary company, aggregating to USD 254 million. InterGen NV is a global energy company, which operates 8,146 MW capacity across five countries in four continents and is further developing 4,400 MW. The financial results of InterGen NV have not been considered in these consolidated financial statements of the Group pending conversion of such CCDs.

   The Company has also given a corporate guarantee up to a maximum of USD 1.38 billion to the lenders on behalf of GHML to enable it to raise debt for financing the aforesaid acquisition. Of such debts in GHML, USD 837 million is due to mature in October 2010. Subsequent to the year end, the Company, through GEGL, has invested additional USD 100 million in the CCDs issued by GHML to facilitate part repayment of the said loan.

   GHML's non statutory consolidated financial statements for the period ended December 31, 2009, prepared under International Financial Reporting Standards (IFRSs) as adopted by European Union, show a loss of USD130.90 million (March 31, 2009 – USD 54.60 million) and its total liabilities exceeded total assets by USD 159.3 million (2009 – USD 62.2 million). This loss was primarily due to the share of losses of the GHML's investment through its subsidiary in associate InterGen N.V. of USD 77.5 million as well as finance costs of USD 51.7 million. Though InterGen incurred a loss for the year ended December 31, 2009, it has generated an operating cash flow of USD 91 million (December 31, 2008 – USD 113 million) and its accounts continue to be prepared on a going concern basis. Further, subsequent to the year end, GHML has implemented new holding company structure to facilitate cash inflows from InterGen NV. Subsequent to the year-end, GHML has received distribution of cash amounting to USD 32.5 million from Intergen NV.

   GHML is in advanced stages of negotiation to refinance USD 537 million through a consortium of banks which is expected to be finalised in June 2010 and is also in the process of refinancing the balance of USD 200 million with other lenders. To this end, GMR Holdings Private Limited, the ultimate holding company, has also undertaken to provide the necessary financial guarantees to meet any obligations.

   Considering the above and the equity value of InterGen NV, corporate guarantee to the lenders on behalf of GHML is considered for disclosure as Contingent Liability in Note 19 (4) (i) (a) above and the Group's management is of view that there is no reduction in the carrying value of CCDs in GHML at this stage.

c. GHIAL has recorded a net loss after tax of Rs. 109.22 crore for the year and has accumulated losses of Rs. 291.09 crore as at March 31, 2010, resulting in substantial erosion of its net worth. GHIAL has made cash profit for the year ended March 31, 2010 and has met all its obligations up to March 31, 2010. Based on the future business plan and sanctions for additional loans, the Company is confident that it will be able to generate sufficient profits in future years and would meet its financial obligations as they arise.

d. The Board of Directors of GHIAL, a subsidiary of the Company, at their meeting held on January 04, 2010 have approved a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, pursuant to which the Hotel Division of GHIAL is proposed to be vested into GHRL, a wholly owned subsidiary of GHIAL, with the appointed date as April 01, 2009. The Scheme of Arrangement has been filed with the Hon'ble High Court of Andhra Pradesh, and, pending approval, no effect has been given of the said Scheme of Arrangement in these consolidated financial statements.

e. During the current year, DIAL had made an application to the Reserve Bank of India for extension of time limit for allotment of shares towards the foreign inward remittance of Rs. 250 crore, received as shareholders advance from its foreign shareholders (Fraport AG Frankfurt Airport Services Worldwide-Rs 125 crore and Malaysia Airports (Mauritius) Private Limited Rs. 125 crore) and that it has received the extension for the aforesaid allotment up to September 30, 2010.

f. The Group effectively holds 33.47% equity investment in HEGL which became an associate of the Group effective June 5, 2009 with the participation of the Group's representatives on the Board of Directors of HEGL. On October 1, 2009, HEGL commenced commercial production of coal from its Kendal project in South Africa and also owns an advanced-stage coal development project in South Africa in addition to number of earlier-stage exploration properties in South Africa and Botswana.

   The Group's share in the loss of HEGL amounting to Rs. 22.94 crore is included in these consolidated financial statements as per the financial statements of HEGL for the period June 5, 2009 to December 31, 2009. The carrying cost of investment in HEGL as at March 31, 2010 amounting to Rs. 109.29 crore, substantially exceeds the net worth and the market value of shares in HEGL. Additionally, an amount of Rs. 35.14 crore has been given as loan to HEGL.

   The above-mentioned financial statements of HEGL for the period ended December 31, 2009, contained a commentary on the continuing operating losses and working capital deficiency arising mainly on account of default of certain covenants in financing arrangements with the lending bank, and the possible impact on the assumption of "Going Concern' in the preparation of such financial statements. HEGL has negotiated agreements with certain suppliers and contractors to extend normal creditor payment terms. HEGL is working on restructuring its debt facility and considering various options to bring the loan into good standing.

   The Group's investment in the said associate is for long term strategic requirements to meet the fuel needs of the power companies of the Group. HEGL is in a period where high capital costs are being incurred, while commissioning issues with respect to the recent plant modifications have been experienced. The management is monitoring these resources closely and is confident that HEGL will achieve profitable operations in the foreseeable future. Considering that these mines have significant reserves and value potential which reflect intrinsic value in excess of carrying value of investments and loan in HEGL, the management is of the view that such shortfall in the net worth/decline in market value of shares in HEGL is purely temporary in nature. Therefore, no provision is considered necessary at this stage in respect of aforementioned amounts.

g. During the year, VPGL has been granted a refund of customs duty of Rs. 69.09 crore paid earlier on the import of plant and machinery and capitalised as cost of fixed assets. Accordingly, such refund has been adjusted to the cost of the fixed assets and the related depreciation expense of Rs. 11.20 crore charged from the date of capitalisation till the date of grant of such refund has been written back to Profit and Loss account.

h. The average remaining amortisation period of carriage ways and airport concessionaire rights is 14 years and 57 years respectively.

i. Borrowing cost capitalised during the year is Rs. 130.20 crore (2009: Rs. 256.39 crore).

j. IPCPL's financial statements for the period ended March 31, 2010, show a net loss of Rs. 48.25 crore, which arose prior to the acquisition by the Group, mainly due to the reversal of a write back of a loan from a former intermediate holding company amounting to Rs. 46.40 crore.

   IPCPL is currently in the process of developing an 800 MW power plant for the generation and supply of electricity.

   IPCPL was acquired by the Group in May 2009 with the intention to resume its development activities and has made substantial progress on the project development work since the date of acquisition and additional funds have been injected by the Group towards continuity in development activities. IPCPL appointed Bank of Tokyo-Mitsubishi UFJ to assist in financial closure; financial closure is expected to be completed during the current financial year. The Management of IPCPL is confident of the outcome of certain future events which among others include the availability of financial support for the project and the ability of the management of IPCPL to successfully negotiate contracts and secure licenses pertinent to its operations and has considered the use of the going concern assumption to be appropriate in preparation of its financial statements. Accordingly, the Group is of the view that there are no events or changes that would affect the value of its investments in IPCPL.

(xii) Derivative Instruments:

Interest rate swaps outstanding as at the Balance Sheet date:

a. In case of DIAL, as per the conditions precedent to the disbursement of external commercial borrowings (ECB) of USD 350 million, it has entered into an interest rate swap (IRS) arrangement from floating rate of interest to fixed rate of interest against its ECB covering the loan period. Since the critical terms of the IRS and the underlying ECB are same, based on the internal assessment carried out by the management, the impact of the mark to market valuation of the IRS, net of gain/loss on the underlying loan, is considered to be immaterial and accordingly no adjustments have been made in the consolidated financial statements.

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

b. In case of GHIAL, as per the conditions precedent to disbursement of foreign currency loan, of USD 125 million, GHIAL has entered into swap agreement from floating rate of interest to fixed rate of interest covering the period of the foreign currency loan from September 10, 2007 to April 01, 2024. Since the critical terms of the IRS and the underlying foreign currency loan are same, based on the internal assessment carried out by the management, the impact of the mark to market valuation of the IRS, net of gain/loss on the underlying loan, is considered to be immaterial and accordingly no adjustments have been made in the consolidated financial statements.

c. ISG has entered into an IRS agreement with ABN AMRO Bank NV (Now Royal Bank of Scotland) for swapping floating rate of interest to fixed rate of interest for its Loan of EUR 336 million covering the period June 30, 2008 to June 29, 2018.

The net impact of the mark to market loss on valuation of the IRS as at March 31, 2010 amounting to EUR 8,839,000 (equivalent 40% share in Rs. 23.83 crore) has been provided.

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

The net impact of the mark to market loss on valuation of the IRS as at March 31, 2010 amounting to USD 434,241 (Rs. 2.10 crore) has been provided.

e. Unhedged foreign currency exposure for monetary items is as follows:

Currency	Balance with banks	Capital advances	Loans	Payable	Receivable
AED	- (-)	- (-)	- (-)	- (-)	- (100)
CAD	- (-)	- (-)	- (-)	- (-)	7,710,000 (-)
Euro	180 (333,366)	3,592,264 (1,097,676)	- (-)	3,118,114 (2,446,053)	- (-)
GBP	2,910 (5,779)	660,583 (114,318)	- (-)	298,350 (404,544)	- (-)
HKD	- (-)	- (-)	- (-)	863,174 (567,100)	6,330 (-)
MYR	- (-)	- (-)	- (-)	179,257 (90,785)	- (-)
SGD	- (-)	- (-)	- (-)	41,805 (295,706)	- (-)

Currency	Balance with banks	Capital advances	Loans	Payable	Receivable
TRY	1,035,789 (11,226,371)	- (-)	- (-)	- (-)	- (-)
USD	1,327,544 (917,001)	6,629,711 (1,383,370)	178,542,500 (155,000,000)	2,861,206 (1,273,829)	- (200)
JPY	- (-)	- (2,541,000)	- (-)	- (-)	- (-)
CNY	- (-)	- (-)	- (-)	- (-)	- (8,500)
Rs. in crore	9.12 (41.53)	56.42 (15.49)	863.11 (866.22)	34.79 (27.49)	34.06 (0.01)

Note: Previous year figures are mentioned in brackets.

xiii. Employee benefits

a) Defined contribution plan

Contribution to Provident and other funds under Generation and operating expenses (Schedule 16) and Administration and other expenses (Schedule 17) are as under:

(Rs. in crore)

Particulars	2010	2009
Contribution to provident fund	7.82	5.12
Contribution to superannuation fund	4.28	3.23
	12.10	8.35

b) Defined benefit plan

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

The following tables summaries the components of net benefit expense recognised in the Profit and Loss account and the funded status and amounts recognised in the Balance Sheet for gratuity benefit.

Profit and Loss account

Net employee benefit expense (Rs. in crore)

	2010	2009
Current service cost	2.34	1.74
Interest cost on benefit obligation	0.34	0.20
Expected return on plan assets	(0.56)	(0.34)
Net actuarial(gain) / loss recognised	(0.53)	(0.53)
Past service cost	0.29	-
Net benefit expense	1.88	1.07

(Rs. in crore)

Actual return on plan assets	0.49	0.32

Balance Sheet

(Rs. in crore)

	2010	2009
Defined benefit obligation	8.48	4.25
Fair value of plan assets	8.38	5.58
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(0.10)	1.33

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Changes in the present value of the defined benefit obligation (Rs. in crore)

	2010	2009
Opening defined benefit obligation	4.25	2.87
New Acquisitions	0.16	-
Interest cost	0.34	0.20
Current service cost	2.34	1.74
Past service cost	0.29	-
Benefits paid	(0.04)	(0.05)
Adjustment on transfer	1.60	-
Actuarial (gains) / losses on obligation	(0.46)	(0.51)
Closing defined benefit obligation	8.48	4.25

Changes in the fair value of plan assets are as follows (Rs. in crore)

	2010	2009
Opening fair value of plan assets	5.58	3.30
New Acquisition	0.20	-
Expected return	0.42	0.30
Contributions by employer	0.98	2.32
Benefits paid	(0.14)	(0.27)
Actuarial gains / (losses)	0.07	0.02
Adjustment on transfer	1.27	(0.09)
Closing fair value of plan assets	8.38	5.58

The Group expects to contribute Rs. 2.92 crore (2009: Rs. 2.30 crore) towards gratuity fund in 2010-2011.

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

	2010	2009
	%	%
Investments with insurer managed funds	100	100

The principal assumptions used in determining gratuity obligation:

	2010	2009
	%	%
Discount rate	8	7
Expected rate of return on assets	8	8
Expected rate of salary increase	6	6
Employee turnover	5	5

Notes :

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

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Amounts for the current and prior periods are as follows:

(Rs. in crore)

	Gratuity		
	2010	2009	2008
Defined benefit obligation	8.48	4.25	2.87
Plan assets	8.38	5.58	3.30
Surplus / (deficit)	(0.10)	1.33	0.43
Experience adjustments on plan liabilities	(0.36)	(0.51)	(0.54)
Experience adjustments on plan assets	0.07	0.02	(0.08)

c) Leave encashment liability provided based on actuarial valuation amounts to Rs. 11.52 crore (2009: Rs. 4.58 crore) as at March 31, 2010.

(xiv) Leases

a. Finance Lease

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

(Rs. in crore)

Particulars	Minimum lease payment	Present value of minimum Lease	Minimum lease payment	Present value of minimum lease
	March 31, 2010		March 31, 2009	
(i) Payable not later than 1 year	1.68	1.58	1.66	1.56
(ii) Payable later than 1 year and not later than 5 years	2.08	1.62	3.34	2.66
(iii) Payable later than 5 years	-	-	-	-
Total – (i)+(ii)+(iii) = (iv)	3.76	3.20	5.00	4.22
Less: Future finance charges (v)	0.56	-	0.78	-
Present Value of Minimum Lease Payments [(iv) – (v)]	3.20	-	4.22	-

b. Operating Leases

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

(Rs. in crore)

Particulars	March 31, 2010	March 31, 2009
Payment		
Lease rentals under concellable leases	51.38	34.84
Lease rentals under non-concellable leases	12.74	13.51
Receipt		
Lease rentals under concellable leases	0.74	0.72
Obligations on non-cancellable leases		
Not later than one year	2.51	5.38
Later than one year and not later than five years	0.71	21.68
Later than five years	10.50	11.27

Note: During the year GHIAL has modified the terms of a non-cancellable lease arrangement whereby the lease has become cancellable. Previous figures in respect of this lease include Rs. 5.19 crore under not later than one year and Rs. 20.46 crore under later than one year and not later than five years.

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

(xv) Earnings Per Share (EPS)

(Rs. in crore, except for share data)

Particulars	March 31, 2010	March 31, 2009
Nominal value of equity shares (Re. per share) [Refer note 4(iii)(b) above]	1	1
Weighted average number of equity shares outstanding at the end of the year	3,661,715,973	3,641,299,958
Net Profit after minority interest/ share of profits/ (losses) of associate (Rs. in crore)	158.40	279.45
EPS – Basic and Diluted (Rs.)	0.43	0.77

Notes:

a. As at March 31, 2010, Rs. 2,750 (2009: Rs. 2,750) was receivable towards Equity Shares and for the computation of weighted average number of Equity Shares outstanding at the end of the year, these have been considered as partly paid-up shares.

b. The Company does not have any dilutive securities.

(xvi) Deferred Tax

Deferred Tax Asset/ (Liability) comprises mainly of the following:

(Rs. in ctrore)

S.No.	Particulars	March 31, 2010		March 31, 2009	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
1	Depreciation	-	517.36	-	245.21
2	43B disallowances	1.19	-	0.29	-
3	Carry forward losses	234.77	-	110.44	-
4	Carry forward depreciation	327.41	-	104.74	-
5	Others	34.64	0.18	10.59	-
	Total	598.01	517.54	226.06	245.21
	Deferred tax asset/ (Deferred tax liability) (net)	80.47			(19.15)
	Change for the year		(99.62)		(23.35)
	Foreign Currency translation difference		1.06		0.23
	Charge/(Credit) for the year		(98.56)		(23.12)

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

b. In case of GEL, deferred tax asset as per the requirements of AS-22 "Accounting for taxes on income" as referred to in section 211(3C) of the Companies Act, 1956 has not been recognised during the year, on the timing differences to the extent not reversing within tax holiday period of GEL under provisions of Section 80-IA of the Income Tax Act, 1961, in view of management's assessment of future profitability.

c. GHIAL has recognised deferred tax asset on unabsorbed depreciation and carried forward losses as at March 31, 2010, only to the extent of deferred tax liability on depreciation as at March 31, 2010, after considering the timing differences originating on or before the Balance Sheet date and not reversing within the tax holiday period. Accordingly, there is no impact on the Profit and Loss account for the current year.

d. In case of PTBSL, deferred tax asset has not been recognised on unabsorbed losses in view of the management's assessment of future profitability of the Company.

e. In case of VPGL, it is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2006-07, under Section 80-IA of the Income Tax Act, 1961 with regard to income from generation of power. Considering that VPGL had brought forward losses of Rs. 133.71 crore and unabsorbed depreciation of Rs. 579.41 crore as at April 1, 2009 under Income Tax Act, 1961, the management, based on the projected future taxable income and tax planning strategies, expects to avail such tax holiday from the assessment year 2015-16.

VPGL has recognised deferred tax asset/liability in respect of all the timing differences which have originated up to March 31, 2010 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period.

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

VPGL has recognised deferred tax asset amounting to Rs. 147.00 crore on carry forward business loss and unabsorbed depreciation available for set-off from future taxable income before commencement of the expected tax holiday period. The management believes that there is virtual certainty, with convincing evidence, of availability of such future taxable income in view of the power pricing mechanism in the Power Purchase Agreement entered into with the Andhra Pradesh Power Distribution Companies for supply of 370MW out of the total capacity of 387.625 MW, as amended, for a period of 23 years set to expire in 2029 and the agreement entered into by VPGL with Reliance Industries Limited and Niko(Neco) Limited on April 24, 2009 for supply of natural gas for a period of 5 years pursuant to allocation of natural gas from KG D-6 being made available to VPGL under firm allocation basis by the Ministry of Petroleum and Natural Gas, Government of India, vide their letter dated November 18, 2009.

(xvii) Provisions

(Rs. in crore)

Particulars	As at April 01, 2009	Provision made during the year	Amount written back during the year	Amount used during the year	As at March 31, 2010
Provision for operations and maintenance	46.69	5.10	33.36	2.99	15.44
	(83.46)	(12.42)	-	(49.19)	(46.69)
Provision for voluntary retirement compensation	-	250.88	-	80.00	170.88
	(-)	(-)	(-)	(-)	(-)

Note: Previous year figures are mentioned in brackets.

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

b. Further, GTTEPL has written back an amount of Rs. 20.60 crore being the provision towards periodic maintenance charges, based on the survey done by an independent engineer appointed by the National Highways Authority of India (NHAI) and the revised cost estimates submitted by Operation & Maintenance contractor.

c. During the year, DIAL has provided Rs. 250.88 crore towards Voluntary Retirement Compensation (VRC) on account of reimbursement of VRC payable to AAI on expiry of the operational support period on May 2, 2009. The VRC has been recognised as an intangible asset and is being amortised over the period of Airport concession rights i.e. 60 years.

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

Name of the Joint Venture	Country of Incorporation	Percentage of ownership interest directly or indirectly	
		March 31,2010	March 31,2009
ISG	Turkey	40.00%	40.00%
SGH	Turkey	29.00%	29.00%
LGCJV	Turkey	50.00%	50.00%
LGM	Turkey	40.00%	-
MGECPL	India	31.50%	-
DFSPL	India	21.52%	-
DSSHPL	India	21.52%	-
DDFSPL	India	26.84%	-
WAITSPL	India	13.99%	-
DAPSPL	India	26.84%	-

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

Particulars	March 31,2010	March 31,2009
Assets		
Fixed assets	905.53	23.67
Capital work-in-progress including capital advances	79.13	500.42
Deferred tax asset (net)	17.46	6.92
Current assets, loans and advances		
Inventories	12.65	30.49
Sundry debtors	67.78	97.51
Cash and bank balances	170.27	101.06
Other current assets	0.01	0.25
Loans and advances	236.36	229.62
Liabilities		
Secured loans	954.47	545.86
Unsecured loans	52.97	0.06
Current liabilities and provisions		
Liabilities	320.80	289.63
Provisions	41.60	-
Income		
Sales	754.74	592.27
Other income	0.28	0.08
Expenses		
Generation and operating expenses	523.22	443.71
Administration and other expenses	75.39	62.58
Depreciation/ amortisation	85.64	41.93
Interest and finance charges (net)	51.55	(0.79)
Provision for taxation (including deferred tax)	11.22	15.77
Other Matters		
Capital commitments	11.58	208.58
Contingent liabilities		
Claims against the joint ventures not acknowledged as debts	1.21	-
Legal dispute with employees - Amount not ascertainable [also refer note 4(i)(f) of Schedule 19]	-	-
Reserves as at April 1, 2009	29.16	-
Add: Group's share of profits for the year	7.99	29.16
Reserves as at March 31, 2010	37.15	29.16

(xix) Segment Reporting

a. The segment reporting of the Group has been prepared in accordance with AS 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

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

c. The business segments of the Group comprise of the following:

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

d. Geographical segment is categorised as 'India' and 'Outside India' and based on the domicile of the customers.

e. Various business segments comprise of the following companies:

Power segment	Roads segment	Airport segment	EPC segment	Others segment
GEL	GTTEPL	GHIAL	GIL (EPC Division)	GIL
GPCL	GTAEPL	GFIAPL	LGCJV	GAHL
VPGL	GACEPL	HMACPL		GAPL
GBHPL	GJEPL	HASSL		GKSEZL
BHPL	GPEL	GHARML		APPL
GMEL	GUEPL	WAITSPL		AKPPL
GKEL	GMRHL	LGM		AMPPL
HHPCL	GHVEPL	GHAL		BPPL
GEML	GCORRPL	GHASL		GISPL
GLEL	GOSEHHHPL	GHMSL		CPPL
GUKHL		EDWPCPL		DSPL
GETL		DFSPL		GIOSL
GCSPL		DSSHPL		GPPL
GCEPL		GHHL		EPPL
GBHHPL		MGECPL		SPPL
GLHPPL		DIAL		SRPPL
LHPL		DDFSPL		BOPPL
GCHEPL		DAFFPL		GSPHPL
GECL		DAPL		GCPL
GENBV		CDCTMIPL		GHDPL
PTDSU		DCSCPL		IPSPL
PTDSI		DAPSPL		IPIPL
PTBL		ISG		GIML
LETPL		SGH		GIUL
GREL		DCPL		GCAPL
SJK				LPPPL
PT				HPPL
EMCO				IPPL
HEGL				KPPL
GEGL				NPPL
				PPPL
				PUPPL
				GIGL
				IPCPL
				GICL
				GMRIML

Note (xix)(f) The details of segment information is given below:

Notes forming part of the Consolidated Accounts

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

(Rs. in crore)

Business segments	Power		Roads		Airports		EPC		Others		Inter segment		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue														
Revenue from customers	2,037.56	2,135.21	346.07	151.90	1,488.23	1,206.24	409.85	304.17	284.80	221.70	-	-	4,566.51	4,019.22
Inter segment revenue	1.91	3.50	-	-	0.39	-	-	-	45.99	30.45	(48.29)	(33.95)	-	-
Total revenues	2,039.47	2,138.71	346.07	151.90	1,488.62	1,206.24	409.85	304.17	330.79	252.15	(48.29)	(33.95)	4,566.51	4,019.22
Operating expenses	1,658.36	1,538.30	25.42	18.37	608.94	507.92	253.83	204.61	32.04	16.89	(2.00)	(3.50)	2,576.59	2,282.59
Depreciation/ amortisation	109.49	117.21	144.72	55.69	340.86	207.75	1.14	1.01	16.03	8.17	-	-	612.24	389.83
Segment operating profit/(loss)	271.62	483.20	175.93	77.84	538.82	490.57	154.88	98.55	282.72	227.09	(46.29)	(30.45)	1,377.68	1,346.80
Interest income/(expense) - net	(71.08)	(95.49)	(198.19)	(39.23)	(388.77)	(203.47)	0.60	2.64	(88.09)	(34.80)	23.20	2.15	(722.33)	(368.20)
Other income/(expense) - net	(11.79)	(72.42)	(15.01)	(6.82)	(298.70)	(476.57)	(10.44)	(17.09)	(149.37)	(103.87)	23.09	28.30	(462.22)	(648.47)
Profit / (loss) before tax	188.75	315.29	(37.27)	31.79	(148.65)	(189.47)	145.04	84.10	45.26	88.42	-	-	193.13	330.13
Taxation														
Current tax	28.86	27.81	10.51	5.40	0.35	3.25	32.36	22.29	(1.32)	11.35	-	-	70.76	70.10
Less: MAT credit entitlement	-	-	-	-	-	-	(8.75)	-	4.34	-	-	-	(4.41)	-
Deferred tax credit	(74.14)	-	-	-	(15.15)	(19.53)	-	-	(9.27)	(3.59)	-	-	(98.56)	(23.12)
Fringe benefit tax	-	0.53	-	0.15	-	4.31	-	-	-	1.05	-	-	-	6.04
Net profit/(loss) for the year	234.03	286.95	(47.78)	26.24	(133.85)	(177.50)	121.43	61.81	51.51	79.61	-	-	225.34	277.11
Other information														
Segment assets	7,931.89	5,115.03	4,274.69	3,870.96	16,496.79	11,130.73	347.34	350.47	9,151.94	6,533.29	(6,409.45)	(4,703.70)	31,793.20	22,296.78
Capital expenditure	2,107.80	725.86	247.45	1,386.65	4,603.80	4,634.60	22.39	2.47	369.01	260.26	-	-	7,350.45	7,009.84
Depreciation/ amortisation	109.49	117.21	144.72	55.69	340.86	207.75	1.14	1.01	16.03	8.17	-	-	612.24	389.83
Other non cash expenses	10.70	11.51	-	-	25.36	0.32	-	-	2.18	11.98	-	-	38.24	23.81
Segment liabilities	4,027.14	2,086.43	3,350.31	3,167.24	13,506.44	8,137.01	116.25	242.99	3,396.13	707.68	(1,259.75)	(328.68)	23,136.52	14,012.67

Revenue from customers in respect of airports for the year ended March 31, 2010 is net of annual fees to Airport Authority of India, amounting to Rs. 556.91 crore (2009: Rs.456.97 crore).

The Group has two geographical segments: India and Outside India.

(Rs. in crore)

Geographical segments	Revenue		Assets		Capital expenditure	
	2010	2009	2010	2009	2010	2009
India	3,674.19	3,255.78	27,982.75	20,205.24	6,849.08	6,400.62
Outside India	892.32	763.44	3,810.45	2,091.54	501.37	609.22
Total	4,566.51	4,019.22	31,793.20	22,296.78	7,350.45	7,009.84

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

(xx) Related Party Transactions

a. Names of related parties and description of relationship:

Sl. No.	Relationship	Name of the Parties
(i)	Holding Company	GMR Holdings Private Limited (GHPL)
(ii)	Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture / enterprises exercising significant influence over the subsidiary companies.	Airports Authority of India (AAI) Malaysia Airports Holdings Berhad (MAHB) Government of Andhra Pradesh (GoAP) Fraport AG Frankfurt Airport Services Worldwide (FAG) Malaysia Airports (Mauritius) Private Limited (MAMPL) GMR Chhatisgarh Engergy Private Limited (GCEPL) U E Development India Private Limited (UEDI) Bharat Petroleum Corporation Limited (BPCL) India Development Fund (IDF) Istanbul Sabhia Gockecen Ulsarasihavalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG) Menzies Aviation Cargo (Hyderabad) Limited (MACHL) Limak Insaat San. Ve Tic. A.S (LISVT) Malaysian Aerospace Engineering Sdn. Bhd.- (MAE) Malaysian Airline System Bhd. – (MAS) Menzies Aviation PLC (UK) - (MAPUK) Menzies Aviation Bobba (Bangalore) Private Limited (MABBPL) Menzies Aviation India Private Limited (MAIPL) Menzies Bobba Ground Handling Services Private Limited (MBGHSPL) LGM Guvenlik (LGMG)
(iii)	Enterprises where key management personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) GMR Hebbal Towers Private Limited (GHTPL) (Formerly known as Lobelia Properties Private Limited)
(iv)	Associates	Homeland Energy Group Limited (HEGL) Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL) Delhi Cargo Service Centre Private Limited (DCSCPL)
(v)	Fellow Subsidiary (where transactions have taken place)	GMR Industries Limited (GIDL) Raxa Security Services Limited (RSSL) GMR Bannerghatta Properties Private Limited (GBPPL) (Formerly known as GMR Properties Private Limited) GMR Projects Private Limited (GMRPPL) GMR Sports Private Limited (GSPL) GMR Holding (Malta) Limited (GHML) Grandhi Enterprises Private Limited (GREPL) GMR Holdings (Overseas) Limited (GHOL) Crossridge Investments Limited (CIL) GMR International FZE (GIFZE) Ideaspace Solutions Limited (ISL) Rajam Enterprises Private Limited (REPL)
(vi)	Key management personnel and their relatives	Mr. G.M.Rao (Chairman) Mrs. G.Varalakshmi Mr. G.B.S.Raju (Managing Director) (Resigned w.e.f May 12, 2010) Mr. G. Kiran Kumar (Director) Mr. Srinivas Bommidala (Director) (Managing Director w.e.f May 24, 2010) Mr. B.V.Nageswara Rao (Director) Mr. O Bangaru Raju (Director)

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

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

(Rs. in crore)

Nature of Transaction	2010	2009
Purchase of long term investments from		
- Holding Company		
GHPL	0.03	0.03
-Fellow Subsidiaries		
ISL	4.00	-
REPL	3.15	-
GREPL	3.15	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
IDFC	149.73	-
- Key management personnel		-
Mr. Srinivas Bommidala	0.01	-
Mr. O Bangaru Raju (Amounting to Rs.24,000 (2009: Rs. Nil))	0.00	-
Sale of investment - long term		
- Holding Company		
GHPL (Amounting to Rs.24,454 (2009: Rs. Nil))	-	-
- Key management personnel and their relatives		
Mr. G.B.S. Raju (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Mr. G. Kiran Kumar (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Mr. Srinivas Bommidala (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Mrs. G.Varalakshmi (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Allotment of bonus shares in subsidiary		
- Holding Company		
GHPL (Amounting to Rs.300 (2009: Rs. Nil))	-	-
- Key management personnel and their relatives		
Mr. G.M. Rao (Amounting to Rs.300 (2009: Rs. Nil))	-	-
Mr. G.B.S. Raju (Amounting to Rs.300 (2009: Rs. Nil))	-	-
Mr. G. Kiran Kumar (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Mr. Srinivas Bommidala (Amounting to Rs.300 (2009: Rs. Nil))	-	-
Mrs. G.Varalakshmi (Amounting to Rs.300 (2009: Rs. Nil))	-	-
Investment in equity shares		
- Associate Company		
HEG	8.47	-
Allotment of shares		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
IDFC	149.73	
Refund of share application money received		
- Holding Company		
GHPL	0.02	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MAHB	0.03	41.60
AAI	-	0.03
GoAP	0.01	-
MACHL	1.92	-
Share application money received		
- Holding Company		
GHPL	14.10	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		

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(Rs. in crore)

Nature of Transaction	2010	2009
AAI	-	322.47
MAMPL	-	161.60
IDF	-	46.80
GoAP	-	10.47
MAHB	-	50.53
MACHL	-	1.23
FAG	-	120.00
Share application money paid		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
GCEPL	-	27.50
Preference shares alloted		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture		
MACHL	-	18.00
Equity shares alloted		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	-	49.13
GoAP	-	49.13
MAHB	-	41.57
MAE	4.75	-
Loans/ advances repaid by		
-Fellow Subsidiary		
GREPL	9.13	-
GVF	0.25	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MAIPL	0.10	5.23
Loans/ advances given to		
-Fellow Subsidiary		
CIL	41.02	-
GREPL	17.48	-
RSSL	0.05	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
GVF	0.25	-
GCEPL	-	118.20
LGMG	-	59.72
Investment in debentures		
-Fellow Subsidiary		
GHML	314.58	845.06
Capital expenditure etc including land, buildings, roads, plant and machinery, computing equipment, electrical equipment, furniture and fixtures and capital advances		
-Fellow Subsidiary		
GMRPPL	53.34	974.44
Purchase of fixed assets		
-Fellow Subsidiary		
RSSL	0.05	-
GBPPL	11.86	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		

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(Rs. in crore)

Nature of Transaction	2010	2009
MABBPL	-	0.02
Assets acquired on lease		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ joint Venture		
AAI	6.19	-
Fixed assets sold		
-Fellow Subsidiary		
GHTPL	-	0.05
GSPL	-	0.01
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MABBPL	-	0.06
MAIPL	-	0.01
MBGHSPL	-	0.02
Purchase of Aircraft Division		
-Fellow Subsidiary		
GIDL	-	29.00
Rental deposit paid		
-Fellow Subsidiary		
GBPPL	4.22	-
- Key management personnel		
Mr. B.V. Nageswara Rao	0.01	-
Deposit refund received		
-Fellow Subsidiary		
GBPPL	7.50	6.18
Advance received		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
BPCL	27.75	-
Non Aero Revenue		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
LGMG	0.23	-
MAHB	0.01	-
Deposits paid		
-Fellow Subsidiary		
RSSL	0.18	-
Income from management and other services		
-Fellow Subsidiary		
GHOL	38.00	-
GIDL	0.15	2.62
Fees received for services rendered		
-Fellow Subsidiary		
GHML	-	169.31
Interest income		
-Fellow Subsidiary		
GHML	95.33	-
GREPL	0.29	-
CIL	0.02	-
GIFZE	0.23	-
Operations and Maintenance		

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

(Rs. in crore)

Nature of Transaction	2010	2009
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
LGMG	3.71	-
UEDI	13.44	-
Aircraft Usage Charges		
-Fellow Subsidiary		
GIDL	-	5.94
Operation support cost paid		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
UEDI	-	12.38
AAI	10.48	112.95
Airport Operators Fees		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
FAG	28.74	35.63
Revenue share paid/payable to concessionaire grantors		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	556.91	456.97
Aviation services availed		
-Fellow Subsidiary		
GIDL	-	2.25
Rent Paid		
-Fellow Subsidiary		
GBPPL	4.76	9.12
- Key management personnel		
Mr. B.V.Nageswara Rao	0.02	-
Managerial remuneration to		
- Key management personnel and their relatives		
Mr. G.M. Rao	0.74	5.20
Mr. G.B.S. Raju	0.82	3.12
Mr. G. Kiran Kumar	3.43	3.45
Mr. Srinivas Bommidala	1.54	1.54
Mr. O.Bangaru Raju	0.93	-
Mr. B. V. Nageswara Rao	3.29	1.08
Logo fee paid/payable to		
- Holding Company		
GHPL	3.45	5.39
Technical and consultancy fee		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	-	0.26
MAE	0.30	-
MAS	2.64	-
LISVT	-	3.09
MAHB	-	1.55
MAPUK	2.12	2.16
Other administration expenses		
-Fellow Subsidiary		
GSPL	0.17	0.83
RSSL	8.01	9.16

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

(Rs. in crore)

Nature of Transaction	2010	2009
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MAHB	0.38	-
FAG	4.17	-
AAI	0.38	-
Donations		
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	1.59	5.03
Interest others		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
UEDI	0.26	0.26
Voluntary retirement compensation scheme		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	250.88	-
Expenses incurred on behalf of		
- Holding Company		
GHPL	0.28	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	0.09	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GHTPL	0.02	-
GVF	0.02	-
- Fellow Subsidiary		
RSSL	0.77	-
Equity Dividend declared		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MACHL	1.00	1.00
Preference Dividend declared		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MACHL	2.69	1.62
Balance Payable /(Recoverable)		
- Holding Company		
GHPL	17.32	0.48
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	530.31	335.03
FAG	125.00	140.63
MAPUK	0.60	-
MAIPL	1.40	1.73
MAE	0.98	-
LGMG	0.22	-
MAHB	0.79	0.03
MAMPL	125.00	125.00
MAS	1.39	-
BPCL	27.75	-
GoAP	-	0.01
MACHL	-	1.92

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

(Rs. in crore)

Nature of Transaction	2010	2009
UEDI	26.00	26.00
GCEPL	-	(145.70)
LISVT	-	(59.65)
Balance Payable /(Recoverable)		
- Fellow Subsidiary		
GIDL	-	0.11
GMRPPL	13.59	11.97
RSSL	1.18	3.80
GBPPL	(3.43)	(9.14)
CIL	(41.02)	-
GREPL	(8.35)	-
GHML	(1,249.62)	(845.06)
GHOL	(33.98)	-
- Key management personnel and their relatives		
Mr.G.M. Rao	(0.78)	2.21
Mr.G.B.S Raju	(0.45)	-

Notes:

a. The Company has provided securities by way of pledge of investments for loans taken by certain companies.

b. Certain Key Management Personnel have extended personal guarantees as security towards borrowings of the Group and other body corporates. Similarly, the holding company has pledged certain shares held in the Company and other body corporates as security towards the borrowings of the Company.

c. Remuneration to key managerial personal does not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the company as a whole.

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

Rs. in crore

Sl. No.	Particulars	2010	2009
1	Contract revenue recognised during year	409.85	304.17
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date.	726.55	304.17
3	Amount of customer advances outstanding for contracts in progress	15.00	-
4	Retention money due from customers for contracts in progress	-	-

(xxii) The reporting dates of the subsidiaries, Associates and Joint Ventures coincide with that of the parent except in case of HEGL, an Associate, whose financial statements for the period ended on and as at December 31, 2009 were considered.

(xxiii) Acquisitions during the year:

a. The Group has aquired following companies which became subsidiaries during the year:

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

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

(Rs. in crore)

Particulars	March 31, 2010	March 31, 2009
Reserves and surplus	5.80	(10.03)
Goodwill on consolidation	182.64	196.06
Fixed assets - Gross block	63.11	84.90
Accumulated depreciation	0.04	0.02
Net block	63.07	84.88
Capital work-in-progress including capital advances	441.57	39.33

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

Particulars	March 31, 2010	March 31, 2009
Investments	46.50	-
Deferred tax asset	0.02	-
Cash and bank balances	31.80	0.51
Sundry debtors	2.71	-
Other current assets	0.01	-
Loans and advances	134.16	3.20
Current liabilities	23.94	0.77
Provisions	1.03	0.03
Total income	0.10	0.56
Total expenses	10.44	0.03
Interest and finance charges (net)	0.21	-
Profit before taxation	(10.56)	0.53
Taxation	0.38	-
Profit after taxation	(10.94)	0.53

(xxiv) Subsequent events after the Balance Sheet date

a. Pursuant to the Resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re.1 each have been allotted to Qualified Institutional Buyers at a premium of Rs. 61.20 per share on April 21, 2010 aggregating to Rs. 1,400.00 crore.

b. Subsequent to March 31, 2010, the Group has entered into an agreement with M/s Claymore Investments (Mauritius) Pte Ltd., a wholly owned subsidiary of Temasek Holdings (Private) Limited of Singapore, to make an investment of Rs. 930.00 crores in GEL in the form of convertible cumulative preference shares. The transaction is expected to close by July, 2010.

(xxv) The consolidated financial statements as at and for the year ended March 31, 2009 have been audited by Price Waterhouse. The consolidated financial statements as at and for the year ended March 31, 2010 have been audited jointly by S.R. Batliboi & Associates and Price Waterhouse.

(xxvi) a. Previous year figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

b. Consequent upon acquisition / incorporation of subsidiaries and JVs, the figures of current year are not comparable with those of previous year.

As per out report of even date

For PRICE WATERHOUSE
Firm Registration Number: 007568S
Chartered Accountants

J Majumdar
Partner
Membership Number: F51912

For S.R. BATLIBOI & ASSOCIATES
Firm Registration Number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 56102

Place: Bengaluru
Date: May 24, 2010

For and on behalf of the Board of Directors

G.M. Rao
Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: New Delhi
Date: May 24, 2010

Consolidated Cash Flow Statement for the year ended March 31, 2010

(Rs. in crore)

	March 31, 2010	March 31, 2009
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Profit before taxation and minority interest/ share of profits/ (losses) of associates	193.13	330.13
Adjustments for :		
Depreciation/ amoritisation	612.24	389.83
Provision for diminution in value of investments	0.07	5.98
Liabilities/ provisions no longer required, written back	(72.77)	(1.79)
Profit from sale of investments (net)	(37.33)	(14.13)
Loss from sale of fixed assets	3.85	0.08
Provision for doubtful advances and debts (net)	0.79	17.83
Effect of changes in exchange rates on transaltion of subsidiaries/ joint ventures	(21.97)	114.99
Bad debts writtenoff	11.45	-
Dividend income	(1.58)	(109.26)
Interest income	(254.66)	(157.89)
Mark to market losses on derivative instruments	25.93	-
Interest and finance charges	824.35	464.87
Operating Profit Before Working Capital Changes	1,283.50	1,040.64
Adjustments for :		
(Increase)/Decrease in inventories	15.96	(93.85)
Increase in sundry debtors	(210.86)	(230.34)
Increase in loans and advances	(90.74)	(653.48)
Increase in current liabiltieis and provisions	304.35	432.10
Cash generated used in operations	18.71	(545.57)
Direct taxes paid	(51.10)	(99.79)
Net Cash from Operating Activities	1,251.11	395.28
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets	(6,875.29)	(6,232.55)
Proceeds from sale fixed assets	2.79	0.31
Purchase of investment - long term	(456.11)	(994.85)
Proceeds from sale of investments - long term	0.37	13.42
(Purchase) / Sale of investments - current (net)	(2,718.49)	4,382.16
Consideration paid on acquisition of subsidiaries	(185.95)	(219.00)
Interest received	171.85	145.98
Dividend received	1.58	109.26
Net Cash used in Investing Activities	(10,059.25)	(2,795.27)

Consolidated Cash Flow Statement for the year ended March 31, 2010

	March 31, 2010	March 31, 2009
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceeds on issue of preference shares (including securities premium)	300.00	-
Payment of debenture/ share issue expenses	(70.81)	-
Issue of common stock in consolidated entities (including share application money)	83.91	698.06
Proceeds from borrowings	9,143.75	3,850.62
Repayments of borrowings	(585.52)	(157.42)
Interest and finance charges paid	(761.51)	(438.38)
Dividend paid (including dividend distribution tax)	(0.50)	(0.33)
Net Cash from Financing Activities	8,109.32	3,952.55
Net increase/(decrease) in cash and cash equivalents	(698.82)	1,552.56
Cash and cash equivalents as at April 1,	2,466.52	894.49
Cash and cash equivalents on acquisitions during the year	29.93	0.64
Effect of changes in exchange rates on cash and cash equivalent	(115.01)	18.83
Cash and cash equivalents as at March 31,	1,682.62	2,466.52

Notes:

1. The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' as referred to in Section 211(3C) of the Companies Act, 1956 and the reallocation required for this purpose are as made by the Group.
2. The above Consolidated Cash Flow Statement has been compiled from and is based on the Consolidated Balance Sheet as at March 31, 2010 and the related Consolidated Profit and Loss account for the year ended on that date.
3. Cash and cash equivalents as at March 31, 2010 include restricted Cash and Bank balance amounting to Rs. 52.50 crore (2009: Rs.233.39 crore).
4. Previous year figures have been regrouped and reclassified to conform to those of the current year.

As per out report of even date

For PRICE WATERHOUSE
Firm Registration Number: 007568S
Chartered Accountants

For and on behalf of the Board of Directors

J Majumdar
Partner
Membership Number: F51912

G.M. Rao
Chairman

Srinivas Bommidala
Managing Director

For S.R. BATLIBOI & ASSOCIATES
Firm Registration Number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 56102

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 24, 2010

Place: New Delhi
Date: May 24, 2010

Standalone Financial Statements

Auditors' Report to the Members of GMR Infrastructure Limited

1. We, S.R. Batliboi & Associates and Price Waterhouse, have audited the attached Balance Sheet of GMR Infrastructure Limited ('the Company') as at March 31, 2010 and also the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India ('the Act'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   i. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

   ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;

   v. On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

   vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

      b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership No.:56102

Place: Bengaluru
Date: May 24, 2010

For Price Waterhouse
Firm registration number: 007568S
Chartered Accountants

J Majumdar
Partner
Membership No.:F51912

Place: Bengaluru
Date: May 24, 2010

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of GMR Infrastructure Limited on the financial statements for the year ended March 31, 2010

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

(c) In our opinion and according to the information and explanations given to us, there was no substantial disposal of fixed assets by the Company during the year.

(ii) (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory and no material discrepancies as compared to book records were noticed on physical verification.

(iii) (a) The Company has granted unsecured loans to three firms covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year- end balance of such loans (excluding interest) aggregates to Rs. 12,000,000,000 and Rs. 12,000,000,000 respectively.

(b In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(c) In respect of aforesaid loans, repayments of the principal amounts have not fallen due during the current period and payments of interest have been regular.

(d) In respect of aforesaid loans, there is no overdue amount more than Rs. one lakh.

(e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (f) and 4(iii) (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered in the register required to be maintained under that section have been so entered.

(b) In respect of the transactions made in pursuance of such contracts or arrangements and exceeding value of Rupees Five Lakhs in respect of any party during the year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for any of the products of the Company.

(ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with appropriate authorities.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Act, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

(x) The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.

(xi) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders as at the Balance Sheet date.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provisions of any special statute applicable to chit fund or a nidhi / mutual benefit fund / society are not applicable to the Company.

(xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from bank or financial institutions during the year, are not prima-facie prejudicial to the interest of the Company.

(xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, term loans have been applied for the purpose for which they were obtained.

(xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 5,000 unsecured debentures of Rs. 1,000,000 each. Accordingly, the Company has unsecured debentures outstanding during the year on which no security or charge is required to be created.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and as per the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For S.R. BATLIBOI & ASSOCIATES
Firm registration number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership No.:56102

Place: Bengaluru
Date: May 24, 2010

For Price Waterhouse
Firm registration number: 007568S
Chartered Accountants

J Majumdar
Partner
Membership No.:F51912

Place: Bengaluru
Date: May 24, 2010

Balance Sheet as at March 31, 2010

(Amount in Rupees)

Particulars	Schedule Ref	March 31, 2010		March 31, 2009	
Sources of Funds					
Shareholders' Funds					
Share capital	1	3,667,351,642		3,641,313,426	
Reserves and surplus	2	54,732,844,378	58,400,196,020	53,380,937,910	57,022,251,336
Loan Funds					
Secured loans	3	12,750,000,000		4,203,010,883	
Unsecured loans	4	13,000,000,000	25,750,000,000	-	4,203,010,883
Total			84,150,196,020		61,225,262,219
Application of Funds					
Fixed Assets					
Gross block	5	254,877,872		16,599,198	
Less : Accumulated depreciation		17,812,640		8,467,326	
Net block			237,065,232		8,131,872
Capital work in progress (including capital advances)			84,779,701		-
Investments	6		62,524,959,283		40,618,683,534
Deferred Tax Asset			301,915		2,156,458
(Refer Note 14 of Schedule 18)					
Current Assets, Loans and Advances					
Inventories	7	126,808,589		-	
Sundry debtors	8	373,515,770		-	
Cash and bank balances	9	685,306,545		13,319,157,676	
Other current assets	10	28,535,922		57,969,224	
Loans and advances	11	20,893,095,603		7,402,076,268	
		22,107,262,429		20,779,203,168	
Less : Current Liabilities and Provisions	12				
Liabilities		701,582,884		174,475,912	
Provisions		102,589,656		8,436,901	
		804,172,540		182,912,813	
Net Current Assets			21,303,089,889		20,596,290,355
Total			84,150,196,020		61,225,262,219
Statement on Significant Accounting Policies and Notes to the Accounts	18				

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date.

For PRICE WATERHOUSE
Firm Registration Number: 007568S
Chartered Accountants

For and on behalf of the Board of Directors

J Majumdar
Partner
Membership Number: F51912

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

For S.R. BATLIBOI & ASSOCIATES
Firm Registration Number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 56102

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 24, 2010

Place: New Delhi
Date: May 24, 2010

Profit and Loss Account for the year ended March 31, 2010

(Amount in Rupees)

Particulars	Schedule Ref	March 31, 2010	March 31, 2009
Income			
Operating income	13	1,693,583,186	1,592,003,544
Other income	14	94,205,535	58,182,517
		1,787,788,721	1,650,186,061
Expenditure			
Operating expenses	15	423,407,410	-
Administration and other expenditure	16	527,492,627	371,286,309
Finance charges	17	691,148,979	237,924,361
Depreciation	5	9,362,939	1,085,519
		1,651,411,955	610,296,189
Profit Before Taxation		136,376,766	1,039,889,872
Provision for Taxation			
- Current tax		44,060,630	57,500,000
Less: MAT credit entitlement		(44,060,630)	-
- Deferred tax		1,854,543	(2,431,175)
- Fringe benefit tax		-	8,087,723
Profit After Taxation		134,522,223	976,733,324
Balance brought forward from previous year		2,510,401,792	1,496,168,468
Profit Available For Appropriation		2,644,924,015	2,472,901,792
Transfer to debenture redemption reserve		(32,652,013)	-
Transfer from debenture redemption reserve		162,500,000	37,500,000
Available Surplus Carried To Balance Sheet		2,774,772,002	2,510,401,792
Earnings per Share (Rs.) - Basic and Diluted		0.04	0.27
[Per equity share of Re.1 each] (Refer Note 13 of Schedule 18)			
Statement on Significant Accounting Policies and Notes to the Accounts	18		

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date.

For PRICE WATERHOUSE
Firm Registration Number: 007568S
Chartered Accountants

For and on behalf of the Board of Directors

J Majumdar
Partner
Membership Number: F51912

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

For S.R. BATLIBOI & ASSOCIATES
Firm Registration Number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 56102

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 24, 2010

Place: New Delhi
Date: May 24, 2010

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 1 I SHARE CAPITAL	March 31, 2010	March 31, 2009
Authorised		
7,500,000,000 (2009: 3,750,000,000 equity shares of Rs. 2 each) equity shares of Re. 1 each	7,500,000,000	7,500,000,000
	7,500,000,000	7,500,000,000
Issued, Subscribed and Paid up		
3,667,354,392 (2009: 1,820,658,088 equity shares of Rs. 2 each) equity shares of Re. 1 each fully paid	3,667,354,392	3,641,316,176
Notes:		
Of the above,		
(i) 1,057,747,230 (2009: 528,873,615 equity shares of Rs. 2 each) equity shares of Re. 1 each fully paid-up were allotted during the year ended March 31, 2006, by way of bonus shares by capitalising free reserves of the Company.		
(ii) 2,725,850,824 (2009: 1,362,523,238 equity shares of Rs.2 each) equity shares of Re. 1 each fully paid-up are held by the Holding Company GMR Holdings Private Limited.		
	3,667,354,392	3,641,316,176
Less: Calls unpaid - others	2,750	2,750
Total	3,667,351,642	3,641,313,426
Notes:		
(1): Refer Note 13(iii) of Schedule 18 on sub division of one equity share of the Company carrying face value of Rs.2 each into 2 equity shares of Re.1 each during the year ended March 31, 2010		
(2): Refer Note 6 of Schedule 18 for details of additional issue of shares during the year to Infrastructure Development Finance Corporation Limited Infrastructure Fund for consideration other than cash.		

(Amount in Rupees)

Schedule 2 I RESERVES AND SURPLUS		March 31, 2010	March 31, 2009
Securities Premium Account			
At the commencement of the year		50,708,036,118	50,708,200,535
Add: Received on issue of shares (Refer Note 6 of Schedule 18)		1,471,159,204	-
Less: Utilised towards Debenture/Share issue expenses		196,240,713	287,782
Less: Utilised towards provision for debenture redemption premium		57,534,246	-
Add: Received against calls unpaid		-	123,365
	(i)	51,925,420,363	50,708,036,118
Debenture Redemption Reserve			
At the commencement of the year		162,500,000	200,000,000
Less: Transfer to Profit and Loss Account on redemption		162,500,000	37,500,000
Add: Transferred from Profit and Loss Account		32,652,013	-
	(ii)	32,652,013	162,500,000
Profit and Loss Account	(iii)	2,774,772,002	2,510,401,792
Total (i)+(ii)+(iii)		54,732,844,378	53,380,937,910

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 3 I SECURED LOANS	March 31, 2010	March 31, 2009
Debentures		
Nil (2009: 650) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	-	650,000,000
(These debentures bear interest at the rate of 11.93% per annum (10.40% upto September 30, 2008) and were repayable in 3 equal annual installments of Rs 15 crores each, starting from September 2009 and later 3 equal annual installment of Rs 6.66 crores each. All debentures were redeemed during the year. These debentures were secured by immovable property of the Company and further secured by margin money deposit)		
Bank Overdraft	-	803,010,883
(Secured by pledge of Nil (2009: 5,000,000) fully paid-up equity shares of Rs.10 each of GMR Industries Limited, held by GMR Holdings Private Limited and by way of guarantee issued by GMR Holdings Private Limited)		
Term Loan		
Rupee Loan		
From a Financial Institution - Life Insurance Corporation of India	12,750,000,000	2,750,000,000
a) Secured by pledge of 160,546,832 (2009: 80,273,416 equity shares of Rs. 2 each) fully paid-up equity shares of Re. 1 each of GMR Infrastructure Limited, held by GMR Holdings Private Limited and by way of guarantee issued by GMR Holdings Private Limited. b) Rs.10,000,000,000 (2009: Nil) further secured by exclusive charge on Barge mounted power plant of a Subsidiary Company		
Total	12,750,000,000	4,203,010,883

(Amount in Rupees)

Schedule 4 I UNSECURED LOANS	March 31, 2010	March 31, 2009
Short Term		
From banks	8,000,000,000	-
Other than Short Term		
Debentures		
5,000 (2009: Nil) 0% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1,000,000 each	5,000,000,000	-
(These debentures are redeemable at a premium yielding 14% p.a. in 5 annual installments starting from April 2011)		
Total	13,000,000,000	-

Schedules forming part of Balance Sheet as at March 31, 2010

Schedule 5 - Fixed Assets

(Amount in Rupees)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions	Deletions	As at March 31, 2010	As at April 1, 2009	For the year	Deletions	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Freehold land	835,700	-	-	835,700	-	-	-	-	835,700	835,700
Office equipment	3,947,893	22,568,483	-	26,516,376	1,374,467	1,169,458	-	2,543,925	23,972,451	2,573,426
Computer equipments	4,882,208	57,165,034	185,530	61,861,712	4,361,671	5,730,000	17,625	10,074,046	51,787,666	520,537
Plant and machinery	-	136,251,843	-	136,251,843	-	1,127,493	-	1,127,493	135,124,350	-
Furniture and fixtures	3,503,367	4,204,408	-	7,707,775	1,887,126	349,715	-	2,236,841	5,470,934	1,616,241
Vehicles	3,430,030	18,274,436	-	21,704,466	844,062	986,273	-	1,830,335	19,874,131	2,585,968
Total	16,599,198	238,464,204	185,530	254,877,872	8,467,326	9,362,939	17,625	17,812,640	237,065,232	8,131,872
Previous Year	17,100,604	3,164,530	3,665,936	16,599,198	10,324,611	1,085,519	2,942,804	8,467,326		
Capital work in progress *									84,779,701	-
									321,844,933	8,131,872

* Includes capital advances Rs.49,580,981 (2009: Nil) unsecured and considered good

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 6 I INVESTMENTS	March 31, 2010	March 31, 2009
I. Long term - At cost		
Other than Trade - Unquoted		
A. In Equity Shares of Subsidiary Companies fully paid		
- Indian Companies		
GMR Energy Limited @ [703,178,306 (2009: 586,914,708) equity shares of Rs. 10 each]	10,008,414,272	3,962,707,176
GMR Hyderabad International Airport Limited @ [238,139,998 (2009: 238,139,995) equity shares of Rs. 10 each]	2,381,399,980	2,381,399,950
GMR Pochanpalli Expressways Limited (formerly GMR Pochanpalli Expressways Private Limited) @ [57,132,000 (2009: 124,200,000) equity shares of Rs. 10 each]	571,320,000	1,242,000,000
GMR Jadcherla Expressways Private Limited @ [48,779,550 (2009: 106,042,500) equity shares of Rs. 10 each]	487,795,500	1,060,425,000
GMR Ambala Chandigarh Expressways Private Limited @ [23,272,687 (2009: 45,632,720) equity shares of Rs. 10 each]	232,726,870	456,327,200
Delhi International Airport Private Limited @ [420,000,000 (2009: 373,200,000) equity shares of Rs. 10 each]	4,741,697,470	3,732,000,000
GMR Ulundurpet Expressways Private Limited @ [82,282,500 (2009: 178,875,000) equity shares of Rs. 10 each]	822,825,000	1,788,750,000
GMR (Badrinath) Hydro Power Generation Private Limited [4,900 (2009: 4,900) equity shares of Rs. 10 each]	49,000	49,000
GMR Airports Holding Private Limited (formerly GVL Investments Private Limited) [340,869,304 (2009: 10,995,784) equity shares Rs. 10 each]	6,798,260,750	6,798,262,400
GMR Aviation Private Limited [86,440,000 (2009: 86,440,000) equity shares of Rs. 10 each]	864,400,000	864,400,000
Gateways for India Airports Private Limited [8,649 (2009: 3,784) equity shares of Rs. 10 each]	86,490	37,840
GMR Kamalanga Energy Limited [Nil (2009: 100) equity shares of Rs. 10 each]	-	1,000
GMR Krishnagiri SEZ Limited [117,500,000 (2009: 117,500,000) equity shares of Rs. 10 each]	1,175,000,000	1,175,000,000
GMR SEZ & Port Holdings Private Limited (formerly GMR Oil & Natural Gas Private Limited) [49,999 (2009: 9,999) equity shares of Rs. 10 each]	499,990	99,990
GMR Highways Limited (formerly GMR Highways Private Limited) [17,850,000 (2009: 1,975,000) equity shares of Rs. 10 each]	178,500,000	19,750,000
GMR Hyderabad Vijaywada Expressways Private Limited [7,400 (2009: Nil) equity shares of Rs. 10 each]	74,000	-
GMR Corporate Affairs Private Limited [4,999,900 (2009: Nil) equity shares of Rs. 10 each]	49,999,000	-
GMR Chennai Outer Ring Road Private Limited [3,100 (2009: Nil) equity shares of Rs. 10 each]	31,000	-
GMR Energy Trading Limited [42,119,897 (2009: Nil) equity shares of Rs. 10 each]	421,198,970	-
Dhruvi Securities Private Limited [2,849,490 (2009: Nil) equity shares of Rs. 10 each]	141,674,910	-
GMR OSE Hungund Hospet Highways Private Limited [5,100 (2009: Nil) equity shares of Rs. 10 each]	51,000	-

(Amount in Rupees)

Schedule 6 I INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
- Body Corporates		
GMR Energy (Mauritius) Limited [5 (2009: 5) equity share of USD 1 each]	202	202
GMR Infrastructure (Mauritius) Limited [220,550,001 (2009: 156,550,001) equity share of USD 1 each]	10,285,016,500	7,175,661,500
B. In Equity Shares of Joint Venture		
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi @ [86,984,800 (2009: 51,108,925) equity shares of YTL 1 each]	2,667,559,592	1,570,061,222
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi @ [4,300 (2009: 3,502) equity shares of YTL 100 each]	12,743,830	10,317,420
(i)	41,841,324,326	32,237,249,900
C. In Preference Shares of Subsidiary Companies - fully paid		
GMR Energy Limited [386,852,522 (2009: 838,142,971) 1% preference shares of Rs. 10 each]	3,868,525,220	8,381,429,710
GMR Pochanpalli Expressways Limited (formerly GMR Pochanpalli Expressways Private Limited) [4,450,000 (2009: Nil) 8% preference shares of Rs. 100 each]	445,000,000	-
GMR Jadcherla Expressways Private Limited [5,310,000 (2009: Nil) 8% preference shares of Rs. 100 each]	531,000,000	-
GMR Ambala Chandigarh Expressways Private Limited [66,000 (2009: Nil) 8% preference shares of Rs. 100 each]	6,600,000	-
GMR Ulundurpet Expressways Private Limited [10,002,000 (2009: Nil) 8% preference shares of Rs. 100 each]	1,000,200,000	-
GMR Highways Limited (formerly GMR Highways Private Limited) [34,364,000 (2009: Nil) 8% preference shares of Rs. 100 each]	3,436,400,000	-
(ii)	9,287,725,220	8,381,429,710
D. In Debentures of Subsidiary Company		
GMR Krishnagiri SEZ Limited [200 (2009: Nil) 1% Cumulative optionally convertible debentures of Rs. 10,000,000 each]	2,000,000,000	-
(iii)	2,000,000,000	-
E. In Equity Shares of Other Body Corporate - fully paid		
GMR Holding (Malta) Limited @ [58 (2009: 58) equity shares of EUR 1 each]	3,924	3,924
(iv)	3,924	3,924
@ -Refer Note 8 of Schedule 18 for details of investments pledged as security in respect of the loans availed by the company and the investee companies		
II. Current Investment - Lower of Cost and Fair value		
Other than Trade - Unquoted		
A. Investments in Certificate of Deposits (CD)		
CD- Allahabad Bank [5,000 (2009:Nil) Units of Rs. 100,000 each]	487,033,500	-
CD- Canara Bank [2,500 (2009:Nil) Units of Rs. 100,000 each]	235,692,000	-
CD- Canara Bank [7,500 (2009:Nil) Units of Rs. 100,000 each]	731,111,250	-

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 6 I INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
CD- Canara Bank [25,000 (2009:Nil) Units of Rs. 100,000 each]	2,395,812,500	-
CD- Central Bank of India [2,500 (2009:Nil) Units of Rs. 100,000 each]	249,704,750	-
CD- Punjab National Bank [2,500 (2009:Nil) Units of Rs. 100,000 each]	235,090,750	-
CD- State Bank of Bikaner & Jaipur [2,500 (2009:Nil) Units of Rs. 100,000 each]	235,583,500	-
CD- State Bank of Bikaner & Jaipur [2,500 (2009:Nil) Units of Rs. 100,000 each]	249,106,750	-
CD- Union Bank of India [1,500 (2009:Nil) Units of Rs. 100,000 each]	141,179,700	-
CD- Corporation Bank [2,000 (2009:Nil) Units of Rs. 100,000 each]	199,657,400	-
(v)	5,159,972,100	-
B. Investments in Mutual Funds		
ICICI Prudential Flexible Income Plan Premium Growth [6,321,876 (2009:Nil) Units of Rs. 100 each]	1,082,476,079	-
ICICI Prudential Liquid Super Institutional Plan - Growth [11,842,120 (2009:Nil) Units of Rs. 100 each]	1,611,189,063	-
HDFC Cash Management Fund - Treasury Advantage Plan - Growth [4,459,889 (2009:Nil) Units of Rs. 10 each]	90,011,708	-
Birla Sunlife Cash Plus Institutional Premium Growth [98,652,723 (2009:Nil) Units of Rs. 10 each]	1,452,256,863	-
(vi)	4,235,933,713	-
Total (i)+(ii)+(iii)+(iv)+(v)+(vi)	62,524,959,283	40,618,683,534

(Amount in Rupees)

Schedule 7 I INVENTORIES	March 31, 2010	March 31, 2009
Raw material	1,467,462	-
Contract work in progress	125,341,127	-
Total	126,808,589	-

(Amount in Rupees)

Schedule 8 I SUNDRY DEBTORS	March 31, 2010	March 31, 2009
(Unsecured, considered good)		
a) Debts outstanding for a period exceeding six months	-	-
b) Other debts	373,515,770	-
Total	373,515,770	-

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 9 I CASH AND BANK BALANCES	March 31, 2010	March 31, 2009
Cash on hand	208,157	-
Balances with scheduled banks		
- On current accounts (Note 1)	85,098,388	1,464,084,890
- On deposit accounts (Note 2 and 3)	600,000,000	11,770,497,468
- On margin money accounts (Note 4)	-	84,575,318
Total	685,306,545	13,319,157,676

Notes:

1. Includes share application money pending refund Rs. 526,322 (2009: Rs. 507,055)
2. Includes deposit of Rs. 100,000,000 (2009: Nil) on which charge has been created for working capital facility
3. Includes deposit of Rs. Nil (2009: Rs. 650,000,000) which has been offered as security in favour of debenture holders
4. The Margin money deposits were towards Bank Guarantees issued by the bankers on behalf of the Company

(Amount in Rupees)

Schedule 10 I OTHER CURRENT ASSETS	March 31, 2010	March 31, 2009
(Unsecured, considered good)		
Interest accrued but not due		
- On loan to subsidiaries	28,000,155	-
- On fixed deposits with banks	535,767	57,969,224
Total	28,535,922	57,969,224

(Amount in Rupees)

Schedule 11 I LOANS AND ADVANCES	March 31, 2010	March 31, 2009
(Unsecured and considered good, unless otherwise stated)		
Loans to subsidiaries	10,000,000,000	-
Advance towards investments in subsidiaries	10,517,330,639	6,848,357,513
Advances recoverable in cash or in kind or for value to be received*		
- Considered good	109,488,783	151,343,818
- Considered doubtful	-	60,000,000
Balances with customs, excise etc.	71,305,245	-
MAT credit entitlements	44,060,630	-
Advance tax (Net of provisions)	130,619,255	43,769,537
Deposits - others	20,291,051	358,605,400
	20,893,095,603	7,462,076,268
Less: Provision for doubtful advance	-	(60,000,000)
Total	20,893,095,603	7,402,076,268

* Includes dues from the Directors Rs. 12,289,000 (2009: Rs. Nil) and maximum amount outstanding during the year Rs.12,289,000 (2009: Rs. Nil), Refer note 19 of Schedule 18

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 12 I CURRENT LIABILITIES AND PROVISIONS	March 31, 2010	March 31, 2009
A) Liabilities		
Sundry creditors		
Dues to micro and small enterprises [Refer Note 17 of Schedule 18]	-	-
Dues to other than micro and small enterprises	370,317,760	74,880,154
Share application money pending refund #	526,322	507,055
Advance from customers	156,500,000	-
Interest accrued but not due on loans	150,684,918	79,863,000
Other liabilities	23,553,884	19,225,703
	701,582,884	174,475,912
# There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
B) Provisions		
Provision for employee benefits	45,055,409	8,436,901
Provision for debenture redemption premium	57,534,247	-
	102,589,656	8,436,901
Total	804,172,540	182,912,813

Schedules forming part of Profit and Loss Account for the year ended March 31, 2010

(Amount in Rupees)

Schedule 13 I OPERATING INCOME	March 31, 2010	March 31, 2009
Contract revenue	683,611,256	-
Dividend from current investments	-	1,077,343,110
Profit on sale of current investments (net)	170,352,598	-
Income from management technical services	372,740,284	-
Interest income - Gross		
- Deposits and Bonds	300,906,445	508,659,338
- Loans to subsidiaries	165,972,603	6,001,096
[Tax deducted at source Rs.54,428,160 (2009: Rs. 63,698,161)]		
Total	1,693,583,186	1,592,003,544

(Amount in Rupees)

Schedule 14 I OTHER INCOME	March 31, 2010	March 31, 2009
Provisions/ Liabilities no longer required, written back [Net of advances written off Rs 56,964,414 (2009: Rs. Nil)]	3,035,586	-
Gain on foreign exchange fluctuations (net)	-	53,374,575
Miscellaneous income	91,169,949	4,807,942
Total	94,205,535	58,182,517

Schedules forming part of Profit and Loss Account for the year ended March 31, 2010

(Amount in Rupees)

Schedule 15 I OPERATING EXPENSES	March 31, 2010	March 31, 2009
Construction cost	305,611,341	-
Salaries, allowances and benefits to employees - Contract Expenses	243,137,196	-
	548,748,537	-
Less: Closing contract work in progress	125,341,127	-
Total	423,407,410	-

(Amount in Rupees)

Schedule 16 I ADMINISTRATION AND OTHER EXPENDITURE	March 31, 2010	March 31, 2009
Salaries, allowances and benefits to employees	121,477,625	90,314,064
Contribution to provident fund and others	22,448,587	10,904,030
Staff welfare expenses	16,298,599	23,544
Bidding charges	27,367,048	-
Lease rent and hire charges	17,869,727	-
Rates and taxes	41,224,362	17,897,076
Repairs and maintenance - others	35,782,867	293,171
Insurance	1,117,413	586,902
Consultancy and professional charges	119,965,108	74,189,969
Directors' sitting fees	1,450,000	1,080,000
Provision for doubtful advances	-	60,000,000
Travelling and conveyance	39,839,637	31,048,355
Communication expenses	7,408,051	986,088
Loss on foreign exchange fluctuations (net)	11,881,841	-
Loss on sale of current investment (other than trade)	-	36,064,690
Fixed assets written off	-	723,136
Advertisement and business promotion	14,068,910	8,639,099
Printing, stationery, postage and telegram	27,772,238	17,902,077
Meetings and seminars	9,990,289	11,078,784
Donations	6,289,842	6,595,000
Loss on sale of fixed assets	39,978	-
Miscellaneous expenses	5,200,505	2,960,324
Total	527,492,627	371,286,309

(Amount in Rupees)

Schedule 17 I FINANCE CHARGES	March 31, 2010	March 31, 2009
Interest on fixed period loans	578,821,917	141,588,016
Interest on debentures	55,008,740	80,380,247
Interest - others	4,251,375	8,634,439
Bank and other finance charges	53,066,947	7,321,659
Total	691,148,979	237,924,361

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

1. Background

GMR Infrastructure Limited ('GIL' or 'the Company') carries its business in the following verticals:

Engineering Procurement Construction

The Company is engaged in handling Engineering Procurement Construction (EPC) solutions in the infrastructure sector.

Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company.

3. Significant Accounting Policies

a. Use of Estimates

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

b. Revenue Recognition

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

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

Dividend income on investments is accounted for when the right to receive the payment is established by the Balance Sheet date. Dividends from subsidiaries are recognized even if same are declared after the Balance Sheet date but pertain to period on or before the date of Balance Sheet as per the requirement of schedule VI of the Companies Act, 1956.

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

Interest on investments and bank deposits are recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

c. Fixed Assets

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

Assets under installation or under construction and the related advances as at the Balance Sheet date are shown as capital work in progress.

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

d. Leases

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

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

e. Depreciation

Depreciation is provided on straight line method at the rates specified under Schedule XIV to the Act, which is estimated by the management to be the estimated useful lives of the assets. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

f. Impairment of Assets

All the fixed assets are assessed for any indication of impairment at the end of each financial year based on internal and external factors. On such indication, the impairment (being the excess of carrying value over the recoverable value of the asset) is charged to the profit and loss account in the respective financial year. Recoverable amount is higher of the net selling price of an asset and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

g. Investments

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

h. Inventories

Inventories of raw materials are valued at lower of cost and net realizable value. Cost of raw materials is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work-in-progress comprising construction costs and other directly attributable overheads are valued at cost.

i. Employee Benefits

a) Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund are recognised as expenses during the period in which the employees perform the services that the payments cover.

The Company also has a defined contribution superannuation plan (under a scheme of Life Insurance Corporation of India) covering all its employees and contributions in respect of such scheme are charged during the period in which the employees perform the services that the payments cover.

The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

b) Defined benefit plan

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognized in the Profit and Loss account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the Balance Sheet date, carried out by an independent actuary. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss account as income or expense.

c) Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date based on actuarial valuation method of Projected Unit Credit carried out at each Balance Sheet date. Actuarial gains and losses are recognized immediately in the Profit and Loss Account as income or expense.

d) Short term employee benefits

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

j. Foreign Currency Transactions

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions.

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

Exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2011.

All other monetary assets and liabilities denominated in foreign currency are restated at the closing rates at the year end and all exchange gains/losses arising there from are adjusted to the Profit and Loss account except, those covered by forward contracted rates, where the premium or discount arising at the inception of such forward exchange contract is amortized as expense or income over the life of the contract.

k. Earnings Per Share

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

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

l. Taxes On Income

Tax expense comprises of current and deferred tax. Current tax is determined based on the amount of tax payable in respect of taxable income for the year in accordance with the Income Tax Act, 1961 enacted in India. Deferred tax is recognized on timing differences, being the difference between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years.

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

At each Balance Sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

m. Segment Reporting Policies

Identification of segments:

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

Allocation of common costs:

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

Segment Policies:

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

n. Provisions

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

o. Cash and Cash Equivalents

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

p. Shares/ Debentures Issue Expenses and Premium on Redemption

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

q. Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and to the extent not provided for, are disclosed by way of notes on the accounts.

4. Contingent Liabilities:

Corporate Guarantees issued in respect of borrowings availed by subsidiary companies and others – Rs. 89,766,300,000 (2009: Rs. 71,001,000,000).

The Company, through its step-down subsidiary GMR Energy (Global) Limited (GEGL), has entered into arrangements to acquire 50% equity stake in InterGen NV by means of Compulsorily Convertible Debentures (CCDs) in GMR Holding (Malta) Limited ('GHML'), a fellow subsidiary company, aggregating to USD 254 Million. InterGen NV is a global energy company, which operates 8,146 MW capacity across five countries in four continents and is further developing 4,400 MW.

The Company has also given a corporate guarantee up to a maximum of USD 1.38 billion to the lenders on behalf of GHML to enable it to raise debt for financing the aforesaid acquisition. Of such debts in GHML, USD 837 million is due to mature in October 2010. Subsequent to the year end, the Company, through GEGL, has invested additional USD 100 million in the CCDs issued by GHML to facilitate part repayment of the said loan.

GHML's non statutory consolidated financial statements for the period ended December 31, 2009, prepared under International Financial Reporting Standards (IFRSs) as adopted by European Union, show a loss of USD 130.90 million (March 31, 2009 – USD 54.60 million) and its total liabilities exceeded total assets by USD 159.3 million (2009 – USD 62.2 million). This loss was primarily due to the share of losses of the GHML's investment through its subsidiary in associate InterGen N.V. of USD 77.5 million as well as finance costs of USD 51.7 million. Though InterGen incurred a loss for the year ended December 31, 2009, it has generated an operating cash flow of USD 91 million (December 31, 2008 – USD 113 million) and its accounts continue to be prepared on a going concern basis. Further, subsequent to the year end, GHML has implemented new holding company structure to facilitate cash inflows from InterGen NV. Subsequent to the year-end, GHML has received distribution of cash amounting to USD 32.5 million from Intergen NV.

GHML is in advanced stages of negotiation to refinance USD 537 million through a consortium of banks which is expected to be finalised in June 2010 and is also in the process of refinancing the balance of USD 200 million with other lenders. To this end, GMR Holdings Private Limited, the ultimate holding company, has also undertaken to provide the necessary financial guarantees to meet any obligations.

Considering the above and the equity value of InterGen NV, Corporate Guarantee to the lenders on behalf of GHML is considered for disclosure as Contingent Liability as above, the management does not envisage any adverse financial implication on account of the above said corporate guarantee.

5. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. 83,686,592 (2009: Rs. Nil).

6. During the year, 46,800,000 equity shares of Rs.10 each of Delhi International Airport Private Limited (DIAL) were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of Rs. 1,497,197,420 which was discharged by allotment of 26,038,216 equity shares of GIL of Re.1 each at issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards share premium). Consequently, the effective share holding of the Company in DIAL has increased to 53.79%.

7. Employee Benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the Profit and Loss account and the funded status and amounts recognised in the Balance Sheet for gratuity benefit.

Profit and Loss Account

(Amount in Rupees)

Net employee benefit expense	2010	2009
Current service cost	645,961	362,157
Interest cost on benefit obligation	45,514	15,910
Expected return on plan assets	(902,113)	(52,927)
Net actuarial(gain) / loss recognised	(692,721)	(27,164)
Past service cost	349,364	-
Net benefit expense	(553,995)	297,976

(Amount in Rupees)

Actual return on plan assets	1,453,438	62,189

Balance sheet

(Amount in Rupees)

	2010	2009
Defined benefit obligation	22,179,823	568,931
Fair value of plan assets	22,179,823	723,778
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	-	154,847

Changes in the present value of the defined benefit obligation:

(Amount in Rupees)

	2010	2009
Opening defined benefit obligation	568,931	227,290
Interest cost	45,514	15,910
Current service cost	645,961	362,157
Past service cost	349,364	-
Benefits paid	-	-
Adjusted on transfer	20,711,449	-
Actuarial (gains) / losses on obligation	(141,396)	(36,426)
Closing defined benefit obligation	22,179,823	568,931

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

(Amount in Rupees)

	2010	2009
Opening fair value of plan assets	723,778	661,589
Expected return	902,113	71,451
Contributions by employer	85,625	-
Benefits paid	-	-
Actuarial gains / (losses) on plan assets	551,325	(9,262)
Adjusted on transfer	19,916,982	-
Closing fair value of plan assets	22,179,823	723,778

The Company expects to contribute Rs. 1,000,000 (2009: Rs. 1,000,000) towards gratuity fund in 2010-2011.

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

	2010	2009
	%	%
Investments with insurer managed funds	100	100

The principal assumptions used in determining gratuity obligation:

	2010	2009
	%	%
Discount rate	8	7
Expected rate of return on assets	8	8
Expected rate of salary increase	6	6
Employee turnover	5	5

Notes :

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

Amounts for the current and prior periods are as follows:

(Amount in Rupees)

	Gratuity		
	2010	2009	2008
Defined benefit obligation	22,179,823	568,931	227,290
Plan assets	22,179,823	723,778	661,589
Surplus / (deficit)	-	154,847	434,299
Experience adjustments on plan liabilities	(141,396)	(36,426)	(25,875)
Experience adjustments on plan assets	551,325	(9,262)	7,869

Liability towards compensated absence is provided based on actuarial valuation amounts to Rs.34,069,068 (2009: Rs. 7,867,970) as at March 31, 2010.

8. The following long term unquoted investments included in Schedule 6 have been pledged/subjected to negative lien/frozen by the Company towards borrowings of the Company or the investee companies:

(Amount in Rupees)

Description	No of shares	Carrying Value as at March 31, 2010
GMR Energy Limited	-	-
(Equity shares of Rs.10 each fully paid up)	(32,607,413)	(220,157,423)
GMR Hyderabad International Airport Limited	164,149,015	1,641,490,150
(Equity shares of Rs.10 each fully paid up)	(151,080,552)	(1,510,805,520)
GMR Pochanpalli Expressways Limited (formerly GMR Pochanpalli Expressways Private Limited)	-	-
(Equity shares of Rs.10 each fully paid up)	(37,260,000)	(372,600,000)
GMR Jadcherla Expressways Private Limited	-	-
(Equity shares of Rs.10 each fully paid up)	(31,812,750)	(318,127,500)
GMR Ambala Chandigarh Expressways Private Limited	23,272,687	232,726,870
(Equity shares of Rs.10 each fully paid up)	(23,272,687)	(232,726,870)
GMR Ulundurpet Expressways Private Limited	-	-
(Equity shares of Rs.10 each fully paid up)	(53,662,500)	(536,625,000)
Delhi International Airport Private Limited	93,166,904	931,669,040
(Equity shares of Rs.10 each fully paid up)	(93,166,904)	(931,669,040)
GMR Holding (Malta) Limited	58	3,924
(Equity shares of EUR 1 each fully paid-up)	(58)	(3,924)
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi	86,984,800	2,667,559,592
(Equity shares of YTL 1 each fully paid-up)	(40,887,140)	(1,256,048,978)
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi	4,300	12,743,830
(Equity shares of YTL 100 each fully paid-up)	(3,502)	(10,317,420)

Note: Previous year figures are mentioned in brackets.

Schedule 18 (contd.) I Statement on Significant Accounting Policies and Notes to the Accounts

9. The segment report of the Company has been prepared in accordance with Accounting Standard 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 as amended.

The business segments of the Company comprise of the following:

- EPC – Handling of engineering, procurement and construction solutions in Infrastructure sector.
- Others – Investment activity and corporate support to various infrastructure SPVs

(Amount in Rupees)

Business segments	EPC		Others		Inter Segment		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue								
Revenue	1,013,889,334	-	679,693,852	1,592,003,544	-	-	1,693,583,186	1,592,003,544
Inter Segment revenue	-	-	-	-	-	-	-	-
Total revenue	1,013,889,334	-	679,693,852	1,592,003,544	-	-	1,693,583,186	1,592,003,544
Operating expenses	423,407,410	-	-	-	-	-	423,407,410	-
General and Administrative Expenditure	157,081,926		370,410,701	371,286,309			527,492,627	371,286,309
Depreciation	5,883,847	-	3,479,092	1,085,519	-	-	9,362,939	1,085,519
Segment Operating profit/(loss)	427,516,151	-	305,804,059	1,219,631,716	-	-	733,320,210	1,219,631,716
Interest income/ (expense)-net	(3,326,223)	-	(687,822,756)	(237,924,361)	-	-	(691,148,979)	(237,924,361)
Other income/ (expense) -net	90,436,879	-	3,768,656	58,182,517	-	-	94,205,535	58,182,517
Profit/(loss) before tax	514,626,807	-	(378,250,041)	1,039,889,872	-	-	136,376,766	1,039,889,872
Taxation								
Current Tax	-		-	-	-	-	44,060,630	57,500,000
Less: MAT credit entitlement	-	-	-	-	-	-	(44,060,630)	-
Fringe Benefit Tax	-	-	-	-	-	-	-	8,087,723
Deferred tax	-	-	-	-	-	-	1,854,543	(2,431,175)
Other Information							-	-
Segment Assets	751,834,951	-	84,236,845,118	61,408,175,032	(34,311,509)	-	84,954,368,560	61,408,175,032
Capital expenditure	233,184,606	-	90,059,299	3,164,530	-	-	323,243,905	3,164,530
Depreciation/ Amortisation	5,883,847	-	3,479,092	1,085,519	-	-	9,362,939	1,085,519
Segment liabilities	413,507,535	-	26,174,976,514	4,385,923,696	(34,311,509)	-	26,554,172,540	4,385,923,696

The Company operates only in India and hence no other geographical location has been disclosed.

10. Related Party Transactions

a) Name of Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
Holding Company	GMR Holdings Private Limited (GHPL)
Subsidiary Companies	GMR Energy Limited (GEL)
	GMR Power Corporation Limited (GPCL) (formerly GMR Power Corporation Private Limited)
	GMR Vemagiri Power Generation Limited (VPGL) (formerly Vemagiri Power Generation Limited)
	GMR Energy Trading Limited (GETL)
	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)
	Badrinath Hydro Power Generation Private Limited (BHPL)
	GMR Mining and Energy Private Limited (GMEL)
	GMR Kamalanga Energy Limited (GKEL)
	GMR Consulting Services Private Limited (GCSPL) (formerly GMR Consulting Engineers Private Limited)
	GMR Rajahmundry Energy Limited (GREL)
	SJK Powergen Limited (SJK)
	GMR Coastal Energy Private Limited (GCEPL)
	GMR Bajoli Holi Hydropower Private Limited (GBHPPL)
	GMR Chhattisgarh Energy Private Limited (GCHEPL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	Londa Hydro Power Private Limited (LHPL)
	EMCO Energy Limited (EMCO)
	Delhi International Airport Private Limited (DIAL)
	DIAL Cargo Private Limited (DCPL)
	Delhi Aerotropolis Private Limited (DAPL)
	Delhi Aviation Fuel Facility Private Limited (DAFFPL)
	East Delhi Waste Processing Company Private Limited (EDWPCPL)
	GMR Hyderabad International Airport Limited (GHIAL)
	Hyderabad Menzies Air Cargo Private Limited (HMACPL)
	Hyderabad Airport Security Services Limited (HASSL)
	GMR Hyderabad Airport Resource Management Limited (GHARML)
	GMR Hyderabad Aerotropolis Limited (GHAL)
	GMR Hyderabad Aviation SEZ Limited (GHASL)
	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)
	GMR Hotels and Resorts Limited (GHHL) (formerly GMR Airport Handling Services Limited)
	Gateways for India Airports Private Limited (GFIAPL)
	GMR Highways Limited (GMRHL) (formerly GMR Highways Private Limited)
	GMR Tuni Anakapalli Expressways Private Limited (GTAEPL)
	GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL)
	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
	GMR Jadcherla Expressways Private Limited (GJEPL)
	GMR Pochanpalli Expressways Limited(GPEL) (formerly GMR Pochanpalli Expressways Private Limited)
	GMR Ulundurpet Expressways Private Limited (GUEPL)
	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
	GMR Chennai Outer Ring Road Private Limited (GCORRPL) (Associate till March 26, 2010)
	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)
	GMR Krishnagiri SEZ Limited (GKSEZL)
	Advika Properties Private Limited (APPL) (formerly Advika Real Estate Private Limited)
	Aklima Properties Private Limited (AKPPL) (formerly Aklima Real Estate Private Limited)
	Amartya Properties Private Limited (AMPPL) (formerly Amartya Real Estate Private Limited)
	Baruni Properties Private Limited (BPPL) (formerly Baruni Real Estate Private Limited)
	Camelia Properties Private Limited (CPPL) (formerly Camelia Real Estate Private Limited)
	Eila Properties Private Limited (EPPL) (formerly Eila Real Estate Private Limited)

Description of Relationship	Name of the Related Parties
	Gerbera Properties Private Limited (GPPL) (formerly Gerbera Real Estate Private Limited) Lakshmi Priya Properties Private Limited (LPPPL) (formerly Hiral Real Estates Private Limited) Honeysuckle Properties Private Limited (HPPL) Idika Properties Private Limited (IPPL) (formerly Idika Real Estate Private Limited) Krishnapriya Properties Private Limited (KPPL) (formerly Krishnapriya Real Estate Private Limited) Nadira Properties Private Limited (NPPL) (formerly Nadira Real Estate Private Limited) Prakalpa Properties Private Limited (PPPL) (formerly Prakalpa Real Estate Private Limited) Purnachandra Properties Private Limited (PUPPL) (formerly Purnachandra Real Estate Private Limited) Shreyadita Properties Private Limited (SPPL) (formerly Shreyadita Real Estate Private Limited) Sreepa Properties Private Limited (SRPPL) (formerly Sreepa Real Estate Private Limited) Bougianvile Properties Private Limited (BOPPL) GMR Corporate Center Limited (GCCL) GMR Campus Private Limited (GCPL) GMR Headquarters Private Limited (GHDPL) GMR Airports Holding Limited (GAHL) (formerly GVL Investments Private Limited) GMR Corporate Affairs Private Limited (GCAPL) GMR SEZ and Port Holdings Private Limited (GSPHPL) (formerly GMR Oil and Natural Gas Private Limited) GMR Aviation Private Limited (GAPL) Dhruvi Securities Private Limited (DSPL) Himtal Hydro Power Company Private Limited (HHPCPL) GMR Upper Karnali Hydro Power Limited (GUKHL) GMR Energy (Mauritius) Limited (GEML) GMR Lion Energy Limited (GLEL)
	GMR Energy (Cyprus) Limited (GECL) GMR Energy (Netherlands) BV (GENBV) PT Unsoco (PT) PT Dwikarya Sejati Utma (PTDSU) PT Duta Sarana Internusa (PTDSI) PT Barasentosa Lestari (PTBL) Lion Energy Tuas Pte Limited (LETPL) GMR Infrastructure (Mauritius) Limited (GIML) GMR Infrastructure (Cyprus) Limited (GICL) GMR Infrastructure Overseas Sociedad Limitada (GIOSL) GMR Infrastructure (UK) Limited (GIUL) GMR International (Malta) Limited (GMRIML) GMR Infrastructure (Global) Limited (GIGL) GMR Infrastructure (Singapore) Pte Limited (GISPL) GMR Energy (Global) Limited (GEGL) Island Power Intermediary Pte Limited (IPIPL) Island Power Company Pte Limited (IPCPL) Island Power Supply Pte Limited (IPSPL)
Enterprises where significant influence exists	Istanbul Sabiha Gokcen Uluslararasi Hvalimani Yer Hizmetleri Anonim Sirketi (SGH) Limak GMR Construction JV (LGCJV) Homeland Energy Group Limited (HEGL) MAS GMR Aerospace Engineering Company Private Limited (MGECPL) Devyani Food Street Private Limited (DFSPL) Delhi Select Services Hospitality Private Limited (DSSHPL) Delhi Duty Free Services Private Limited (DDFSPL) Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL) Delhi Cargo Service Centre Private Limited (DCSCPL) Wipro Airport IT Services Private Limited (WAITSPL) Delhi Airport Parking Services Private Limited (DAPSPL) LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)

Description of Relationship	Name of the Related Parties
Joint Ventures	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Ve Isletme Sirketi (ISG)
Fellow Subsidiaries (Where transactions have taken place)	GMR Industries Limited (GIDL) Raxa Security Services Limited (RSSL) GMR Bannerghatta Properties Private Limited (GBPPL) (formerly GMR Properties Private Limited) GMR Projects Private Limited (GMRPPL) Ideaspace Solutions Limited (ISL) Rajam Enterprises Private Limited (REPL) Grandhi Enterprises Private Limited (GREPL) GMR Holdings (Malta) Limited (GH(M)L)
Key management personnel and their relatives	Mr.G.M.Rao (Executive Chairman) Mrs.G.Varalakshmi (Relative) Mr.G.B.S.Raju (Managing Director) (Resigned w.e.f May 12, 2010) Mr. G. Kiran Kumar (Director) Mr Srinivas Bommidala (Director) (Managing Director w.e.f May 24, 2010) Mr. B. V. NageswaraRao (Director) Mr.O.Bangaru Raju (Director)

Note: The information disclosed based on the names of the parties as identified by the management.

b) Summary of transactions with above related parties are as follows:

(Amount in Rupees)

Nature of Transaction	2010	2009
Interest Income - Gross		
- Subsidiary Companies		
- GEL	136,767,123	-
- GMRHL	25,643,836	-
- GKSEZL	3,561,644	-
Income from management / technical services		
- Subsidiary Companies		
- GEL	4,087,560	-
- GOSEHHHPL	142,000,000	-
- GCORRPL	199,453,724	-
- GHVEPL	27,199,000	-
Contract expenses paid		
-Subsidiary Company		
- VPGL	241,384	-
Other Administration expenses		
Fellow subsidiaries		
- RSSL	6,154,846	-
- GIDL	-	22,541,437

Nature of Transaction	2010	2009
Expenses incurred on behalf of GIL		
-Subsidiary Companies		
- GCAPL	30,083,254	-
- HIAL	11,821	-
Fellow subsidiary		
- RSSL	370,749	-
Logo fee paid/payable to		
- Holding Company		
- GHPL	5,247,189	4,776,000
Deposit paid		
- Subsidiary Companies		
- GCCL	15,000,000	787,500,000
- GCAPL	-	107,800,000
- Fellow subsidiaries		
- GBPPL	26,800,000	-
- RSSL	1,750,000	-
Deposit refund received		
- Subsidiary Companies		
- GCCL	295,800,000	792,500,000
- GCAPL	47,800,000	60,000,000
- Fellow Subsidiary		
- GBPPL	17,800,000	-

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Nature of Transaction	2010	2009
Purchase of Fixed Assets		
- Subsidiary Company		
- GCCL	44,255,837	-
- Fellow subsidiary		
- GMRPPL	118,558,050	-
Purchase of long term investments from		
- Holding Company		
- GHPL	104,130	250,000
- Subsidiary Company		
- GAHL	67,498,650	-
- Fellow subsidiaries		
- ISL	39,975,890	-
- REPL	31,499,990	-
- GREPL	31,499,990	-
-Key Management Personnel		
- Mr. Srinivas Bommidala	50,000	-
- Mr. O. Bangaru Raju	24,000	-
Investment in Equity shares		
- Subsidiary Companies (Refer Note (c) below)		
- GAHL	-	2,805,000,000
- GKSEZL	-	1,174,500,000
- GJEPL	-	519,518,250
- GPEL	-	608,580,000
- GUEPL	-	876,487,500
- DIAL	-	1,555,000,000
- GAPL	-	664,400,000
- GIML	3,109,355,000	7,175,661,461
- GSPHPL	400,000	99,990
- GEML	-	202
- GHIAL	-	2,381,030,000
- GMRHL	158,500,000	19,500,000
- GH(M)L	-	3,924
- GCAPL	49,900,000	-
- GEL	1,532,802,606	-
- GETL	251,100,000	-
- DSPL	119,049,910	-
- Joint Venture		
- ISG	1,097,498,370	1,350,440,230

Nature of Transaction	2010	2009
- Enterprises where significant influence exists		
- SGH	2,426,410	10,317,420
Investment in Preference shares of		
- Subsidiary Companies		
- GACEPL	6,600,000	-
- GEL	-	6,259,933,750
- GJEPL	531,000,000	-
- GPEL	445,000,000	-
- GUEPL	1,000,200,000	-
- GMRHL	3,436,400,000	-
Investment in Debentures		
- Subsidiary Company		
- GKSEZL	2,000,000,000	-
Sale of Investments long term		
- Holding Company		
- GHPL	330	-
- Subsidiary Companies		
- GMRHL	2,432,834,830	-
- GEL	1,000	-
-Key Management Personnel and their relatives		
- Mr.Srinivas Bommidala	330	-
- Mr. G.B.S. Raju	330	-
- Mrs. G. Varalakshmi	330	-
- Mr. Kiran Kumar Grandhi	330	-
Loans repaid by		
- Subsidiary Companies		
- GAHL	-	118,895,000
- GTAEPL	-	324,860,000
- DAPL	-	4,000,000
- GTTEPL	-	415,140,000
Equity share application money invested in		
- Subsidiary Companies		
- GACEPL	-	1,055,387,600
- GJEPL	-	569,518,250
- GPEL	-	518,580,000
- GUEPL	-	876,487,500
- DIAL	487,500,000	3,732,000,000

Schedule 18 (contd.) I Statement on Significant Accounting Policies and Notes to the Accounts

Nature of Transaction	2010	2009
- GAHL	150,000,000	2,680,000,000
- GAPL	122,150,000	1,815,250,000
- GKSEZL	1,550,037,000	1,989,660,000
- GFIAPL	-	400,000
- GSPHPL	400,000	-
- GIML	9,120,162,500	7,640,695,000
- GMRHL	-	165,000,000
- GEML	-	202
- GH(M)L	-	3,924
- GHVEPL	63,300,000	-
- GCORRPL	208,500,000	-
- GCAPL	235,466,139	-
- GKEL	7,375,754	-
- DSPL	492,050,000	-
- GETL	251,100,000	-
- Joint Venture		
- ISG	1,097,498,370	1,373,512,016
- Enterprises where significant influence exists		
- SGH	2,426,410	10,317,420
Preference share application money invested in		
- Subsidiary Companies		
- GEL	1,501,000,000	6,269,933,750
- GACEPL	6,600,000	-
- GJEPL	531,000,000	-
- GPEL	545,000,000	-
- GUEPL	1,000,200,000	-
- GMRHL	3,436,400,000	-
Refund of share application money received		
- Subsidiary Companies		
- GEL	478,197,397	-
- GACEPL	-	1,126,604,400
- GAPL	489,350,000	555,187,500
- GFIAPL	-	425,000
- GAHL	177,280,000	4,394,720,000
- GUEPL	-	100,000,000
- GJEPL	-	320,000,000
- GMRHL	-	1,000,000

Nature of Transaction	2010	2009
- GIML	1,515,957,500	505,800,000
- GHIAL	-	1,531,000
- GKSEZL	182,500,000	-
- GSPHPL	10	-
- GCAPL	75,300,000	-
- GKEL	7,375,754	-
- DSPL	373,000,090	-
- Joint Venture		
- ISG	-	23,071,786
Refund of preference share application money Subsidiary Company		
- GPEL	100,000,000	-
Loans given		
- Subsidiary Companies		
- GEL	8,000,000,000	-
- DAPL	-	4,000,000
- GMRHL	2,000,000,000	-
Managerial Remuneration to		
- Key management personnel (Refer Note 18)		
- Mr. G.M. Rao	7,385,841	51,994,494
- Mr. G.B.S. Raju	4,432,000	31,196,696
Balances Payable / (Recoverable)		
- Holding Company		
- GHPL	5,420,184	4,776,000
- Subsidiary Companies		
- GEL	7,998,695,053	(510,000,003)
- GAHL	-	(27,280,000)
- GHIAL	32,569	-
- GAPL	(627,642,500)	(994,842,500)
- GKSEZL	(640,977,479)	(1,270,235,000)
- GJEPL	96,900	-
- GPEL	352,467	-
- DIAL	(4,374,968,630)	(3,887,500,000)
- GMRHL	(2,023,079,452)	(158,500,000)
- GIML	(4,494,850,000)	-
- GCCL	-	(280,800,000)
- GCAPL	(78,669,457)	(47,800,000)
- GHVEPL	(85,800,447)	-

Schedule 18 (contd.) I Statement on Significant Accounting Policies and Notes to the Accounts

Nature of Transaction	2010	2009
- GCORRPL	(226,497,651)	-
- GSPHPL	-	(10)
- VPGL	(801,724)	-
- Fellow Subsidiaries		
- RSSL	4,546,852	-
- GBPPL	(8,982,000)	-
- GMRPPL	117,576,389	-
-Enterprises where significant influences exists		
- GIOSL	(3,741,768)	-

Nature of Transaction	2010	2009
- Key Management Personnel		
- Mr. G.M.Rao*	(7,761,000)	15,093,265
- Mr. G.B.S. Raju*	(4,528,000)	7,049,145
*(Refer Note on Schedule 11)		

Notes:

a. The Company has provided securities by way of pledge of investments for loans taken by certain companies.

b. The holding company has pledged certain shares held in the Company and other bodies corporate as security towards the borrowings of the Company.

c. Includes allotment of equity shares out of Share Application money paid in earlier years.

11. Balances of companies under the same management included in Sundry debtors and Loans and advances.

(i) Sundry debtors

(Amount in Rupees)

Name of the Company	2010		2009	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
VPGL	801,724	27,500,000	-	-
GEL	695,053	1,712,191	-	-
GCORRPL	17,997,651	17,997,651	-	-
GHVEPL	27,000,447	27,000,447	-	-

(ii) Loans and Advances

(Amount in Rupees)

Name of the Company	2010		2009	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
GCAPL	110,266,139	171,860,000	-	-
GAPL	627,642,500	975,942,500	994,842,500	1,680,880,000
GKSEZL	637,772,000	2,637,772,000	1,270,235,000	2,444,735,000
DIAL	4,375,000,000	4,375,000,000	3,887,500,000	5,442,500,000
GHVEPL	63,300,000	63,300,000	-	-
GCORRPL	208,500,000	208,500,000	-	-
GIML	4,494,850,000	4,678,990,000	-	-
GEL	8,000,000,000	8,136,767,123	510,000,003	5,254,933,753
GSPHPL	-	-	10	199,990
GAHL	-	-	27,280,000	4,432,300,000
GMRHL	2,000,000,000	2,025,643,836	158,500,000	178,250
GIOSL	3,741,768	59,986,040	-	-
GBPPL	9,000,000	9,000,000	-	-

12. The Company has entered into certain operating lease agreements and an amount of Rs. 17,869,727 (2009: Rs. Nil) paid during the year under such agreements has been disclosed as lease rent and hire charges under Schedule 16. These agreements are cancellable in nature.

Schedule 18 (contd.) I Statement on Significant Accounting Policies and Notes to the Accounts

13. Earnings Per Share (EPS)

Calculation of EPS – (Basic and Diluted)

Particulars	Year ended March 31	
	2010	2009
Nominal value of equity shares (Re. per share) [Refer note (iii) below]	1	1
Weighted average number of equity shares outstanding at the end of the year	3,661,715,973	3,641,299,958
Net profit after tax for the purpose of EPS (Rs.)	134,522,223	976,733,324
EPS – Basic and Diluted (Rs.)	0.04	0.27

Note:

(i) Rs. 2,750 (2009: Rs. 2,750) are receivable towards equity shares and for the computation of weighted average number of equity shares outstanding at the end of the year, these have been considered as partly paid-up shares.

(ii) The Company does not have any dilutive securities.

(iii) Consequent to the approval of the shareholders in their Annual General Meeting held on August 31, 2009, the Board of Directors had fixed record date October 5, 2009 for sub-division of Equity Shares of the Company of Rs. 2 each into 2 Equity Shares of Re. 1 each. Weighted average number of shares used in computing the Earnings Per Share is based on a face value of Re.1 per share.

14. Deferred tax asset (net) comprises of:

(Amounti nRupees)

Sl. No	Particulars	2010		2009	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
1	Depreciation	-	11,606,304	-	874,643
2	Preliminary expenses	-	-	4,082	-
3	Other 43B disallowances	11,908,219	-	3,027,019	-
	Total	11,908,219	11,606,304	3,031,101	874,643
	Deferred tax asset	301,915	-	2,156,458	-

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

The Company's interests in the below mentioned joint ventures are reported as Long Term Investments (Schedule 6) and stated at Cost. However, the Company's share of each of the assets, liabilities, income and expenses etc., related to its interests in these joint ventures, based on the audited financial statements are:

(Amount in Rupees)

Particulars	Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG) (Refer Note (b) below)	
	2010	2009
(1) Share in ownership and voting power of the company	35.00%	35.00%
(2) Country of incorporation	Turkey	Turkey
(3) Contingent liabilities - Company has incurred in relation to Joint Venture	10,004,888,750	22,673,300,000
(4) Company's share of contingent liabilities of joint venture -Claims against the company not acknowledged as debt	10,578,750	-
(5) Company's share of capital commitments of the joint venture	-	1,825,084,394
(6) Aggregate amount of company's share in each of the following:		
(a) Current Assets	2,285,823,885	2,706,561,823
(b) Fixed Assets (including Capital work in progress and pre – operative expenditure, pending allocation)	8,632,578,638	4,834,102,407

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG) (Refer Note (b) below)	
	2010	2009
(c) Investments	26,172,910	23,570,764
(d) Deferred Tax Asset /(Liability)	139,835,700	56,845,458
(e) Current Liabilities and Provisions	2,217,387,095	1,519,923,525
(f) Borrowings	7,152,546,352	4,776,778,643
(g) Income		
1. Sales	3,282,555,073	2,350,546,002
2. Other Income	684,313	684,180
(h) Expenses		
1. Operating Expenses	2,418,338,545	1,927,699,956
2. Administration and Other expenses	299,021,184	398,424,195
3. Depreciation	727,410,183	345,138,318
4. Interest and Finance Charges	445,393,375	12,240,117
5. Provision for Taxation (including Deferred Taxation)	(97,644,386)	(53,425,087)

Notes:

(a) Disclosure of financial data as per Accounting Standard – 27 'Financial Reporting of Interest in the joint venture has been done based on the audited financial statements of ISG for the year ended March 31, 2010.

(b) The Company directly holds 35% of the equity shares of ISG and 5% of the equity shares through its subsidiary companies.

16. Details of Investments - other than trade purchased and sold during the year ended March 31, 2010

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Mutual Funds, Unquoted				
Birla Sun Life Cash Plus – Institutional Premium - Daily Dividend – Reinvestment	-	-	-	-
	(108,139,129)	(1,083,500,000)	(108,556,696)	(1,087,683,816)
Birla Sunlife Liquid Plus - Institutional - Daily Dividend – Reinvestment	-	-	-	-
	(209,805,573)	(2,099,482,410)	(214,740,437)	(2,148,864,594)
Birla Sunlife Cash Manager Institutional Growth	11,940,884	176,300,000	11,940,884	176,530,459
	-	-	-	-
Birla Sunlife Cash Plus Institutional Premium Growth	757,506,778	10,991,355,998	757,506,778	11,002,394,753
	-	-	-	-
Birla Sun Life Savings Fund - Institutional - Growth	575,466,311	9,908,332,726	575,466,311	9,926,972,586
	-	-	-	-
Birla Sun Life Short Term Fund - Institutional Growth	278,197,650	3,000,000,000	278,197,650	3,001,557,907
	-	-	-	-
DWS Insta Cash Plus Fund Super Institutional Plan Daily Dividend	-	-	-	-
	(79,405,610)	(795,644,215)	(79,916,722)	(800,765,557)
DWS Fixed Term Fund Series 58 – Institutional Dividend	-	-	-	-
	(50,000,000)	(500,000,000)	(50,000,000)	(511,056,289)
DWS Fixed Term Fund Series 51 – Institutional Growth	-	-	-	-
	(25,000,000)	(250,000,000)	(25,000,000)	(249,422,500)

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
G 50 Grindlays – Floating Rate Fund – LT – Institutional Plan B – Daily Dividend	-	-	-	-
	(105,862,654)	(1,059,208,784)	(108,437,182)	(1,084,968,227)
HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvestment	-	-	-	-
	(65,775,951)	(806,400,000)	(65,790,554)	(806,579,026)
HDFC Floating Rate Income Fund – Dividend Reinvest – Daily	-	-	-	-
	(80,010,617)	(806,579,026)	(83,996,937)	(846,764,721)
HDFC Liquid Fund Premium Plan Growth	622,851,769	11,324,930,456	622,851,769	11,341,206,856
	-	-	-	-
HDFC Cash Management Fund - Savings Plan - Growth	4,406,287	83,000,000	4,406,287	83,052,168
	-	-	-	-
HDFC Cash Management Fund - TRA - Wholesale Plan Growth	544,196,117	10,802,262,035	544,196,117	10,817,638,827
	-	-	-	-
HSBC Cash Fund- Institutional Plus - Daily Dividend	-	-	-	-
	(161,759,415)	(1,618,500,000)	(161,788,801)	(1,618,794,030)
HSBC Liquid Plus - Institutional Plus – Daily Dividend	-	-	-	-
	(28,818,724)	(288,550,359)	(31,236,394)	(312,757,518)
HSBC Fixed Term Series 53 Institutional Growth	-	-	-	-
	(35,000,000)	(350,000,000)	(35,000,000)	(350,756,000)
HSBC Floating Rate - LT - Institutional Daily Dividend	-	-	-	-
	(92,872,899)	(930,177,810)	(93,125,810)	(932,710,858)
HSBC Interval Fund - Plan2 - Institutional Dividend	-	-	-	-
	(49,999,500)	(500,000,000)	(49,999,500)	(500,809,992)
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	528,500,639	7,009,280,763	528,500,639	7,040,014,310
	-	-	-	-
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend - Reinvestment Dividend	-	-	-	-
	(700,886,891)	(7,009,219,358)	(721,028,067)	(7,210,641,162)
ICICI Flexible Income Plan Dividend – Daily - Reinvestment Dividend	-	-	-	-
	(10,876,247)	(115,000,000)	(11,176,523)	(118,174,960)
ICICI Prudential Liquid Super Institutional Plan – Growth	50,918,510	6,908,800,000	50,918,510	6,909,987,743
	-	-	-	-
ICICI Prudential Institutional Liquid Plan Super Institutional Growth - FV100	85,772,428	11,502,396,602	85,772,428	11,506,631,915
	-	-	-	-
ICICI Prudential Flexible Income Plan Premium – Growth	77,180,407	13,083,690,492	77,180,407	13,140,539,933
	-	-	-	-
FRDD ICICI Prudential Floating Rate Plan D -Daily Dividend - Reinvest Dividend	-	-	-	-
	(671,525,292)	(6,716,663,128)	(677,940,656)	(6,780,830,240)
ICICI Prudential FMP Series 44 - 3Months Plan C Retail Dividend- Pay Dividend	-	-	-	-
	(48,500,000)	(485,000,000)	(48,500,000)	(493,909,450)

Schedule 18 (contd.) I Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
ICICI Prudential FMP Series 47 - 3Months Plan B Retail Dividend- Pay Dividend	-	-	-	-
	(75,000,000)	(750,000,000)	(75,000,000)	(766,462,500)
ICICI Prudential Interval Fund II Quarterly Interval Plan B - Retail Dividend- Reinvest Dividend	-	-	-	-
	(49,946,058)	(500,000,000)	(51,001,777)	(510,568,586)
ICICI Prudential Interval Fund II Quarterly Interval Plan D - Retail Dividend- Reinvest Dividend	-	-	-	-
	(77,000,000)	(770,000,000)	(78,395,240)	(784,154,517)
ICICI Prudential FMP Series 47 - Three Months Plan C Retail Dividend- Pay Dividend	-	-	-	-
	(46,500,000)	(465,000,000)	(46,500,000)	(475,304,400)
IDFC Money Manager Fund Treasury Plan Super Institutional Plan C Growth	244,531,707	2,660,666,181	244,531,707	2,666,770,070
	-	-	-	-
IDFC Cash Fund - Super Institutional Plan C-Growth	496,234,664	5,544,000,000	496,234,664	5,545,359,746
	-	-	-	-
IDFC Fixed Maturity Plan - Quarterly Series 39 – Dividend	-	-	-	-
	(125,000,000)	(1,250,000,000)	(127,731,550)	(1,277,762,558)
ING Liquid Fund Super Institutional - Daily Dividend Option	-	-	-	-
	(176,285,383)	(1,763,700,000)	(179,683,588)	(1,797,698,358)
ING Liquid Plus Fund - Institutional Daily Dividend	-	-	-	-
	(337,370,226)	(3,374,815,579)	(343,239,924)	(3,433,531,925)
ING Fixed Maturity Fund - 47 Institutional Growth	-	-	-	-
	(20,000,000)	(200,000,000)	(20,000,000)	(197,400,000)
ING Fixed Maturity Fund - 46 Institutional Dividend	-	-	-	-
	(20,000,000)	(200,000,000)	(20,000,000)	(203,730,637)
JM High Liquidity Fund - Super Institutional Plan - Daily Dividend (92)	-	-	-	-
	(100,989,622)	(1,011,562,545)	(101,707,900)	(1,018,814,003)
JM Interval Fund - Quarterly Plan 6 - Institutional Dividend Plan (307)	-	-	-	-
	(50,000,000)	(500,000,000)	(51,114,430)	(511,261,393)
Kotak - Flexi Debt Scheme - Daily Dividend	-	-	-	-
	(79,771,983)	(800,200,741)	(82,140,003)	(823,954,584)
Kotak Flexi Debt Scheme Institutional - Daily Dividend	-	-	-	-
	(183,847,954)	(1,847,212,312)	(186,026,769)	(1,869,103,958)
Kotak Liquid (Institutional Premium) - Daily Dividend	-	-	-	-
	(76,348,738)	(933,600,000)	(76,386,409)	(934,060,646)
Kotak Quarterly Interval Plan Series 3 – Dividend	-	-	-	-
	(100,000,000)	(1,000,000,000)	(102,226,300)	(1,022,262,996)
Kotak Quarterly Interval Plan Series 8 – Dividend	-	-	-	-
	(50,000,000)	(500,000,000)	(50,000,000)	(497,455,000)
LIC MF Interval Fund - Series 1 - Monthly Dividend Plan	-	-	-	-
	(60,000,000)	(600,000,000)	(60,388,880)	(603,888,799)
Principal Cash Management Fund Liquid Option Institutional Premium Plan - Dividend Reinvestment Daily	-	-	-	-
	(49,996,500)	(500,000,000)	(50,004,838)	(500,083,388)

Schedule 18 (contd.) I Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Principal Floating Rate Fund FMP Institutional Option - Dividend Reinvestment Daily	-	-	-	-
	(49,946,904)	(500,083,388)	(52,828,037)	(528,930,146)
Reliance Liquid Fund - Cash Plan - Daily Dividend Option	-	-	-	-
	(4,487,726)	(50,000,000)	(4,500,360)	(50,140,759)
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	-	-	-	-
	(171,696,774)	(1,717,500,000)	(171,756,631)	(1,718,098,750)
Reliance Liquid Plus Fund – Institutional Option - Daily Dividend Plan	-	-	-	-
	(1,627,328)	(1,629,177,777)	(1,665,541)	(1,667,434,483)
Reliance Medium Term Fund - Daily Dividend Plan	-	-	-	-
	(34,969,472)	(597,820,606)	(35,041,256)	(598,519,501)
SBI Debt Fund Series - 180Days- 8- Dividend	-	-	-	-
	(100,000,000)	(1,000,000,000)	(100,000,000)	(1,022,160,000)
Stan Chart Liquidity Manager – Plus - Daily Dividend	-	-	-	-
	(1,058,778)	(1,059,000,000)	(1,058,986)	(1,059,208,784)
TDAD TATA Dynamic Bond Fund Option A – Dividend	-	-	-	-
	(95,478,869)	(1,007,445,291)	(96,059,365)	(1,014,338,866)
TDBD TATA Dynamic Bond Fund Option B – Dividend	-	-	-	-
	(98,910,675)	(1,014,338,866)	(100,066,357)	(1,027,995,748)
TATA Liquid Super High Investment Fund - Daily Dividend	-	-	-	-
	(717,798)	(800,000,000)	(718,154)	(800,397,375)
TATA Floater Fund - Daily Dividend	-	-	-	-
	(206,854,871)	(2,075,912,746)	(213,895,742)	(2,146,572,109)
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	-	-	-	-
	(299,798)	(300,000,000)	(306,716)	(306,922,444)
UTI Treasury Advantage Fund - Institutional Plan - Growth	237,725	291,528,998	237,725	293,156,513
	-	-	-	-
UTI Liquid Cash Plan Institutional - Growth Option	2,027,522	2,985,315,109	2,027,522	2,990,398,173
	-	-	-	-
UTI - Liquid Plus Fund Institutional Plan (Daily Dividend Option) - Reinvestment	-	-	-	-
	(3,264,499)	(3,265,197,390)	(3,285,743)	(3,286,446,029)
UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment	-	-	-	-
	(490,463)	(500,000,000)	(537,211)	(547,656,568)
Total		96,271,859,361		96,442,211,959
		(57,896,492,331)		(58,857,808,751)

Notes: Previous year figures are mentioned in brackets.

17. There are no micro and small enterprises, to which the company owes dues, or with which the Company had transactions during the year, based on the information available with the Company, which has been relied upon by the Auditors.

Schedule 18 (contd.) I Statement on Significant Accounting Policies and Notes to the Accounts

18. Managerial Remuneration

(Amount in Rupees)

	Particulars	2010	2009
a.	Salaries	9,511,000	56,100,000
b.	Perquisites and other allowances	98,841	460,780
c.	Contributions to provident and other funds	2,208,000	4,488,000
d.	Sitting Fee	1,450,000	1,080,000
e.	Commission	-	22,142,410
	Total	13,267,841	84,271,190

Note: The above figures do not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the Company as a whole.

19. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

(Amount in Rupees)

Particulars	Year Ended	
	2010	2009
Profit after tax	134,522,223	976,733,324
Add:		
Managerial remuneration	13,267,841	84,271,190
Provision for taxation	1,854,543	63,156,548
Depreciation as per Profit and Loss Account	9,362,939	1,085,519
Less:		
Depreciation as per section 350 of the Companies Act,1956	9,362,939	1,085,519
Net Profit in accordance with Section 349 of the Companies Act,1956	149,644,607	1,124,161,062
Total remuneration including commission thereon		
Executive Chairman @ 5%	7,482,230	56,208,053
Managing Director @ 3%	4,483,338	33,724,832
Total remuneration including commission paid to		
Executive Chairman	7,385,841	51,994,494
Managing Director	4,432,000	31,196,696
Commission payable for the year		
Executive Chairman	-	15,093,265
Managing Director	-	7,049,145

Notes: The difference of Rs. 12,289,000, between the amount of managerial remuneration initially paid and the amount finally computed as above u/s 349 of the Companies Act 1956 after finalization of the accounts, is held in trust by the Directors and is shown as recoverable under 'Loans and Advances - Schedule 11'.

20. Disclosure in terms of Accounting Standards 7 - Construction contracts

(Amounti nRupees)

Sl. No.	Particulars	2010	2009
1	Contract revenue recognised during year	683,611,256	-
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date	810,419,845	-
3	Amount of customer advances outstanding for contracts in progress	150,000,000	-
4	Retention money due from customers for contracts in progress	-	-

Schedule 18 (contd.) I Statement on Significant Accounting Policies and Notes to the Accounts

21. Additional information pursuant to paragraph 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

a) Remuneration to Auditors*

(Amount in Rupees)

Particulars	2010	2009
Audit fees	2,206,000	1,123,600
Tax Audit	170,965	168,540
Other certification fees	8,021,568	2,941,585
Out of Pocket Expenses	222,234	50,205
Total	10,620,767	4,283,930

* Includes service tax

b) Expenditure in Foreign Currency (on payment basis)

(Amount in Rupees)

Particulars	2010	2009
Travelling expenses	5,209,470	17,100,136
Professional and Consultancy charges	11,062,034	15,134,011
Others	1,491,836	70,041
Total	17,763,340	32,304,188

22. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 to the extent either Nil or Not Applicable has not been furnished

23. Disclosure as per Clause 32 of the listing agreement

Loans and Advances in the nature of Loans to Subsidiaries.

(Amount in Rupees)

Name of the Subsidiary	Amount Outstanding as at March 31,		Maximum amount outstanding during the year		Investment by loanee in the Company's Share (Nos)
	2010	2009	2010	2009	
-GEL*^	8,000,000,000	-	8,136,767,123	-	Nil
-GMRHL*^	2,025,643,836	-	2,025,643,836	-	Nil
-GKSEZL^	2,003,561,644	-	2,003,561,644	-	Nil
-GAHL**	-	-	-	118,895,000	Nil
-GTAEPL^	-	-	-	327,494,481	Nil
-GTTEPL^	-	-	-	418,506,615	Nil

* Loans bear yearly interest rate of 6%.

** Interest free loan payable on call.

^ Includes interest accrued.

24. Pursuant to the Resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re.1 each have been allotted to Qualified Institutional Buyers at a premium of Rs.61.20 per share on April 21, 2010 aggregating to Rs.14,000,000,258.

25. Unhedged foreign currency exposure

Particulars	Amount in USD	Amount in INR
Advance towards share application money - Receivable	100,000,000 (-)	4,494,850,000 (-)

Notes: Previous year figures are mentioned in brackets.

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

26. The financial statements as at and for the year ended March 31, 2009 have been audited by Price Waterhouse. The financial statements as at and for the year ended March 31, 2010 have been audited jointly by S.R. Batliboi & Associates and Price Waterhouse.

27. Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

As per our report of even date

For PRICE WATERHOUSE
Firm Registration Number: 007568S
Chartered Accountants

J Majumdar
Partner
Membership Number: F51912

For S.R. BATLIBOI & ASSOCIATES
Firm Registration Number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 56102

Place: Bengaluru
Date: May 24, 2010

For and on behalf of the Board of Directors

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: New Delhi
Date: May 24, 2010

Cash Flow Statement for the year ended March 31, 2010

(Amount in Rupees)

Sl. No.	Particulars	March 31, 2010	March 31, 2009
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax	136,376,766	1,039,889,872
	Adjustments for :		
	Depreciation	9,362,939	1,085,519
	Provision for doubtful advances	-	60,000,000
	Provisions/ Liabilities no longer required, written back	(3,035,586)	-
	(Profit)/ Loss on sale of investments (net)	(170,352,598)	36,064,690
	Fixed assets written off	-	723,136
	Loss on sale of fixed assets	39,978	-
	Loss/ (Gain) on foreign exchange fluctuations (net)	11,881,841	(53,374,575)
	Dividend income	-	(1,077,343,110)
	Interest income	(466,879,048)	(514,660,434)
	Finance charges	691,148,979	237,924,361
	Operating Profit Before Working Capital Changes	208,543,271	(269,690,541)
	Adjustments for :		
	(Increase)/ Decrease in Inventories	(126,808,589)	-
	(Increase)/ Decrease in Loans and advances	308,864,139	146,377,874
	(Increase)/ Decrease in Sundry debtors	(373,515,770)	-
	Increase/ (Decrease) in Current liabilities and provisions	461,702,429	(29,697,538)
	Cash generated from Operations	478,785,480	(153,010,205)
	Direct taxes paid (net)	(130,910,347)	(108,469,759)
	Net Cash Flow from/(used in) Operating Activities	347,875,133	(261,479,964)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(289,007,185)	(3,164,530)
	Proceeds from sale of fixed assets	127,927	-
	Purchase of long term investments (including share application money)	(20,513,943,874)	(21,654,081,405)
	Proceeds from sale of long term investments (including refund of share application money)	5,819,916,391	-
	Purchase of investments - short term	(105,667,765,174)	(58,857,808,750)
	Proceeds from sale of investments - short term	96,442,211,959	91,406,879,461
	Loan given to subsidiary companies	(10,000,000,000)	-
	Interest income received	496,312,350	490,336,710
	Dividend received	-	1,084,915,430
	Net Cash Flow from/ (used in) Investing Activities	(33,712,147,606)	12,467,076,916
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from secured loans	10,000,000,000	-
	Repayment of secured loans	(650,000,000)	(150,000,000)
	Proceeds from unsecured loans	13,000,000,000	-
	Repayment of unsecured loans	-	(100,000,000)
	Proceeds/ (Repayment) from/ of working capital loan	(803,010,883)	(338,750,809)
	Repayment of loan from subsidiary companies	-	858,895,000
	Received against calls unpaid	-	132,240
	Debenture/ Share issue expenses paid	(196,240,713)	(287,782)
	Financial charges paid	(620,327,062)	(237,924,361)
	Net cash from/ (used in) financing activities	20,730,421,342	32,064,288
	Net increase/ (decrease) in Cash and Cash Equivalents	(12,633,851,131)	12,237,661,240
	Cash and Cash Equivalents at the beginning of the year	13,319,157,676	1,081,496,436
	Cash and Cash Equivalents at the end of the year	685,306,545	13,319,157,676

Notes:

1. The above Cash Flow Statement has been prepared under the ‘Indirect Method’ as set out in the Accounting Standard 3 on Cash Flow Statements as referred to in section 211(3C) of the Companies Act, 1956.
2. Previous year figures have been regrouped and reclassified to conform to those of the current year.
3. Cash and Cash Equivalents includes restricted cash and bank balance amounting to Rs. 100,526,322 as at March 31, 2010 (2009: Rs. 735,082,373).

As per our report of even date

For PRICE WATERHOUSE
Firm Registration Number: 007568S
Chartered Accountants

J Majumdar
Partner
Membership Number: F51912

For S.R. BATLIBOI & ASSOCIATES
Firm Registration Number: 101049W
Chartered Accountants

per Navin Agrawal
Partner
Membership Number: 56102

Place: Bengaluru
Date: May 24, 2010

For and on behalf of the Board of Directors

G.M. Rao
Executive Chairman

Srinivas Bommidala
Managing Director

Subba Rao Amarthaluru
Group CFO

C.P. Sounderarajan
Company Secretary

Place: New Delhi
Date: May 24, 2010

Balance Sheet Abstract

Information pursuant to the Provisions of Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and company's General Business Profile

I Registration Details

Registration No.:	0 3 4 8 0 5	State Code:	0 8
Balance Sheet Date:	3 1 (Date) 0 3 (Month) 2 0 1 0 (Year)		

I. Capital raised during the year (Amount in Rs. Thousands)

Public Issue:	N I L	Rights Issue :	N I L
Bonus Issue:	N I L	Private Placement :	2 6 0 3 8

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities :	8 4 1 5 0 1 9 6	Total Assets :	8 4 1 5 0 1 9 6

Sources of Funds

Paid-up capital :	3 6 6 7 3 5 2	Reserves & Surplus :	5 4 7 3 2 8 4 4
Secured Loans :	1 2 7 5 0 0 0 0	Unsecured Loans :	1 3 0 0 0 0 0 0
Deferred Tax Liabilities :	N I L		

Application of Funds

Net Fixed Assets :	3 2 1 8 4 5	Investments :	6 2 5 2 4 9 5 9
Net Current Assets :	2 1 3 0 3 0 9 0	Misc. Expenditure :	N I L
Accumulated Losses :	N I L	Deferred Tax Asset :	3 0 2

IV. Performance of company (Amount in Rs. Thousands)

Gross Income :	1 7 8 7 7 8 9	Total Expenditure :	1 6 5 1 4 1 2
Profit/Loss Before Tax :	1 3 6 3 7 7	Profit/(Loss) After Tax :	1 3 4 5 2 2
Earnings Per Share in Rs. :	0 . 0 4	Dividend Rate (%) :	N I L

V. Generic Names of Three Principal Products / Services of Company (as per Monetary terms)

Infrastructure Development & Contract Business.

Item Code No. (I T C Code)	N A
Product Description	N A

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GMR Vemagiri Power Generation Limited - Rajahmundry, A.P., India

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Registered Office:
Skip House, 25/1, Museum Road,
Bengaluru 560 025
Tel No. : 080 40534000
Fax : 080 22279353
Website : www.gmrgroup.in