Maximizing Value

GMR Infrastructure Limited

18th Annual Report 2013–14

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements about expected future events, financial and operating results of GMR Infrastructure Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer which is qualified in its entirety by the assumptions, and risk factors that are referred in the management's discussion and analysis of the GMR Infrastructure Limited Annual Report 2013-14.

INSIDE THE REPORT

MAXIMIZING VALUE

PREFACE

Pragmatism is the sure compass in troubled waters. Self-help is the mantra in today's environment. We invest in new assets by realizing tomorrow's value today for time-worn assets.

GENERAL INFORMATION

Board Of Directors

G.M. Rao
Executive Chairman

Grandhi Kiran Kumar
Managing Director

Srinivas Bommidala
Group Director

G.B.S. Raju
Group Director

B.V.N. Rao
Group Director

K.V.V. Rao
Director

O. Bangaru Raju
Director

C.R. Muralidharan
Independent Director

Dr. Prakash G. Apte
Independent Director

N.C. Sarabeswaran
Independent Director

R.S.S.L.N. Bhaskarudu
Independent Director

S. Sandilya
Independent Director

S. Rajagopal
Independent Director

V. Santhana Raman
Independent Director

Company Secretary & Compliance Officer

C.P. Sounderarajan

Audit Committee

N.C. Sarabeswaran	- Chairman
R.S.S.L.N. Bhaskarudu	- Member
S. Rajagopal	- Member

Stakeholders Relationship Committee

R.S.S.L.N. Bhaskarudu	- Chairman
B.V.N. Rao	- Member
G.B.S. Raju	- Member
K.V.V. Rao	- Member

Nomination and Remuneration Committee

R.S.S.L.N. Bhaskarudu	- Chairman
B.V.N. Rao	- Member
Dr. Prakash G. Apte	- Member
N.C. Sarabeswaran	- Member

Corporate Social Responsibility Committee

R.S.S.L.N. Bhaskarudu	- Chairman
B.V.N. Rao	- Member
O. Bangaru Raju	- Member

Statutory Auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants

Bankers

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

Registered Office

Skip House, 25/1, Museum Road, Bangalore – 560 025
Tel No.: +91 80 40534000, Fax: +91 80 22279353
www.gmrgroup.in

Registrar And Share Transfer Agent

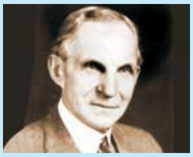
Karvy Computershare Pvt. Ltd.
No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081

VISION

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

Our commitment to building an institution for perpetuity is grounded on the following values and beliefs

Humility
We value intellectual modesty and detest false pride and arrogance



Entrepreneurship
We seek opportunities – they are everywhere

Teamwork and relationships
Going beyond the individual, encouraging boundaryless behaviour

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

Learning
Nurturing active curiosity – to question, share and improve

Social responsibility
Anticipating and meeting relevant and emerging needs of society

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

CHAIRMAN'S MESSAGE

"Economy always throws up challenges along with opportunities. The only way forward for any institution is by following employee-centric inclusive growth strategies and building people-centric assets of international standards that add value to society."

Mr. G. M. Rao, Chairman, GMR Group

Dear Shareholders,

Last year's 'Taper Tantrum' witnessed the start of the long-awaited interest rate normalization process as longer-term yields moved up significantly, while currency and financial market volatility was very high last year, it has largely evaporated now. The Second quarter of 2014 provided a Welcome rebound in the United States with the annual pace of economic growth rising to 4.0%. United Kingdom has returned to a 3% growth rate while the other advanced economies have been unable to generate consistent traction. Growth in Japan also remains well short of expectations, undermined by the recent increase in VAT taxes.

The pace of activity in the emerging and developing economies has continued to edge lower, even with signs that China's growth appears to be stabilizing at 7%. India's economy is getting a boost from the reforms introduced by the new Government. Escalating geopolitical tensions in Eastern Europe, the Middle East, Africa and Asia, alongside the insurgency in Iraq, could well extend the period of uncertainty and complexity. Increasing sanctions on Russia because of its military involvement in Ukraine have the potential to further minimalize the country's growth. We are continuing to live in a world where volatility and uncertainty have become the New Norms.

During 2013-14 India witnessed a reduced GDP growth rate at about 5 percent, with a slowdown in the investment cycle, high inflation, high interest rates and a volatile currency. However, I am very optimistic about the Indian growth story under the current political regime.

The people of this country has given a clear mandate at the Centre to the NDA Government with a very decisive Prime Minister, whose focused agenda of development and growth for the country has already started showing the signs of the economic recovery. Stock market is touching new highs and there is a spur of activities all around in the economy. It seems like 'light at the end of the tunnel'. The present Government is committed and is creating much required enabling frameworks for the Infrastructure sector. I am very confident that we will see robust growth in the years to come.

The development of the economy is further fuelled by the maiden budget of this Government. For your company, if you notice in this year budget, there has been lot of focus on PPP (Public Private Partnership). There is a clear plan on the adoption of PPP framework in various Infrastructure developments ranging from cleaning of Ganga to modernizing railways, gas pipelines, airports, ports, smart cities and so on.

This budget has given the much required thrust on the revival of the Infrastructure sector like:

- Critical financing support that the Infrastructure sector was seeking - like Infrastructure trust, Long term financing by the banks, banks to raise capital for funding Infrastructure with CRR/ SLR reductions, development of the bond market - have been given a green signal
- Push to the Urban development and Transportation sector - Fresh award of road and airports projects which is significantly higher than last year would be critical to kickstart the capex cycle
- Assurance of coal to power plants which are already commissioned or would be commissioned by March 2015, to unlock dead investments

For the speedy recovery of economy, a major breakthrough from the Government has been taken which is setting up of new institution called "3P India" which will facilitate faster clearances of the projects, dispute resolutions and other similar issues. Not only this, the Government is conducting a thorough review of PPP formats, bidding mechanisms, model concession agreements, and dispute resolution and renegotiation mechanisms.

In fact, a lot of action has already happened on the ground with clearance to the real estate investment trusts (REITs), higher FDI in defence, opening up of Railways Infrastructure for private investments, 25/5 format for Infrastructure lending, SLR and CRR benefits, take out financing being made more simpler, revised ECB norms, etc. Thus, all these measures add up to a marked shift in creating the enabling framework to revive the Infrastructure sector of the country.

On the other hand, we are experiencing the favourable macro-economic factors like lowering of inflation, increase in forex reserves, control in fiscal deficit and monsoon also finally meeting the expectations.

The present Government focusing on the development, recent budget and measures, favourable macro-economic factors all coupled together have created a strong positive perception in favour of our country. The foreign investors have once again started investing in

India and we are experiencing huge interest from Japan, Korea, US and even China. There is a change in the air and the future looks very bright.

It is very clear that the way forward for the Infrastructure development of this country is through PPP route and your company has already successfully built landmark projects on PPP mode thus proving its mettle. Thus, your company is well placed to leverage the upcoming opportunities and to become bigger and better in the times to come.

However at the same time, we have to ensure insulation from the volatile and unpredictable external environment. For that, your company proactively formulates appropriate strategies to adapt in this ever changing complex environment. I mentioned in the last year Annual General Meeting about your company's strategy of Asset Light Asset Right. Through regular portfolio reviews, the Group identifies those assets which have already created maximum value and divesting these assets releases capital for better opportunities, and also improves the quality of our portfolio. This recycling approach insulates the Group from the volatility seen in the global markets and enables sustainable growth and profits. The Asset Light approach will improve profitability and free cash flows by 'sweating' of existing assets, i.e. achieving better operating efficiencies by increasing revenue and reducing cost.

Our Asset Light execution has resulted in the successful divestment of GMR stakes in Sabhika Gocken Airport at Turkey.

We also divested from Ulundurpet Highway project in Tamil Nadu this year.

Your company's Asset Light Asset Right strategy will ensure we have the liquidity to avail the upcoming new opportunities.

With Foresight, Adaptability and Pragmatic approach your company has been continuously converting challenges into opportunities. I strongly believe that this will form a sustainable long term business model for us.

Despite a challenging macro-economic environment we have achieved several significant milestones.

Balance Sheet Building: As part of strengthening our Balance Sheet, Group has in July '14 raised by way of Qualified Institutional Placement an amount of Rs. 1477 Cr.

Resolution of Pending Issues: In airports, GMR won the first stage of International arbitration with the Government of Maldives (GoM) and Maldives Airport Company Limited (MACL).

Operational Excellence: There has been robust growth in traffic and both our airports scores have topped the ASQ ratings chart (DIAL - 1st, GHIAL - 2nd) for the first quarter in their respective categories. In Energy sector, both our thermal plants are running at better load factors than last year. We expect significant contribution from them through resolution of the long pending power evacuation issues. In Highways, our Hungund - Hospet project achieved complete CoD on May '14. On the other hand, we are committed to reduce the expenditure on all the assets and projects across the Group.

New Projects in line with Asset Light Asset Right Approach: Our Urban Infrastructure sector won the Hyderabad MMTS project, adding Rs. 389 Cr to our Railways EPC order book.

Group will continue to focus on operational excellence to improve our Operating Assets in terms of efficiency and reducing expenditure, strengthening of Balance Sheet through deleveraging by way of our Asset Light Asset Right Strategy. Going forward Group will explore refinancing of the debt in line with recent RBI policy announcement for Infrastructure Financing.

As mentioned last year, strong Institutional process and values enable us to leverage these opportunities for sustainable growth. Your company is continuously working towards its vision of becoming an 'Institution in Perpetuity'. For that we need to have strong and robust process, state-of-the-art technology, strong governance mechanism and leadership pipeline. Your company has been continuously working on these four vital pillars – People with specific focus on Leadership Development, Process, Technology and Governance.

With all humility, I could say that your company has successfully weathered the tough times because of the robust Institutional framework and dynamic strategy in place which always focus on the interests of all stakeholders and has come up with viable solutions in these trying times.

I would also take this opportunity to talk about the area which is very close to my heart. Your company since the very beginning believed in inclusive growth and we are doing so through the platform of GMR Varalakshmi

Foundation, the CSR arm of your company. The motto is simple - align business growth with socio-economic progress in a sustainable manner. Though, recently Parliament has enacted Companies Act for Corporates to contribute in Corporate Social Responsibility, your company has already been doing so.

At GMR we believe that with success comes responsibility. We believe in inclusive growth, towards which your company has been engaged in CSR activities through GMR Varalakshmi Foundation in the service of people in the neighbourhood of all our project areas. Its focus is on Education, Health and Hygiene, Empowerment and Community Development. We work in close association with the communities where our operations are based and take our responsibilities to society seriously. The Best CSR Practices Award-2014 from Government of India, the FICCI CSR Award 2012-13 for GHIAL from FICCI Aditya Birla CSR Centre for Excellence and ASSOCHAM CSR Excellence Award 2013-14 from ASSOCHAM are only a testimony of our humble contributions in this field.

Education:

Through state-of-the-art schools and colleges in under-served locations is helping more than 8,000 students every year

Facilitates 3,500 pre-school level children through Bala Badis and Anganwadis

Supports over 300 Government schools and reaches close to 35,000 children

Health:

A 135 bed state-of-the-art hospital has been set up in remote area of Andhra Pradesh to meet the health needs of local communities

Over 20,000 people are reached out every year through 29 Health Clinics, 3 Mobile Medical Units and 2 Ambulances

Empowerment and Livelihoods:

Runs 8 skill training and entrepreneurship development institutes which offer industry-partnered training in employable skills and has trained over 30,000 people.

It is your company's continuous endeavour to increase efforts and reach out to a larger underprivileged section of the society. Hence, I am highly pleased to share that this year in May 2013 your company had shifted its Delhi Vocational Training Centre to a new state-of-the-art fully equipped residential building in the vicinity of your Delhi Airport. Currently, more than 10 vocational courses are running and many more planned. Located in the capital of the country, we are able to serve the communities across the country from various states like UP, Bihar, Haryana, Rajasthan, Assam and Himachal among many others.

Your company believes in responsible growth and hence will continue to work hard for the betterment of the society and to make sure that people of our country has better future and a better world to live in.

With these thoughts and feelings, I would like to take this opportunity to wholeheartedly thank the Central and State Governments, Shareholders, Investors, Bankers, Financial Institutions, Regulators, Suppliers, Media and Customers for their consistent and constant support.

I wish to express appreciation to my colleagues on the Board and our employees for their thought leadership, dedication and commitment. I am indeed grateful to you all for your cooperation and the trust you have reposed in us.

With warm and very best regards,

GM Rao
Group Chairman, GMR Group

HIGHLIGHTS OF 2013–14

Consolidated Financial Performance

(₹ in Crore)

Year End	Revenue from operations	Revenue from operations (net)*	EBITDA**	PAT#	Cash Profits##	Cash and Bank Balances & Securities^
FY 2014	10,653	8,710	2,781	108	1,513	5,872
FY 2013	9,975	8,305	2,608	135	1,249	7,109
FY 2012	8,473	7,642	1,758	(1,059)	(72)	5,172
FY 2011	6,465	5,814	1,555	(1,047)	(348)	5,264
FY 2010	5,123	4,567	1,364	225	678	4,893

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

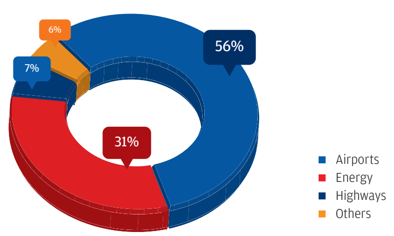
** EBITDA – Earnings before interest, other income, tax, depreciation, amortisation (including utilisation fees) and exceptional items

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

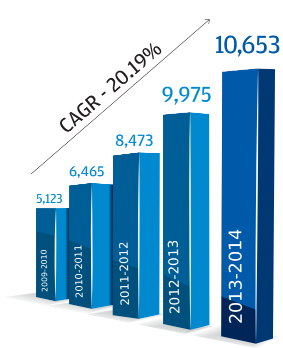
\## Profit after tax+Def tax+MAT credit+Depreciation (the group is continuously churning assets, loss/profit on sale of investments is considered part of cash profits only)

^ Cash and Bank Balances + mutual funds + bonds + Government securities + certificate of deposit + investments in quoted equity shares

Sectorwise revenue from operations in 2014

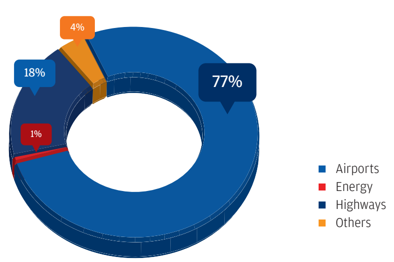


Consolidated revenue from operations (₹ in Crore)



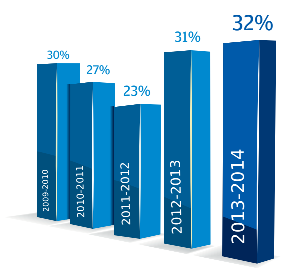
Net worth (₹ in Crore)

Sectorwise contribution in EBITDA

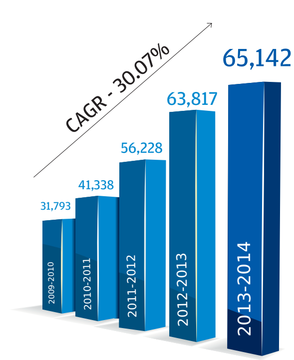


EBITDA Margin

*EBITDA margin is calculated on net revenue



Total Assets (₹ in Crore)



Directors' Report

Dear Shareholders,

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

Financial Results

Your Company, as a holding company, operates in four different business sectors - Energy, Airports, Highways and Urban Infrastructure through various subsidiaries, associates and jointly controlled entities. The Company has Engineering, Procurement and Construction (EPC) business as a separate operating division to cater to the requirements for implementing the projects undertaken by the subsidiaries and others.

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

(₹ in Crore)

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

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

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

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

Presented below are the standalone financial results of the Company:

(₹ in Crore)

Particulars	March 31, 2014	March 31, 2013
Revenue from operations	786.29	1,432.79
Operating and administrative expenditure	(525.39)	(1072.01)
Other Income	4.77	28.58
Finance costs	(408.71)	(374.43)
Depreciation and amortization expenses	(8.42)	(8.31)
(Loss) / Profit before exceptional items and tax expenses	**(151.46)**	**6.62**
Exceptional items:		
Profit on sale of investment in subsidiary / jointly controlled entity	472.06	75.83
(Loss) on redeemable preference shares	(131.25)	-
Provision for diminution in the value of investment in a jointly controlled entity	(1.27)	-
Profit before tax	**188.08**	**82.45**
Tax expenses (including deferred tax and MAT credit entitlement)	(22.18)	(29.00)
Profit for the year	**165.90**	**53.45**
Surplus in the statement of profit and loss - Balance as per last financial statements	309.06	382.37
Transfer from debenture redemption reserve	108.75	-
Profit available for appropriation	**583.71**	**435.82**
Appropriations:		
Transfer to debenture redemption reserve	108.50	81.53
Proposed equity dividend	38.92	38.92
Tax on proposed equity dividend	6.92	6.31
Proposed preference dividend [₹1,868]	0.00	-
Tax on proposed preference dividend [₹ 318]	0.00	-
Net surplus in the statement of profit and loss		
Earnings per share (₹) - Basic and Diluted	0.43	0.14

The revenue from operations of the Company on standalone basis has reduced by 45.12% from ₹1,432.79 Crore to ₹ 786.29 Crore on account of completion of majority of the projects handled by the EPC segment. The operating and administrative expenditure has also reduced accordingly by 51% from ₹ 1,072.01 Crore to ₹ 525.39 Crore. During the year, the company has divested its equity stake in Turkey Airport entity (ISG) and this has resulted in a profit of ₹ 458.78 Crore (net of cost incurred towards sale of equity stake), which is presented as an exceptional item in the financial statements. Loss on redeemable preference shares amounting to ₹ 131.25 Crore and provision for diminution in the value of investment in the Ground Handling jointly controlled entity at Turkey (Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi) amounting to ₹ 1.27 Crore have been shown as an exceptional item in the financial statement.

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

Dividend

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

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

Subsidiary Companies

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

Review of Operations/Projects of Subsidiary Companies and EPC

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

Airport Sector

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

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

Delhi International Airport Private Limited (DIAL)

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

Highlights of FY 2013-14:

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

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

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

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

Awards and Accolades received in FY 2013-14:

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

GMR Hyderabad International Airport Limited (GHIAL)

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

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

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

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

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

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

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

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

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

The following awards and recognitions were received during the year:

- World No. 2 position in the ACI ASQ (Airport Service Quality) Survey for the year 2013 in the 5-15 MPPA category;
- ASSOCHAM-CSR Excellence Award 2012-13;
- FICCI-CSR Award 2012-13;
- Prestigious "NATIONAL TOURISM AWARD 2012-13" under the Best Airport Category for fourth consecutive year;
- CAPA Airport Marketing Award (for Airports handling up to 15 mppa) at the 10th Annual CAPA Aviation Awards for Excellence;
- 1st Airport in the World to receive 5-Star Certification Award of the British Safety Council's Health and Safety Management System. GHIAL has been awarded the prestigious 'Sword of Honour', considered the 'Oscar of the Safety World' by the British Safety Council for its Safety Management System and Safety Practices;
- 1st Airport in India Level 3 (Optimization) Accreditation by ACI on Airport Carbon Emission.

Aerotropolis Development

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

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

Aircraft - Maintenance, Repair and Overhaul (MRO)

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

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

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

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

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

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

Istanbul Sabiha Gokcen International Airport Limited (ISG)

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

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

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

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

GMR Male International Airport Private Limited (GMIAL)

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

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

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

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

GMR Aviation Private Limited

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

CEBU

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

Energy Sector

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

The current operating portfolio of energy sector comprises of:

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

The following are the major highlights of the Energy sector:

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

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

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

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

Highways

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

The FY 2013-14 has seen a subdued growth in the highway sector due to various factors such as slowed economic situation, delay in clearances, sand quarry and mining bans, power shortage, funding constraints, etc. This has resulted in lower investment from private players in infrastructure in general including roads and highways sector.

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

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

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

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

Engineering Procurement and Construction (EPC) Division

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

Urban Infrastructure

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

Krishnagiri Special Investment Region

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

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

GKSIR will be a smart integrated industrial zone and this project would cater to the needs of Manufacturing, Services and Commercial activities and will also offer Residential and Social Infrastructure.

GKSIR will have dedicated:

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

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

Project progress

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

Kakinada Special Investment Region

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

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

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

Risk Management

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

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

Significant developments during the year include:

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

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

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

Developments in Human Resources and Organisation Development

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

Consolidated Financial Statements

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

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

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

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

Changes in Share capital

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

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

Qualified Institutions Placement (QIP):

Subsequent to the year end, your company successfully completed issue and allotment of 46,88,17,097 equity shares of ₹ 1 each at a price of ₹ 31.50 per equity share, including a premium of ₹ 30.50 per equity share, aggregating to ₹ 1,476.77 Crore to Qualified Institutional Buyers (QIBs) as per Chapter VIII of SEBI Regulations, through the Qualified Institutions Placement (QIP). Issue price is at a discount of ₹ 1.64 per equity share to the floor price of ₹ 33.14 per equity share. The QIP opened for subscription to QIBs on July 02, 2014 and closed on July 08, 2014. The entire money amounting to ₹ 1,476.77 Crore was received and allotment of shares was made on July 10, 2014. Consequent to this allotment, the listed equity share capital has increased from ₹ 389.24 Crore to ₹ 436.12 Crore.

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

Directors

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

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

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

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

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

Directors' Responsibility Statement

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

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

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

Corporate Governance

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

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

Secretarial Audit

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

Management Discussion and Analysis (MDA)

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

Business Responsibility Report

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

Auditors and Auditors' Report

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, the statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. They have offered themselves for reappointment as statutory auditors and the Company has received letters from M/s. S.R. Batliboi & Associates LLP to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

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

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

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

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

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

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

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

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

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

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

Corporate Social Responsibility (CSR)

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

Environmental Protection and Sustainability

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

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

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

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

Energy Sector

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

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

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

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

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

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

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

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

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

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

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

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

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

Airport Sector

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

Environment Sustainable Management is an integral part of our business strategy which helps in achieving social credibility and business sustainability by efficient integration of policy, system, procedures, infrastructure and community support. The Company adopted all possible proactive sustainable approach for the airport to develop an environment friendly posture that accommodates the community's concerns while still meeting all regulatory requirements. Our key environmental & social elements which have direct/ indirect impact on society are aircraft noise, emission, air quality, water & wastewater, solid waste and conservation of natural resources. A dedicated team of professionals is deployed to deal with all areas of environmental and social concerns. All the impacts associated with its business aspect are being effectively resolved by working closely with the communities around the airport by proper knowledge sharing forum, media communications, communication to stakeholders and stakeholders meeting, further with the support of regulatory and government agencies.

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

DIAL

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

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

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

GHIAL

GMR Hyderabad International Airport Ltd. (GHIAL) is complying with the applicable environmental legal requirements of DGCA, APPCB and MoEF. A proposal for 5 MW Solar Power Plant has been initiated as part of green energy promotion, for which, ‘Consent for Establishment’ plant has been obtained from the State Pollution Control Board. An ‘Environmental Portal’ has been developed for the environmental data management of Rajiv Gandhi International Airport (RGIA). RGIA became the 1st Airport in the country and 2nd airport in the Asia Pacific Region to get the accreditation for Level 3 (Optimization) ‘Airport Carbon Accreditation’ by ACI. Continuous Improvement Projects (CIP) on water conservation has been awarded 1st Prize at GMR Group level CIP competitions. CIP on reduction in energy consumption has been awarded 1st Prize in GMR Group level CIP competitions.

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

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

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

Particulars of employees

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

Fixed Deposits

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

Acknowledgements

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

For and on behalf of the Board

Place: Bangalore — G.M.Rao

Date: July 15, 2014 — Executive Chairman

Annexure 'A' to the Directors' Report

GMR Infrastructure Limited - Subsidiaries

	Direct Subsidiaries	Subsidiaries to Subsidiaries										
Airports	GMR Airports Limited (GAL)	Subsidiary of GAL				Subsidiaries of DIAL		Subsidiary of GHIAL				
		Delhi International Airport Private Limited (DIAL)	GMR Hyderabad International Airport Limited (GHIAL)	GMR Airports (Mauritius) Limited (GAML)	GMR Airport Developers Limited (GADL)	Delhi Aerotropolis Private Limited	Delhi Duty Free Services Private Limited	GMR Hyderabad Aerotropolis Limited	GMR Hyderabad Airport Resource Management Limited	GMR Hyderabad Aviation SEZ Limited	GMR Hyderabad Multiproduct SEZ Limited	Hyderabad Airport Security Services Limited
	Gateways for India Airports Private Limited	Subsidiary of GHIAL					Subsidiary of GADL	Subsidiary of GALML	Subsidiary of GAML			
		GMR Hotels and Resorts Limited	Hyderabad Duty Free Retail Limited	GMR Airport Handling Services Company Limited	GMR Hyderabad Airport Power Distribution Limited	GMR Hyderabad Menzies Air Cargo Private Limited	GADL (Mauritius) Limited(GALML)	GADL International Limited	GMR Airport (Global) Limited (GAGL)			
		Subsidiary of GAGL										
		GMR Male Retail Private Limited	GMR Airports (Malta) Limited									
Energy	GMR Renewable Energy Limited (GREL)	Subsidiary of GREL	Subsidiaries of GEL									
		GMR Energy Limited (GEL)	GMR Vemagiri Power Generation Limited	GMR Mining & Energy Private Limited	SJK Powergen Limited	GMR Kamalanga Energy Limited	GMR Consulting Services Private Limited	GMR Rajahmundry Energy Limited				
	GMR Energy Trading Limited (GETL)	Subsidiaries of GEL										
		GMR Power Corporation Limited	GMR Indo-Nepal Power Corridors Limited	GMR Indo-Nepal Energy Links Limited	GMR Chhattisgarh Energy Limited	GMR Bajoli Holi Hydropower Private Limited	GMR Londa Hydropower Private Limited	GMR Kakinada Energy Private Limited				
	GMR Power Infra Limited	Subsidiaries of GEL										
		Emco Energy Limited	GMR Gujarat Solar Power Private Limited	Himtal Hydro Power Company Private Limited	GMR Maharashtra Energy Limited	GMR Bundelkhand Energy Private Limited	GMR (Badrinath) Hydro Power Generation Private Limited					
		Subsidiaries of GEL										
		Aravali Transmission Service Company Limited	Maru Transmission Service Company Limited	GMR Hosur Energy Limited	GMR Coastal Energy Private Limited	GMR Uttar Pradesh Energy Private Limited	GMR Energy (Mauritius) Limited (GEML)	GMR Coal Resources Pte Limited				
		Subsidiary of GEML		Subsidiary of GECL	Subsidiary of GEN	Subsidiary of PTDSU	Subsidiary of PTDSI	Subsidiary of GEN				
		GMR Lion Energy Limited (GLEL)	GMR Energy (Cyprus) Limited (GECL)	GMR Energy (Netherlands) BV (GEN)	PT Dwikarya Sejati Utama (PTDSU)	PT Duta Sarana Internusa (PTDSI)	PT Barasentosa Lestari	PT Unsoco				
		Subsidiary of GEML		Subsidiary of GLEL	Subsidiary of GEL	Subsidiary of HEGL	Subsidiary of HEC					
		Karnali Transmission Company Private Limited	Marsyangdi Transmission Company Private Limited	GMR Upper Karnali Hydropower Public Limited	Homeland Energy Group Limited (HEGL)	Homeland Energy Corp. (HEC)	Homeland Coal Mining (Pty) Limited	Homeland Mining & Energy SA (Pty) Ltd. (HMEL)				
		Subsidiary of HMEL										
		Corpclo331 (Pty) Limited	Ferret Coal (Kendal) (Pty) Limited									

Annexure 'A' to the Directors' Report

GMR Infrastructure Limited - Subsidiaries

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

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

(₹ In Crore)

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

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

(₹ In Crore)

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

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

(₹ In Crore)

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

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

(₹ In Crore)

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

Notes:

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

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

2 * Investments except investment in Subsidiaries & Joint Ventures.

3. @These companies financial statements are for the period ended on and as at December 31, 2013.

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

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

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

Annexure 'C' to the Directors' Report

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

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

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

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

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

   i. The Foreign Exchange earnings during the year:

(₹ in Crore)

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

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

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

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

II. Board of Directors

a. Composition of the Board

The Board consists of Fourteen (14) Directors, including one Executive Chairman and one Managing Director. Twelve (12) Directors are Non-Executive Directors; out of them Seven (7) are Independent Directors. The Independent Directors are professionals with high credentials, who actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

The Board comprises of the following Directors:

Sl. No.	Name of Director	Director Identification Number [DIN]	Category@	Number of other Directorships held in other Public Limited Companies as on 31-03-2014 #		Number of committee Chairmanships / memberships held in other Public Limited Companies as on 31-03-2014 *	
				Chairman	Director	Chairman	Member
1.	Mr. G. M. Rao	00574243	Executive Chairman	5	-	-	-
2.	Mr. Grandhi Kiran Kumar	00061669	Managing Director	2	5	-	5
3.	Mr. Srinivas Bommidala	00061464	NEPD	2	6	-	4
4.	Mr. G.B.S. Raju	00061686	NEPD	1	5	-	2
5.	Mr. B.V.N. Rao	00051167	NENID	3	5	1	3
6.	Mr. O. Bangaru Raju	00082228	NENID	-	11	-	8
7.	Mr. K. V. V. Rao	01165942	NENID	-	1	-	-
8.	Mr. N. C. Sarabeswaran	00167868	NEID	-	11	4	3
9.	Dr. Prakash G. Apte	00045798	NEID	-	-	-	-
10.	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	-	4	4	1
11.	Mr. S. Sandilya	00037542	NEID	2	2	3	2
12.	Mr. S. Rajagopal	00022609	NEID	1	10	4	5
13.	Mr. C.R. Muralidharan	02443277	NEID	-	4	1	2
14.	Mr. V. Santhana Raman	00212334	NEID	-	2	-	-

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

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

* Committee means Audit Committee and Shareholders' Grievance Committee.

Relationships between directors inter-se

Name of the Director	Relationship
Mr. G. M. Rao	Father of Mr. G. B. S. Raju and Mr. Grandhi Kiran Kumar, 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. Grandhi Kiran Kumar
Mr. G. B. S. Raju	Son of Mr. G. M. Rao, brother of Mr. Grandhi Kiran Kumar, Brother-in-law of Mr. Srinivas Bommidala
Mr. Grandhi Kiran Kumar	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, 2014. These meetings were held on May 30, 2013, July 27, 2013, August 13, 2013, September 17, 2013, November 12, 2013, January 13, 2014, January 24, 2014, and February 11, 2014. The maximum gap between two meetings was 61 days.

c. Directors' Attendance record

The attendance of Directors at the Board Meetings held during the financial year ended March 31, 2014 and at the previous Annual General Meeting (AGM) is as under:

Name of the Directors	Board Meetings during the period April 01, 2013 to March 31, 2014		Whether present at the Previous AGM held on September 17, 2013
	Held	Attended #	
Mr. G. M. Rao	8	6	Yes
Mr. Grandhi Kiran Kumar	8	7	Yes
Mr. Srinivas Bommidala	8	3	Yes
Mr. G. B. S. Raju	8	4	No
Mr. B. V. N. Rao	8	5	Yes
Mr. O. Bangaru Raju	8	7	Yes
Mr. K. V. V. Rao	8	8	Yes
Mr. K. R. Ramamoorthy*	8	3	Yes
Mr. N. C. Sarabeswaran	8	8	Yes
Dr. Prakash G. Apte	8	6	Yes
Mr. R.S.S.L.N. Bhaskarudu	8	8	Yes
Mr. S. Sandilya	8	8	Yes
Mr. S. Rajagopal	8	8	Yes
Mrs. Vijaya Mohan Ram*	8	2	NA
Mr. C.R. Muralidharan**	8	4	NA
Mr. V. Santhana Raman**	8	5	NA

#Attendance includes participation through video conference.

* Ceased to be a director with effect from September 17, 2013.

** Appointed as a director with effect from September 17, 2013.

III. Committees of the Board

1. Audit Committee

a. Composition of Audit Committee:

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

Names	Designation
Mr. N. C. Sarabeswaran	Chairman
Mr. S. Rajagopal	Member
Mr. R. S. S. L. N. Bhaskaradu	Member

ii. Previous Annual General Meeting of the Company was held on September 17, 2013. Mr. N. C. Sarabeswaran, Chairman of the Audit Committee has attended the meeting. The composition of the Audit Committee, consisting of only the Independent Directors, meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

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

b. Meetings and attendance during the year:

During the financial year ended March 31, 2014, Seven Audit Committee meetings were held on May 29 & 30, 2013, July 27, 2013, August 12, 2013, November 11, 2013, December 02, 2013, February 10, 2014 and March 20, 2014.

The attendance of the Audit Committee members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy*	7	3
Mr. N. C. Sarabeswaran	7	7
Mr. S. Rajagopal**	7	4
Mr. R. S. S. L. N.Bhaskarudu	7	7

*Ceased to be a member with effect from September 17, 2013.

** Appointed as a member with effect from September 17, 2013.

Special meetings of the Committee were held on December 2, 2013 and March 20, 2014 exclusively to review the reports of Management Assurance Group (MAG), note the presentation by Statutory Auditors on the Companies Act, 2013, note the functioning of Whistle Blower Mechanism, review the items arising out of requirement of Clause 49 of the Listing Agreement and note the audit issues status across the business sectors.

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. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:

(a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

(b) Changes, if any, in accounting policies and practices and reasons for the same;

(c) Major accounting entries involving estimates based on the exercise of judgment by management;

(d) Significant adjustments made in the financial statements arising out of audit findings;

(e) Compliance with listing and other legal requirements relating to financial statements;

(f) Disclosure of any related party transactions; and

(g) Qualifications in the draft audit report.

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

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

vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions of the company with related parties;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuation of undertakings or assets of the company, wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

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

xiii. Reviewing the adequacy of internal audit function, if any, 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;

xiv. Discussion with internal auditors of any significant findings and follow up there on;

xv. 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;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. 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;

xviii. To review the functioning of the Whistle Blower mechanism;

xix. 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 and background, etc. of the candidate.

2. Nomination and Remuneration Committee

a. Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of the following Directors as members:

Names	Designation
Mr. R. S. S. L. N. Bhaskarudu	Chairman
Mr. B.V.N. Rao	Member
Dr. Prakash G. Apte	Member
Mr. N.C. Sarabeswaran	Member

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

b. Meetings and Attendance during the year:

During the financial year ended March 31, 2014, two meetings of the Committee were held on May 29, 2013 and July 27, 2013.

The attendance of the Nomination and Remuneration Committee members are as under:-

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy*	2	2
Dr. Prakash G. Apte	2	2
Mr. R. S. S. L. N. Bhaskarudu	2	2
Mr. B.V.N. Rao	2	1
Mr. N.C. Sarabeswaran	2	2

*Ceased to be a member with effect from September 17, 2013.

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

i. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

iii. Formulation of criteria for evaluation of Independent Directors and the Board;

iv. Devising a policy on Board diversity;

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

vi. All information about the Directors / Managing Directors / Whole time Directors/Key Managerial Personnel i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders, where required;

vii. The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole time Directors;

viii. 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;

ix. 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.

d. Remuneration Policy

Remuneration of the Executive Chairman, Managing Director or Executive Director is determined periodically by the Nomination and 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.

As per Group HR policy, the compensation of the employees is reviewed on an annual basis as per the Performance Management Process and Compensation policy. The company's performance review period is from 1st April to 31st March and compensation review is from 1st July each year.

e. Details of remuneration paid during the financial year ended March 31, 2014 to the Directors are furnished hereunder:

Name	Category @	Salary & Commission (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)	No. of shares held
Mr. G. M. Rao	Executive Chairman	66,461,468	14,952,051	-	81,413,519	17,31,330
Mr. Grandhi Kiran Kumar	Managing Director	19,110,538	5,684,384	-	24,794,922	8,72,160
Mr. Srinivas Bommidala	NEPD	-	-	-	-	4,51,660
Mr. G. B. S. Raju	NEPD	-	-	-	-	5,44,160
Mr. B. V. N. Rao	NENID	-	-	-	-	1,50,000
Mr. O. Bangaru Raju	NENID	-	-	-	-	55,000
Mr. K. V. V. Rao	NENID	-	-	-	-	1,82,700
Mr. K. R. Ramamoorthy*	NEID	-	-	1,60,000	1,60,000	Nil
Mr. N. C. Sarabeswaran	NEID	-	-	3,30,000	3,30,000	20,000
Dr. Prakash G Apte	NEID	-	-	1,50,000	1,50,000	30,000
Mr. R.S.S.L.N. Bhaskarudu	NEID	-	-	3,50,000	3,50,000	Nil
Mr. S. Sandilya	NEID	-	-	1,60,000	1,60,000	5,000
Mr. S. Rajagopal	NEID	-	-	2,40,000	2,40,000	22,000
Mrs. Vijaya Mohan Ram*	NEID	-	-	40,000	40,000	5,000
Mr. C.R. Muralidharan	NEID	-	-	80,000	80,000	Nil
Mr. V. Santhana Raman	NEID	-	-	1,00,000	1,00,000	Nil

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

* Ceased to be a director with effect from September 17, 2013.

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

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

3. Stakeholders Relationship Committee*

a. Composition of the Committee:

The Stakeholders Relationship Committee comprises of the following Directors as members:

Names	Designation
Mr. R.S.S.L.N. Bhaskarudu	Chairman
Mr. B.V.N. Rao	Member
Mr. G.B.S. Raju	Member
Mr. K.V.V. Rao	Member

* Shareholders' Transfer and Grievance Committee was renamed as Stakeholders Relationship Committee by the Board at its Meeting held on May 29, 2014.

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

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

b. Meetings and Attendance during the year:

During the financial year ended March 31, 2014, four meetings were held on May 30, 2013, August 12, 2013, November 12, 2013 and February 11, 2014. The attendance of the Stakeholders Relationship Committee members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy*	4	2
Mr. R.S.S.L.N.Bhaskarudu**	4	2
Mr. B. V. N. Rao	4	2
Mr. G.B.S. Raju	4	2
Mr. K.V.V. Rao**	4	2

* Ceased to be a member with effect from September 17, 2013.

** Appointed as member with effect from September 17, 2013.

c. The terms of reference of the Stakeholders Relationship 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 security holders/ other investor's complaints and take necessary steps for redressal thereof;

vi. To perform all functions relating to the interests of shareholders / security holders/ investors of the Company as may be required by the provisions of the Companies Act, 2013, 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;

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 2013-14 and the status of the same are as under:

Nature of Complaints	No. of Complaints Received	No. of Complaints Resolved	Pending Complaints
Non-Receipt of Dividend Warrants	118	118	0
Non-Receipt of Share Certificates	11	11	0
SEBI Complaints (SCORES)	3	3	0
Non-Receipt of Refund Order	5	5	0
Non-Receipt of Annual Reports	86	86	0
Total	**223**	**223**	**0**

4. Management Committee

a. Composition of Management Committee:

The Management Committee comprises of the following Directors as members:

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

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

b. Meetings and Attendance during the year:

During the financial year ended March 31, 2014, thirteen meetings of the Management Committee were held on April 12, 2013, May 18, 2013, June 27, 2013, July 22, 2013, September 5, 2013, October 9, 2013, December 17, 2013, January 22, 2014, February 6, 2014, February 27, 2014, March 19, 2014, March 21, 2014 and March 26, 2014.

The attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. G.M. Rao	13	9
Mr. Grandhi Kiran Kumar	13	6
Mr. Srinivas Bommidala	13	5
Mr. G.B.S. Raju	13	4
Mr. B.V.N. Rao	13	10

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

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

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

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

5. Debentures Allotment Committee

a. Composition of Debentures Allotment Committee:

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

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

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

b. Meetings and Attendance during the year:

No Meeting of Debenture allotment Committee was held during the financial year ended March 31, 2014.

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.

6. Corporate Governance Committee

a. Composition of Corporate Governance Committee:

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

Names	Designation
Mr. N. C. Sarabeswaran	Chairman
Dr. Prakash G Apte	Member
Mr. R. S. S. L. N. Bhaskarudu	Member

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

b. Meetings and Attendance during the year:

During the financial year ended March 31, 2014, one meeting of Corporate Governance Committee was held on December 2, 2013 and the attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. N. C. Sarabeswaran	1	1
Dr. Prakash G Apte	1	1
Mr. R. S. S. L. N. Bhaskarudu	1	1

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

i. To review and recommend best Corporate Governance practices including Board processes, disclosure practices, policy on ethics / code of conduct etc.;

ii. To continuously review and reinforce the Corporate Governance practices within the Company;

iii. To lay down process for induction of directors after due diligence;

iv. Any other matter as the Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

7. Corporate Social Responsibility (CSR) Committee

The CSR Committee comprises of the following Directors as members:

Names	Designation
Mr. R. S. S. L. N. Bhaskarudu	Chairman
Mr. B. V. N. Rao	Member
Mr. O. Bangaru Raju	Member

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

The terms of reference of the CSR Committee are as follows:

1. Preparation of Corporate Social Responsibility Policy for the Company and to recommend to the Board for its approval;
2. Recommendation of projects or programmes relating to activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
3. To recommend on CSR activities to be undertaken by the Company on its own or in collaboration with any registered trust / society or a company established under Section 25 of the Companies Act, 1956 or under Section 8 of the Companies Act, 2013;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company or trust/society /company mentioned in point no.3;
5. To report periodically on the CSR activities of the Company to the Board and in the Board's report;
6. To seek expert advice on CSR activities of the Company that may be appropriate to discharge its responsibilities; and
7. To take up any other roles and responsibilities delegated by the Board from time to time.

CSR Committee was constituted by the Board at its meeting held on May 29, 2014, hence there was no meeting held during the financial year ended March 31, 2014.

IV. 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 ("the Code") for all Board members and Senior Management Personnel of the Company. The Code is posted on the website of GMR Group (www.gmrgroup.in). All Board members and Senior Management Personnel affirm compliance with the code on an annual basis and the declaration to that effect by Mr. Grandhi Kiran Kumar, Managing Director, is attached to this report.

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

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

V. Whistle Blower Policy

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

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

The Group has set up an "Ethics Helpline", with a toll free number and entrusted the running of the said helpline to an outside agency so as to address issues relating to protecting the confidentiality of the information and identity of the whistle blower.

VI. Risk Management

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

Company's risk management framework is in line with the current best practices. The framework clearly defines the applicability, risk management organization structure, coverage, processes and linkages. The framework is being implemented with the development of risk registers at the enterprise, sector and key business unit levels. Identified risk owners are responsible for treatment of top risks at the business unit, sector and enterprise levels. The process of decentralizing risk management is in progress by setting up sector specific risk management teams and embedding risk in the day to day functioning of the businesses.

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

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

The Company has also strengthened its processes to build resilience to deal with eventualities through Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP) exercise for its key locations, assets and projects. Besides, a Physical Risk Benchmarking exercise is being initiated to assess the current state of readiness of operating plants to deal with physical risks.

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

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

VII. 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
2012-13	Convention Centre,NIMHANS, Hosur Road, Bangalore - 560 029	September 17, 2013 at 2.30 p.m.	1. Reappointment of Mr. G. M. Rao as Executive Chairman and fixing his remuneration 2. Appointment of Mr. Grandhi Kiran Kumar as Managing Director and fixing his remuneration
2011-12	Convention Centre,NIMHANS, Hosur Road, Bangalore - 560 029	September 11, 2012 at 2.30 p.m.	1. Appointment of Mr. B. V. N. Rao as Managing Director 2. Issue of securities for an aggregate amount not exceeding ₹ 2500 Crore
2010-11	Convention Centre,NIMHANS, Hosur Road, Bangalore - 560 029	September 2, 2011 at 2.30 p.m.	No Special Resolution was passed.

b.Extraordinary General Meetings

No Extraordinary General Meetings (EGMs) were held during the preceding three years except the year ended March 31, 2014. The venue, date and time of the EGM and the Special Resolutions passed thereat are as under:

Year	Venue	Date & Time	Special Resolutions passed
2013-14	Convention Centre, NIMHANS, Hosur Road, Bangalore - 560 029	March 20, 2014 at 11.00 a.m.	1. Preferential allotment of Compulsorily Convertible Preference Shares (CCPS) 2. Issue of Securities up to ₹ 2,500 Crore or equivalent thereof

c. Special Resolutions passed through postal ballot:

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

VIII. Disclosures

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

   The transactions with related parties are mentioned at page no. 151, 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 Exchanges or SEBI or any statutory authority.

IX. 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 of the Company respectively;

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

X. Means of Communication

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

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

XI. General Shareholder Information

a. Date, time and venue of the 18th AGM:

Thursday, September 18, 2014 at 3.00 p.m. at MLR Convention Centre, Brigade Millennium, 7th Phase, J. P. Nagar, Bangalore - 560 078.

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, 2014	First fortnight of August 2014
Financial reporting for the quarter / half year ending September 30, 2014	First fortnight of November 2014
Financial reporting for the quarter / nine months ending December 31, 2014	First fortnight of February 2015
Financial reporting for the quarter / year ending March 31, 2015	Second fortnight of May 2015
Annual General Meeting for the year ending March 31, 2015	August / September 2015

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Thursday, September 11, 2014 to Thursday, September 18, 2014 (both days inclusive) for the purpose of the 18th Annual General Meeting.

d. Dividend Payment Date:

The dividend, if declared, shall be paid/ credited after September 18, 2014.

e. Listing on Stock Exchanges:

(i) Equity Shares:

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

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

The Company had paid Annual listing fees for the year 2014-15 to both the Stock Exchanges.

(ii) Privately placed Debt instruments:

The Company's privately placed debentures allotted in FY 2009-10 are listed on the National Stock Exchange of India Limited and were partially redeemed. The face value of these Unsecured Non-Convertible Debentures (NCDs) was reduced to ₹ 3.5 lakh from ₹ 7 lakh for each debenture. The Stock code of these NCDs is GMRI15.

During 2011-12 and 2012-13, 10000 Secured Non-Convertible Debentures of ₹ 10 lakh each aggregating to ₹ 1,000 Crore were issued to ICICI Bank Limited on a private placement basis, in various tranches. Secured Non-Convertible Debentures were listed on the National Stock Exchange of India Limited and were partially redeemed. The face value of secured Non-Convertible Debentures were reduced to ₹ 9.75 lakh from ₹ 9.875 lakh for each debenture. The Stock code of Secured Non-Convertible Debentures are GMRI21, GMRI21A, GMRI21B and GMRI21C.

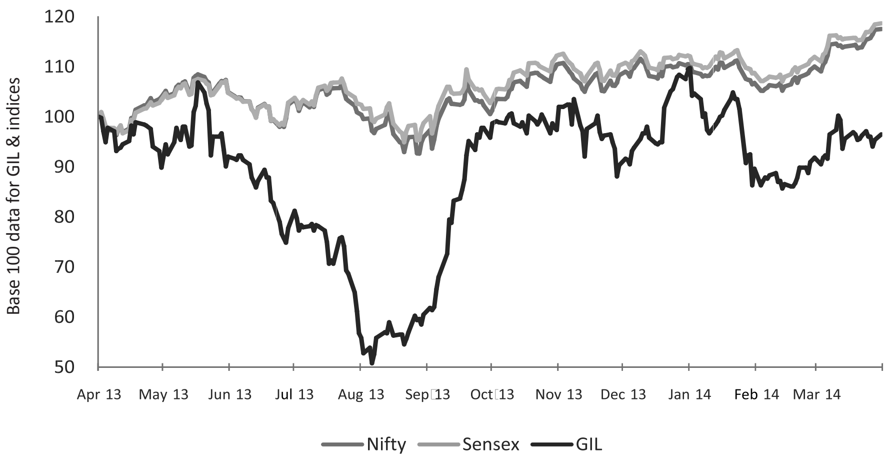
The Company had paid Annual listing fees to the Stock Exchange in respect of the listed debt securities for the above said debentures for the year 2014-15.

f. Stock Market Data relating to Shares Listed:

(Amount in ₹)

Month	NSE		BSE	
	High	Low	High	Low
April 2013	23.10	20.00	23.10	20.00
May 2013	25.00	20.15	25.00	20.20
June 2013	21.45	16.80	21.45	16.80
July 2013	18.55	12.55	18.50	12.60
August 2013	14.10	10.60	14.24	10.65
September 2013	22.85	13.50	22.85	13.40
October 2013	23.35	20.80	23.30	20.85
November 2013	23.75	19.55	23.75	19.50
December 2013	25.30	20.00	25.30	20.00
January 2014	25.35	18.95	25.35	18.95
February 2014	21.10	18.80	21.10	18.80
March 2014	23.10	20.35	23.10	20.00

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



g. Registrar & Share Transfer Agent (RTA)

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

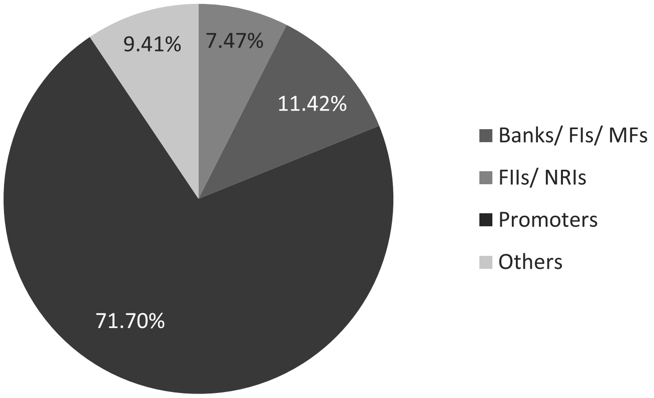
Branch Office:
Karvy Computershare Private Limited
No. 51/2, TKN Complex, Vanivilas Road,
Opp: National College
Basavanagudi, Bangalore-560 004
Telephone No. 080 - 41204350
Fax No. 080 - 26621169
Email ID: kulashekara.sharma@karvy.com

h. Share Transfer procedure:

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

i. Distribution of equity shareholding as on March 31, 2014

Distribution by category



Description	No. of Cases	Total Shares	% Equity
Banks	23	105026073	2.70
Clearing Members	283	7983634	0.21
Foreign Institutional Investors	121	435343297	11.18
Indian Financial Institutions	28	178194075	4.58
Bodies Corporates	2482	115099054	2.96
Mutual Funds	10	7466575	0.19
Non Resident Indians	3830	9139914	0.23
Promoters	15	2790843847	71.70
Resident Individuals	401362	242286963	6.22
Trusts	11	1051350	0.03
Total:	**408165**	**3892434782**	**100.00**

Distribution by size

Sl. No	Range of equity shares held	March 31, 2014				March 31, 2013			
		No. of shareholders	%	No. of shares	%	No. of shareholders	%	No. of shares	%
1	1 - 500	326589	80.01	55934105	1.44	361302	79.90	62215623	1.60
2	501 - 1000	44184	10.82	35577551	0.91	49212	10.88	39536378	1.02
3	1001 - 2000	20862	5.11	32620964	0.84	23189	5.13	36222418	0.93
4	2001 - 3000	6055	1.48	15609972	0.40	6794	1.50	17490506	0.45
5	3001 - 4000	3362	0.82	12500337	0.32	3753	0.83	13945596	0.36
6	4001 -5000	1992	0.49	9445000	0.24	2225	0.49	10535925	0.27
7	5001 - 10000	2918	0.71	21587546	0.55	3253	0.72	24044459	0.62
8	10001 and above	2203	0.54	3709159307	95.29	2453	0.55	3688443877	94.75
Total		**408165**	**100.00**	**3892434782**	**100.00**	**452181**	**100.00**	**3892434782**	**100.00**

j. Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.97% of shares have been dematerialized as on March 31, 2014.

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

Description	No. of Shareholders	No. of Shares	% Equity
PHYSICAL	308	1070581	0.03
NSDL	272537	3722759392	95.64
CDSL	135320	168604809	4.33
Total	**408165**	**3892434782**	**100.00**

k. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity: Compulsorily Convertible Preference Shares (CCPS):

56,83,351 Compulsorily Convertible Preference Shares (Series A CCPS) can be converted into such number of equity shares at the expiration of 17 months in accordance with Regulation 76(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, taking the "relevant date" as the date which is thirty days prior to the date on which the allottees become entitled to apply for conversion of the Series A CCPS to equity shares.

56,83,353 Compulsorily Convertible Preference Shares (Series B CCPS) can be converted into such number of equity shares at the expiration of 18 months in accordance with Regulation 76(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, taking the "relevant date" as the date which is thirty days prior to the date on which the allottees become entitled to apply for conversion of the Series B CCPS to equity shares.

Accordingly, the shareholders of Series A CCPS and Series B CCPS become entitled to apply for equity shares on August 26, 2015 and September 26, 2015 respectively, being 17 months and 18 months after the date of allotment of CCPS (March 26, 2014) and the equity shares shall be allotted at the minimum price determined under Regulation 76(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Therefore, the total number of shares of the Company on full conversion will be known only 30 days prior to the date when the investors become entitled to apply for conversion of CCPS.

l. Investor correspondence:

Registered office address

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

m. Prevention of Insider Trading:

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

n. Reconciliation of Share Capital Audit:

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

In addition, Secretarial audit was carried out voluntarily for ensuring transparent, ethical and responsible governance processes and also proper compliance mechanisms in the Company. M/s. V. Sreedharan & Associates, Company Secretaries, conducted Secretarial Audit of the Company and a Secretarial Audit Report for the financial year ended March 31, 2014, is provided in the Annual Report.

o. Corporate Identity Number (CIN):

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

p. Compliance Certificate:

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

q. Equity Shares in the Suspense Account:

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

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

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

Particulars	Number of share holders	Number of equity shares held
Aggregate number of shareholders and the outstanding shares in the suspense /escrow account lying as on April 1, 2013	8	19000
Number of shareholders who approached the Company for transfer of shares from suspense /escrow account during the year	0	0
Number of shareholders to whom shares were transferred from the suspense / escrow account during the year	1	3000
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2014	7	16000

The voting rights on the shares outstanding in the aforesaid suspense account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

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

r. Adoption of non-mandatory requirements of Clause 49:

1. The Company has constituted a Nomination and Remuneration Committee, Corporate Governance Committee, Management Committee and Debenture Allotment Committee of the Board, notes on which are given elsewhere in this report.
2. Whistle Blower Policy is in place.

To

The Members of GMR Infrastructure Limited

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

I, Grandhi Kiran Kumar, 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, 2014.

Place: Bangalore — Grandhi Kiran Kumar
Date : July 15, 2014 — Managing Director

CEO / CFO certification

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

a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2014 and to the best of our knowledge and belief:

    i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

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

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

d) We have indicated to the auditors and the Audit Committee (wherever applicable):

    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
Grandhi Kiran Kumar	Madhva Bhimacharya Terdal
Managing Director	Group CFO

Place: Bangalore
Date: July 15, 2014

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L45203KA1996PLC034805
Nominal Capital : ₹ 1950 Crore

To the Members of
GMR INFRASTRUCTURE LIMITED

We have examined all the relevant records of GMR Infrastructure Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with BSE Limited and National Stock Exchange of India Ltd., for the year ended March 31, 2014. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

On the basis of our examination of the records, produced and the explanations and information furnished, we certify that the Company has complied with the mandatory conditions of Clause 49 of the Listing Agreement. As regards Annexure 1D relating to Non-Mandatory requirements, the Company has complied with Sl. Nos. 2, 5 and 7 of the same.

For V. Sreedharan & Associates
Company Secretaries

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

Place :Bangalore
Date :July 15, 2014

SECRETARIAL AUDIT REPORT

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

We have examined the registers, records and documents of GMR Infrastructure Limited ("The Company") for the financial year ended March 31, 2014 according to the provisions of:

- The Companies Act, 1956, the Companies Act, 2013 and the Rules made under the respective Acts to the extent applicable;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- The Foreign Exchange Management Act, 1999, Rules and Regulations framed under the Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
    - i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and as amended to date;
    - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules under that Act and as amended to date;and
- The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited and Listing Agreement for Debt Securities with National Stock Exchange of India Limited.

1. Based on our examination and verification of the registers, records and documents produced before us and according to the information and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956, ("Companies Act or the Act") and the Rules made thereunder, the Companies Act, 2013 and the Rules thereunder to the extent applicable and the Memorandum and Articles of Association of the Company with regard to:

    (a) Maintenance of various statutory registers and documents and making necessary entries therein;

    (b) Closure of the Register of Members;

    (c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;

    (d) Service of documents by the Company on its Members, Auditors, the Registrar of Companies and other Authorities as required under the Act;

    (e) Notice of Board Meetings and Committee Meetings of Directors;

    (f) The Meetings of Directors and Committees of Directors including passing of resolutions by circulation;

    (g) The 17th Annual General Meeting held on September 17, 2013;

    (h) Minutes of proceedings of General Meetings and of Board and its Committee Meetings;

    (i) Constitution of the Board of Directors/Committee(s) of Directors and appointment, retirement, remuneration and re-appointment of directors including the Managing Director;

    (j) Appointment and remuneration of Auditors;

    (k) Transfers and transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificates of shares and debentures, to the extent applicable;

    (l) Borrowings, registration, modification and satisfaction of charges;

    (m) Investment of the Company's funds, including inter-corporate loans and investments and loans to others;

    (n) Giving guarantees in connection with loans taken by subsidiaries and associate companies;

    (o) Form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;

    (p) Board's Report;

    (q) Contracts, common seal, registered office and publication of name of the Company; and

    (r) Generally, all other applicable provisions of the Act and the Rules made under that Act.

2. We further report that:

    (a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements / shareholdings and directorship in other companies and interests in other entities;

    (b) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and Ethics for Directors and Managerial Personnel;

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

(d) There was no prosecution initiated against and no fines or penalties were imposed on the Company, its Directors and Officers during the year under review under the Companies Act, SEBI Act, SCRA, Depositories Act, 1996, Listing Agreement, Rules and Regulations and Guidelines framed under these Acts.

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

4. We further report that:

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

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

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

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

For V. Sreedharan & Associates
Company Secretaries

V. Sreedharan
Partner
F.C.S-2347:C.P.No.833

Place: Bangalore
Date: July 15, 2014

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 its opinion and judgment, are fairly reasonable. For this purpose, forward-looking statements mean statements, remarks or forecasts that address activities, events, conditions or developments that the company expects or anticipates which may occur in the future. Because of the inherent risks and uncertainties in the social and economic scenarios the actual events, results or performances can differ materially and substantially from those indicated by these statements. GMR Infrastructure Limited disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Infrastructure Growth - the ambitious twelfth five year plan

The Indian economy is based on planning through successive Five Year Plans that set targets for economic development in various sectors.

With the focus of the new government being clear, the prospects for infrastructure look very bright. The Planning Commission has already recognized the continued infrastructure deficiency in India. The 12th Five Year Plan (2012-17) envisages doubling of infrastructure investment (of about 1 trillion USD) over the 11th (500 billion USD). In addition, it expects that almost half of this investment to come from the private sector. This provides tremendous business potential for established and emerging infrastructure developers.

These investments are of a magnitude that has not been conceived before. Their sheer size demands a change in financing models. The debt requirement would need banks to portfolio over 50% of their gross credit to infrastructure. The equity requirement would need over one-third of the market capitalization in infrastructure. With the initiatives for opening up external financing, deepening corporate bond markets, and so on, underway, the financing model will undergo change. In a volatile world, quality of portfolio, profitability and liquidity are the critical differentiators. In such an environment, adaptability holds the key to sustained financial performance.

Having recognized this, your company was among the first to adopt **Asset Light - Asset Right (ALAR) strategy** after a detailed analysis of the possible trends in the infrastructure sector 2 years ago and now the company's focus has moved from asset growth to cash growth to create internal resources for funding future investments.

In addition, the following initiatives have also been taken up at the corporate level:

- Re-designing organizational structure for more effectiveness;
- Merging Highways with EPC arm;
- Improving project management processes;
- Commencing Shared services and process excellence;
- Raising cost-effective funds.

As a consequence, your company has won the following new projects this year:

- The development of brownfield Mactan Cebu International Airport in Cebu, Philippines;
- The railway EPC project for RVNL for the Jhansi Bhimsen Stretch in UP, India.

Sector Outlook And Future Plan

Airport Sector

Indian aviation sector has witnessed a remarkable growth in the last decade and is likely to be the fastest growing aviation market in the world for the next 20 years. Indian airport system is poised to handle 336 million domestic and 85 million international passengers by 2020, from the current level of 121 million domestic and 41 million international passengers, making India the third largest aviation market. According to International Air Transport Association's (IATA) Airline Industry Forecast 2012-2016, India's domestic air travel market would be among the top five globally, experiencing the second highest growth rate at CAGR of 13.1%.

The second phase of growth in Indian aviation is expected to come from Tier-II and Tier-III cities. The non-metro airports presently account for only about 30 per cent of the total air traffic, which is expected to rise to 45% in the next few years, presenting a vast market potential. With the smaller cities set to drive the air traffic growth in the country, the government is planning to build nearly 200 low-cost airports in the next 20 years to meet the demand for air travel.

Indian government has taken significant measures for providing affordable air connectivity to remote and interior areas of the country. Government is also in the process of formulating a policy for the promotion of regional and remote-area connectivity, incentivizing Indian airlines that operate on these routes, and by code-sharing and seat credit mechanism.

The biggest event in 2014 will be the commencement or expansion of commercial operations by four global airlines - Etihad, Air Asia, SIA and Tiger Airways - along with their Indian partners. The Company also expects one more FDI deal in existing airlines. All this will bring in best global practices, greater competition, more choices for passengers and very competitive fares. The Company also expects rationalization of taxes on Aviation Turbine Fuel (ATF), tax concessions for Maintenance, Repair and Overhaul (MRO), abolition of the discriminatory 5/20 Rule, promotion of No Frills Airports (NFA) in Tier III-IV cities, creation of an independent Air Traffic Control (ATC) organization, flexibility in the use of defence airspace, code-sharing between domestic carriers, and greater support to aviation training, cargo and general aviation.

Indira Gandhi International Airport (DIAL) - Delhi Airport

The overall traffic growth for the financial year 14-15 is expected to remain moderate even though there may be better growth in domestic passenger segment (pax), Air Traffic Movement (ATM) and cargo. Though the efforts of the Company may boost revenues in the commercial Non-Aero business, substantial decrease in revenue is expected due to lower tariffs in the next control period and significant increase in Operating Expenses mainly on account of higher Passenger Service Fee (PSF) expenses, Repairs and Maintenance (R&M) Expenses, Airport Operator Fee and Utility Charges (net of recovery) resulting in a lower EBITDA margin.

Focus Areas for FY 2014-15

To address and contain the fall in revenues measures like maximizing non-aero revenue and enhancing cargo tonnage handling through employee engagement are being undertaken. To develop DIAL into a customer-focused organization Business Excellence (BE) culture is being actively nurtured and institutionalized.

Future Growth Plans

With Air India joining Star Alliance, IGIA is set to become an international hub for passenger traffic and cargo movement. To maximize this potential, DIAL has developed a Commercial Property Development (CPD) monetization plan including developing Office space, F&B Districts, Convention Districts and 5 Star Deluxe / Budget Hotel / service Apartments in the remaining 184 acres in four phases in the coming decade. A cargo village is being developed adding air freight stations, road feeder service and TP cargo being provided, Pharma, perishable goods and e-commerce cargo are also being promoted.

Further, to make the walk through the airport a memorable experience to the passengers and to augment non-aero revenue an international consultancy firm has been engaged. Experience-centric commercial operations are being developed to cater to the needs of non-passengers as well. The whole gamut of visual merchandize is being refreshed for enhanced consumers connect. The Minimum Connecting Time (MCT) is being improved to maximize revenue through transfer pax.

To maximize the value from the existing assets DIAL is undertaking a capacity and demand study for T1 and T3; implementing CUSS (Common Use Self Service) technology/ tablet and mobile check-in; and implementing the recommendation of NATS (National Air Traffic Services) adding more aircraft stands and optimizing runway and taxiway utilization. The ATC tower is also being completed. With regard to airport connectivity, through enhanced Metro connectivity and decongestion at the Mahipalpur junction / stretch the surface connectivity is being improved.

By implementing carbon neutral initiatives, developing water sources and enhancing the performance of soil and land at IGIA with stakeholder engagement, environmental management is sustained.

Besides, a review of Master Plan is being undertaken to optimize resource utilization.

Rajiv Gandhi International Airport (GHIAL) - Hyderabad Airport

GHIAL is also expected to witness moderate traffic growth. Because of its strategic and geographic location, Hyderabad Airport has the potential to become the regional hub of South and Central India. It is ranked as the top international airport in the world by the ACI. It is imperative that the service standards are maintained to retain the world ranking and to make it a “Great Place To Work.”

In order to realize its full potential, the focus is now centered on growing passenger-based non-aero revenues, improve employee productivity and improving operational and cost-efficiency. Further, keeping in mind that GHIAL is expected to witness only moderate traffic growth during FY 15, the Company will also retain its underlying single-minded focus on cash generation and conservation measures in the near term.

GMR Hyderabad Airport City Development

GMR Hyderabad International Airport Limited is planning to develop India’s first Airport City (Aerotropolis) around Hyderabad Airport with the objective of creating an ecosystem that benefits the Airport as well as the regional economy and establishes its prominence in the global arena. Master Plan for the entire Airport City has been completed and the physical infrastructure activities are already underway. The initial phase consisting of Aerospace SEZ, Retail, Business School, and Exhibition Centre etc are in various stages of planning, design and development.

Decathlon, the world’s leading sports retailer, has opened its retail store in the Airport City during the year. Schulich Business School (York University, Canada) is planning to set-up its campus in the Airport City.

The Aerospace Park, with its multi-product SEZ, is operational. MAS-GMR has a MRO facility and CFM International has an engine training facility in the SEZ. TATA Group is planning a helicopter facility in the Aerospace Park. During the year, lease agreements with new third party tenants in the Aerospace Park - Turbo Jet Engines, SAS Applied Research & Lab Materials and United Technologies Corporation India have also been singed.

Maintenance, Repair and Overhaul (MRO)

The Company intends to become an Authorized Service Facility (ASF) for Bombardier Q400 aircraft in this region. Further, the Company plans to aggressively foray into the international market and, for that reason, has participated in the MRO India Conference held at Mumbai, Indo-US Aviation cooperation summit at Delhi, and Airshow at Singapore. Further, it plans to actively participate in other international MRO & Airline conferences, to assert its presence to the International community.

The Company is aiming at performing around 75 checks on various types of aircraft including C-checks and 'End of Lease' checks, in the Financial Year 2014-15.

Additionally, the Company has submitted application for FAA CFR (Federal Aviation Administration Code of Federal Regulations) 145 accreditation by the FAA.

Istanbul Sabiha Gocken International Airport (ISGIA) - Turkey Airport

As part of the ALAR strategy, the GMR Group divested its 40% stake in ISGIA to the Malaysian Airports Holding Berhard ("MAHB") on December 23, 2013.

The Group received ₹ 1,740 Crore (Euro 209 Million) on culmination of divestment of its 40% equity stake to MAHB in addition to reducing the proportionate debt of ₹ 1,412 Crore (Euro 169.55 Million) carried in the balance sheet. During the immediate period before GMR's divestment, ISGIA enjoyed significant success through numerous initiatives on increasing commercial revenues, increasing international destinations, cash conservation and opex rationalization and led directly to the turnaround of ISGIA fortunes and for the first time, it achieved PBT positive for Jul-Sep'13. This period was also marked with the awarding of various awards and accolades including being named as 'Best Airport' and also named as one of the 'Super Brands' of Turkey.

ENERGY SECTOR OUTLOOK FOR FY13-14 AND FUTURE PLAN

India, the fourth largest economy in the world, is also the fourth largest energy consumer. The Power Sector in India has made rapid strides during the last six decades in the fields of generation, transmission, distribution and utilization of electricity. The installed generating capacity in the country has grown manifold from a meagre 1.4 GW in 1947 to 243 GW at the end of March 2014. While the conventional energy sources (which include thermal, nuclear and hydroelectricity) constitute nearly 88 per cent of the installed capacity, Renewable Energy Sources (which include Wind, Solar and Bio-fuel amongst others) contribute the remaining amount. According to 12th Five Year Plan, 25% of the expected capacity addition is to come from renewable energy sources. There has been increased participation of private players in power generation with over ₹ 3 lakh crore investments during the last 10 years.

However, this sector continues to face significant challenges on multiple fronts such as mounting distribution losses, high debt-equity ratio of private generating companies, already commissioned power plants with over ₹ one lakh crore investment turning into NPAs for lack of fuel supplies etc.

The government is conscious of the difficulties faced by the power sector and has accordingly initiated steps to revive the investment environment in the sector.

DETAILED OUTLOOK

Generation

India added a gross capacity of approximately 21 GW and 55 GW from conventional energy sources in the 10th and 11th Five-Year Plans respectively. The steep increase in capacity addition for the 11th Plan (2007-12) was driven by increased private sector participation.

During the 12th Plan it is planned to add 118.5 GW including 30 GW from Renewable Energy Sources. Net capacity of about 38.4 GW has already been added up to March 2014. Private sector is expected to contribute approximately 53% of the additional capacity from conventional energy sources.

Fuel Supply Scenario: Coal

In the past few years, Coal India Limited ("CIL") has been unable to meet the growing needs of the Indian Power Sector where capacity has been growing at a rate higher than CIL's production. Yet, capacity additions have taken place at a faster pace compared to the coal supply, meeting the deficit in domestic coal supply through increased imports.

Production Trends and Outlook

In order to ensure adequate coal supplies for power plants dependent on linkage coal from CIL, the Prime Minister's Office (PMO) in June 2012 directed CIL to sign fuel-supply agreements (FSA) with power generation companies that have long-term power-purchase agreements with state distribution utilities. The directive is applicable to all power plants that have been commissioned since 2009-10 or would be commissioned by March 31, 2015. CIL is likely to meet the incremental demand through higher production from its mines, liquidation of its existing inventory and diversion of coal from its customers who are being supplied more coal than the quantities specified in their FSAs. Any shortfall in meeting the committed supplies through domestic sources will then be met through imports.

Fuel Supply Scenario: Gas

The average indigenous production of natural gas in the country in 2012-13 was around 111.3 Million Metric Standard Cubic Meter Per Day (MMSCMD). ONGC is India's largest gas producing company, accounting for about 58% of the total domestic gas production in 2012-13. Its flagship natural gas field in the KG basin, KG-DWN-98/2 with a peak production capacity of about 30 MMSCMD is expected to commence production in 2016-17. Consequently, its natural gas production is expected to increase to 83 MMSCMD in 2016-17 from 64.5 MMSCMD in 2012-13.

The Ministry of Petroleum and Natural Gas revised the outlook for expected natural gas production in the next five-year period. Based on the revised projections, the gas production is expected to revert to the levels attained in 2010-11 by 2016-17 after the sharp decline since 2012-13.

Given the constraints in domestic gas availability, a major portion of gas requirements is being met by LNG (Liquefied Natural Gas) imports. The Government of India has kept import of LNG under Open General License (OGL) category and has permitted 100% FDI. Imports of LNG during FY08 to FY12 grew at CAGR of 13.4% and stood at 50 MMSCMD in 2012-13, about 31% of the total natural gas consumption. India currently has three LNG regasification facilities, at Dahej, Hazira and Kochi with a combined 18.6 million tonnes per annum (MT PA) of regasification capacity. These LNG terminals operated at around 100% utilization rates in 2011-12 as declining domestic production led to higher demand for LNG (Source: CRISIL Research). India's total installed regasification capacity is expected to increase to 35 MTPA by the end of 2016-17.

Your Group is actively pursuing / making representations with various government authorities to secure the natural gas linkage / supply for its Gas based Power plants and is confident that the Government of India ('GoI') would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future.

Transmission

The achievement of transmission sector in the 11th Plan has been significant with an aggregate achievement of 84% in the transmission line and 124% in the substation capacity. Power Grid Corporation of India Limited (PGCIL) has a pan India network presence of around 1,05,086 circuit Km of transmission network, 178 extra high voltage alternation current and high voltage direct current substations, and a total transformation capacity of 191 GVA as on January 31, 2014. About 50% of the total generating capacity in India is transmitted through PGCIL's system (Source: Ministry of Power and PGCIL). On December 31, 2013, PGCIL successfully connected the Southern Grid with rest of the National Grid on synchronous mode by commissioning 765kV single circuit transmission line from Raichur (Karnataka State) to Solapur (Maharashtra state). With this interconnection all the five regional grids will now operate as a single system in synchronous mode making Indian power system one of the largest synchronous grids with about 235 GW of installed generation capacity (Source: PGCIL, 12th Five Year Plan).

The inter-regional power transfer capacity was 27.8 GW at the end of the 11th Plan, which is expected to be enhanced to 65.5 GW at the end of 12th plan. About 1,07,440 CKM of transmission lines; 270 GVA of AC transformer capacity and about 12.75 GW of HAD systems are expected to be added during the 12th Plan Period (Source: Ministry of Power, Draft 12th Five Year Plan Vole II).

Distribution

Distribution continues to be an area of concern with AT&C losses and SEB finances needing urgent attention by relevant stakeholders. However, the AT&C losses have significantly reduced from 34.3% in FY05 to 27.0% in FY12. The accumulated losses of the state power distribution companies are estimated to be about INR 1.9 Lakh Crore. There is a revenue gap of ₹ 0.77 for each unit of electricity sold. Non-revision of tariffs, non-payment of subsidies, high cost of power purchase and high distribution losses are some of the key reasons for the poor financial health of the DISCOMs. The government has notified a scheme for Financial Restructuring of the State Distribution Companies. Once implemented, this scheme is expected to significantly bolster the financial health of the distribution companies.

Power Trading

The Electricity Act, 2003 recognises trading of power as a distinct activity and permits SERCs to allow open access in distribution of electricity in phases that should ultimately encourage efficiency and competition. Power trading was introduced to meet the short term requirement of power.

Over the years, several private players have evinced interest in power trading, and have acquired trading licences. However, increasing prices of power traded in the last 3-4 years resulted in the CERC imposing a ceiling on margins to be earned by power traders. Currently, the ceiling on the margin stands at ₹ 0.04 per kWh for power being sold at rates up to ₹ 3.0 per kWh and at ₹ 0.07 per kWh for power being sold at rates above ₹ 3.0 per kWh.

Renewable Energy

India's renewable energy capacity has gone up from 7,761 MW in 2007 to 27,542 MW now - a growth of over 250 per cent in just six years. With fuel shortage staring India in the face, it has become imperative for the Country to have a focused strategy for renewable energy. India's potential for generating energy from renewable sources is enormous. This potential is currently estimated at 48,500 MW for wind energy and 25,000 MW for solar. Besides, hydroelectric capacity is estimated at 148,700 MW, of which so far only 25% has become operational. The government has initiated steps in this direction, including Renewable Purchase Obligations (RPO) of 5 % of total generation; Launch of Jawaharlal Nehru National Solar Mission (JNNSM), Imposition of carbon cess of ₹ 50 per tonne for all domestic and imported coal based projects and created a framework for issuance and trading of Renewable Energy Certificates (RECs).

Highways and Urban Infrastructure sector outlook for FY 2014-15 and future Plan

Highways

With all the projects becoming operational in 2013-14, the focus of the business was primarily on Asset management and operational excellence. Highways implemented several Continuous Improvement Projects (CIP) under Business Excellence framework to reduce overall operational expenditure.

In line with the "Asset Light and Asset Right" Strategy of the group, Highways division continue to pursue both the 'sweating' of existing assets as well as exploring bidding for good opportunities. On the operational front, one of the notable achievements of the current financial year was the completion of Phase I of the prestigious Chennai Outer Ring Road. Completed on Design, Build, Finance, Operate and Transfer basis, the GMR Chennai Outer Ring Road project connects Vandalur on NH-45 to Nemillicheri on NH-205 via Nazaratpet on NH-4. GMR won this prestigious 29.65 Km project through international competitive bidding. The Concession Period of the project is 20 years including 30 months of construction.

Commissioning of this crucial project will significantly ease traffic congestion along the western periphery of Chennai city. The Outer Ring Road connects the northern and southern suburbs of Chennai and will be a catalyst for expansion of the city and help growth of the industrial hubs in this region through better connectivity.

EPC division will continue to pursue opportunities in both the Roads and Railways sectors. In February 2014, a consortium led by GMR Infrastructure Limited won the construction package of rail line doubling between Jhansi and Bhimsen stations in the State of Uttar Pradesh, India. This marked GMR's foray into the promising railway construction sector and involved a total contract value of approximately ₹ 267 Crore of which GMR's share of work is about ₹ 135 Crore. The work includes Construction of Roadbed, Major & Minor bridges, Track Linking, Outdoor S&T Works, OHE, TSS & General Electrical works.

Urban Infrastructure - Kakinada and Krishnagiri Special Investment Regions (SIRs)

Although there are some short term challenges, posed by unattractiveness of SEZs to the investors due to withdrawal of tax incentives and overall slack in demand, the outlook is expected to turn positive in medium to long term.

For Kakinada, the immediate focus will be to kick-start the ground activity and to utilize the push expected to be provided by the government in the residuary state of Andhra Pradesh. Additionally, the Company is concentrating significant resources on moving towards the Financial Closure (FC) for a port as well.

For Krishnagiri, the focus will be primarily on to bring investment in the Electronic Manufacturing Cluster and make it operational by next financial year.

One of the notable achievements was the signing of a lease agreement with Toyota Boshoku India Ltd. for setting up of a modern facility to manufacture import substitution product(s) for the Indian automobile sector.

In the long-term both the SIRs have potential to make significant contribution to the socio-economic development of the respective regions and support company's growth in future.

Environmental Protection and Sustainability

As the Company operates in an increasingly resource-constrained world, being environmentally conscious and efficient are key to our operations. The Company remains committed to our Corporate Environment, Health, Safety and Quality (EHSQ) Policy to articulate, guide, and adopt an integrated approach towards implementing EHSQ objectives. These established systems certified by reputed certifying agencies have helped to monitor and manage our operations systematically, safely and in environmental friendly manner.

The company continues to abide by regulations concerning the environment by allocating substantial investments and resources on a continuous basis to adopt and implement pollution control measures. Our continual endeavor to go beyond compliance and conserve natural resources helps to march towards attaining excellence in environmental management and efficient & sustainable operations as well. GMR Energy sector has initiated to align its energy business in alignment with comprehensive "EHS Framework", adopting best manufacturing practices, optimizing energy, natural resources & technology, best available practices, go beyond compliance, etc.

The Company has adopted state of the art systems and measures to control emissions and effluent in design stage itself. Hazardous wastes are being disposed through Central Pollution Control Board authorized agencies. Continuous Emission Monitoring System (CEMS) in all power plant stacks and continuous ambient air quality monitoring systems (CAAQMS) at all power plants have been set for proper monitoring of all vital pollution parameters on real time basis. All parameters like stack emissions, ambient air quality etc is maintained well within the stipulated norms.

The Company has evolved as Sustainability leader by registering 7 CDM Projects with United Nations Framework Convention on Climate Change (UNFCCC). Terminal 3 (T3) of Indira Gandhi International Airport (IGIA) has become the first terminal in the world to have successfully registered its CDM project for its Greenhouse Gas (GHG) emission reduction initiatives with UNFCCC. DIAL is accredited by ACI for its Carbon Management at IGI Airport to "Optimisation Level". DIAL has installed 2 MW solar power plant at IGI Airport and is the first airport in India having mega solar power plant at airside premises. GVPGL, GREL, Alaknanda hydro project, Bajoli-Holi hydro project, Gujarat solar Power project and Wind power projects at Gujarat and Tamil Nadu are registered as CDM Projects at UNFCCC.

Both GMR Energy Sector and DIAL are in the process of preparing its first ever Sustainability Report for FY 13-14 as per GRI-G4 guidelines. It would be published and made available to relevant stakeholders in FY 14-15.

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial position as at March 31, 2014 and performance of the Company and its subsidiaries / joint ventures during the Financial Year ended on that date are discussed hereunder:

A. Reserves and surplus: ₹ 6,095.18 Crore (March 31, 2013: ₹ 6,888.94 Crore)

A summary of reserves and surplus is as follows: (₹ in Crore)

Particulars	March 31, 2014	March 31, 2013
Capital reserve on consolidation	125.87	125.87
Capital reserve on acquisition	3.41	3.41
Capital reserve government grant	65.49	65.49
Capital redemption reserve	28.53	28.53
Debenture redemption reserve	172.36	158.62
Employee stock option outstanding	0.96	0.96
Securities premium	6,460.49	6,926.79
Foreign currency translation reserve	419.06	337.91
Foreign currency monetary translation reserve	2.37	(2.51)
Special reserve u/s 45IC of RBI Act	0.20	0.20
Sub Total	**7,278.74**	**7,645.27**
Surplus/(Deficit) in the statement of profit and loss	(1,183.56)	(756.33)
Total	**6,095.18**	**6,888.94**

The reserve and surplus has decreased from ₹ 6,888.94 Crore as at March 31, 2013 to ₹ 6,095.18 Crore as at March 31, 2014.

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

i. Reduction of ₹ 466.30 Crore in the securities premium during the year on account of utilization of ₹ 339.04 Crore towards debenture issue expenses, share issue expenses and debenture/ preference share redemption premium and redemption of preference shares issued (net of taxes and MAT credit) in the Company and its subsidiaries and ₹ 151.14 Crore transferred to minority interest, partially offset by premium received during the year on issue of preference shares/ equity shares ₹ 23.88 Crore.

ii. Debenture redemption reserve balance has increased on account of additional reserves of ₹ 14.00 Crore (net) by way of transfer from statement of profit and loss in GPEPL, offset by redemption during the year of ₹ 0.26 Crore (net) in GIL.

iii. Foreign currency translation reserve balance has increased by ₹ 81.15 Crore on account of additions to reserve from consolidation of overseas entities.

iv. Deficit in the statement of profit and loss has increased by ₹ 427.23 Crore mainly on account of:

- Profit for the year of ₹ 10.01 Crore (after an exceptional income of ₹ 1,820.25 Crore on account of profit on sale of investment in SGIA, LGM, GJEPL, GUEPL, coal mines in HEGL and loss on impairment of assets in ATSCL, MTSCL).
- Redemption premium paid to Preference shareholders of ₹ 464.17 Crore.
- Change in minority on dilution of interest in subsidiaries/joint ventures of ₹ 98.27 Crore.
- Appropriation of preference dividend and dividend distribution tax amounting to ₹ 11.76 Crore on account of declaration of dividend by the subsidiaries.
- Appropriation of proposed equity dividend and dividend distribution tax amounting to ₹ 45.84 Crore declared by the Company.
- Transfer of an amount of ₹ 13.74 Crore (net) to debenture redemption reserve account by GPEL.

B. Minority interest: ₹ 2,008.64 Crore (March 31, 2013: ₹ 1,720.00 Crore)

The Minority interest increased by ₹ 288.64 Crore mainly on account of increase in minority at GEL and its subsidiaries, Minority in DDFS consequent to DDFS becoming a subsidiary during the year and profit earned by DIAL, GPCL, GHIAL etc., during the year which have minority shareholders.

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

a. Secured loans: ₹ 38,087.34 Crore (March 31, 2013: ₹ 35,423.79 Crore)

The increase of ₹ 2,663.55 Crore is mainly on account of project loan draw downs in projects under construction like GKEL, GCHEL, GREL, EMCO, GCORR and GOSEHHHPL, partially offset by reduction on account of divestment of our 40% stake in ISG.

b. Unsecured loans: ₹ 1,365.22Crore (March 31, 2013 : ₹ 2,068.89 Crore)

The decrease of ₹ 703.67 Crore is mainly due to repayment of loans and divestment of GUEPL.

D. Trade payables (Non-current): ₹ 20.97 Crore (March 31, 2013: ₹ 68.57 Crore)

The reduction is mainly on account of divestment of ISG.

E. Other long-term liabilities: ₹ 2,398.71 Crore (March 31, 2013: ₹ 2,858.23 Crore)

The decrease of ₹ 459.52 Crore is mainly on account of:

i. Reduction of deposit from concessionaries/commercial property developers of DIAL ₹ 174.85 Crore.

ii. Decrease in deferred obligation on deposit from concessionaires of ₹ 66.72 Crore in ISG consequent to divestment.

iii. Decrease in retention money payable by ₹ 144.07 Crore in GCHEPL and ₹ 50.69 Crore in GHVEPL.

iv. Increase in concession fees payable by GHIAL by ₹ 30.18 Crore.

F. Short-term borrowings ₹ 5,588.17 Crore (March 31, 2013: ₹ 4856.62 Crore)

The increase of ₹ 731.55 Crore is mainly on account of increase of new loans taken by GEL, GETL, GREL, KSPL, and DSPL to meet the temporary obligations, offset by decrease in bills discounted in GEL, VPGL, GREL, GKEL and repayment of loans in GIL and GEL.

G. Trade payables - current: ₹ 1,759.31 Crore (March 31, 2013: ₹ 1,481.59 Crore)

Increase of ₹ 277.72 Crore in current trade payables is mainly on account of increase in trade payables in GHIAL, DDFS, GEML, GCRPL, EMCO and GPCL.

H. Other current liabilities (Other than current maturities of long-term loan): ₹ 4,694.56 Crore (March 31, 2013: ₹ 5,632.69 Crore)

The decrease of ₹ 938.13 Crore is mainly on account of decrease in capital creditors in GCHEPL and decrease in non-trade payables in GKEL and EMCO.

I. Fixed assets

A statement of movement in fixed assets is given below:

(₹ in Crore)

Particulars	March 31, 2014	March 31, 2013
1) Free hold Tangible assets	29,437.93	22,241.06
2) Intangible assets		
Goodwill on consolidation	3,561.17	3,261.84
Carriage ways	5,990.18	6,145.13
Others	797.44	758.41
3) Assets taken on lease	2.53	7.92
Gross Block	**39,789.25**	**32,414.36**

Less: Accumulated depreciation/ amortisataon/impairment	6,149.99	5,079.14
Net Block	**33,639.26**	**27,335.22**
Add: Capital work in progress	14,908.85	17,785.28
Add: Intangible assets under development	824.99	1,393.04
Net Fixed Assets	**49,373.10**	**46,513.54**

- Gross block has increased by ₹ 7,373.54 Crore mainly on account of capitalization consequent to commissioning of GCORRPL, EMCO and GKEL, partially offset by reduction on account of divestment of 74% stake in GUEPL and our 40% stake in ISG.
- Consequent to the above, Capital work-in-progress and Intangible assets under development has decreased.

J. Long-term loans and advances: ₹ 2,441.08 Crore (March 31, 2013: ₹ 3,477.82 Crore)

Long-term loans and advances has decreased mainly on account of reduction in capital advances as a result of commissioning of EMCO and GKEL.

K. Current assets

a. Cash and bank balances: ₹ 3,321.19 Crore (March 31, 2013: ₹ 5,134.84 Crore)

Cash and bank balance has decreased mainly on account of repayment of loan in GISPL and utilization during the year.

b. Other current assets: ₹ 2,655.44 Crore (March 31, 2013: ₹ 1,484.82 Crore)

Other current assets have increased mainly on account of receivables of proceeds from ISG divestment.

Overview of our results of operations

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

Particulars	For the year ended March 31	
	2014	2013
	Amount (₹ in crore)	Amount (₹ in crore)
Sales/ income from operations	10,566.97	9,871.87
Other operating income	86.25	102.99
Other income	315.87	277.19
Total Income (Including other income)	**10,969.09**	**10,252.05**
Expenditure		
Revenue share paid/ payable to concessionaire grantors	1,943.69	1,669.48
Consumption of fuel/ raw materials consumed	1,815.12	1,233.75
Purchase of traded goods/ increase in stock	1,030.64	1,491.55
Sub-contracting expenses	522.87	755.18
Employee benefits expense	574.22	611.93
Other expenses	2,015.09	1,604.93
Finance Cost	2,971.88	2099.00
Utilisation fees	186.18	130.87
Depreciation/ Amortisation expense	1,454.99	1,039.78
Exceptional items - (net of Income)	(1820.25)	(777.27)
Profit/ (loss) before taxation and minority interest	**274.66**	**392.85**
Tax Expenses:		
Current tax (Including taxes of earlier years)	217.04	183.96
Less: MAT credit availed	(82.87)	(21.81)
Deferred tax	32.08	95.29
Total tax expenses	**166.25**	**257.44**
Profit/ (loss) after taxation and before minority interest	**108.41**	**135.41**
Minority interest - share of (profits)/losses	(98.40)	(47.29)
Net profit/(losses) after minority interest	**10.01**	**88.12**

Sales/Operating Income

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

Particulars	For the year ended March 31			
	2014		2013	
	Amount (₹ in crore)	% of Total Income	Amount (₹ in crore)	% of Total Income
Sales/ Operating Income:				
Airports segment	5,996.12	56.28	6,099.07	61.14
Power segment	3,342.61	31.38	2,425.14	24.31
Road segment	737.88	6.93	517.37	5.19
EPC segment	239.75	2.25	655.16	6.57
Others segment	336.86	3.16	278.12	2.79
Total Sales/ Operating Income	**10,653.22**	**100.00**	**9,974.86**	**100.00**

The total income has increased by ₹ 678.36 Crore representing a growth of 6.80%.

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

Operating income from airport segment

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

Operating income from airport segment decreased by 1.69% from ₹ 6,099.07 Crore in fiscal 2013 to ₹ 5,996.12 Crore in fiscal 2014, primarily as a result of decrease in income from fuel trading and duty free sales from GMIAL, which was taken over by the Malé government in December 2012, partially offset by increase in income of DIAL on account of the full-year impact of the tariff revision in DIAL in fiscal 2014.

Operating income from power segment

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

Income from power segment has increased by 38.08% from ₹ 2,425.14 Crore for fiscal 2013 to ₹ 3342.61 Crore for fiscal 2014 mainly on account of commissioning of EMCO and GKEL during the year.

Operating income from road segment

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

The operating income from road segment has increased by 42.62 % from ₹ 517.37 Crore for fiscal 2013 to ₹ 737.88 Crore for fiscal 2014, primarily on account of full year operation of GHVEPL and GOSEHHHPL toll-based road projects coupled with commissioning of GCORRPL during the year.

Operating income from EPC segment

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

During the current year, the EPC sector has contributed ₹ 239.75 Crore to the operating income as against ₹ 655.16 Crore in the previous year. Decrease is on account of completion of major portion of the projects during 2012-13.

Operating income from Others segment

Income from other sector includes management services income, investment income and operating income of our aviation and hotel businesses. During the current year, the other sector has contributed ₹ 336.86 Crore to the Operating Income as against ₹ 278.12 Crore in the previous year.

Other income

Other income includes income from investments, profit on sale of investments, reversal of provisions no longer required and other miscellaneous income. Other income has increased by 13.95 % from ₹ 277.19 Crore in fiscal 2013 to ₹ 315.87 Crore in fiscal 2014.

Expenditure

Revenue share paid/payable to concessionaire grantors

The revenue share paid/payable to various concessionaires has increased from ₹ 1,669.48 Crore in fiscal 2013 to ₹ 1,943.69 Crore in fiscal 2014 primarily on account of increase in operating income at DIAL and full year operation of GHVEPL.

Consumption of fuel/raw materials

The consumption of fuel and raw material increased from ₹ 1,233.75 Crore in fiscal 2013 to ₹ 1,815.12 Crore in fiscal 2014 primarily on account of commissioning of EMCO and GKEL during the current year.

Purchase of traded goods/ increase in stock

Purchase value of the traded goods has decreased from ₹ 1,472.14 Crore in fiscal 2013 to ₹ 1,045.06 Crore in fiscal 2014 primarily on account of decrease in fuel trading in ISG, partially offset by increase in duty free product sales.

Subcontracting expenses

Subcontract expenses decreased from ₹ 755.18 Crore in fiscal 2013 to ₹ 522.87 Crore in fiscal 2014, primarily on account decrease in operations of EPC Division.

Employee benefits expense

The decrease in employee benefit costs is mainly on account of termination of operations at Male Airport and reduction in manpower in EPC division, which is offset by periodic increase in employee costs.

Other expenses

Following are the components of other expenses:

- Consumption of fuel and lubricants, water, salaries and wages of operational employees, 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, 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, loss on foreign exchange and other miscellaneous expenses.

Increase in other expenses is mainly on account of commissioning of EMCO and GKEL during the fiscal year.

Financing costs

Financing costs increased mainly on account of commissioning of EMCO, GKEL and GCORRPL during the year and full year operation of Hyderabad-Vijayawada &Hugund-Hospet Toll Road Projects.

Utilisation fees

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

Depreciation and amortisation

Depreciation and amortisation has increased mainly on account of commissioning of EMCO, GKEL and GCORRPL during the year and full year operation of Hyderabad-Vijayawada &Hugund-Hospet Toll Road Projects.

Exceptional items

In fiscal 2014, we had net gains from exceptional items of ₹ 1,820.25 Crore, comprising profit of ₹ 1,658.93 Crore on sale of our 40% equity stake in jointly controlled entities ISG and LGM, profit of ₹ 100.54 Crore is from sale of coal mines of HEGL and profit of ₹ 69.73 Crore on divestment of 74% stake held in each of GJEPL and GUEPL. Loss on impairment of ₹ 8.95 Crore is on account of impairment provision made against the carrying value of the net assets of ATSCL and MTSCL on the basis of a valuation report.

In fiscal 2013, we had net gains from exceptional items of ₹ 777.27 Crore, comprising profit of ₹ 1,231.25 Crore from divestment of our 70% stake in GESPL, partially offset by loss of ₹ 251.37 Crore on impairment of assets consequent to divestment of key coal mines of HEGL and assets written off in GMIAL of ₹ 202.61 Crore.

Profit before taxation and minority interest

In fiscal 2014, we have recorded a profit before tax & minority interest of ₹ 274.66 Crore as against Profit before tax & minority interest of ₹ 392.85 Crore in fiscal 2013.

Taxes

Tax expense has decreased from ₹ 257.44 Crore in fiscal 2013 to ₹ 166.25 Crore in fiscal 2014, mainly due to the decrease in deferred tax charge during the year by ₹ 63.21 Crore, a higher MAT credit of ₹ 61.06 Crore during the year and the increase in current taxes by ₹ 33.08 Crore in fiscal 2014.

Profit after taxation and before minority interest

In fiscal 2014, we have recorded a profit after tax & before minority interest of ₹ 108.41 Crore as against Profit after tax & before minority interest of ₹ 135.41 Crore in fiscal 2013.

Net profit after minority interest

In fiscal 2014, we have recorded a Net profit after minority interest of ₹ 10.01 Crore as against net profit after minority interest of ₹ 88.12 Crore in fiscal 2013.

Minority interest represents share of the profits and losses of various subsidiaries which relates to the minority shareholders. The share of profit to minority shareholders for the year 2013-14 amounts to ₹ 98.40 Crore as against profit of ₹ 47.29 Crore for the previous year.

Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) is the corporate social responsibility arm of the GMR Group. Its vision is to make sustainable impact on the human development of the under-served communities through initiatives in Education, Health and Livelihoods.

Towards this, GMRVF works with the communities neighbouring GMR Group's businesses for their economic and social development thus supporting their development, even as the businesses grow. The thrust areas enable the Foundation to develop need-based and locale - specific responses to the needs of the diverse communities it works with.

Currently, the Foundation is working in over 200 villages / urban communities across 23 locations. The locations in India spread across different states namely Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Delhi, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu and Uttarakhand.

The activities of GMRVF for FY 13-14 are given below:

Education: Foundation sets up and runs quality educational institutions in under-served areas. It also works with the Government in making quality education accessible to all sections of the community. Towards this end, the Foundation is:

- Running an Engineering College, Degree College and Polytechnic and several schools in the under-served areas. The Foundation's flagship institution, GMR Institute of Technology was ranked 62 in Top 100 Engineering Colleges in India by Dataquest;
- Several scholarships and freeships are given for poor students from surrounding communities to these institutions;
- In addition, Foundation supports about 350 Government schools with

required inputs, ranging from Vidya Volunteers, Teaching and Learning Materials, After-School tuitions to Small infrastructure etc. This benefits about 35,000 children;

- Foundation also focuses on quality pre-school education and works with over 180 Anganwadis and Bala Badis benefiting 3500 children;
- Managing 29 IBM Kid Smart Early Learning Centers across different locations to provide technology enabled learning experience to primary school children;
- Several other initiatives are taken up to make quality education accessible to the children which include running tent schools for children of migrant labour, providing transport support, boarding support etc.

Health, Hygiene and Sanitation: With the belief that health is a key dimension of well-being, GMRVF works towards better health and healthy lifestyles of the communities. GMRVF's initiatives in the area of health include:

- Running a 135-bed secondary care hospital in Srikakulam, one of the poorest districts of Andhra Pradesh, to serve the communities in this area by offering quality treatment at affordable prices. A robust concession scheme is in place to help all sections of communities to avail the services;
- Running 28 medical clinics in areas where medical facilities are inaccessible to the communities-offering services to over 7000 people per month;
- Running 3 Mobile Medical Units which take health care to the door steps of about 7000 elders every month;
- Running 3 Ambulances to provide emergency care for the communities;
- Building and maintaining public toilets and conducting several awareness programs on hygiene and sanitation.

Empowerment and Livelihoods: The Foundation lays a major thrust on the economic and social empowerment of women and youth, and towards this it has taken up several initiatives which include:

- Running 8 vocational training centres to provide appropriate market-relevant skills to dropout youth to increase their employability. About 4,500 youth are trained every year through these centers and more than 80% of them are settled in wage or self-employment;
- GMRVF's vocational training initiative works towards bridging the skill gap between employers and those who seek employment. It actively seeks partnerships with different industry leaders for providing best quality training in different market relevant skills;
- Further, Foundation works with about 300 Self Help Groups of women and supports them for taking up income generation activities;
- Foundation initiated EMPOWER (Enabling Marketing of Products of Women Entrepreneurs) program to market the products made by under-privileged women through shops at Delhi and Hyderabad Airports, setting up of stalls and exhibitions, bulk orders for conferences and seminars, and through an online store www.empowershop.org;
- GMRVF also works with farmers to support them to increase their incomes, through training, capacity building and input materials.

Community Development: To meet the different emerging needs of the community, GMRVF takes up various community development initiatives based on the local needs. It runs about 80 community libraries, manages 100 children and youth groups and celebrates different days of significance with the community to improve their awareness on various social issues.

Employee Involvement: Social Responsibility is one of the core values of GMR Group and many of the employees of GMR Group actively participate in community development initiatives. Over the year, over 2500 employees and their family members participated in more than 500 programs, contributing over 11,000 hours of volunteer time and benefiting over 60,000 people.

As recognition for its corporate social responsibility initiatives, GIL has received the following awards during the year.

- FICCI CSR Award and ASSOCHAM CSR Excellence Award (for the activities implemented around GMR Hyderabad International Airport Ltd.)
- CSR Best Practice Awards from Think Media Inc. (for the activities implemented around GMR Kamalanga Energy Ltd. and GMR Chhattisgarh Energy Ltd.)

Risk and Concerns

Our business in the Infrastructure sector exposes the company to a variety of risks. Consequently, the company seeks to continuously improve its ERM processes and framework in line with the current best practices. The company's aim is to ensure that the company proactively identify, measure and monitor various risks and implement appropriate risk treatment plans to deal with them by establishing a suitable balance between harnessing opportunities and containing risks.

Our philosophy is to integrate the process for managing risk across the organization and throughout its businesses & lifecycle to enable protection of stakeholder value and also ensure an institution in perpetuity.

Process Maturity

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

The Enterprise Risk Management department of your company is now moving towards a Centre of Excellence model through decentralization of risk management in different sectors by setting up sector specific risk management teams and embedding risk management in the day to day functioning of the businesses. The central ERM team would then aim at bringing best practices, aggregation and consolidation, development of group wide frameworks, external perspectives on risks etc.

The ERM framework of the company is strengthened from time to time to keep it updated to meet with the changing business requirements covering the following:

- Bid / Opportunities: A very rigorous bid screening framework is being deployed where both the qualitative as well as quantitative risks are analyzed. All bids are stress tested under different scenarios in detail to ensure proactive evaluation of projects and aid risk-based decision making;
- Project Risk Management (PRM): A framework has been strengthened along with one of the top consultants in the world that ensures stage gates & focuses extensively on project completion on time, cost and quality parameters and the same is being implemented in our current projects;
- Asset Risk Management: A forward looking risk assessment is being carried out for the company's assets whereby top drivers of risks to next 2-3 years cash flows and P&L are being assessed and detailed risk mitigation and review plan is being developed; This was piloted with one of the businesses;
- Contractual Risk Review (CRR): Framework has been developed and being implemented for identifying and addressing contract related risks and compliance areas.
- Risk Appetite Framework: Framework articulating the management's risk appetite for its various lines of business as well as at the consolidated level for the Group has been finalized for Group Holding Board (GHB) approval.

The ERM Framework and Deployment across the Group is independently assessed by Internal Team i.e. Management Assurance Group (MAG), Audit committee and board as well as External Panel of Experts. Their inputs and recommendations serve as opportunities for improvements and also help create better alignment and learning across the Group.

Business Resilience: In order to build business resilience across the Group and deal with eventualities, the company has significantly progressed on development of detailed Business Continuity Plans (BCP) & Disaster Recovery Plans (DRP) for identifying high impact events for our key assets and putting in place appropriate processes & risk treatment plans to avoid / reduce the impact.

Linkages: Strong linkage with Corporate Strategy enables sharper focus on key strategic risks. Detailed risk analysis is carried out during the formulation of the Company's Strategic Plan and Annual Operating plan. ERM team also shares the results of its exercise with the Management Assurance Group (MAG) to enable it to draw plans for risk-based audit.

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

Reporting: The ERM Team regularly presents the risk assessment and minimization procedures adopted to assess the reliability of the risk management structure and efficiency of the process to the Management and the Audit Committee of the Board.

Some of the additional emerging risks that the management has taken cognizance of in the recent times and for which appropriate plans and actions are being taken are as follows:-

- ❖ **Social Media Risk:** The speed of dissemination of negative news is much faster. Need to build networks at ground level to capture early warning indicators. Train Management levels to deal with Media on a proactive basis.
- ❖ **Environmental Clearance Risk:** Stringent requirements for environmental clearance of projects and continuous monitoring of compliance required.
- ❖ **Social activism Risk:** Reluctance towards toll rate payments, increased activism of civil society, NGOs etc.
- ❖ **New Companies Act, Lokpal Bill:** Stringent Corporate Governance requirements leading to activism of Independent Directors, Financiers etc.
- ❖ **Supply Chain Disruption Risk:** Increasing impact of natural disasters on supply chain in light of a wider spread of the supply chain in different geographies, ensuring continuous fuel availability etc.
- ❖ **Business Resilience Risk:** Increasing focus on IT security, BCP & DRP, move towards cloud computing etc.

Macroeconomic Risk factors: Macroeconomic factors in India have a significant impact on the operating performance of the Group. 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. The diversified nature of our portfolio across different sub-sectors within the Infrastructure Sector and our revised strategies would help in mitigating some of these risks.

Regulatory Risk: Being in the Infrastructure Sector, the company is extensively exposed to regulatory risks. For e.g. like all other private operators, our Airports business is exposed to regulatory risks which would affect the revenue model assumed. Recently, the AERA ruling on the Hyderabad International Airport has had a significant impact on our business projections. Further, the Companies Act, 2013 and SEBI guidelines for listed entities require additional disclosures and approval process which increases costs associated with compliances and put restrictions on certain operational transactions.

Fuel availability risks: Non-availability of natural gas has adversely affected the performance of our gas based power plants and hence the profitability of the Group. Moving forward, the company aims to diversify our fuel mix through focusing on the commissioning of coal-based projects and initiating construction of hydroelectric projects thereby reducing our exposure to a single source of fuel.

Input Costs Risk: the company is directly exposed to the variation in price of input materials and allied costs. Whilst the Company continues to pursue cost reduction initiatives, increase in price of input materials could severely impact the Company's profitability to the extent that the same are not absorbed by the market through price increases. However, with limited no. of projects under construction stage at present, our exposure is reduced to that extent.

Project development, acquisition and management: Based on the portfolio exercise carried out every year at the Group level and the prevailing external environment, management has taken a conscious decision to follow an "Asset Light and Asset Right" model whereby the company would be looking at divesting options for some of our non performing projects/assets as well as those projects that have created good value for themselves while simultaneously being selective in new bids and acquisition. The focus is as always on consolidation of our existing portfolio, sweating of assets and completion of the existing projects within time, cost and quality parameters. The Group has also initiated the outsourcing of some of its non-core activities in Finance, HR, IT and Internal Audit function (Management Assurance Group) so as to gain more management bandwidth, improve productivity and efficiency in the Group's operations.

Ability to finance projects at competitive rates: Infrastructure projects are typically capital intensive and require high levels of finance in a mix of debt and equity. The company is continuously exploring innovative means to finance/refinance our project with the aim to reduce the overall interest cost. For e.g. the company is exploring and implementing the options of refinancing through bond issue, takeout finance, ECB loans (where the company has a natural hedge to reduce the forex exposure) etc. wherever possible at competitive rates.

Credit Risk: Our exposure to merchant sale of electricity to private sector customers and weak financial health of airlines in the airports sector might expose us to credit risk of default in payments. The company has developed models to check and regularly monitor the credit-worthiness of our customers. Also, all our receivables are being closely monitored and reviewed frequently by the top management.

Interest Rate Risk: The debts relating to the company projects are subject to fluctuations in interest rates. Any increase in interest rate may adversely affect its profitability. The company is continuously exploring and implementing innovative means of financing/refinancing its existing loan with the aim of reducing our interest costs. Also, with the divestments of some of its assets, the company also aims to reduce its debt exposure and thereby the interest cost.

Foreign Currency Exchange Rate Risk: The company is exposed to the vagaries of exchange rate risk, as it has some expenditures in foreign currencies for procurement of project equipment, but a majority of revenues are in Indian Rupees (though Airports and other international assets earn some foreign currency). The company has in place a mechanism of having regular review of our foreign exposures including the sensitivity of our financials to the movements in exchange rate. However, the company hedges its exposures and keeps rolling them as a part of a robust foreign exchange risk management policy which is reviewed regularly and approved by the Board.

Internal control systems and their adequacy

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

- A well-established multi-disciplinary internal audit team, which carries out audit of functions across the sectors, report to audit committee, gives assurance and support to management with the objective to add value, improve organization's operations and accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;
- 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 and strategies;
- Preparation and monitoring of annual budgets for all operating activities, projects and service functions;
- Bid documents/records of all new projects including M&A deals are being critically reviewed for probable risks;
- Effective project management and technical audits are being carried out;
- Identifying and mitigating key business and transactional risks through effective risk management process.
- A well-established process to ensure that the Corporate Governance and statutory compliance processes are at the highest levels.

Developments in Human Resources and Organisation Development at GMR Group

"Leadership is taking responsibility for hard problems beyond having formal or informal authority." - Ronald A Heifetz

The focus on building organization and people capability continues for the GMR Groups this year as well through the established robust process around Identifying, Developing and Deploying potential leaders in critical position across the Enterprise. The emphasis has been towards grooming leaders within rather than hiring from outside which we call as 'Make v/s Buy' ratio. The shift is towards 'Make'.

The Talent Review process has been reviewed to make it outcome based realizing the goal of creating a robust talent pipeline for current and future requirement of the organisation.

In order to enable the development of future leaders, the multi-tier leadership development program has been enhanced right from entry level (Executive) to Senior levels (Vice -President). The content of the program has been redesigned based on GMR Group's Competency Framework.

The Group has initiated an organization-wide job evaluation exercise to enhance Organization Effectiveness through a process of realigning the roles to emerging business realities and also to place the right person in right role.

Focus on Senior Leadership Team development continues through development centres and assessment centres based on which Individual Development Plans (IDPs) for them have been put in place. Senior Leadership Team, in turn, invests in the development of their next in line functional managers with strong managerial and financial capabilities.

As part of the institutional building process, 'Leader-led Session' was introduced on Values and Beliefs (V&B) across the enterprise - facilitated by Senior Leadership Team (SLT) members. 171 leaders have been developed internally who have covered approximately 4000 employees as part of the Humility and Entrepreneurship tenet. Over and above the Leader-led Session, an e-learning course on V&B as well as 'Code of Business Conduct and Ethics' have been running through the year as refresher courses. The intention is to ensure that all employees of the organisation go through these two programmes as part of culture building.

In addition to the 240 e-learning modules covering both behavioural as well as Technical programs, the emphasis was also to develop the O&M capabilities across the Energy Assets. To enable this, the O&M modules were developed In house and administered to all the Project based employees - Basic as well as Advanced programs. In addition series of CRT programs on O&M was delivered to the Project employees.

The generic leadership capability building is augmented by equal focus on Commercial and Contracts, Engineering, Procurement, Construction, Operations and Maintenance (CEPCOM) competencies, which are core to GMR as a leading infrastructure player. In keeping with the shift in strategic direction, the emphasis has been more on building competencies on Operation & Maintenance (O&M) for our Energy business.

Internal communication is a key to sustaining vibrancy and organisational health. Throughout the year, Town Hall meetings were conducted across the Group, where Group Holding Board (GHB) members and CEOs shared the Group's plans with employees and answered several queries. Quarterly newsletter from Group Chairman to all employees has regularly brought out the key achievements and opportunities for improvement, thus making employees aware of the contribution they collectively need to make. The Skip Level Meetings, a formal forum for employees to share specific views and opinions about the work environment to their skip level manager were also conducted across the group.

A number of Team Building and alignment exercises in the form of offsite workshops 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.

Across the Group, the metric based Goal setting process was automated to ensure a Top Down cascading of Goals.

The effectiveness of Training was measured through two pronged approach i.e Self Development as well as the impact on the business.

Across the Group, the focus on measurement of self-development shifted from Training mandays to Training Needs Identified Vs Actual Training undergone.

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company** : L45203KA1996PLC034805
2. **Name of the Company** : GMR Infrastructure Limited
3. **Registered address** : SKIP House, 25/1, Museum Road, Bangalore - 560 025
4. **Website** : www.gmrgroup.in
5. **E-mail id** : Sounderarajan.CP@gmrgroup.in
6. **Financial Year reported** : 2013- 2014
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)** : The Company has Engineering, Procurement and Construction (EPC) business as a separate operating division to cater to the requirements for implementing the projects undertaken by the subsidiaries and others; and is a holding company for the investments made in Airports, Energy, Highways and Urban infrastructure & Special Economic Zone (SEZ) sectors.

Group	Class	Sub Class	Description
421	4210	42101	Construction and maintenance of motorways, streets, roads, other vehicular and pedestrian ways, highways, bridges, tunnels and subways.
429	4290	42909	Other civil engineering projects n.e.c
439	4390	43900	Other specialized construction activities

8. **List three key products/services that the Company manufactures/ provides (as in balance sheet)**

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

   The Company is a holding company for the investments made in Airports, Energy, Highways and Urban Infrastructure & SEZ sectors.

9. **Total number of locations where business activity is undertaken by the Company:**

   i. Number of International Locations (Provide details of major 5): Indonesia, Singapore, Nepal, Maldives, Philippines.

   ii. Number of National Locations: GIL has business activities undertaken in more than five states in India viz Bangalore, Hyderabad, Mumbai, Kamalanga (Orissa), Chattisgarh, Chennai, Hospet (Karnataka), Warora (Maharashtra).

   Number of International and National locations for Subsidiaries, JVs and Associates:

   The International locations of GIL's Subsidiaries / JVs / Associates include Indonesia, Philippines, Singapore, Maldives, Nepal, Isle of Man, Cyprus, Netherlands, Turkey, South Africa and the National locations include Bangalore, Delhi, Hyderabad, Chennai, Vemagiri, Kakinada and Rajahmundry (Andhra Pradesh), Krishnagiri (Tamil Nadu), Chandigarh, Chamoli (Uttarakhand), Chamba (Himachal Pradesh), Raikheda (Chhattisgarh), Charanka (Gujarat), Rajasthan, Kamalanga (Orissa), Hospet (Karnataka), Warora (Maharashtra).

10. **Markets served by the Company – Local / State / National / International:**

    Over the past two decades, GMR Group has grown from a regional to a global infrastructure player.

    The international presence of the Company's subsidiaries extends to the following geographies:

    - Stakes in international coal assets in Indonesia - PTBSL & Sinarmas;

- Hydro-power projects in Nepal - Under various stages of developing;
- In Airports – Mactan Cebu International Airport in Phllippines

The Company's subsidiaries also served following geographies in FY 2013-14 but currently do not have any presence:

- Sabiha Gökçen International Airport, Istanbul in Turkey with a capacity to handle 25 MPPA (million passengers per annum)

On the National level, the Company's subsidiaries own and operate 2 airports on Public Private Partnership (PPP) (Delhi & Hyderabad), 8 energy assets operating in Tamil Nadu, Andhra Pradesh, Gujarat, Maharashtra & Orissa and 3 projects under construction (including Coal based power plant in Chhattisgarh, Hydro based plant in Himachal Pradesh and Gas based plant in Andhra Pradesh) and 2 transmission projects in Rajasthan and 1 Hydro plant in Uttarakhand under development, and 9 different highways (mix of toll as well as annuity) at various locations in India – (Andhra Pradesh, Karnataka, Punjab and Tamil Nadu) including minority stake in two.

Section B: Financial Details of the Company

(₹ In Crore)

1. **Paid up Capital (INR)** : 1525.91
2. **Total Turnover (INR)** : 791.06
3. **Total profit after taxes (INR)** : 165.90
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 0.06%
5. **List of activities in which expenditure in 4 above has been incurred:**

   The above expenditure has been incurred for promotion of the following activities:

   - Education
   - Health
   - Empowerment and Livelihood

   The subsidiaries of the Company have contributed towards CSR activities undertaken by GMR Varalakshmi Foundation (GMRVF), a Corporate Social Responsibility (CSR) arm of the Company, which develops social infrastructure and enhances the quality of life of communities around the locations, where the Company/subsidiaries have a presence.

The activities include:

Education Programs

Running educational institutions; Working with about 350 Government schools to improve educational quality; Supporting 180 Anganwadis and Bala Badis; Conducting after school tuitions, extra-curricular activities; Running 15 Tent Schools for migrant labour children; Managing 29 IBM Kid Smart Early Learning Centers; Supporting complete educational expenses for 264 children; providing scholarships etc.

Health, Hygiene and Sanitation

Running 135-bed multi-specialty hospital at Rajam; Running 29 medical clinics, 3 Mobile Medical Units and 2 Ambulances; Conducting health and hygiene awareness sessions; Running Nutrition Centers for pregnant and lactating women; Building and maintaining public toilets.

Empowerment and Livelihood

Running 8 vocational training centers which trained about 4500 unemployed youth during the year; supporting about 300 women Self-Help Groups; Providing support to farm and non-farm livelihoods; supporting women to take up income generation activities and marketing their products.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, the Company has 123 subsidiary Companies, as on March 31, 2014.

2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   Yes, the Company along with its subsidiary companies participates in group wide Business Responsibility (BR) initiatives on a wide range of topics. All subsidiaries are aligned to the activities under the aegis of GMRVF, a Corporate Social Responsibility (CSR) arm of the Company, which develops social infrastructure and enhance the quality of life of communities around the locations, where the Company / Subsidiaries have a presence.

3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]**

   No. The suppliers/ distributors etc of the company do not participate in group wise BR initiatives of the company.

Section D: BR Information

1. **Details of Director / Directors responsible for BR**

   a) **Details of the Director / Directors responsible for implementation of the BR policy / policies:**

      - DIN Number : 00061669
      - Name : Mr. Grandhi Kiran Kumar
      - Designation : Managing Director

b) Details of the BR head:

S. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Mr. C.P. Sounderarajan
3.	Designation	Company Secretary and Compliance Officer
4.	Telephone number	+91-80-4053 4000
5.	E-mail id	sounderarajan.cp@gmrgroup.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility, which are as under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5- Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	P1	P2**	P3	P4	P5	P6	P7	P8	P9**
1.	Do you have a policy /policies for.....	Y	Y	Y	Y	Y The Code of Conduct, Ethics and HR Policies cover Human Rights aspects.	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	#	Y (ISO 14001:EMS, & OHSAS 18001 & ISO 9001;QMS)	#	#	#	Y (MoEF, respective State Pollution Control Board and ISO 14001:EMS)	#	#	#
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y*	http://www.gmrgroup.in/Corporate/pdf/EHS-policy.pdf	Y*	Y	Y	http://www.gmrgroup.in/Corporate/pdf/EHS-policy.pdf	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy /policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Wherever the Group Policy is not compliant with local laws, they are suitably modified. There is no known non-compliance with international standards.

* The policy is available in Company's intranet.

** The Company and the Subsidiaries wherever applicable have relevant systems and practices in place to implement and adhere as per the principles.

2a.If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. **Governance related to BR:**

   - **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

     The BR performance will be assessed on an annual basis.

   - **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

     Annual Report containing Business Responsibility Report will be uploaded in Company's website.

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Yes. The Code of Business Conduct and Ethics policy of the company embodies the Group's Values and Beliefs and endeavour to lay down guidelines for employees of the Group to follow in their day to day work life. The policy applies to all employees on regular rolls of the company including Full Time Directors, Advisors, In-house Consultants, Expatriates and employees on contract.

   As an extension of the Code of Conduct, Company has a Whistle Blower policy which applies to third parties with concerns regarding any serious malpractice or impropriety within the group. Third parties include Vendors, Service providers, Partners, JV employees, and customers. There is also a supplier Code of Conduct and Business Ethics to ensure transparent business governance.

   Company has an Ethics and Intelligence Department to expeditiously investigate and take action to protect the culture and ethical environment.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   As specified in the Corporate Governance Report, 223 investors' complaints were received during the financial year 2013-14, which have been fully resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

   Since inception, sustainability has remained at the core of our business strategy. While ensuring shareholder benefit over the years, safe operations, environment conservation and social well-being have always been at the core of our philosophy of sustainable business. GMR Group strongly advocates philosophy of sustainability in and around each location of its operations. GMR Group has been aligning sustainability to assist organization in identifying the cross-cutting dimensions of triple bottom line performance and in understanding the process elements of corporate responsibility and commitment and engagements.

   As a responsible corporate citizen, we are striving to meet the expectations of our communities through GMR Varalakshmi Foundation. The foundation reaches out to the neighboring communities around our plants and other locations, works closely with them and strives to impact the lives of millions of farmers, youth, women and children.

   - Energy - Energy sector has initiated to align its energy business in alignment with comprehensive "Environment, Health & Safety (EHS) Framework" addressing all related aspects. The sector has been adopting best manufacturing practices, optimizing energy, natural resources and technology, etc. With all necessary statutory clearances in place, all the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Pollution Control Board authorised agencies. Efficient automated and manual environmental monitoring systems have been set up at appropriate locations in and around the plants and the Environmental performance indicators like stack emissions, ambient air quality, among others are maintained well within the stipulated norms. The monitoring reports are being submitted periodically to statutory authorities. Energy Sector has continuously ventured to promote cleaner fuel operations and renewable energy. The supercritical technology power plant is under development at Chhattisgarh. The 25 MW capacities Solar Photo-Voltaic based power generation and 2.1 MW and 1.25 MW wind turbine generators in the state of Gujarat and Tamil Nadu respectively with the total capacity of the wind turbine generator being 3.35 MW are fully operational which underscores the company's commitment towards sustainability in terms of clean and renewable energy resource. Sustainability Report for the Energy Sector for FY 13-14 is being prepared as per GRI-G4 guidelines and will be Published during FY 14-15.

- Delhi Airport – Delhi International Airport Private Limited (DIAL) has incorporated many proactive measures to address its impacts associated with its business aspects. At DIAL, we are committed to conduct our business in an environment and social friendly manner by adopting all possible operational and technological measures to minimise the impact of our activities on the environment and society. Environment Sustainable Management is an integral part of our business strategy which helps in achieving social credibility and business sustainability by efficient integration of policy, system, procedures, infrastructure and community support. All our business aspects and associated impacts on society due to our services and operations are assessed and addressed by effective aspect and impact analysis tools with necessary action plan and control within the framework of ISO 14001:2004 Environment Management Systems (EMS). The system also provides the platform for periodic review and continual improvements. We have adopted all possible proactive sustainable approach for the airport to develop an environment friendly posture that accommodates the community's concerns while still meeting all regulatory requirements. Our key environmental & social elements which have direct/indirect impact on society are aircraft noise, emission, air quality, water & wastewater, solid waste and conservation of natural resources. We have a dedicated team of professionals dealing with all areas of environmental and social concerns. DIAL recognizes that all the impacts associated with its business aspect can be resolved by working closely with the communities around the airport by proper knowledge sharing forum, media communications, communication to stakeholders and stakeholders meeting, further with the support of regulatory and government agencies. DIAL is also in the process of preparing its Sustainability Report for FY 13-14. Both these reports will be prepared and published during FY 14-15. It would be made available to relevant stakeholders.

- Hyderabad Airport – GMR Hyderabad International Airport Ltd. (GHIAL) is complying with the applicable environmental legal requirements of DGCA, APPCB and MoEF. A proposal for 5 MW Solar Power Plant has been initiated as part of green energy promotion - 'Consent for Establishment' for the plant has been obtained from the State Pollution Control Board. An 'Environmental Portal' has been developed for the environmental data management of Rajiv Gandhi International Airport (RGIA). RGIA has been accredited for Level 3 (Optimization) 'Airport Carbon Accreditation' by Airports Council International (ACI). RGIA became the 1st Airport in the country and 2nd Airport in the Asia Pacific Region to get this accreditation. Continuous Improvement Projects (CIP) on water conservation has been awarded 1st Prize in GMR group level CIP competitions. Also CIP on reduction in energy consumption has been awarded 1st Prize in GMR group level CIP competitions. World Environmental Day 2013 was celebrated at RGIA. On this occasion, various awareness programmes on environmental issues were conducted with the participation of employees and stakeholders. Earth Hour, Ozone day and Earth Day were observed to create awareness on global environmental issues amongst the airport community. RGIA has won 1st prize for the best landscape in private institutions category, in the competition conducted by the Department of Horticulture, Government of Andhra Pradesh, for the year 2014 (fourth consecutive time), ASSOCHAM-CSR Excellence Award 2012-13 for Corporate Sustainability and FICCI CSR Award 2012-13.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

    i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

    ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

    EPC division of the Company is certified for ISO 9001:2008 [Quality Management system] and for OHSAS 18001:2007 [Occupational Health & Safety Management system] and have plans to implement ISO 14001:2004 [Environment Management System] in an integrated form in the near future. Also we have received Green Certification [LEED – India] for DAV School, Rajam. As part of our sourcing strategy, priority is given to sourcing of local raw materials like sand, aggregate etc [unless specified otherwise by client] for construction of Roads, Buildings and Power Projects. Also procurement procedures form part of our standard ISO procedures. In addition, EPC division strives to design & construct sustainable Projects which includes Water and Energy conservation measures, continuous monitoring of Environmental parameters [like noise, air, water], identify & use of resources that are environment friendly, green technologies and deployment of fuel efficient equipment's & machineries.

The fuel in the Energy Sector subsidiary companies is sourced through pipelines to the plant avoiding wastages like leak, vapourisation etc. The Company and its subsidiaries have a Procurement Policy in place and vendors agree to the GMR Code of Conduct and Business Ethics.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

There are several services at the construction sites of the Company for which local people have been given opportunity. These include housekeeping services, photography and Canteen, Mess services, Printing & stationary. Apart from that, supply of various building materials such as sand, aggregate, Fly ash bricks, Moorum etc. have been given to local persons only. Many local people have been appointed and trained in various technical skills for execution of work like quality lab technicians, Plant and Machineries helper, Store assistant, operator for Transits mixture and Tough rider. Now many of them have been absorbed by our subsidiary, EMCO Energy through their various out sourcing agencies for O&M of Power plant.

For subsidiary companies in Energy Sector: The Companies have a policy of procuring goods and services like horticulture, housekeeping and the like from nearby suitable sources of supply. The Companies have their internal methodology of procuring goods and services like horticulture, housekeeping, Hospitality support services, selling of products made by nearby community, trained and managed through its CSR wing, GMRVF.

For subsidiary companies in Airport Sector:

(i) Hyderabad Airport (GHIAL): There are several services at the Airport for which local people have been given primacy through the Business Development and CSR team of GHIAL. These include housekeeping services, photography and photocopy services, barber saloon services, tyre inflation puncture repair, grocery shop, etc. These businesses are having more than ₹ 40 lakhs turnover in a year. While these refer to the individual entrepreneurs, GHIAL CSR runs a vocational training centre and enterprise centre for local women. The vocational training centre capacity builds youth towards different technical skills and more than 700 people from Airport surrounding villages have been provided employment in the Airport in different entry-level jobs. For the women enterprise, women from surrounding villages have been trained in making handicrafts and these are marketed through different channels. GHIAL has provided two shop spaces at the Airport, including one at international departure for selling these products. The total revenue for this initiative has grown from ₹ 8 lakhs in 2008-09 to about ₹ 80 lakhs in 2013-14. Every year GHIAL itself buys many products for its own requirements from this enterprise approximately to the tune of several lakhs. One major bulk order last year from GHIAL was supply of '5th Anniversary Gift Packs- (with jutebags, chocolates, etc.) made by the women group, which was given to all GHIAL employees on 5th anniversary of the Hyderabad airport. This order worth was ₹ 6 lakhs. The women group also supplied more than 20,000 chocolates worth about ₹ 1 lakh for use in ASQ surveys, festivals, etc. This year, a new supply initiated was the uniform (shirts and trousers) stitching order for Aviation Academy students. 45 sets of uniforms were supplied by the women group.

(ii) Delhi Airport (DIAL): The Company has been procuring Goods & Services from Local & Small producers, traders & service Providers and based on quality of their deliverables, these Agencies are being considered for further opportunities. There are several steps taken to procure services from the communities surrounding place of work at the airport, for which local people have been given exclusive opportunity through the Business Development and CSR team of DIAL. Some of these are as below:

- Continuous efforts are made to develop small entrepreneur's to procure Public Health related engineered Products (Urinal Sensor etc.), Horticulture Products, Flower Arrangement etc.;
- Tenders are generally invited from NGOs / War Widows for Cleaning Material & Consumables;
- Products made by Mehram Nagar community women: There were eight women regularly coming to the production centre for 3 to 4 hours and engaged in producing products like designer bags, folders, pouches etc for EMPOWER Shops. These 8 women were specially trained for different parts of products;
- Marketing of EMPOWER Products at Terminal 3: Enabling Marketing of Products of Women Entrepreneurs (EMPOWER) is an initiative of GMR Varalakshmi Foundation, the Corporate Social Responsibility arm of GMR Group, to market different products made by under-privileged women. DIAL-CSR supported this initiative by supplying these products to one of the concessionaires - India Delight-at Terminal-3:
    - o To promote products, Foundation team also put stalls in different corporate house in different occasions like Raksha Bandhan, Dussehra, Diwali, Christmas, New Year and Holi. Apart from that, the Mehram Nagar Production centre has successfully delivered products to DIAL in different events like kids' carnival and International Women day, also to different agencies like India Delight, Apparel Training and Designing Centre, Galgotia University, Khushboo Welfare Society.

- o Further, the DIAL-CSR team has set up the "EMPOWER Shop" at Multi Level Car Parking (MLCP- T3) to sell products made by women groups to the national and international passengers. It is now operational.
- DIAL CSR is also running one screen printing centre at Savda Ghevera with four women for income generation;
- Like every year, 10 individuals from Savda community were provided financial support to start self-enterprises or to upscale their existing business in order to enhance their family income. Each individual has been supported with the material or equipment cost up to INR. 5,000 to 10,000/-. Their income has been increased up to INR 2,000 to 4,000 per month;
- Centre for Empowerment and Livelihoods (CEL), Delhi is engaged in imparting vocational skill trainings for under-privileged dropout youth:
  - o Trainings are provided in various vocations like Basic Computers, Facility Care and Management, Apparel Training and Design Basic Electrical, Refrigeration and Air Conditioning and Cargo related courses like Cargo Handling and Basic Cargo Management and Airport Systems (PBB/BHS/VHT); some of the advanced courses like certificate in Multimedia and Web-designing etc;
  - o During the last 4 years, 79 batches were completed and around 1574 under-privileged youth were trained and more than 1290 of them have been successfully placed in different jobs;
  - o One of the major accomplishments in the area of vocational training program was the launch of Apparel Training Designing vocational training course at CEL-Delhi with an end-to-end partnership with ATDC Delhi.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company's subsidiaries operate in different business sectors like Energy, Airports, Highways and Urban Infrastructure. The waste water at the power generation plants and Airports is recycled and used for gardening and other cleaning purposes. Also, wastes generated during the operations of the power generation plants are sent to the authorized agencies of CPCB/SPCB for treatment.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees:**

Sl No.	Category of Employees	No. of Employees
1	Managerial Staff (Executive Cadre)	303
2	Operations Staff (Non-Executive Cadre)	110
	Total	413

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis:**

Sl No.	Category of Employees	No. of Employees
1	Advisors & Consultants	NIL
2	Sub-Contracted Employees	NIL
3	Casual Employees	NIL
	Total	NIL

3. **Please indicate the Number of permanent women employees:**

Number of permanent women employees : 18

4. **Please indicate the Number of permanent employees with disabilities:**

Number of permanent employees with disabilities : NIL

5. **Do you have an employee association that is recognized by management?**

There is no employee association in the Company.

6. **What percentage of your permanent employees is members of this recognized employee association?**

NIL

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour/forced labour/involuntary labour	NIL	The Company does not hire child labour, forced labour or involuntary labour; hence not applicable.
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	The company does not discriminate in the recruitment process; hence not applicable.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   - Permanent Employees: 100%
   - Permanent Women Employees: 100%
   - Casual / Temporary / Contractual Employees: N.A.
   - Employees with Disabilities: N.A.

   All the contractual employees of the Company receive mandatory safety training before entering their premises and receive the job training through the contractor and the Company.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes. Whenever the Company sets up a business, it surveys the surrounding communities and identifies key stakeholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   There is a specific focus on identifying the vulnerable amongst the stakeholders. These include landless, tribal communities, socially and economically backward sections, people with disabilities, women-headed households, etc.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   For the Company, community is a major stakeholder of business. Thus, GMR Group works with the under-privileged communities around its business operations for improving their quality of life. A special focus is laid on vulnerable and marginalized sections of the community such as differently-abled persons, elders, tribals, migrant labour etc. GMR Varalakshmi Foundation (GMRVF) initiated Tent School program in Bangalore for the children of migrant labour communities. About 1000 children get benefit from this Tent School initiative that otherwise had to drop out of education due to migratory nature of their families. At Delhi, the CSR unit is running Samarth program for mainstreaming differently-abled persons through inclusive education, creation of livelihood opportunities, facilitating their rights and entitlements etc. Over 200 persons/children with disabilities benefit from this initiative. To address the health care needs of disadvantaged elderly people, GMRVF is running 4 Mobile Medical Units at different locations which take quality health care to the doorsteps of about 7000 elderly and vulnerable people. At Shahdol (MP), GMRVF partnered with Women and Child Welfare Department to set up Anganwadi centres in tribal hamlets which provide pre-school education, nutrition support etc. for children of 0-5 years age, adolescent girls, pregnant and lactating women. Further, to ensure all the children access quality education, GMRVF is providing school bus support, boarding support etc. for the children (mostly from tribal communities) in hilly remote areas which enabled them to continue their education. Foundation is also running 10 Nutrition Centres which provide supplementary nutrition, health check-ups and health awareness to pregnant and lactating women from under-privileged families. In the vocational training program of GMRVF also, preference is given to the candidates from disadvantaged backgrounds and special efforts are put to mainstream them through provision of required skills. Further, Foundation has set up Girijan Institute of Rural Entrepreneurship Development in the Seethampet Agency area in Srikakulam district of Andhra Pradesh which provides skill trainings to tribal youth in different vocations. GMRVF also has focused programmes to reach out to women and improve their livelihoods.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?**

   The Company has a policy on Human Rights. Additionally, policies like Code of Conduct, Whistle Blower Policy, Disciplinary Policy, Policy against Sexual Harassment, Policy on Work Environment coupled with transparent HR processes and practices adequately cover the human rights aspects.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   There are no reported complaints received during the financial year 2013-14.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

   The policy related to principle 6 is applicable to all the units of GMR Group, its contractors and its employees.

2. **Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the Company and the Group has strategies to address global environmental issues such as Climate Change and Global Warming.

   GMR Group has initiated the process of Clean Development Mechanism (CDM) in 2008 and commenced assessment of Carbon Footprint of its units.

The Company has evolved as Sustainability leader by registering 7 CDM Projects with United Nations Framework Convention on Climate Change (UNFCCC). Terminal 3 (T3) of Indira Gandhi International Airport (IGIA) has become the first terminal in the world to have successfully registered with UNFCCC as CDM project for its Greenhouse Gas (GHG) emission reduction initiatives.

DIAL is accredited by Airport Council International (ACI) for its Carbon Management at IGI Airport to "Optimisation Level". DIAL has installed 2 MW plant at IGI Airport and is the first airport in India having mega solar power plant at airside premises. GHIAL has been accredited for Level 3 (Optimization) 'Airport Carbon Accreditation' by ACI. GHIAL became the 1st Airport in the country and 2nd Airport in the Asia Pacific Region to get this accreditation.

GMR Vemagiri Power Generation Limited (GVPGL), GMR Renewable Energy Limited (GREL), Alaknanda hydro project, Bajoli-Holi hydro project, Gujarat solar Power project and Wind power projects at Gujarat and Tamil Nadu are registered as CDM Projects at UNFCCC.

3. **Does the company identify and assess potential environmental risks? Y/N**

Yes, the company has a procedure to identify and assess potential environmental risk. All operating units have implemented Environmental Management System as ISO 14001 international standard requirements and have been certified by external auditors (except EMCO, which is in the process of obtaining external certification).

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes, the Company, as well as the Group, is actively involved in the development of CDM projects. It has taken the initiative towards developing the projects which are energy efficient, utilizes cleaner fuel, and uses renewable energy resources as fuel. In such endeavor, the Group has registered Seven CDM projects at UNFCCC till date. Also, UNFCCC has issued 3,16,124 certified emission reduction in FY 2013-14. The Group does not have the requirement to file any environmental compliance related to CDM; however, the environmental aspects related to compliance and sustainability are included in the Project design document of CDM. DIAL has successfully registered "Energy efficiency measures at Terminal T3" at UNFCCC in the month of July, 2013.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc Y/N. If yes, please give hyperlink for web page etc.**

Yes. The Company understands the thrust of achieving energy efficiency, and effectively utilizes the available clean technology and renewable energy resources in all its business developments. Delhi Indira Gandhi International Airport, Terminal 3 has been awarded green building "LEED INDIA GOLD" rating from Indian Green Building Council (IGBC) thereby making it one of the largest Green Buildings in the world[1]. The Rajiv Gandhi International Airport (RGIA) Passenger Terminal Building has 'Leadership in Energy and Environmental Design' (LEED) certification for its unique design[2], which allows maximum natural lighting, and other features that enable optimal use of energy and water. RGIA is the first airport in the world to be awarded the LEED silver rating for its eco-friendly design. Upcoming thermal power plants projects based on Coal are planned with the latest available technology viz., Supercritical Technology and wherever feasible the projects are developed to use Natural Gas, which is the Clean fuel resource. The operating power plants viz., GMR Power Corporation Limited (GPCL) and GMR Vemagiri Power Generation Limited (GVPGL) are already identified as energy efficient power plants as per the Notification [S.O. 687 (E) dated March 30 2012] issued by the Ministry of Power under the Perform, Achieve and Trade (PAT) Mechanism. The Company is involved in developing the projects under renewable portfolio. The Company takes the pride of commissioning 25 MW grid connected Solar Photo Voltaic based power plant at solar park developed by Gujarat Power Corporation Limited, Charanka in Gujarat. The Company has also commissioned the wind mill in Gujarat (2.1 MW Capacity) and Tamil Nadu (1.25 MW Capacity).

In addition to the above initiatives, DIAL has installed 2 MW plant at IGI Airport and is the first airport in India having mega solar power plant at airside premises. This measure has been taken to promote renewable energy use and reduce associate emission and also to support National Climate Change Action Plan. GHIAL has a proposal for 5 MW Solar Power Plant as part of green energy promotion.

[1]http://www.newdelhiairport.in/environment.aspx

[2]http://www.hyderabad.aero/environment.aspx

6. **Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

Yes, all the emissions and waste generated by the company including its subsidiaries is well within the permissible limits prescribed by CPCB / SPCB.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of:

A. Confederation of Indian Industry (CII), Chennai

B. The Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi

C. Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi

D. Bangalore Chamber of Commerce & Industry (BCCI)

E. Indo-Japanese Chamber of Commerce & Industry (Karnataka) – (IJCCI)

F. PHD Chamber of Commerce & Industry (PHDCCI), New Delhi

G. Association of Power Producers

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, following are the broad areas:

(i) Economic Reforms

(ii) Airport Services

(iii) Public Utility

(iv) Energy Sector

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, GMR Group works with the communities surrounding its business operations with a vision to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. The programs are designed based on the local needs identified through the baseline studies at each location. Thus, all the programs are sensitive to the needs of local communities and thus ensure a high level of participation from the communities. Under the area of Education, GMR Group is running Engineering, Degree, Polytechnic and Community colleges in AP apart from several schools. 20% of the seats in all the schools are provided to the children from poor communities free of cost. Group also supports the education of poor students by facilitating Scholarships and Educational loans. About 3500 students have received such support. GMR Group also focuses on improving the infrastructure facilities and quality of education at Government schools and pre-schools, apart from running its own BalaBadis (Pre-schools for children of 3-5 year age group). About 350 Government schools are supported reaching out to over 35000 children. About 4000 per school age children in 180 BalaBadis and Anganwadis across the country benefit from the Group's initiatives. Technology enabled learning is also facilitated with the setting up of 29 IBM Kid Smart Early Learning Centers across the locations. In the area of health, GMR Group is providing health services to under-served communities by running a 135-bed hospital, 29 medical clinics, 2 ambulances and 3 Mobile Medicare Units. The medical clinics of the Foundation are serving over 7000 patients per month. A 135-bed secondary care hospital has been established in Srikakulam, one of the poorest districts of Andhra Pradesh, to serve the communities in this area by offering world class treatment at comparatively very low prices. 20 public toilets have been constructed in both rural and urban locations to improve sanitation facilities which are used by about 30000 people per month. Many awareness programs are organized on health and hygiene related issues which have shown lot of impact on the health status of the communities. Enhancing the livelihoods of the communities is another area of the focus areas, and to achieve this, as part of the CSR, 8 vocational training centers are run in different locations through which about 4500 under-privileged youth are trained every year in different market relevant skills. Over 80% of these trainees are settled in wage or self-employment. The Group also works towards women empowerment by promoting and strengthening Women Self Help Groups. About 300 groups are formed so far with more than 3500 members and are receiving thrift, credit, capacity building and market support. Further, the community development initiatives focus at establishing village libraries, promoting youth and children's clubs and also on generating awareness among communities on key social and environmental issues.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

GMR Group implements the community development programs through GMR Varalakshmi Foundation, a Company registered under Section 25 of the Companies Act, 1956. The Foundation is governed by a Board of eminent professionals chaired by the Group Chairman. It has its own professional staff drawn from top academic institutions.

3. Have you done any impact assessment of your initiative?

Yes, GMRVF conducts impact assessment studies, both external and internal, in its project locations to understand the effectiveness of the programs.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company and the Group Companies during the year contributed to community development projects to the extent of ₹ 27.72 Crore.

Projects undertaken:

Education:

1) Supporting Govt. schools with Vidya Volunteers, Teaching Learning Materials, After School Learning Centers, Small infrastructure, Teachers' training etc. to improve the quality of education;

2) Supporting Govt. Anganwadis and setting up BalaBadis to provide quality pre-school education;

3) Support to students with coaching for different entrance and competitive examinations, scholarships and loans for pursuing higher education etc.

Health, Hygiene and Sanitation:

1) Running Medical Clinics, Mobile Medical Units and Ambulances where ever there is a gap of such health facilities;

2) Conducting need based general and specialized health check-up camps and school health check-ups;

3) Conducting health awareness programs with special focus on seasonal illnesses, HIV/AIDS etc.

Empowerment and Livelihoods:

1) Running 8 vocational training centers for training under-privileged dropout youth in different vocational programs;

2) Promoting and strengthening Self-Help Groups of women and providing training, input and marketing support for them to take up income generation programs;

3) Running community libraries, supporting youth clubs, conducting awareness programs on social issues etc.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

GMRVF lays great emphasis on involving community in their development process. Towards this, GMRVF conducts wide consultations with the communities before initiating any program and develops programs based on the local needs identified by the communities. Community members are engaged at every stage of the programs and all the systems and procedures have been made accountable and transparent for the communities. For example, in the education programs, GMRVF strengthens School Management Committees, Parents Associations and facilitates parent teacher meetings so that these committees monitor the programs closely and effectively. Where relevant, SHG federations have been formed and strengthened so that they would take the responsibility of facilitating and monitoring the SHGs. Child clubs, Youth clubs, Self Help Groups and other community based institutions are made involved in all the community development programs which help in building ownership of the programs.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year?

NIL

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A. /Remarks (additional information)

Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

NIL

4. Did your company carry out any consumer survey / consumer satisfaction trends?

As part of Customer focus initiatives, the company at regular intervals captures the Satisfaction levels of its Clients [Internal as well as External] to capture the stated and unstated needs and expectations. The Company measures the Customer Satisfaction at four stages viz., during initiation & mobilization, execution, handing over and defect liability period. Customer Satisfaction Survey captures feedback on various criteria like Planning, Execution, Safety and Quality on the scale of 1 to 5 and also captures suggestions / comments if any, from the Customer. This information is analyzed to arrive at actionable points to improve our service offerings. Business Balance Score Card (BBSC) and Goal Sheets (of related employees) have weightage to improve Customer feedback and Satisfaction index. In the Highways sector, we are one of the first Concessionaires to conduct a systematic survey to capture the expectations of road users through the Road User Satisfactory Survey (RUSS). We administered this survey twice in the year 2013 (Mar'13 – on pilot basis and then in Dec'13 – comprehensive & detail survey). These surveys helped us to identify the perception of road users about our project facilities and services. The survey highlighted our strengths vis-à-vis other highways and also helped identify areas for improvements to work on.

The subsidiaries of the Company i.e. Delhi International Airport Private Limited (DIAL) and GMR Hyderabad International Airport Limited (GHIAL), as per the covenants of the concession agreement, have to regularly conduct passenger surveys in order to evaluate the performance resulting in form of the internationally accepted ASQ scores.

Financial Section

Independent Auditors' Report

To the Board of Directors of GMR Infrastructure Limited

We have audited the accompanying consolidated financial statements of GMR Infrastructure Limited ('the Company'), its subsidiaries, associates and jointly controlled entities [collectively hereinafter referred to as 'the Group' and individually as 'component' (refer note 2 to the accompanying consolidated financial statements of the Group)], which comprise the consolidated balance sheet as at March 31, 2014, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ('the Act') read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

1) *As detailed in Note 35(g)(x)(b) to the accompanying consolidated financial statements for the year ended March 31, 2014, GMR Rajahmundhry Energy Limited ('GREL'), a subsidiary of the Company has capitalised ₹ 397.56 crore and ₹ 679.95 crore for the year ended and cumulatively upto March 31, 2014 respectively towards indirect expenditure and borrowing costs (net of income earned during aforementioned period) incurred on a plant under construction where active construction work has been put on hold pending securing supply of requisite natural gas and has approached the Ministry of Corporate Affairs for clarification on the applicability of / relaxation from the provisions of Accounting Standard ('AS') -10 and AS -16 to the capitalisation. However, in our opinion, the aforesaid capitalisation of such expenses is not in accordance with the relevant Accounting Standards. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended and cumulatively upto March 31, 2014 would have been lower by ₹ 389.25 crore and ₹ 665.74 crore respectively. In respect of the above matter, our audit report for the year ended March 31, 2013 was similarly modified.*

2) *As detailed in Note 35(g)(xvii) to the accompanying consolidated financial statements for the year ended March 31, 2014, GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company has issued a notice of intention to terminate the Concession Agreement with National Highways Authority of India ('NHAI') which has been disputed by NHAI. Subsequently, the management of the Group has submitted the proposal for the continuance of the project subject to certain conditions which is pending acceptance by NHAI. As at March 31, 2014, GKUAEL has incurred and capitalised indirect expenditure and borrowing costs of ₹ 124.42 crore (including ₹ 16.67 crore incurred during the year ended March 31, 2014) and has given capital advances of ₹ 590.00 crore. In our opinion, in view of the uncertainty as stated above such expenses of ₹ 124.42 crore should have been charged off in the consolidated financial statements. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended and cumulatively upto March 31, 2014 would have been lower by ₹ 16.67 crore and ₹124.42 crore respectively. Further, having regard to the uncertainty in view of the dispute, we are also unable to comment on the final outcome of the matter and its consequential impact that may arise in this regard on the consolidated financial statements for the year ended March 31, 2014. In respect of above matter, our audit report for the year ended March 31, 2013 was similarly modified.*

3) *As detailed in Note 30 (b) and Note 35(g)(xv) to the accompanying consolidated financial statements for the year ended March 31, 2014, the Concession Agreement entered into between GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated arbitration process to seek remedies under the aforementioned agreement and pending resolution of the dispute, continues to recognise the assets at their carrying values of ₹1,431.50 crore (USD 23.66 crore) as at March 31, 2014 including the claim recoverable of ₹1,062.90 crore(USD 17.57 crore) as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets.*

   Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and has received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the consolidated financial statements as at March 31, 2014.

   The takeover of MIA by MACL, initiation of arbitration proceedings and its consequential impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADLIL. However, the financial statements of GMIAL and GADLIL as at and for the year ended March 31, 2014 continue to be prepared and consolidated on a going concern basis.

Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on its impact on the carrying value of the assets of GMIAL and GADLIL and any other consequential impact that may arise in this regard on the consolidated financial statements for the year ended March 31, 2014. In respect of above matter, our audit report for the year ended March 31, 2013 was similarly modified.

4) *As detailed in Note 30(a) to the accompanying consolidated financial statements for the year ended March 31, 2014, the management of the Group has recognized the profit on sale of its investments in Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi ('ISG') and LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi ('LGM') of ₹1,658.93 crore (net of cost incurred towards sale of shares) in the consolidated financial statements for the year ended March 31, 2014. In our opinion, since receipt of purchase consideration, the transfer of shares and certain regulatory approvals were obtained subsequent to March 31, 2014, recognition of the profit on sale of such investments in the consolidated financial statements of the Group for the year ended March 31, 2014 is not in accordance with the relevant Accounting Standards. Accordingly, profit after tax and minority interest of the Group for the year ended March 31, 2014 would have been lower by ₹1,652.96 crore with a consequential effect on the reserves of the Group as at the year end.*

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matters described in (1), (2) and (4) and possible effect of the matters described in (2) and (3) in the Basis for Qualified Opinion paragraph,* the 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, 2014;

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

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

Emphasis of Matter

i. We draw attention to Note 35(g)(vii) to the accompanying consolidated financial statements for the year ended March 31, 2014 in connection with the carrying value of net assets of ₹224.45 crore (after providing for losses till date of ₹132.90 crore) as regards investment in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Company. Though GACEPL has been incurring losses since the commencement of commercial operations and the matter is currently under arbitration, based on management's internal assessment and legal opinion obtained by the management of GACEPL, the management of the Group is of the view that the carrying value of the net assets (after providing for losses till date) as regards investment in GACEPL is appropriate. Accordingly, no adjustments have been made in the accompanying consolidated financial statements for the year ended March 31, 2014. Our opinion is not qualified in respect of this matter.

ii. We draw attention to Note 35(g)(xiii) to the accompanying consolidated financial statements for the year ended March 31, 2014 which indicate that the entire matter relating to claims / counter claims arising out of the Power Purchase Agreement and Land Lease Agreement, filed by GMR Power Corporation Limited ('GPCL'), a subsidiary of the Company, and Tamil Nadu Generation and Distribution Corporation Limited ('TAGENDCO') (formerly known as Tamil Nadu Electricity Board, 'TNEB'), is sub-judice before the Hon'ble Supreme Court of India and has not attained finality. However, pending the resolution of matter, no adjustments have been made in the accompanying consolidated financial statements for the year ended March 31, 2014. Considering that substantial amount, though under protest, has been received, GPCL, based on an expert opinion, has offered the amount of claims received upto March 31, 2013 as income in its income tax returns and has claimed the deduction under Section 80IA of the Income Tax Act, 1961. Our opinion is not qualified in respect of this matter.

iii. We draw attention to Note 35(g)(x)(a) to the accompanying consolidated financial statements for the year ended March 31, 2014 regarding (i) cessation of operations and the losses incurred by GMR Energy Limited ('GEL') and GMR Vemagiri Power Generation Limited ('GVPGL'), subsidiaries of the Company, and the consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas and (ii) rescheduling of the commercial operations date and the repayment of certain project loans by GREL, pending linkage of natural gas supply. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and the appropriateness of the going concern assumption is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet their short term and long term obligations. The accompanying consolidated financial statements of the Group for the year ended March 31, 2014 do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not qualified in respect of this matter.

Other Matters

(a) The financial statements and other financial information of 2 subsidiaries, with total assets of ₹ 14,022.30 crore as at March 31, 2014, total revenue (including other income) of ₹ 4,316.02 crore, total loss of ₹ 108.36 crore and net cash outflow amounting to ₹ 226.92 crore for the year then ended (after adjustments on consolidation) have been audited by us jointly with other auditors.

(b) We did not audit the financial statements and other financial information of (i) 110 subsidiaries (including 6 subsidiaries consolidated for the period January 1, 2013 to December 31, 2013 and 1 subsidiary consolidated for the period April 1, 2013 to February 17, 2014) with total assets of ₹ 41,929.34 crore as at March 31, 2014, total revenue (including other income) of ₹ 4,663.69 crore, total loss of ₹ 462.73 crore and net cash outflow amounting to ₹ 1,991.77 crore for the year then ended (after adjustments on consolidation); and (ii) 26 jointly controlled entities (including 14 jointly controlled entities consolidated for the period January 1, 2013 to December 31, 2013) whose financial statements include the Group's share of total assets of ₹ 778.21 crore as at March 31, 2014, total revenue (including other income) of ₹ 2,134.96 crore, total profit of ₹ 609.01 crore and net cash inflow amounting to ₹ 95.76 crore for the year then ended (after adjustments on consolidation). These financial statements and other financial information for these subsidiaries and jointly controlled entities have been audited by other auditors, whose reports have been furnished to us, and our opinion in so far as it relates to the affairs of such subsidiaries and jointly controlled entities is based solely on the report of such other auditors.

(c) We did not audit the financial statements and other financial information of (i) 2 subsidiaries (including 1 subsidiary consolidated for the period April 1, 2013 to December 31, 2013 and 1 subsidiary consolidated for the period April 1, 2013 to April 23, 2013) with total assets of ₹ Nil as at March 31, 2014, total revenue (including other income) of ₹ 10.21 crore, total profit of ₹ 10.21 crore and net cash outflow amounting to ₹ 8.34 crore for the year then ended (after adjustments on consolidation), (ii) 2 jointly controlled entities whose financial statements include the Group's share of total assets of ₹ 8.15 crore as at March 31, 2014, total revenue (including other income) of ₹ 2.39 crore, total loss of ₹ 0.74 crore and net cash inflow amounting to ₹ 3.27 crore for the year then ended (after adjustments on consolidation) and (iii) 1 associate consolidated for the period January 1, 2014 to March 31, 2014 with Group's share of total profit of ₹ Nil (after adjustments on consolidation). These financial statements and other financial information have been incorporated in the consolidated financial statements of the Group based on un-audited financial statements as provided by the management of the Company as audited financial statements of such component entities as at and for the year ended March 31, 2014 were not available and our opinion in so far as it relates to the affairs of such subsidiaries, jointly controlled entities and associate is based solely on the basis of management certified financial statements. Our opinion is not qualified in respect of this matter.

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

per Sunil Bhumralkar
Partner
Membership Number: 35141

Place: Bengaluru
Date: May 29, 2014

Consolidated balance sheet as at March 31, 2014

	Notes	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Equity and Liabilities			
Shareholders' funds			
Share capital	3	1,525.91	389.24
Reserves and surplus	4	6,095.18	6,888.94
		7,621.09	7,278.18
Preference shares issued by subsidiaries	35 (e)	1,155.60	1,971.10
Minority interest		2,008.64	1,720.00
Non-current liabilities			
Long-term borrowings	5	33,599.28	31,633.16
Deferred tax liability (net)	39	73.27	55.39
Trade payables	6	20.97	68.57
Other long-term liabilities	6	2,398.71	2,858.23
Long-term provisions	7	78.45	148.84
		36,170.68	34,764.19
Current liabilities			
Short-term borrowings	8	5,588.17	4,856.62
Trade payables	9	1,759.31	1,481.59
Other current liabilities	9	10,547.84	11,492.21
Short-term provisions	7	290.52	253.10
		18,185.84	18,083.52
Total		**65,141.85**	**63,816.99**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	24,338.61	18,066.51
Intangible assets	11	9,300.65	9,268.71
Capital work-in-progress	32 (a)	14,908.85	17,785.28
Intangible assets under development	32 (b)	824.99	1,393.04
Non-current investments	12	104.22	104.16
Deferred tax asset (net)	39	44.57	58.11
Long-term loans and advances	13	2,441.08	3,477.82
Trade receivables	14	171.76	173.41
Other non-current assets	15	3,802.93	3,845.81
		55,937.66	54,172.85
Current assets			
Current investments	16	775.35	178.63
Inventories	17	358.92	270.43
Trade receivables	14	1,600.14	1,695.63
Cash and bank balances	18	3,321.19	5,134.84
Short-term loans and advances	13	493.15	879.79
Other current assets	15	2,655.44	1,484.82
		9,204.19	9,644.14
Total		**65,141.85**	**63,816.99**
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

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

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 29, 2014

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

G.M. Rao
Executive Chairman

Grandhi Kiran Kumar
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 29, 2014

Consolidated statement of profit and loss for the year ended March 31, 2014

	Notes	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Income			
Revenue from operations:			
Sales / income from operations	19	10,566.97	9,871.87
Other operating income	20	86.25	102.99
Other income	21	315.87	277.19
Total (A)		**10,969.09**	**10,252.05**
Expenses			
Revenue share paid / payable to concessionaire grantors		1,943.69	1,669.48
Consumption of fuel		1,754.47	1,031.85
Cost of materials consumed	22	60.65	201.90
Purchase of traded goods	23	1,045.06	1,472.14
(Increase) / decrease in stock in trade	24	(14.42)	19.41
Sub-contracting expenses		522.87	755.18
Employee benefits expenses	25	574.22	611.93
Other expenses	26	2,015.09	1,604.93
Utilisation fees	35 (c)	186.18	130.87
Depreciation and amortisation expenses	27	1,454.99	1,039.78
Finance costs	28	2,971.88	2,099.00
Total (B)		**12,514.68**	**10,636.47**
(Loss) / profit before exceptional items, tax expenses and minority interest (A-B)		**(1,545.59)**	**(384.42)**
Exceptional items - gains / (losses) (net)	29	1,820.25	777.27
Profit / (loss) before tax expenses and minority interest		**274.66**	**392.85**
Profit / (loss) from continuing operations before tax expenses and minority interest		(1,408.28)	(310.36)
Tax expenses of continuing operations			
Current tax		168.90	174.00
Tax adjustments for prior years		(1.99)	(5.82)
Less: MAT credit entitlement		(37.67)	(21.81)
Deferred tax expense / (credit)		32.09	95.25
Profit / (loss) from continuing operations after tax expenses and before minority interest		**(1,569.61)**	**(551.98)**
Minority interest - share of (profit) / loss from continuing operations		(117.66)	(86.40)
Profit / (loss) after minority interest from continuing operations (C)		**(1,687.27)**	**(638.38)**
Profit / (loss) from discontinuing operations before tax expenses and minority interest	30 (h)	1,682.94	703.21
Tax expenses of discontinuing operations			
Current tax		51.18	14.70
Tax adjustments for prior years		(1.05)	1.08
Less: MAT credit entitlement		(45.20)	-
Deferred tax expense / (credit)		(0.01)	0.04
Profit / (loss) from discontinuing operations after tax expenses and before minority interest		**1,678.02**	**687.39**
Minority interest - share of (profit) / loss from discontinuing operations		19.26	39.11
Profit / (loss) after minority interest from discontinuing operations (D)		**1,697.28**	**726.50**
Profit / (loss) after minority interest from continuing and discontinuing operations (C+D)		**10.01**	**88.12**
Earnings per equity share (₹) - Basic and diluted (per equity share of ₹ 1 each)	31	0.03	0.23
Earnings per equity share (₹) from continuing operations - Basic and diluted (per equity share of ₹ 1 each)	31	(4.33)	(1.64)
Earnings per equity share (₹) from discontinuing operations - Basic and diluted (per equity share of ₹ 1 each)	31	4.36	1.87
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

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

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 29, 2014

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

G.M. Rao
Executive Chairman

Grandhi Kiran Kumar
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 29, 2014

Consolidated cash flow statement for the year ended March 31, 2014

	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		
(Loss) / profit from continuing operations before tax expenses and minority interest	(1,408.28)	(310.36)
Profit / (loss) from discontinuing operations before tax expenses and minority interest	1,682.94	703.21
Profit / (loss) before tax expenses and minority interest	**274.66**	**392.85**
Non-cash adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation / amortisation of continuing operations	1,360.70	912.06
Depreciation / amortisation of discontinuing operations	94.29	127.72
Adjustments to the carrying amount of current investments	5.29	2.91
Inventory written off	-	8.09
Provisions no longer required, written back	(14.67)	(23.58)
Amortisation of ancillary borrowing costs	61.52	73.18
Impairment / other write off of tangible / intangible assets pertaining to continuing operations	47.02	6.92
Impairment / other write off of tangible / intangible assets pertaining to discontinuing operations	0.04	485.63
Loss/ (profit) on sale of fixed assets	(114.37)	(3.82)
Provision / write off of doubtful advances and trade receivables	34.81	125.22
Effect of changes in exchange rates	90.00	186.52
Mark to market losses on derivative instruments	0.18	-
Net gain on sale of investments	(1,772.63)	(1,315.54)
Finance costs	2,910.18	2,025.82
Interest income	(229.63)	(200.20)
Dividend income on current investments	(0.06)	(0.04)
Operating profit before working capital changes	**2,747.33**	**2,803.74**
Movements in working capital :		
Increase / (decrease) in trade payables and other liabilities	290.27	524.57
(Increase) / decrease in trade receivables	26.02	(156.91)
(Increase) / decrease in inventories	(62.51)	(42.64)
Decrease/ (increase) in other assets	(90.70)	77.40
Decrease/ (increase) in loans and advances	(84.07)	206.87
Increase / (decrease) in provisions	(13.88)	26.97
Cash generated from operations	**2,812.46**	**3,440.00**
Direct taxes paid (net of refunds)	(222.40)	(262.50)
Net cash flow from operating activities (A)	**2,590.06**	**3,177.50**
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets and cost incurred towards assets under construction / development	(5,602.70)	(10,281.02)
Proceeds from sale of fixed assets	336.37	17.02
Advance proceeds from sale of stake in jointly controlled entities	66.15	-
Proceeds from sale of long term investments	-	46.72
Sale / (purchase) of current investments (net)	(433.21)	473.47
Proceeds from dilution of stake in subsidiary companies	416.62	1,677.23
Loans given to / (repaid by) others	146.83	(101.33)
Proceeds from dilution of subsidiary companies used towards settlement of borrowings	-	1,284.30
Purchase consideration paid on acquisition / additional stake in subsidiary companies / jointly controlled entities	(128.51)	(53.09)
(Investments) / redemption of bank deposits (net) (having original maturity of more than three months)	(414.11)	(1,589.88)
Interest received	190.83	193.26
Dividend received	0.06	0.04
Net cash flow used in investing activities (B)	**(5,421.67)**	**(8,333.28)**

Consolidated cash flow statement for the year ended March 31, 2014 (Contd.)

	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from issue of preference shares (including securities premium)	1,169.17	-
Redemption of preference shares (including redemption out of securities premium)	(1,181.99)	(9.03)
Redemption premium on debentures, preference shares and security issue expenses	(336.34)	(346.60)
Issue of common stock in consolidated entities (including share application money)	199.83	78.16
Proceeds from borrowings	10,785.05	16,142.24
Repayment of borrowings	(6,836.60)	(8,130.20)
Finance costs paid	(3,109.72)	(1,817.10)
Dividend paid (including dividend distribution taxes)	(55.84)	(7.19)
Net cash flow from financing activities (C)	**633.56**	**5,910.28**
Net increase in cash and cash equivalents (A + B + C)	(2,198.05)	754.50
Cash and cash equivalents as at April 1,	3,783.11	3,185.50
Cash and cash equivalents on acquisitions during the year	22.83	0.02
Cash and cash equivalents on account of sale of subsidiaries / jointly controlled entities during the year	(122.51)	(201.51)
Effect of exchange differences on cash and cash equivalents held in foreign currency	8.93	44.60
Cash and cash equivalents as at March 31,	**1,494.31**	**3,783.11**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	11.11	10.85
Cheques / drafts on hand	14.13	10.08
With banks:		
- on current account	822.12	3,399.83
- on deposit account (having original maturity of less than or equal to three months)	646.95	362.35
Total cash and cash equivalents	**1,494.31**	**3,783.11**

Note:

1. The above consolidated cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' as referred to in section 211(3C) of the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs.
2. The above consolidated cash flow statement has been compiled from and is based on the consolidated balance sheet as at March 31, 2014 and the related consolidated statement of profit and loss for the year ended on that date.
3. Refer note 5 and note 8 as regards restriction on balances with banks arising in connection with the borrowings made by the Group.
4. Previous year figures have been regrouped and reclassified to conform to those of the current year.

As per our report of even date

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

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 29, 2014

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

G.M. Rao
Executive Chairman

Grandhi Kiran Kumar
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C. P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 29, 2014

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE | 1 | CORPORATE INFORMATION

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

Power sector

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

Airport sector

Certain entities of the Group are engaged in development and operation of airport infrastructure such as greenfield international airport at Hyderabad and modernisation and operation of international airports at Delhi, Male and Istanbul (refer note 30(a) and note 30(b) with regard to discontinuance of operations) 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 SPVs which have entered into concessionaire agreements with National Highways Authority of India ('NHAI') or the respective state governments for carrying out these projects.

Construction business

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

Others

Entities of the Group which cover all residual activities of the Group that include special economic zones, operations of hotels, investment activities and management / technical consultancy.

NOTE | 2 | PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include accounts of the subsidiaries (accounted as per Accounting Standard ('AS') 21), associates (accounted as per AS 23) and jointly controlled entities (accounted as per AS 27). Subsidiary undertakings are those entities in which the Company, directly or indirectly, has an interest of more than one half of voting power or otherwise controls the composition of the Board / Governing Body so as to obtain economic benefits from its activities. Subsidiaries are consolidated from the date on which effective control is transferred to the Group till the date such control ceases. The consolidated financial statements have been prepared in all material respects with the accounting standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs ('MCA'). The consolidated financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Group as in the previous year.

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the balance sheets, the statements of profit and loss and the cash flow statements of the Company and its subsidiaries. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between the entities in the Group are eliminated unless cost 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 subsidiaries is less than the proportionate share in equity of the investee Company as on the date of investment, the difference is treated as capital reserve and shown under reserves and surplus.

The gains arising from the dilution of interest on issue of additional shares to third parties, without loss of control is recorded as capital reserve. Gains or losses arising on the direct sale by the Company of its investment in its subsidiaries are transferred to the statement of profit and loss. Such gains or losses are the difference between the sale proceeds and the net carrying values of the investments.

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

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

Investments in the jointly controlled entities have been accounted using proportionate consolidation method whereby the Group includes its share of the

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

assets, liabilities, income and expenses of the jointly controlled entities in its consolidated financial statements as per AS 27 on "Financial Reporting of Interests in Joint Ventures."

The entities consolidated in the consolidated financial statements are listed below:

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2014	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
1	GMR Energy Limited (GEL)	India	Subsidiary[1]	92.60%	97.91%	92.60%	97.91%
2	GMR Power Corporation Limited (GPCL)	India	Subsidiary[2]	47.23%	49.93%	51.00%	51.00%
3	GMR Vemagiri Power Generation Limited (GVPGL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
4	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
5	GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary[2]	92.23%	97.52%	99.60%	99.60%
6	GMR Kamalanga Energy Limited (GKEL)	India	Subsidiary[2,17]	77.82%	79.13%	84.04%	80.82%
7	Himtal Hydro Power Company Private Limited (HHPPL)	Nepal	Subsidiary[2]	75.93%	80.29%	82.00%	82.00%
8	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
9	GMR Lion Energy Limited (GLEL)	Mauritius	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
10	GMR Upper Karnali Hydropower Limited (GUKPL)	Nepal	Subsidiary[2]	67.87%	71.55%	73.00%	73.00%
11	GMR Energy Trading Limited (GETL)	India	Subsidiary[2,5]	98.59%	99.60%	100.00%	99.99%
12	GMR Consulting Services Private Limited (GCSPL)	India	Subsidiary[2]	91.67%	96.93%	99.00%	99.00%
13	GMR Coastal Energy Private Limited (GCEPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
14	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
15	GMR Londa Hydropower Private Limited (GLHPPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
16	GMR Kakinada Energy Private Limited (GKEPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
17	Rampia Coal Mine and Energy Private Limited (RCMEPL)	India	Jointly controlled entity[2]	16.10%	17.03%	17.39%	17.39%
18	GMR Chhattisgarh Energy Limited (GCHEPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
19	GMR Energy (Cyprus) Limited (GECL)	Cyprus	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
20	GMR Energy (Netherlands) B.V. (GENBV)	Netherlands	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
21	PT Dwikarya Sejati Utma (PTDSU)	Indonesia	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
22	PT Duta Sarana Internusa (PTDSI)	Indonesia	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
23	PT Barasentosa Lestari (PTBSL)	Indonesia	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
24	GMR Rajahmundry Energy Limited (GREL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
25	SJK Powergen Limited (SJK)	India	Subsidiary[2]	64.82%	68.54%	70.00%	70.00%
26	PT Unsoco (PT)	Indonesia	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
27	EMCO Energy Limited (EMCO)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
28	Homeland Energy Group Limited (HEGL)	Canada	Subsidiary[2, 15]	51.60%	54.67%	55.72%	55.84%
29	Homeland Energy Corporation (HEC)	Mauritius	Subsidiary[2,16]	51.60%	54.67%	100.00%	100.00%
30	Homeland Mining & Energy SA (Pty) Limited (HMES)	South Africa	Subsidiary[2,16]	51.60%	54.67%	100.00%	100.00%
31	Homeland Coal Mining (Pty) Limited (HCM)	South Africa	Subsidiary[2,16]	51.60%	54.67%	100.00%	100.00%
32	Nhalalala Mining (Pty) Limited (NML)	South Africa	Jointly controlled entity[2,16]	25.80%	27.34%	50.00%	50.00%
33	Tshedza Mining Resource (Pty) Limited (TMR)	South Africa	Jointly controlled entity[3]	-	27.34%	-	50.00%
34	Corpclo 331 (Pty) Limited (CPL)	South Africa	Subsidiary[2,16]	51.60%	54.67%	100.00%	100.00%
35	Ferret Coal (Kendal) (Pty) Limited (FCK)	South Africa	Subsidiary[2,16]	38.18%	40.46%	74.00%	74.00%
36	GMR Maharashtra Energy Limited (GMAEL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
37	GMR Bundelkhand Energy Private Limited (GBEPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2014	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
38	GMR Uttar Pradesh Energy Private Limited (GUPEPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
39	GMR Hosur Energy Limited (GHOEL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
40	GMR Gujarat Solar Power Private Limited (GGSPPL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
41	Karnali Transmission Company Private Limited (KTCPL)	Nepal	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
42	Marsyangdi Transmission Company Private Limited (MTCPL)	Nepal	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
43	GMR Indo-Nepal Energy Links Limited (GINELL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
44	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
45	GMR Renewable Energy Limited (GREEL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
46	Aravali Transmission Service Company Limited (ATSCL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
47	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary[2]	92.60%	97.91%	100.00%	100.00%
48	GMR Energy Projects (Mauritius) Limited (GEPML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
49	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
50	GMR Coal Resources Pte Limited (GCRPL)	Singapore	Subsidiary[2]	92.97%	98.01%	100.00%	100.00%
51	PT Golden Energy Mines Tbk (PTGEMS)	Indonesia	Jointly controlled entity[2]	27.89%	29.40%	30.00%	30.00%
52	PT Roundhill Capital Indonesia (RCI)	Indonesia	Jointly controlled entity[2]	27.62%	29.11%	29.70%	29.70%
53	PT Borneo Indobara (BIB)	Indonesia	Jointly controlled entity[2]	27.36%	28.84%	29.43%	29.43%
54	PT Kuansing Inti Makmur (KIM)	Indonesia	Jointly controlled entity[2]	27.89%	29.40%	30.00%	30.00%
55	PT Karya Cemerlang Persada (KCP)	Indonesia	Jointly controlled entity[2]	27.89%	29.40%	30.00%	30.00%
56	PT Bungo Bara Utama (BBU)	Indonesia	Jointly controlled entity[2]	27.89%	29.40%	30.00%	30.00%
57	PT Bara Harmonis Batang Asam (BHBA)	Indonesia	Jointly controlled entity[2]	27.89%	29.40%	30.00%	30.00%
58	PT Berkat Nusantara Permai (BNP)	Indonesia	Jointly controlled entity[2]	27.89%	29.40%	30.00%	30.00%
59	PT Tanjung Belit Bara Utama (TBBU)	Indonesia	Jointly controlled entity[2]	27.89%	29.40%	30.00%	30.00%
60	PT Trisula Kencana Sakti (TKS)	Indonesia	Jointly controlled entity[2]	19.52%	20.58%	21.00%	21.00%
61	GEMS Trading Resources Pte Limited (GEMSCR) (Formerly known as GEMS Coal Resources Pte Limited)	Singapore	Jointly controlled entity[2]	27.89%	29.40%	30.00%	30.00%
62	PT Bumi Anugerah Semesta (BAS)	Indonesia	Jointly controlled entity[10]	27.89%	-	30.00%	-
63	GMR Power Infra Limited (GPIL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
64	GMR Highways Limited (GMRHL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
65	GMR Tambaram Tindivanam Expressways Limited (formerly known as GMR Tambaram Tindivanam Expressways Private Limited) (GTTEPL)	India	Subsidiary[2]	85.75%	86.48%	100.00%	100.00%
66	GMR Tuni Anakapalli Expressways Limited (formerly known as GMR Tuni Anakapalli Expressways Private Limited) (GTAEPL)	India	Subsidiary[2]	85.75%	86.48%	100.00%	100.00%
67	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary[2]	98.08%	99.46%	100.00%	100.00%
68	GMR Jadcherla Expressways Limited (GJEPL)	India	Associate[4]	25.98%	99.99%	26.00%	100.00%
69	GMR Pochanpalli Expressways Limited (GPEPL)	India	Subsidiary	99.96%	99.99%	100.00%	100.00%
70	GMR Ulundurpet Expressways Private Limited (GUEPL)	India	Associate[4]	25.97%	99.99%	26.00%	100.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2014	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
71	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	India	Subsidiary	90.00%	90.00%	90.00%	90.00%
72	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	India	Subsidiary[2]	89.26%	89.79%	90.00%	90.00%
73	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)	India	Subsidiary	51.00%	51.00%	51.00%	51.00%
74	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
75	GMR Highways Projects Private Limited (GHPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
76	GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary	61.20%	61.20%	63.00%	63.00%
77	Gateways for India Airports Private Limited (GFIAL)	India	Subsidiary	86.49%	86.49%	86.49%	86.49%
78	Hyderabad Menzies Air Cargo Private Limited (HMACPL)	India	Subsidiary	31.21%	31.21%	51.00%	51.00%
79	Hyderabad Airport Security Services Limited (HASSL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
80	GMR Hyderabad Airport Resource Management Limited (GHARML)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
81	GMR Hyderabad Aerotropolis Limited (HAPL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
82	GMR Hyderabad Aviation SEZ Limited (GHASL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
83	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
84	MAS GMR Aerospace Engineering Company Private Limited (MGAECL)	India	Jointly controlled entity	30.60%	30.60%	50.00%	50.00%
85	MAS GMR Aero Technic Limited (MGATL)	India	Jointly controlled entity	30.60%	30.60%	50.00%	50.00%
86	TVS GMR Aviation Logistics Limited (TVS GMR)	India	Jointly controlled entity[14]	-	29.99%	-	49.00%
87	Hyderabad Duty Free Retail Limited (HDFRL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
88	GMR Airport Developers Limited (GADL)	India	Subsidiary[5]	97.15%	96.20%	100.00%	99.02%
89	GMR Airport Handling Services Company Limited (GAHSCL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
90	Asia Pacific Flight Training Academy Limited (APFT)	India	Jointly controlled entity	24.51%	24.51%	40.04%	40.04%
91	GADL International Limited (GADLIL)	Isle of Man	Subsidiary[6]	97.15%	96.20%	100.00%	100.00%
92	GADL (Mauritius) Limited (GADLML)	Mauritius	Subsidiary[6]	97.15%	96.20%	100.00%	100.00%
93	GMR Hotels and Resorts Limited (GHRL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
94	Laqshya Hyderabad Airport Media Private Limited (Laqshya)	India	Jointly controlled entity	29.99%	29.99%	49.00%	49.00%
95	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)	India	Subsidiary	61.20%	61.20%	100.00%	100.00%
96	Delhi International Airport Private Limited (DIAL)	India	Subsidiary[7]	52.46%	52.82%	54.00%	54.00%
97	Delhi Aviation Services Private Limited (DASPL)	India	Jointly controlled entity[8]	26.23%	26.41%	50.00%	50.00%
98	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary[8]	52.46%	52.82%	100.00%	100.00%
99	East Delhi Waste Processing Company Private Limited (EDWPCPL)	India	Associate[8,9]	25.70%	26.94%	48.99%	51.00%
100	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	Jointly controlled entity[8]	20.98%	21.13%	40.00%	40.00%
101	Devyani Food Street Private Limited (DFSPL)	India	Jointly controlled entity[8]	20.98%	21.13%	40.00%	40.00%
102	Delhi Select Services Hospitality Private Limited (DSSHPL)	India	Jointly controlled entity[8]	20.98%	21.13%	40.00%	40.00%
103	Delhi Duty Free Services Private Limited (DDFS)	India	Subsidiary[8, 12]	42.72%	26.36%	66.93%	49.90%
104	Delhi Aviation Fuel Facility Private Limited (DAFF)	India	Jointly controlled entity[8]	13.64%	13.73%	26.00%	26.00%
105	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	India	Jointly controlled entity[8]	13.64%	13.73%	26.00%	26.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2014	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
106	Delhi Cargo Service Center Private Limited (DCSCPL)	India	Jointly controlled entity[8]	13.64%	13.73%	26.00%	26.00%
107	Wipro Airport IT Services Limited (WAISL)	India	Jointly controlled entity[8]	13.64%	13.73%	26.00%	26.00%
108	Delhi Airport Parking Services Private Limited (DAPSL)	India	Jointly controlled entity[8]	26.18%	26.36%	49.90%	49.90%
109	TIM Delhi Airport Advertising Private Limited (TIM)	India	Jointly controlled entity[8]	26.18%	26.36%	49.90%	49.90%
110	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum VeIsletme Sirketi (ISG)	Turkey	Jointly controlled entity[3]	-	40.00%	-	40.00%
111	Istanbul Sabiha Gokcen Uluslararasi Hvalimani YerHizmetleri Anonim Sirketi (SGH)	Turkey	Jointly controlled entity[18]	-	29.00%	-	29.00%
112	GMR Airports Limited (GAL)	India	Subsidiary	97.15%	97.15%	97.15%	97.15%
113	GMR Male International Airport Private Limited (GMIAL)	Maldives	Subsidiary	76.99%	76.99%	77.00%	77.00%
114	GMR Male Retail Private Limited (GMRPL)	Maldives	Subsidiary[6]	96.66%	95.72%	99.50%	99.50%
115	GMR Airports (Malta) Limited (GMRAML)	Malta	Subsidiary[5]	97.15%	96.11%	100.00%	99.91%
116	GMR Airport Global Limited (GAGL)	Isle of Man	Subsidiary[6]	97.15%	96.20%	100.00%	100.00%
117	GMR Airports (Mauritius) Limited (GALM)	Mauritius	Subsidiary[11]	97.15%	-	100.00%	-
118	GMR Aviation Private Limited (GAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
119	GMR Krishnagiri SEZ Limited (GKSEZ)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
120	Advika Properties Private Limited (APPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
121	Aklima Properties Private Limited (AKPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
122	Amartya Properties Private Limited (AMPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
123	Baruni Properties Private Limited (BPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
124	Bougainvillea Properties Private Limited (BOPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
125	Camelia Properties Private Limited (CPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
126	Deepesh Properties Private Limited (DPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
127	Eila Properties Private Limited (EPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
128	Gerbera Properties Private Limited (GPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
129	Lakshmi Priya Properties Private Limited (LPPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
130	Honeysuckle Properties Private Limited (HPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
131	Idika Properties Private Limited (IPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
132	Krishnapriya Properties Private Limited (KPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
133	Larkspur Properties Private Limited (LAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
134	Nadira Properties Private Limited (NPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
135	Padmapriya Properties Private Limited(PAPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
136	Prakalpa Properties Private Limited (PPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
137	Purnachandra Properties Private Limited (PUPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
138	Shreyadita Properties Private Limited (SPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
139	Pranesh Properties Private Limited (PRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
140	Sreepa Properties Private Limited (SRPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
141	Radhapriya Properties Private Limited (RPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
142	Asteria Real Estates Private Limited (AREPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
143	GMR Hosur Industrial City Private Limited (GHICL) (Formerly known as Lantana Properties Private Limited (LPPL))	India	Subsidiary	100.00%	100.00%	100.00%	100.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE | 2 | PRINCIPLES OF CONSOLIDATION (Contd.)

Sl. No.	Name of the entity	Country of incorporation	Relationship as at March 31, 2014	Percentage of effective ownership interest held (directly and indirectly) as at		Percentage of voting rights held as at	
				March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
144	Namitha Real Estates Private Limited (NREPL)	India	Subsidiary[13]	100.00%	-	100.00%	-
145	Honey Flower Estates Private Limited (HFEPL)	India	Subsidiary[13]	100.00%	-	100.00%	-
146	GMR Hosur EMC Private Limited (GHEMCPL)	India	Subsidiary[11]	100.00%	-	100.00%	-
147	GMR SEZ and Port Holdings Private Limited (GSPHPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
148	GMR Corporate Affairs Private Limited (GCAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
149	Dhruvi Securities Private Limited (DSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
150	Kakinada SEZ Private Limited (KSPL)	India	Subsidiary	51.00%	51.00%	51.00%	51.00%
151	GMR Business Process and Services Private Limited (GBPSPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
152	GMR Infrastructure (Mauritius) Limited (GIML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
153	GMR Infrastructure (Cyprus) Limited (GICL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	100.00%
154	GMR Infrastructure Overseas (Malta) Limited (GIOSL) (formerly Known as GMR Infrastructure Overseas Sociedad Limitada)	Malta	Subsidiary	100.00%	100.00%	100.00%	100.00%
155	GMR Infrastructure (UK) Limited (GIUL)	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%
156	Limak GMR Construction JV (CJV)	Turkey	Jointly controlled entity	50.00%	50.00%	50.00%	50.00%
157	GMR Infrastructure (Global) Limited (GIGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
158	GMR Energy (Global) Limited (GEGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
159	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)	Turkey	Jointly controlled entity[3]	-	40.00%	-	40.00%
160	GMR Infrastructure Overseas Limited (GIOL)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%

The reporting dates of the subsidiaries and jointly controlled entities coincide with that of the parent Company except in case of HEGL and its subsidiaries and jointly controlled entities (refer Sl. No 28 to 35 above) and PTGEMS and its subsidiaries and jointly controlled entities (refer Sl. No 51 to 62 above), whose financial statements for the year ended on and as at December 31, 2013 were considered for the purpose of consolidated financial statements of the Group.

The financial statements of other subsidiaries / jointly controlled entities have been drawn up to the same reporting date as of the Company, i.e. March 31, 2014.

Notes:

1. Decrease in effective ownership consequent to issue of equity shares to minority shareholders during the year ended March 31, 2014. Refer note 35(e)(i).
2. Decrease in effective ownership consequent to note 1 above.
3. Jointly controlled entities sold during the year. Refer note 30 (a) and 30 (c).
4. Consequent to dilution of stake in the entities, it has ceased to be a subsidiary and has become an associate during the year. Refer note 30 (d) and 30 (e).
5. Acquired additional equity stake from the minority shareholder.
6. Increase in effective ownership consequent to note 5 above.
7. Decrease in effective ownership consequent to change in holding structure of the subsidiary during the year.
8. Decrease in effective ownership consequent to note 7 above.
9. Further infusion of equity share capital by the minority shareholder during the year, consequent to which EDWPCPL has ceased to be a subsidiary and has become an associate.
10. Subsidiary of PTGEMS incorporated during the year.
11. Subsidiary incorporated during the year.
12. Consequent to acquisition of additional equity stake from the minority shareholder, DDFS has ceased to be a jointly controlled entity and became a subsidiary during the year.
13. Subsidiary acquired during the year.
14. Joint venture agreement annulled during the year.
15. Dilution of stake in HEGL during the year.
16. Decrease in effective ownership consequent to note 15 above.
17. Increase in percentage of voting right consequent to additional investment in GKEL.
18. Ceased to be jointly controlled entity pursuant to note 3 above.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE | 2.1. | SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates

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

b) Revenue recognition

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

Power sector business:

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

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

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

Development of highways:

In case of companies involved in construction and maintenance of roads, toll revenue from operations is recognised on an accrual basis which coincides with the collection of toll. In annuity based projects, revenue recognition is based on annuity accrued on time basis in accordance with the provisions of the concessionaire agreement entered into with NHAI or with respective State Governments. Claims raised on NHAI under concessionaire agreement are accounted for in the year of acceptance.

Revenue share paid / payable to concessionaire grantors:

Revenue share paid / payable to concessionaire / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective carriageways has been disclosed as revenue share paid / payable to concessionaire grantors in the statement of profit and loss.

Airport sector business:

In case of airport infrastructure companies, aeronautical and non-aeronautical revenue is recognised on an accrual basis and is net of service tax, applicable discounts and collection charges, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably. Revenue from aeronautical operations include user development fees, landing and parking charges of aircraft, operation and maintenance of passenger boarding and other allied services. Revenue from non-aeronautical operations include granting rights to use land and space primarily for catering to the needs of passengers, air traffic services and air transport services.

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

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

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

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

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

Revenue from developing, operating, maintaining and managing the sites at the airport for display of advertisements is recognised over the period of display of advertisements, net of taxes and rebates.

Revenue from flight training operations related to aircraft flying hour's fee is recognized on accrual basis based on actual flying hours of flying training imparted during the period and revenue from fees for other training courses is recognized on accrual basis across the training period on straight line basis.

Revenue share paid / payable to concessionaire / grantors as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for development, construction, operation and maintenance of the respective airports has been disclosed as revenue share paid/ payable to concessionaire

Notes to the consolidated financial statements for the year ended March 31, 2014

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

grantors' in the statement of profit and loss.

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, revenue is recognised 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 till the balance sheet date. Any further losses that are foreseen in bringing contracts to completion are also recognised.

Others:

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

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

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

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

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

vi. Revenue from certified emission reductions is recognised as per the terms and conditions agreed with the customers on sale of the certified emission reduction units, when the risks and rewards are passed on to the customer.

vii. Insurance claim is recognised on acceptance of the claims by the insurance company.

viii. Revenue from charter services is recognised based on services provided as per the terms of the contracts with the customers.

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

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

c) Operation and maintenance contracts

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

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

d) Fixed assets

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

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

The Group adjusts exchange differences arising on translation / settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with the MCA circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

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

Tangible assets under installation or under construction as at balance sheet are shown as capital work-in-progress, intangible assets under development

Notes to the consolidated financial statements for the year ended March 31, 2014

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

as at balance sheet date are shown as intangible assets under development and the related advances are shown as loans and advances.

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

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

Research and development cost:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an 'intangible asset' when all of the below conditions are met:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale

ii. The Group's intention to complete the asset

iii. The Group's ability to use or sell the asset

iv. The asset will generate future economic benefits

v. The availability of adequate resources to complete the development and to use or sell the asset

vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

e) Exploration and evaluation expenditure / mining properties under construction and production

Exploration and evaluation expenditure

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

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

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

These expenditure include materials and fuel used, surveying costs, drilling, general investigation, administration and license, geology and geophysics expenditure, stripping costs and payments made to contractors before the commencement of production stage.

Ultimate recoupment of the exploration expenditure carried forward is dependent upon a successful development and commercial exploitation, or alternatively, sale of the respective area. Deferred exploration costs shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

Exploration and evaluation assets are transferred to 'Mines under construction' in the 'Mines properties' account after the mines are determined to be economically viable to be developed.

Expenditure on mines under construction

Expenditure for mines under construction and incorporated costs in developing an area of interest subsequent to the transfer from exploration and evaluation assets but prior to the commencement of production stage in the respective area, are capitalised to 'Mines under construction' as long as they meet the capitalization criteria.

Producing mines

The Group assesses the stage of each mine under construction to determine when a mine reaches the production phase. This occurs when the mine is substantially complete and ready for its intended use. Upon completion of mine construction and commencement of production stage, the 'Mines under construction' are transferred to 'Producing mines' in the 'Mines properties' account, which are stated at cost, less depletion and accumulated impairment losses.

Intangible assets under development include expenditure incurred on exploration and evaluation of assets, expenditure incurred on mines under construction.

f) Stripping costs

Stripping costs are recognised as production costs on the average stripping ratio during the life of the mine (which is the ratio between the overburden and ore during mine's life). If the actual stripping ratio (which is the ratio between the overburden and ore for a certain period) exceeds the average stripping ratio, the excess stripping costs are recorded as deferred stripping cost as part of mine properties. These form part of the total investment in the relevant cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Changes in the average stripping ratio are considered as changes in estimate and are accounted on a prospective basis. The balance of deferred stripping costs are charged to expense as production costs in the period / year in which the actual ratio is significantly lower than the estimated average stripping ratio.

Notes to the consolidated financial statements for the year ended March 31, 2014

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

The amortisation period and the amortisation method are reviewed at the end of each financial year. If the expected useful life of the asset is significantly different from the previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

g) Leases

For lessee:

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

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

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

For lessor:

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

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

h) Depreciation / Amortisation

In case of entities under Central Electricity Regulatory Commission ('CERC') Regulations:

Depreciation on plant and machinery is provided using straight line method at the rate of 5.28% per annum. After a period of 12 years from the date of commencement of commercial operations, the remaining written down value shall be depreciated over the balance useful life of the asset estimated by the management or in the manner prescribed under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 in terms of MCA Circular No: 31/2011 dated May 31, 2011 ('CERC regulations').

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

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

Other entities:

For domestic subsidiaries and jointly controlled entities, other than as stated aforesaid and below, the Group provides depreciation on fixed assets, using straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 or rates based on useful lives of the assets which are estimated by the management whichever are higher, except for assets individually costing less than ₹ 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 plants 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.

Notes to the consolidated financial statements for the year ended March 31, 2014

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

For overseas subsidiaries, jointly controlled entities and associates, the Group provides depreciation based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, jointly controlled entities and associates. In view of different sets of environment in which such foreign subsidiaries, jointly controlled entities and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These entities 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, jointly controlled entities and associates with those of the domestic subsidiaries, jointly controlled entities and associates.

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

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

Intangible assets

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

Technical know-how is amortised over five years from the date of issuance of certificate from a competent authority.

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

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

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

The total projected revenue for the entire useful life is reviewed at the end of each financial year for expected changes in traffic and adjusted to reflect any changes in the estimate which will lead to actual collection at the end of useful life. Intangible assets representing carriageways and airport concessionaire rights are amortised over the concession period, ranging from 17 to 20 years and 25 to 60 years respectively, which is beyond the maximum period of 10 years as specified in AS 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective concessionaire agreements.

Depletion of producing mines are based on using unit-of-production method from the date of commencement of commercial production of the respective area of interest over the lesser of the life of the mine or the terms of the coal contracts of work or mining business license.

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

i) Impairment of tangible and intangible assets

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

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed

Notes to the consolidated financial statements for the year ended March 31, 2014

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

only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

j) Investments

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

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

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

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

k) Inventories

Inventories are valued as follows:

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

<u>Contract work-in-progress:</u> 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 overheads and are measured at lower of cost and net realisable value.

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

Self-generated certified emission reductions are recognised on grant of credit by United Nations Framework Convention on Climate Change and are measured at lower of cost and net realisable value.

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.

l) Employee benefits

i. Defined contribution plans

Retirement benefits in the form of provident fund, pension fund and superannuation fund etc. are defined contribution schemes except in case of certain entities, wherein only pension fund and superannuation fund form part of the defined contribution scheme. The Group has no obligation, other than the contributions payable to the defined contribution schemes. The Group recognises contribution payable to the defined contribution schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

ii. Defined benefit plans

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

Retirement benefit in the form of provident fund is a defined benefit scheme in DIAL. DIAL contributes a portion of contribution to DIAL Employees Provident Fund Trust ('the Trust'). DIAL has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate which is determined by actuary and accounted by the DIAL as provident fund cost.

iii. Other long term employee benefits

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

Notes to the consolidated financial statements for the year ended March 31, 2014

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

iv. Short term employee benefits

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

m) Foreign currency transactions

Foreign currency transactions and balances

i. Initial recognition

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

ii. Conversion

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

iii. Exchange differences

The Group accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Group's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.
2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.
3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of the concerned monetary item.
4. All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the Group treats a foreign currency monetary item as 'long-term foreign currency monetary item' if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain / loss arising on forward contracts which are long-term foreign currency monetary items is recognised in accordance with paragraph (iii)(2) and (iii)(3) above.

v. Translation of integral and non-integral foreign operations

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

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

The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operations, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

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

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

n) Earnings per share

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

Notes to the consolidated financial statements for the year ended March 31, 2014

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

The weighted average numbers of equity shares outstanding during the period are adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

o) Government grants and subsidies

Grants or subsidies including airport development fee from the government or any regulatory authority are recognised when there is reasonable assurance that the grant / subsidy will be received and all conditions attached to the grant / subsidy will be complied with.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant or subsidy relates to an asset, the grant or subsidy amount (net of direct amount incurred to earn aforesaid grant or subsidy) is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

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

p) Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 ('IT Act') enacted in India and tax laws prevailing in the respective tax jurisdictions where the entities in the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the entities in the Group have unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the entities in the Group are entitled to a tax holiday under IT Act enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the entities in the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The entities in the Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the entities in the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the entities in the Group recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT credit entitlement'. The entities in the Group reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the entities in the Group does not have convincing evidence that it will pay normal tax during the specified period.

q) 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.

Notes to the consolidated financial statements for the year ended March 31, 2014

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

Inter segment transfers:

The Group accounts for intersegment sales / transfers at cost plus appropriate margins.

Allocation of common costs:

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

Unallocated items:

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. It includes income tax, deferred tax charge or credit and the related tax liabilities and tax assets, interest expense or interest income and related interest generating assets, interest bearing liabilities, which are not allocated to any business segment.

Segment accounting policies:

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

r) Provisions

A provision is recognised when the Group has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

s) Derivative instruments

In accordance with the Institute of Chartered Accountants of India ('ICAI') announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

t) Securities issue expenses and premium on redemption

Securities issue expenses incurred are expensed in the year of issue and debenture / preference share issue expenses and redemption premium payable on preference shares / debentures are expensed over the term of preference shares / debentures. These are adjusted, net of taxes, against the securities premium account of the respective entities as permitted by Section 78 of the Companies Act, 1956 to the extent of balance available in such securities premium account.

u) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

v) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

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

w) Employee stock compensation cost

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

x) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 3 SHARE CAPITAL

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Authorised share capital		
7,500,000,000 (March 31, 2013: 7,500,000,000) equity shares of ₹ 1 each	750.00	750.00
6,000,000 (March 31, 2013: Nil) Compulsorily Convertible Preference Shares ('CCPS' or ' preference shares') of ₹ 1,000 each ('Series A CCPS')	600.00	-
6,000,000 (March 31, 2013: Nil) CCPS of ₹ 1,000 each ('Series B CCPS')	600.00	-
Issued, subscribed and fully paid-up		
3,892,430,282 (March 31, 2013: 3,892,430,282) equity shares of ₹ 1 each	389.24	389.24
5,683,351 (March 31, 2013: Nil) Series A CCPS of ₹ 1,000 each	568.33	-
5,683,353 (March 31, 2013: Nil) Series B CCPS of ₹ 1,000 each	568.34	-
Issued, subscribed but not fully paid-up shares		
4,500 (March 31, 2013: 4,500) equity shares of ₹ 1 each not fully paid up [₹ 2,250 (March 31, 2013: ₹ 2,250)]	0.00	0.00
Total issued, subscribed and paid-up share capital	**1,525.91**	**389.24**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Equity shares	March 31, 2014		March 31, 2013	
	Number	₹ in crore	Number	₹ in crore
At the beginning of the year	3,892,434,782	389.24	3,892,434,782	389.24
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**3,892,434,782**	**389.24**	**3,892,434,782**	**389.24**

Preference shares	March 31, 2014		March 31, 2013	
	Number	₹ in crore	Number	₹ in crore
At the beginning of the year	-	-	-	-
Add: Issued during the year				
a) Series A CCPS of ₹ 1,000 each	5,683,351	568.33	-	-
b) Series B CCPS of ₹ 1,000 each	5,683,353	568.34	-	-
Outstanding at the end of the year				
a) Series A CCPS of ₹ 1,000 each	5,683,351	568.33	-	-
b) Series B CCPS of ₹ 1,000 each	5,683,353	568.34	-	-

(b) Terms / rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Every member holding equity shares there in shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(c) Terms / rights attached to CCPS:

Pursuant to the equity shareholders' approval obtained on March 20, 2014, the Company issued 11,366,704 CCPS of face value of ₹ 1,000 each comprising of (a) 5,683,351 Series A CCPS each fully paid up, carrying a coupon rate of 0.001% per annum ('p.a.') and having a term of 17 months from the date of allotment and (b) 5,683,353 Series B CCPS each fully paid up, carrying a coupon rate of 0.001% p.a. and having a term of 18 months from the date of allotment to IDFC Limited, Dunearn Investments (Mauritius) Pte Limited, GKFF Ventures, Premier Edu-Infra Solutions Private Limited and Skyron Eco-Ventures Private Limited. The Series A CCPS and Series B CCPS shall be converted into equity shares upon the expiry of their respective terms in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2009 ('ICDR Regulations'). The number of equity shares allotted to the Investors upon conversion of the Investor Securities shall be on the basis of the minimum permissible price, computed in accordance with Regulation 76 read with Regulation 71(b) of the SEBI ICDR Regulations on the conversion date.

The preference shareholders have a right to attend General Meetings of the Company and vote on resolutions directly affecting their interest. In the event of winding up, the Company would repay the preference share capital in priority to the equity shares of the Company but it does not confer any further right to participate either in profits or assets of the Company.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 3 SHARE CAPITAL (Contd.)

(d) Shares held by the Holding Company / Ultimate Holding Company and / or their subsidiaries / associates:

Out of equity shares issued by the Company, shares held by its Holding Company, Ultimate Holding Company and their subsidiaries / associates are as below:

Particulars	March 31, 2014 Number	March 31, 2013 Number
GMR Holdings Private Limited ('GHPL'), the Holding Company		
Equity shares of ₹ 1 each, fully paid up	2,736,221,862	2,736,221,862
GMR Infra Ventures LLP ('GIVLLP'), an associate of the Holding Company		
Equity shares of ₹ 1 each, fully paid up	31,321,815	30,000,000
GMR Enterprises Private Limited ('GEPL'), an associate of the Holding Company		
Equity shares of ₹ 1 each, fully paid up	17,100,000	17,100,000
Welfare Trust of GMR Infra Employees ('GWT'), an associate of the Holding Company		
Equity shares of ₹ 1 each, fully paid up	17,999,800	17,999,800

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Equity shares allotted as fully paid-up for consideration other than cash[1]	2.60	2.60

1. During the year ended March 31, 2010, 46,800,000 equity shares of ₹ 10 each of DIAL were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of ₹ 149.72 crore, which was discharged by allotment of 26,038,216 equity shares of the Company of ₹ 1 each at an issue price of ₹ 57.50 per equity share (including ₹ 56.50 per equity share towards securities premium).

(f) Details of shareholders holding more than 5% shares in the Company:

Particulars	March 31, 2014		March 31, 2013	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 1 each fully paid				
GHPL	2,736,221,862	70.30%	2,736,221,862	70.30%
Series A CCPS of ₹ 1,000 each				
Dunearn Investments (Mauritius) Pte Limited	3,944,084	69.40%	-	-
IDFC Limited*	209,550	3.69%	-	-
GKFF Ventures*	272,415	4.79%	-	-
Premier Edu-Infra Solutions Private Limited*	209,550	3.69%	-	-
Skyron Eco Ventures Private Limited*	1,047,752	18.43%	-	-
Series B CCPS of ₹ 1,000 each				
Dunearn Investments (Mauritius) Pte Limited	3,944,085	69.40%	-	-
IDFC Limited*	209,550	3.69%	-	-
GKFF Ventures*	272,416	4.79%	-	-
Premier Edu-Infra Solutions Private Limited*	209,550	3.69%	-	-
Skyron Eco Ventures Private Limited*	1,047,752	18.43%	-	-

* Joint investors under the same share subscription and shareholders agreement.

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownership of shares.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 4 RESERVES AND SURPLUS

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Capital reserve on consolidation		
Balance as per the last financial statements	125.87	115.85
Add: Additions during the year	-	10.02
Closing balance	**125.87**	**125.87**
Capital reserve on acquisition (as per the last financial statements) [refer note 4(a)]	**3.41**	**3.41**
Capital reserve (government grant) (as per the last financial statements) [refer note 4(e)]	65.49	65.49
Capital redemption reserve		
Balance as per the last financial statements	28.53	19.50
Add: Amount transferred from surplus / (deficit) in the balance in the statement of profit and loss	-	9.03
Closing balance	**28.53**	**28.53**
Debenture redemption reserve		
Balance as per the last financial statements	158.62	80.78
Add: Amount transferred from surplus / (deficit) in the statement of profit and loss	122.49	99.50
Less: Amount transferred to surplus / (deficit) in the statement of profit and loss on redemption of debentures	108.75	21.66
Closing balance	**172.36**	**158.62**
Employee stock option outstanding (as per the last financial statements)	0.96	0.96
Securities premium account		
Balance as per the last financial statements	6,926.79	7,269.93
Add: Received during the year on issue of preference shares / equity shares	23.88	-
Less: Utilised towards debenture / share issue expenses, debenture / preference shares redemption premium and redemption of preference shares issued (net of taxes and MAT credit)	339.04	346.60
Add / (less): Transfer from / (transfer to) minority interest	(151.14)	3.46
Closing balance	**6,460.49**	**6,926.79**
Foreign currency translation reserve		
Balance as per the last financial statements	337.91	282.43
Movement during the year	81.15	55.48
Closing balance	**419.06**	**337.91**
Foreign currency monetary items translation difference account		
Balance as per the last financial statements	(2.51)	(2.50)
Movement during the year	4.88	(0.01)
Closing balance	**2.37**	**(2.51)**
Special Reserve u/s 45-IC of Reserve Bank of India ('RBI') Act [refer note 4(b) and 4(c)]		
Balance as per the last financial statements	0.20	26.86
Add: Amount transferred from surplus / (deficit) in the statement of profit and loss	-	1.67
Less: Amount transferred to surplus / (deficit) in the statement of profit and loss	-	28.33
Closing balance	**0.20**	**0.20**
Surplus / (deficit) in the statement of profit and loss		
Balance as per the last financial statements	(756.33)	(714.17)
Profit / (loss) for the year	10.01	88.12
Appropriations		
Add: Transfer from debenture redemption reserve	108.75	21.66
Less: Transfer to debenture redemption reserve	(122.49)	(99.50)
Less: Redemption premium to preference shareholders [refer note 35 (e)(i)]	(464.17)	-

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 4 RESERVES AND SURPLUS (Contd.)

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Add: Transfer from special reserve u/s 45-IC of RBI Act	-	28.33
Less: Transfer to special reserve u/s 45-IC of RBI Act	-	(1.67)
Add / (less): Transfer of (profit) / loss to minority on dilution of interest in subsidiaries / jointly controlled entities	98.27	(15.95)
Less: Proposed equity dividend [refer note 4(d)]	(38.92)	(38.92)
Less: Dividend distribution tax on proposed equity dividend	(6.92)	(6.31)
Less: Proposed preference share dividend (March 31, 2014: ₹ 1,868; March 31, 2013: ₹ Nil)	0.00	-
Less: Dividend distribution tax on proposed preference share dividend (March 31, 2014: ₹ 318; March 31, 2013: ₹ Nil)	0.00	-
Less: Preference share dividend declared by a subsidiary	(2.16)	(2.16)
Less: Dividend distribution tax on preference share dividend declared by a subsidiary	(9.60)	(6.73)
Less: Transferred to capital redemption reserve on redemption of preference shares by a subsidiary	-	(9.03)
Net (deficit) / surplus in the statement of profit and loss	**(1,183.56)**	**(756.33)**
Total reserves and surplus	**6,095.18**	**6,888.94**

NOTE 4(a)

GAPL purchased the aircraft division of GMR Industries Limited ('GIDL') under slump sale on October 01, 2008 for a purchase consideration of ₹ 29.00 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of ₹ 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 on acquisition.

NOTE 4(b)

As required by section 45-1C of the RBI Act, 20% of DSPL's net profit of the year is transferred to special reserve. The said reserve can be used only for the purpose as may be specified by the RBI from time to time.

NOTE 4(c)

On July 9, 2012, GAL had written a letter to the RBI seeking the status as Core Investment Company ('CIC') and exemption from registration with the RBI. Pursuant to the reply by the RBI vide letter reference DNBS (BG) No. 382/01.02.636/2012-13 dated September 5, 2012, GAL had been exempted from the requirement of registration with the RBI under section 45-IA of RBI Act, in terms of para (i) of RBI notification No. DNBS(PD) 22-/CGM (US)-2011 dated January 5, 2011. Further it was advised that Certificate of Registration bearing No. B-02.00225 dated March 3, 2010 issued in the name of "GMR Airports Limited" has been cancelled. However, GAL had to adhere to the guidelines issued by RBI vide Circular CC No. 291 dated July 2, 2012.

GAL vide reference no. GAL / DEL / CS / 130101 on January 7, 2013, wrote another letter to the RBI for the permission to reverse provisions against Standard Assets and Reserve Fund created as per Section 45-IC of the RBI Act. The RBI, vide letter reference DNBS (BG) NO. 1047/01.02.636/2012-13 dated March 14, 2013, advised that CICs which are not systemically important are exempt from registration required under Section 45-IA of the RBI Act and Prudential Norms Directions for NBFCs. Since CIC Non Depository Systematic Investment Companies are exempt from registration requirements, the provisions of section 45-IC will not be applicable to them.

Hence, based on above developments, the Group had written back the provisions against Standard Assets of ₹ Nil (March 31, 2013: ₹ 1.67 crore) to other income and transferred the Reserve Fund created under section 45-IC of the RBI Act pertaining to GAL amounting to ₹ Nil (March 31, 2013: ₹ 28.33 crore) to the statement of profit and loss.

Further during the year ended March 31, 2014, GAL has made an application to the RBI for granting a certificate of registration to carry on the business of Non-Banking Financial Institution i.e. Systematically Important Core Investment Company ('CIC-ND-SI'). Subsequent to March 31, 2014, the RBI vide its letter reference DNBS (BG) No. 912/08.01.018/2013-14 dated April 22, 2014 has granted certificate of registration to GAL to commence and carry on the business of a CIC-ND-SI.

NOTE 4(d)

The Board of Directors of the Company have recommended a dividend of ₹ 0.10 per equity share of ₹ 1 each for the year ended March 31, 2014 and dividend on preference shares at the rate of 0.001% on a prorata basis on Series A CCPS and Series B CCPS for the year ended March 31, 2014.

NOTE 4(e)

During the year ended March 31, 2006, GHIAL had received a grant of ₹ 107.00 crore from Government of Andhra Pradesh ('GoAP') towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project and accordingly, the Group's share amounting to ₹ 67.41 crore as at April 1, 2011 was included in Capital reserve (government grant). During the year ended March 31, 2012, pursuant to dilution in Group's effective holding in GHIAL, ₹ 1.92 crore was transferred to minority interest.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS

Particulars	Non-current portion		Current maturities	
	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Bonds / debentures				
Debentures (secured)	2,249.27	2,298.15	48.88	44.61
Debentures (unsecured)	-	194.50	175.00	175.00
Term loans				
Indian rupee term loans from banks (secured)	16,960.33	14,892.55	1,334.32	1,010.98
Indian rupee term loans from financial institutions (secured)	6,380.57	5,411.70	738.18	484.17
Foreign currency loans from banks (secured)	6,061.62	6,384.64	2,693.60	3,488.18
Indian rupee term loans from others (secured)	0.23	-	0.04	-
Foreign currency loans from financial institutions (secured)	483.92	-	-	-
Indian rupee term loans from banks (unsecured)	198.72	571.83	123.08	16.10
Indian rupee term loans from financial institutions (unsecured)	244.64	359.45	109.41	104.03
Indian rupee term loans from others (unsecured)	10.41	23.43	7.25	8.18
Foreign currency loans from others (unsecured)	6.25	5.66	-	-
Indian rupee term loans against development fees (secured)	493.89	846.94	435.76	345.16
Supplier's credit (secured)	53.40	64.51	17.80	16.13
Supplier's credit (unsecured)	109.00	109.00	-	-
Other loans				
Bills discounted (secured)	-	-	134.70	134.70
Finance lease obligations (secured)	0.52	0.60	0.31	0.77
Negative grant (unsecured)	31.46	155.15	34.95	31.51
From the State GoAP (unsecured)	315.05	315.05	-	-
	33,599.28	**31,633.16**	**5,853.28**	**5,859.52**
The above amount includes				
Secured borrowings	32,683.75	29,899.09	5,403.59	5,524.70
Unsecured borrowings	915.53	1,734.07	449.69	334.82
Amount disclosed under the head 'Other current liabilities' (note 9)	-	-	(5,853.28)	(5,859.52)
Net amount	**33,599.28**	**31,633.16**	**-**	**-**

1 During the year ended March 31, 2012, GEL has issued 8,000 secured, redeemable and non convertible debentures of ₹ 0.10 crore (₹ 1,000,000) each to ICICI Bank Limited ('ICICI'). The debentures are secured by way of first ranking: (a) pari passu charge on the fixed assets of GVPGL; (b) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GEL held by GREEL; (c) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GVPGL held by GEL; (d) pari passu charge over GVPGL's excess cash flow account, as defined in the subscription agreement executed between GEL and ICICI; and (e) exclusive charge over Debt Service and Reserve Account ('DSRA') maintained by GEL with ICICI. These debentures are redeemable at a premium yielding 14.25% p.a. till March 25, 2013 and after March 25, 2013 with a yield of base rate of ICICI plus 4.25% p.a. in thirty seven quarterly unequal instalments starting from March 2012. As at March 31, 2014, GEL has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 0.10 crore (₹ 977,500) (March 31, 2013: ₹ 0.10 crore (₹ 987,500)) per debenture. These secured, redeemable and non convertible debentures are listed on the Wholesale Debt Segment of National Stock Exchange of India Limited.

2 During the year ended March 31, 2012, the Company had entered into an agreement to issue 7,000 secured, redeemable, non convertible debentures of ₹ 0.10 crore each to ICICI ('Tranche 1'). During the year ended March 31, 2013, the Company has further entered into an agreement with ICICI to issue 3,000 secured, redeemable, non convertible debentures of ₹ 0.10 crore each ('Tranche 2'). These debentures are secured by way of first ranking: (a) pari passu charge on the fixed assets of GVPGL; (b) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GEL held by GREEL; (c) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GVPGL held by GEL; (d) pari passu charge over GVPGL's excess cash flow account, as defined in the subscription agreement executed between the Company and ICICI; and (e) exclusive charge over DSRA maintained by the Company with ICICI. These debentures are redeemable at a premium yielding 14.50% p.a. till March 25, 2013 and after March 25, 2013 with a yield of base rate of ICICI plus 4.50% p.a. The Tranche 1 is redeemable in thirty seven quarterly unequal instalments commencing from March 25, 2012 and Tranche 2 is redeemable in thirty six quarterly unequal instalments commencing from June 2012. As at March 31, 2014, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 0.10 crore (₹ 977,500) (March 31, 2013: ₹ 0.10 crore (₹ 987,500)) per debenture.

3 Secured, redeemable and non convertible debentures of ₹ 0.10 crore each issued by GPEPL amounting to ₹ 538.65 crore (March 31, 2013: ₹ 565.26 crore) bear an interest of 9.38% p.a. and are secured by way of first charge over all assets of GPEPL, both movable (including future annuity receivable) and immovable properties, both present and future, excluding project assets (unless permitted by NHAI under the Concession agreement). These debentures are redeemable in 34 unequal half yearly instalments commencing from April 2010 and ending in October 2026.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

4 During the year ended March 31, 2010, the Company issued 5,000 unsecured redeemable, non convertible debentures of ₹ 0.10 crore each to a bank which are redeemable at a premium yielding 14.00% p.a. and are repayable in 5 annual unequal instalments commencing from April 2011. As at March 31, 2014, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 0.04 crore (₹ 350,000) (March 31, 2013: ₹ 0.07 crore (₹ 700,000)) per debenture.

5 During the year ended March 31, 2013, EDWPCPL had issued ₹ 1,950 unsecured fully convertible debentures of ₹ 0.01 crore each to IL&FS Renewable Energy Limited ('ILFS Renw') with an interest rate of 15.00% p.a. to 17.00% p.a. These debentures were to be converted into 17.00% cumulatively compulsorily convertible preference shares of ₹ 100 each of EDWPCPL after 36 months from the issue date. Pursuant to the divestment, EDWPCPL ceased to be a subsidiary during the year ended March 31, 2014 and accordingly the Group has not consolidated financial statements of EDWPCPL in these consolidated financial statements.

6 Secured Indian rupee term loan from a bank of ₹ 250.00 crore (March 31, 2013: ₹ 250.00 crore) of KSPL is secured by pari passu first charge on land and buildings appurtenant thereon and first ranking exclusive charge over DSRA for three months interest of KSPL. Further, secured by an irrevocable and unconditional guarantee given by the Company. The loan is repayable in 12 equal quarterly instalments starting from the end of 27 months from the first drawdown date i.e. October 2014 and carries an interest rate of 10.00% p.a. plus spread of 4.50% p.a. (March 31, 2013: 9.75% p.a. plus spread of 4.50% p.a.).

7 Secured Indian rupee term loan from a bank of ₹ Nil (March 31, 2013: ₹ 43.50 crore) of the Company was secured by an exclusive first charge on assets acquired out of the proceeds of the loan and second charge on the current assets of EPC division of the Company. The rate of interest was base rate of the lender plus 2.50% p.a. and was to be repaid in 3 half yearly instalments commencing from February 2013. During the year ended March 31, 2014, the Company has prepaid the loan in full.

8 Secured Indian rupee term loan from a bank of ₹ 300.00 crore (March 31, 2013: ₹ 200.00 crore) of the Company are secured by exclusive first mortgage and charge on: (a) movable fixed assets and immovable properties of GPCL; (b) non agricultural lands of GMR Hebbal Towers Private Limited ('GHTPL') and Mr. G. M. Rao; (c) certain immovable properties of Boyance Infrastructure Private Limited ('BIPL') in Mamidipally, Ranga Reddy district; (d) commercial apartment owned by HFEPL and (e) an irrevocable and unconditional guarantee of GHPL, BIPL and HFEPL and demand promissory note equal to principal amount of the loan and interest payable on the loan. The loan carries an interest rate of base rate of lender plus applicable spread of 3.25% p.a. and is repayable in 16 quarterly instalments commencing from October 2014.

9 Secured Indian rupee term loan from a bank of ₹ 250.00 crore (March 31, 2013: ₹ 300.00 crore) of the Company are secured by 10% of cash margin on the outstanding amount in form of lien on fixed deposit in favour of lender and exclusive charge on loans and advances provided by the Company out of this facility. The loan carries an interest rate of base rate of lender plus spread of 1.50% p.a. and is repayable in 6 equal quarterly instalments commencing from March 2014.

10 Secured Indian rupee term loan from a bank of ₹ 188.00 crore (March 31, 2013: ₹ 180.00 crore) of the Company is secured by a first charge over certain immovable properties, aircrafts, fixed deposits and an exclusive charge on loans and advances provided by the Company out of this loan facility, charge over 30% shares of GHPL in GMR Sports Private Limited ('GSPL') and non-disposable undertaking with regard to 19% of shareholding of GHPL in GSPL. The loan carries an interest rate of base rate of lender plus spread of 1.50% p.a. and is repayable in 8 equal quarterly instalments commencing from June 2016.

11 Secured Indian rupee term loans from banks of ₹ 136.34 crore (March 31, 2013: ₹ 138.79 crore) of GHRL are secured by first pari passu charge by way of equitable mortgage of GHRL's immovable properties pertaining to the hotel project (including assignment of leasehold rights in the case of leasehold land, if any) and assets of the project consisting of land admeasuring 5.37 acres together with all the buildings, structures etc. on such land; further secured by first pari passu charge on the whole of stocks of raw materials, goods-in-process, semi-finished goods and finished goods, consumable stores and spares, book debts, bills, movable plant and machinery, machinery spares, tools and accessories and other movables, whole of equipment's including its spares, tools and accessories, software, whether installed or not and whether in the possession or under the control of GHRL or not, all bank accounts (whether escrow and no lien or otherwise) and all estate, rights, title, interest, benefits, claims and demands, trade receivables, all cash flows and receivables and proceeds of GHRL. Further secured by corporate guarantee given by GHIAL. The interest rate is 12.65% p.a. to 12.75% p.a. (March 31, 2013: 12.65% p.a. to 13.00% p.a.). The loan is repayable in 48 unequal quarterly instalments commencing from December 2012.

12 Secured Indian rupee term loans from banks and financial institutions of ₹ 1,684.72 crore (March 31, 2013: ₹ 1,681.71 crore) of GHVEPL are secured by way of pari passu first charge over GHVEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GHVEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GHVEPL in respect of monies lying to the credit of Trust and Retention Account ('TRA') and other accounts and by pledge of 1,300,000 equity shares and 7,733,000 preference shares held by GMRHL in GHVEPL. The loans carry an interest rate of 11.75% p.a. till June 2013 and 11.25% p.a. thereafter (March 31, 2013: 11.75% p.a.) and are repayable in 46 unequal quarterly instalments commencing from April 2013.

13 Secured working capital loan from a bank of ₹ 35.00 crore (March 31, 2013: ₹ Nil) of GHVEPL is secured by way of first pari passu charge on the same securities offered as security for the Project Loan mentioned in point 12 above and is repayable in 36 monthly instalments starting after 24 months from the date of first disbursement i.e., March 2014. The loan carries an interest rate of 2.75% over bank's base rate.

14 Secured Indian rupee term loans from banks and financial institution of ₹ Nil (March 31, 2013: ₹ 466.76 crore) of GUEPL as at March 31, 2013 were secured by way of pari passu first charge over movable properties, both present and future, including plant and machinery of GUEPL. Further secured by the rights, title, interest, benefit, claims of GUEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GUEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 5.96 crore equity shares of GUEPL held by GMRHL. The loans carried an interest at banks' base rate plus spread as approved by the lenders and were repayable in 48 unequal quarterly instalments commencing from January 2011. Pursuant to the divestment, GUEPL has ceased to be subsidiary during the

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

year ended March 31, 2014 and accordingly the Group has not consolidated financial statements of GUEPL in these consolidated financial statements.

15 Secured Indian rupee term loans from banks of ₹ 263.77 crore (March 31, 2013: ₹ 271.53 crore) of GACEPL are secured by way of pari passu first charge over GACEPL's movable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GACEPL in respect of the project agreements executed / to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GACEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 2.33 crore and 2.42 crore (March 31, 2013: 2.33 crore and 2.42 crore) equity shares of GACEPL held by the Company and GEL respectively. The loans carry an interest at banks base rate plus spread as approved by the lenders and are repayable in 48 unequal quarterly instalments commencing from August 2010.

16 Secured Indian rupee term loans from banks of ₹ 241.30 crore (March 31, 2013: ₹ 275.65 crore) of GTTEPL are secured by way of mortgage of all the present and future immovable fixed assets of GTTEPL, hypothecation of movable fixed assets of the GTTEPL and the annuity / receivables, investments made out of the balance lying in TRA, assignment of all contractor guarantee, performance bond guarantee and liquidated damages, assignment of all the rights, titles, interest in the assets of the project and all project documents, assignment of all insurance policies, pledge of 51% of equity shares of GTTEPL, assignment of revolving letter of credit issued by NHAI, corporate guarantee by GHPL to cover any short fall in the amount payable in respect of the facility in the event of termination due to any event of default other than NHAI event of default. The loans carry an interest of 7.50% p.a. ±10% spread, now fixed at 8.25% p.a. and are repayable in 29 unequal half yearly instalments commencing from November 2005.

17 Secured Indian rupee term loans from banks of ₹ Nil (March 31, 2013: ₹ 307.13 crore) of GJEPL were secured by way of pari passu first charge over movable properties of GJEPL, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims of GJEPL in respect of the project agreements executed / to be executed, insurance policies both present and future and all rights, title, interest, benefit, claims, demands of GJEPL in respect of monies lying to the credit of TRA and other accounts. Further secured by way of pledge of 3.53 crore equity shares of the GJEPL held by GMRHL. The loans carried an interest at banks base rate plus spread as approved by the lenders and were repayable in 48 unequal quarterly instalments commencing from January 2011. Pursuant to the divestment, GJEPL has ceased to be subsidiary during the year ended March 31, 2014 and accordingly the Group has not consolidated financial statements of GJEPL in these consolidated financial statements.

18 Secured Indian rupee term loans from banks of ₹ 716.00 crore (March 31, 2013: ₹ 570.32 crore) of GCORRPL are secured by way of first charge on all immovable and movable properties of GCORRPL, both present and future; assignment of all rights, titles and interests in respect of all assets (as permitted by Concession Agreement) and a first charge on all revenues and receivables and by way of pledge of 26% of paid up equity capital of GCORRPL held by the shareholders. The loans carry an interest of 11.75% p.a. (March 31, 2013: Lead bank's base rate plus margin plus 2.00% p.a.) subject to reset from time to time and were repayable in 27 unequal half yearly instalments commencing from June 2013. However, pursuant to the negotiations with the lenders during the year ended March 31, 2014, the instalments are repayable from December 2014.

19 Secured Indian rupee term loans from banks of ₹ 186.86 crore (March 31, 2013: ₹ 213.10 crore) of GTAEPL are secured by way of mortgage of all the present and future immovable fixed assets of GTAEPL, hypothecation of movable fixed assets of GTAEPL and the annuity / receivables, investments made out of the balance lying in TRA, assignment of all contractor guarantee, performance bond guarantee and liquidated damages, assignment of all the rights, titles, interest in the assets of the project and all project documents, assignment of all insurance policies, pledge of 51% of equity shares of GTAEPL, assignment of revolving LC issued by NHAI, corporate guarantee from GHPL to cover any short fall in the amount payable in respect of the facility in the event of termination due to any event of default other than NHAI event of default. The loans carry an interest of 7.50% p.a. ±10% spread, now fixed at 8.25% p.a. and are repayable in 29 unequal half yearly instalments commencing from November 2005.

20 Secured Indian rupee term loans from banks and financial institutions of ₹ 1,061.73 crore (March 31, 2013: ₹ 929.51 crore) of GOSEHHHPL are secured by way of hypothecation of all movable assets of GOSEHHHPL both present and future, first charge / assignment on all intangible assets of GOSEHHHPL but not limited to goodwill, right and undertakings, both present and future, uncalled capital of GOSEHHHPL both present and future, GOSEHHHPL's bank accounts including debt service escrow accounts and first charge / assignment / security interest on GOSEHHHPL's rights, title and interest in the project documents including the substitution agreement. Further these loans are secured by way of pledge of 51% of the equity shares of GOSEHHHPL held by its shareholders. The loans carry an interest rate ranging from of 8.25% p.a. to 8.75% p.a. (March 31, 2013: 7.50% p.a. to 8.50% p.a.) plus applicable spread rate, reset from time to time and were repayable in 46 unequal quarterly instalments from April 2014 to July 2025. However, pursuant to the negotiations with the lenders during the year ended March 31, 2014 instalments are repayable from July 2015 to October 2026.

21 Secured Indian rupee term loans from banks and financial institutions of ₹ 2,979.56 crore (March 31, 2013: ₹ 3,650.00 crore) of DIAL are secured by first rank pari passu charge on all the future revenues, receivables, TRA, DSRA, major maintenance reserve, any other reserve, other bank accounts and insurance proceeds of DIAL and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under Operation Management and Development Agreement ('OMDA') and also by the pledge / non disposable undertaking of requisite shares of DIAL held by GAL, Malaysia Airports (Mauritius) Private Limited ('MAMPL') and Fraport AG Frankfurt Airport Services Worldwide ('FAG') (shareholders of DIAL). The rupee term loans from banks carry an interest rate at base rate plus agreed spread, which is subject to reset at the end of agreed interval . The interest rate during the period ranges from 10.90% to 11.75% p.a. (March 31, 2013: 11.50% to 12.00% p.a). Of these loans, ₹ 968.91 crore is repayable in 59 quarterly unequal instalments from September 2013 to March 2028, ₹ 1,212.65 crore is repayable in 60 quarterly unequal instalments from June 2013 to March 2028 and ₹ 798.00 crore is repayable in 42 quarterly unequal instalments is from December 2013 to March 2024.

22 Secured Indian rupee term loans from banks and financial institutions against development fees receipts of ₹ 929.65 crore (March 31, 2013: ₹ 1,192.10 crore) of DIAL are secured by pari passu first charge on development fees. The loans are repayable from collection of development fees receipts and repayment commitments are as per the loan agreement. The loans carry fixed rate of interest at 11.50% p.a.

23 Secured Indian rupee term loans from banks of ₹ 188.40 crore (March 31, 2013: ₹ 101.99 crore) of DDFS are secured by hypothecation of DDFS₹s entire stock of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables both present and future in a form and manner satisfactory to the banks. Further secured by first charge on

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

movable fixed assets of DDFS, both present and future (except those financed by other financial institutions) and pledge of 30% of sponsors' shareholding held in DDFS and escrow agreement between the lenders and DDFS for first and exclusive charge on receivables. The rate of interest is 13.50% p.a. (March 31, 2013 : 13.25% p.a.). The loans are repayable in 36 unequal quarterly instalments commencing from December 2011.

24 Secured Indian rupee loans from banks and financial institutions and foreign currency loans from banks of ₹ 1,402.90 crore (March 31, 2013: ₹ 1,438.25 crore) of GHIAL are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land and first pari passu charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the TRA, DSRA and further secured by pledge of 16.41 crore and 2.87 crore equity shares, both present and future, held or to be held, upto 51% of the paid up share capital of GHIAL, as the case may be, by both, GAL and MAHB (Mauritius) Private Limited respectively. The foreign currency loans from banks of ₹ 604.90 crore (March 31, 2013: ₹ 582.25 crore) carry an interest rate of LIBOR plus agreed spread; however GHIAL has entered into interest rate swap ('IRS') arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 8.30% p.a. (March 31, 2013 : 7.30% p.a.). The Indian rupee term loans from banks and financial institutions of ₹ 798 crore (March 31, 2013: ₹ 856 crore) carry interest at base rate plus agreed spread, which is subject to reset at the end of agreed interval . The interest rate ranges from 10.65% to 11.65% p.a. (March 31, 2013 : 10.75% to 12.10% p.a.). These loans are repayable in 56 quarterly instalments commencing from July 2010.

25 Secured Indian rupee term loans from a bank of ₹ Nil (March 31, 2013: ₹ 0.31 crore) of Laqshya were secured by first pari passu charge on current and fixed assets of Laqshya and corporate guarantee given by the holding Company, Laqshya Media Private Limited ('LMPL'). The rate of interest was 12.50% p.a. (March 31, 2013 : 12.50% p.a.). The loan has been repaid in full during the year ended March 31, 2014.

26 Secured Indian rupee term loan from a bank of ₹ 39.78 crore (March 31, 2013: ₹ 42.95 crore) of CDCTM is secured against charge on fixed assets and surplus account in accordance with escrow agreement entered with the bank. Further, the loan has been guaranteed by Celebi Hava Servisi A.S. ('CHSAS') and pledge over shares of CDCTM held by CHSAS. The loan carries an interest rate of 12.00% p.a. (March 31, 2013: 12.00% p.a.). The loan is repayable in 28 equal quarterly instalments commencing from June 2012.

27 Secured Indian rupee term loans from banks and financial institutions of ₹ 2,616.57 crore (March 31, 2013: ₹ 2,213.16 crore) of GREL are secured by first charge on all movable, immovable properties including stock of raw material and consumables, all book debts, cash flows receivables, TRA, DSRA, other reserves and any other bank accounts of GREL, both present and future. These loans are further secured by way of assignments / hypothecation of security interest of all the rights, title, interest, benefits, claims and demands of GREL in the project documents including all insurance contracts and clearances and all benefits and incidental thereto and further, secured by way of pledge of 52.00 crore (March 31, 2013 : 25.17 crore) equity shares of GREL held by GEL. The rate of interest for loans from banks is the base rate of lead bank plus 3.50% p.a, except for one bank which charges at its base rate plus 3.75% p.a. and the rate of interest on loans from financial institution is 12.84% to 13.39% p.a. (March 31, 2013 : 12.84% p.a.). As at April 1, 2012 these loans were repayable in 46 unequal quarterly instalments commencing from April 2013. As per the amendment agreement dated March 25, 2013 the secured Indian rupee term loans from banks of ₹ 2,073.89 crore are repayable in 46 equated quarterly instalments commencing from October 2015 and secured Indian rupee term loans from financial institutions of ₹ 542.69 crore are repayable in 50 unequal quarterly instalments commencing from October 2016.

28 Secured Indian rupee term loans from banks and financial institutions of ₹ 3,305.95 crore (March 31, 2013: ₹ 3,075.33 crore) of GKEL are secured by first mortgage and charge by way of registered mortgage in favour of the lenders / security trustees of all the immovable properties of GKEL, present and future / a first charge by way of hypothecation of all GKEL's movables fixed assets including movable plant and machinery, machinery spares, tools and accessories, present and future, GKEL's stock of raw materials, semi-finished and finished goods and consumable goods, a first charge on the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, intangibles, goodwill, uncalled capital, present and future / first charge on the TRA including the DSRA and other reserves and any other bank accounts, wherever maintained present and future first charge by way of assignment or creation of charge of all the right, title, interest, benefits, claims and demands whatsoever of GKEL in the project documents / in the clearances / in any letter of credit, guarantee, performance bond provided by any party to the project documents and all insurance contracts / insurance proceeds, pledge of shares (in the demat form) representing a minimum of 51% of the total paid up equity share capital of GKEL. From the date of repayment of 50% of loan, the number of shares under the pledge may be reduced to 26% of the paid up equity share capital of GKEL. All the securities set out above shall rank pari passu amongst the lenders of the project for an aggregate rupee term loans including foreign currency loans and working capital lenders for an amount acceptable to the lenders. The interest rate ranges from 12.75% to 14.50 % p.a (March 31, 2013 : 11.50% to 14.50 % p.a.). As at April 1, 2012, the loans were repayable in 48 equal quarterly instalments from the earlier of 12 months from scheduled project completion date i.e. in August 2012 or 51 months from the date of financial closure i.e. in May 2009 as per the loan agreement, whichever is earlier. If the amount disbursed is less than the sum agreed as per the agreement, the instalment of repayment of loan shall stand reduced proportionately. However during the current year, GKEL has signed an amendment to rupee term loan agreement for re-aligning the repayment of balance 47 equal quarterly instalments starting from April 2015, in line with revised schedule date of commercial operations.

29 Secured Indian rupee term loan from a financial institution of ₹ 300.00 crore (March 31, 2013: ₹ Nil) of GKEL is secured by way of hypothecation of all GKEL's movable assets, including movable plant and machinery, machinery spares, tools and accessories, present and future, stock of raw materials, semi finished and finished goods and consumable goods. Further, secured by charge on books debt, operating cash flows, receivables, commissions, revenue of whatsoever nature and intangibles, goodwill, uncalled capital, all rights, title, interest, benefits, claims and demand whatsoever in the project documents, clearance, letter of credit, guarantee, performance bond provided to any party to the project documents, all insurance contracts/insurance proceeds, charge on escrow account, TRA, DSRA and any other bank account, pledge of shares held by the sponsor in dematerialised form in equity share capital representing 30.44% of the total paid up equity capital and pledge of shares held by the sponsor in a dematerialised form in the equity of share capital of GGSPL representing 49% of its total paid up equity capital. The loan carries an interest rate of 13.15% p.a. to 13.20% p.a. and is repayable in a single bullet instalment on the date

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

falling at the expiry of 13 months from the date of first disbursement of loan.

30 Secured Indian rupee term loans from banks and financial institutions of ₹ 2,022.35 crore (March 31, 2013: ₹ 741.58 crore) of GCHEPL are secured by first ranking charge by way of assignment / mortgage / hypothecation / security interest on pari passu basis on, all the borrower's immovable properties at Warora, Maharashtra & in the state of Chhattisgarh, all the movable properties including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other movable assets, intangible goodwill, uncalled capital, both present and future in relation to the project, all the book debts, operating cash flows, receivables, commission, revenues of whatsoever nature arising including Clean Development Mechanism ('CDM') revenue of GCHEPL both present and future and all insurance policies, performance bonds, contractors guarantees and any letter of credit provided by any party under the project documents, all the rights, titles, permits, clearances, licenses, permits, approvals, consents, all intellectual property, interests and demands of the GCHEPL in respect of the project documents and the escrow account, DSRA and any other bank accounts of the GCHEPL and pledge of shares held by the promoters / sponsors constituting 51% of the equity shares of GCHEPL, which shall be reduced to 26% of shares on repayment of half of the loans subject to the compliance of conditions put forth by the Consortium of Rupee Lenders and Foreign Currency Lender. The loans carry an interest rate of 13.50% p.a. (March 31, 2013: 13.25% p.a.) except for one lender which charges the rate prevailing at each rupee disbursement. GCHEPL shall repay 70% of the loans in 40 equal quarterly instalments commencing from March 2015 and the balance of 30% of by a single instalment on March 2025, except for one lender to whom the loan is to be repaid in 60 equal quarterly instalments commencing from April 2015.

31 Secured Indian rupee term loans from banks and financial institutions of ₹ 2,644.10 crore (March 31, 2013: ₹ 2,560.36 crore) of EMCO are secured by way of a first charge and registered mortgage of all the immovable properties and movables including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods and book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further secured by pledge of equity shares representing 51% of the total paid up equity share capital of EMCO. The beneficial interest in the security shall rank pari passu among all the rupee lenders and the lenders participating in the bank borrowings for the working capital requirements/ bank guarantee facility to the extent as approved by the rupee lenders. The loans carry an interest rate of bank prime lending rate ('BPLR') of the lead lender less 3.75% p.a. As at March 31, 2013, EMCO had to repay 70.09% of the loan in 43 equal quarterly instalments commencing from September 2013 and the balance of 29.91% was to be paid by a single instalment in June 2024. Pursuant to the amendment to the agreements during the year ended March 31, 2014, 70.09% of the loan is repayable in 43 equal quarterly instalments commencing from August 2014 and the balance of 29.91% is repayable by a single instalment in May 2025.

32 Secured Indian rupee term loans from banks and financial institutions of ₹ Nil (March 31, 2013: 55.82 crore) of EDWPCPL were secured by way of hypothecation / mortgage of all movable assets, receivables, bank balances and intangible assets of EDWPCPL. The rate of interest was 11.00% p.a. As per the amended agreement with the lenders the loans were repayable in 40 equal quarterly instalments commencing from November 2014. Pursuant to the divestment, EDWPCPL ceased to be a subsidiary during the year ended March 31, 2014 and accordingly the Group has not consolidated its financial statements in these consolidated financial statements.

33 Secured Indian rupee term loans from banks and financial institution of ₹ 195.95 crore (March 31, 2013: ₹ 211.70 crore) of GGSPPL are secured by way of pledge of shares aggregating 51% of the total paid up capital of GGSPPL and first charge by way of mortgage of immovable properties of GGSPPL. The rate of interest in case of loans from banks is 12.50% p.a. and in case of loans from financial institution, the rate is 12.62% p.a. (March 31, 2013 : 12.60% p.a.). The loans from banks are repayable in 47 unequal quarterly instalments commencing from July 2012 and the loans from financial institution is repayable as bullet payment in January 2024.

34 Secured Indian rupee term loans from banks of ₹ 85.99 crore (March 31, 2013: ₹ 88.65 crore) of MTSCL are secured by way of a first ranking mortgage / hypothecation / assignment/ security interest/ pledge on immovable property comprising of land and building both present and future; movable current assets both present and future; pledge of shares representing 30% of the total equity shares of MTSCL and all rights, titles, permits, interests in respect of MTSCL in respect of all the assets, project documentation including all insurance contracts and clearances. The rate of interest is base rate plus spread of 2.75% p.a. The loans are repayable in 28 equated quarterly instalments commencing from March 2014.

35 Secured Indian rupee term loans from banks of ₹ 13.93 crore (March 31, 2013: ₹ 14.45 crore) of ATSCL are secured by way of a first ranking mortgage / hypothecation / assignment / security interest / pledge on the immovable property comprising of land and building both present and future acquired; movable current assets both present and future; pledge of shares representing 30% of the total equity share capital of ATSCL and all rights, titles, permits, and interests of ATSCL in respect of all the assets, project documentation including all insurance contracts and clearances. The rate of interest is base rate plus spread of 2.75% p.a. The loans are repayable in 28 equated quarterly instalments commencing from March 2014.

36 Secured Indian rupee term loans from banks of ₹ 23.10 crore (March 31, 2013: ₹ 26.40 crore) of DASPL are secured by first charge on DASPL's escrow accounts (i.e. after payment of statutory dues and payment of concession fee to DIAL). The interest rate is base rate of the lender minus 2.75% p.a. The loans are repayable in 32 quarterly instalments commencing from July 2011.

37 Secured Indian rupee term loans from banks of ₹ 40.84 crore (March 31, 2013: ₹ 55.12 crore) of HASSL are secured by equitable mortgage of leasehold right and title in respect of leasehold land belonging to GHIAL and other immovable properties and first charge on all movables, including movable machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles and other movable assets, book debts, operating cash flows, receivables, intangibles, uncalled capital, commissions, revenues, present and future and assignment of all claims and demands from insurance, TRA, DSRA of HASSL and further secured by pledge of 0.37 crore equity shares of HASSL held by GHIAL. The rate of interest is Prime Lending Rate ('PLR') plus 3.00% p.a. The loan is repayable in 21 equal quarterly instalments commencing from March 2012.

38 Secured Indian rupee term loans from banks of ₹ 56.44 crore (March 31, 2013: ₹ 55.00 crore) of GHASL are secured by mortgage of leasehold right, title, interest and benefit in respect of leasehold land and first pari passu charge on all movable and immovable assets, operating cash flows, book debts, receivables, commissions, revenue of whatsoever nature, both present and future, and an exclusive charge on all bank accounts of the project, including TRA,

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

escrow accounts etc. The rate of interest is 12.00% p.a. with yearly reset. As at April 1, 2012, the loans were repayable in 120 unequal monthly instalments commencing from April 2013, however as per the negotiations with bank during the year ended March 31, 2013, the repayment has been rescheduled as 40 unequal monthly instalments commencing from November 2013.

39 Secured Indian rupee term loans from banks of ₹ 116.00 crore (March 31, 2013: ₹ 116.00 crore) of MGAECL are secured by first pari-passu charge of equitable mortgage by deposit of title deeds over immovable properties of MGAECL admeasuring 16.46 acres of leasehold lands on which MRO facility has been created including buildings, structures, etc. on such land, hypothecation of all the movable assets of the MGAECL and the subsidiary, MGATL, including, but not limited to plant and machinery, machinery spares, tools and accessories, current assets of the project, book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, present and future of MGAECL and the subsidiary, MGATL and further secured by pledge of 2.02 crore shares of the Company held by its joint venture partners GHIAL and Malaysian Aerospace Engineering Sdn. Bhd. The rate of interest is 12.00% p.a. to 13.00% p.a. (March 31, 2013: 12.50% p.a. to 13.00% p.a.). The loans were repayable in 40 unequal quarterly instalments commencing from February 2014 but MGAECL has made continuing default in payment of interest of ₹ 3.76 crore (March 31, 2013: ₹ Nil) and principal amount of ₹ 1.45 crore (March 31, 2013: ₹ Nil) on these loans taken. The period of default till March 31, 2014 in respect of interest is 92 days (March 31, 2013: Nil) and principal amount is 38 days (March 31, 2013: Nil).

40 Secured Indian rupee term loans from banks of ₹ 3.32 crore (March 31, 2013: ₹ 4.10 crore) of DFSPL are secured against exclusive charge on receivables of DFSPL through an escrow account maintained by DFSPL, non-disposal undertaking from Devyani International Limited ('DIL') for 60% shareholding in DFSPL, escrow receivables of DFSPL, corporate guarantee of DIL. The rate of interest is base rate of the lender plus 2.25% p.a. The loans were taken in two tranches, the first tranche is repayable in 28 equal quarterly instalments commencing from September 2011 and the second tranche is repayable in 24 equal quarterly instalments commencing from September 2012 .

41 Secured Indian rupee term loans from banks of ₹ 2.40 crore (March 31, 2013: ₹ 3.00 crore) of DSSHPL are secured by way of charge on furniture and fixtures and equipment's of DSSHPL installed at various outlets and security deposit of ₹ 0.80 crore given by DSSHPL to DIAL. The rate of interest is base rate of the lender plus agreed premium minus 1.50% p.a. The loan is repayable in 25 unequal quarterly instalments commencing from March 2011 and ending on March 2017.

42 Secured Indian rupee term loans from banks of ₹ 38.05 crore (March 31, 2013: ₹ 42.45 crore) of DAFF are secured by charge on receivables / cash flows / revenue under escrow account, both present and future, after payment of statutory dues and license fees payable to DIAL. The rate of interest is base rate of the lender plus 0.05% to 0.25% (March 31, 2013: base rate of the lender). The loans were taken in two tranches, the first tranche is repayable in 48 quarterly instalments commencing from July 2011 and the second tranche is repayable in 20 quarterly instalments, calculated based on actual disbursements, after a moratorium period of 6 months from March 2014.

43 Secured Indian rupee term loans from banks of ₹ 74.31 crore (March 31, 2013: ₹ 81.61 crore) of DAPSL are secured by exclusive first charge on the receivables, cash flows and revenues as available under escrow account of DAPSL and by a pledge of 1.88 crore and 0.38 crore equity shares of DAPSL held by DIAL and Tenaga Parking Services (India) Private Limited, respectively. The rate of interest is 12.00% p.a to 12.25% p.a. (March 31, 2013: 12.25% p.a. to 12.50 % p.a.). The loans are repayable in 36 unequal quarterly instalments commencing from April 2011.

44 Secured Indian rupee term loans from banks of ₹ 43.26 crore (March 31, 2013: ₹ 43.64 crore) of DCSCPL are secured by first charge by way of hypothecation of all the current assets, all the movables and intangible assets, rights under concession agreement and pledge of 30% of the shares of DCSCPL held by one of its shareholders. The rate of interest is BPLR minus 2.50% on floating basis. The loans are repayable in 30 unequal quarterly instalments commencing from October 2012.

45 Secured Indian rupee term loans from banks of ₹ 4.86 crore (March 31, 2013: ₹ 6.00 crore) of TFS are secured by pledge of 30% of the shareholding in TFS and by way of lien on escrow account. The rate of interest is 11.25% p.a. to 13.00% p.a. The loans are repayable in 28 equal quarterly instalments commencing from July 2011.

46 Secured Indian rupee term loans from banks of ₹ 7.90 crore (March 31, 2013: ₹ 9.93 crore) of HDFRL are secured by current assets including stock, book debts, movable assets, software, whether installed or not and whether in possession or under the control of HDFRL or not, all bank accounts, a pledge of 30% of shares of total equity held by GHIAL. As on March 31, 2014, HDFRL has pledged 0.51 crore (March 31, 2013: 0.15 crore) equity shares as per the sanction terms. The rate of interest is base rate plus agreed spread, which is subject to reset at the end of agreed interval. The interest rate for the year ranges from 12.40% p.a. to 12.50% p.a. (March 31, 2013 : 12.40% p.a. to 12.75% p.a.). The loans are repayable in 22 unequal quarterly instalments commencing from March 2012.

47 Secured Indian rupee term loans from banks of ₹ 8.61 crore (March 31, 2013: ₹ 8.88 crore) of TIM are secured by a charge on entire book debts of TIM, bills whether documentary or clean, outstanding monies and receivables of TIM, both present and future, under escrow account. TIM has also given an undertaking to the bank for first right on security deposit of ₹ 35.00 crore (given to DIAL) so released by DIAL after appropriation towards dues of the lender, if any. The rate of interest is 11.50% p.a. to 12.50% p.a. The loans were taken in two tranches, the first tranche is repayable in 24 equal quarterly instalments commencing from December 2011 and the second tranche is repayable in 16 equal quarterly instalments commencing from May 2014.

48 Secured Indian rupee term loans from banks of ₹ 45.69 crore (March 31, 2013: ₹ Nil) of GBHHPL are secured by first charge on all movable, immovable properties including stock of raw material and consumables, all book debts, cash flows receivables, TRA, DSRA and other reserves and any other bank accounts of GBHHPL both present and future. Further secured by way of assignments / hypothecation of security interest of all the rights, title, interest, benefits, claims and demands of GBHHPL in the project documents. Further secured by way of pledge of 51% of its equity shares held by GEL. The loans are repayable in 54 unequal quarterly instalments starting from July 2019 and carry an interest rate of base rate of the lender bank plus 300 bbps.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

49 Secured Indian rupee term loans from a bank of ₹ 21.61 crore (March 31, 2013: ₹ 26.51 crore) of GEL is secured by way of an equitable mortgage of immovable properties comprising of land and building acquired with the loan proceeds. The loan is repayable in 87 equated monthly instalments of ₹ 0.41 crore each. The rate of interest is BPLR minus 1.00% p.a.

50 Secured Indian rupee term loan from a bank of ₹ 250.00 crore (March 31, 2013: ₹ Nil) of GPCL is secured by first ranking charge over all current assets including inventory, trade receivables, bank accounts and investments and exclusive charge over DSRA of GPCL. The beneficial interest in the security shall rank pari passu among rupee lender and lenders participating in the bank borrowings for the working capital requirements. The above term loan is repayable in 8 equal quarterly instalments commencing from the end of 15 months from the date of first disbursement i.e. July 2013 and carries an interest rate ranging from 13.35% p.a to 14.60% p.a.

51 Secured Indian rupee term loan from a bank of ₹ 260.00 crore (March 31, 2013 : ₹ Nil) of EMCO is secured by a second pari passu charge on all the assets of EMCO, a corporate guarantee provided by GEL and pledge of 26% equity shares of EMCO held by GEL. The beneficial interest in the security shall rank pari passu among all the rupee lenders and the lenders participating in the bank borrowings for the working capital requirements / bank guarantee facility to the extent as approved by the rupee lenders. The loan carries an interest rate of 13.25% p.a and is repayable at the end of three years from the date of drawdown through a single instalment. However, in case of refinancing of part /entire quantum of term loan, the loan is to be repaid immediately.

52 Unsecured Indian rupee loans from banks of ₹ 221.80 crore (March 31, 2013: ₹ 237.93 crore) of GHIAL are guaranteed by the Company. The rate of interest is base rate plus agreed spread, which is subject to reset at the end of agreed interval, which is presently 11.75% p.a. to 12.00% p.a. (March 31, 2013 : 11.75% p.a.). The loans are repayable in 43 unequal quarterly instalments commencing from October 2012.

53 Secured Indian rupee term loans from banks of ₹ 97.50 crore (March 31, 2013: ₹ Nil) of GADL are secured by first exclusive charge on GADL's loans and advances, current assets, cash flows and interest on inter corporate deposits/ sub debt including corporate guarantee from the Company and GAL. The loans are repayable in 28 quarterly instalments commencing from December 2013 and carry an interest rate of 12.25% p.a.

54 Secured Indian rupee term loan from a bank of ₹ 900.00 crore (March 31, 2013: ₹ Nil) of the Company is secured by: (a) subservient charge on the immovable properties and moveable assets of EMCO both present and future; (b) subservient charge on Non agricultural land in the state of Andhra Pradesh of KSPL; (c) pledge of 11.37% equity shares of the Company, held by GHPL; (d) pledge of 23% equity shares of EMCO held by GEL; (e) pledge of 30% equity shares of GCHEPL held by GEL; (f) pledge over 30% of equity shares of GEL held by GREEL and (g) subservient charge on immovable properties situated in the State of Gujarat (both present and future) and all moveable assets of GGSPPL. The loan carry base rate of lender plus spread of 4.75% p.a. and is repayable in 32 structured quarterly instalments commencing from April 2016 and ending in January 2024. There are certain mandatory prepayment events agreed with the bank including divestment of shareholding in ISG and hence ₹ 200.00 crore has been considered as current maturities of such loans.

55 Secured Indian rupee term loan from a bank of ₹ 500.00 crore (March 31, 2013: ₹ Nil) of the Company is secured by: (a) residual charge over all current assets and movable fixed assets both present and future; (b) first charge over loans and advances both present and future (excluding EPC division) to provide minimum cover of 1.25 times of the facility outstanding; (c) second charge over cash flows both present and future of GMRHL; (d) exclusive charge over rights and interest of the Group in IBCKP Property at Bangalore and (e) pledge of 30% equity shares held by the Company in GMRHL. The loan carries an interest at base rate of lender plus spread of 1.50% p.a. and is repayable in 8 equal quarterly instalments after a moratorium of 39 months from the date of first disbursement i.e., the first instalment is due on September 30, 2016. There are certain mandatory prepayment events agreed with the bank including divestment of shareholding in ISG and GUEPL and hence ₹ 150.00 crore has been considered as current maturities of such loans.

56 Secured Indian rupee term loan from a financial institution of ₹ 800.00 crore (March 31, 2013: ₹ 900.00 crore) of the Company is secured by an exclusive first charge on barge mounted plant of GEL and pledge of 13.32 crore (March 31, 2013: 11.51 crore) equity shares of ₹ 1 each of the Company, held by GHPL. The loan carries an interest rate of 11.75% p.a. (March 31, 2013 : 11.75% p.a.) and are repayable in 10 equated annual instalments commencing from December 2012.

57 Secured Indian rupee term loans from financial institutions of ₹ 250.00 crore (March 31, 2013: ₹ 250.00 crore) of GMRHL are secured by way of a pledge of 26% equity shares of GMRHL held by the Company. The rate of interest is 13.00% p.a. The loans are repayable in lump sum within 37 months from March 2013.

58 Secured Indian rupee term loans from financial institutions of ₹ 25.59 crore (March 31, 2013: ₹ 30.47 crore) of GAPL are secured by way of hypothecation of aircrafts of GAPL and guarantee issued by the Company. The rate of interest ranges from 10.94% p.a. to 13.06% p.a. (March 31, 2013 : 11.10% p.a to 13.66% p.a.). The loan is repayable in quarterly instalments of ₹ 1.22 crore each with an option to preclose at the end of 1 year and there after on every interest reset date with 30 days written notice to lender without any prepayment premium.

59 Secured Indian rupee term loan from a financial institution of ₹ 700.00 crore (March 31, 2013: ₹ 700.00 crore) of GEL is secured by way of first pari-passu charge on the land of KSPL and corporate guarantee given by the Company. The loan carries an interest of 12.00% p.a. and is repayable in 6 equal instalments after fifth year from the date of first disbursement. The loan was taken during the year ended March 31, 2013.

60 Secured Indian rupee term loan from a financial institution of ₹ 150.00 crore (March 31, 2013: ₹ Nil) of the Company is secured by exclusive first charge on land held by GKSEZ. The loan carries interest of 12.00% p.a. (March 31, 2013: Nil) and is repayable in 7 equated annual instalments commencing from the end of four years from the date of first disbursement i.e. September 2013.

61 Secured Indian rupee term loan from a financial institution of ₹ 44.00 crore (March 31, 2013: ₹ Nil) of the Company is secured by a charge on assets of the Company. The loan carries interest of 14.75% p.a. linked with SBR on reducing balance and is repayable in 57 monthly instalments commencing from April 2014.

62 Secured Indian rupee term loan from a financial institution of ₹ 195.00 crore (March 31, 2013: ₹ Nil) of the Company is secured by way of: (a) first mortgage and charge on non agriculture lands of SJK; (b) pledge of 20,000,000 (March 31, 2013: Nil) equity shares of ₹ 1 each of the Company, held by GHPL and (c)

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

pledge of such number of equity shares of ₹ 10 each of GEL having book value of minimum of ₹ 400.00 Crore (March 31, 2013: ₹ Nil) and in case of default in repayment of loan, the lender has the right to convert the loan into equity. The loan carries an interest rate of 14.25% p.a. (March 31, 2013: Nil) and is repayable in 18 quarterly instalments commencing from October, 2016.

63 Secured loans from others of ₹ 0.27 crore (March 31, 2013: ₹ Nil) of the Company is secured by certain vehicles of the Company. The loans carry an interest rate of 10.34% p.a. (March 31, 2013 : Nil) and is repayable in 60 equal monthly instalments commencing from April 2014.

64 Secured foreign currency loan from a financial institution of ₹ 483.92 crore (March 31, 2013: ₹ Nil) of GCHEPL is secured by first ranking charge/ assignment / mortgage / hypothecation / security interest on pari passu basis on all the GCHEPL's immovable and movable properties including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other movable assets, goodwill, uncalled capital, both present and future in relation to the project, all the book debts, operating cash flows, receivables, commission, revenues of whatsoever nature arising including CDM revenue of GCHEPL both present and future and all insurance policies, performance bonds, contractors guarantees and any letter of credit provided by any party under the project documents, all the rights, titles, permits, clearances, approvals, interests and demands of GCHEPL in respect of the project documents and the escrow account, DSRA and any other bank accounts of GCHEPL and pledge of shares held by promoters / sponsors constituting 51% of the share capital which shall be reduced to 26% on repayment of half of the loans subject to compliance of conditions put forth by the consortium of rupee term lenders and foreign currency lenders. The loans carry an interest rate of six months USD LIBOR plus margin of 215 bbps p.a. payable and are to be repaid in 68 unequal quarterly instalments from commencing from April 2015 and ending in January 2032.

65 Unsecured Indian rupee loan from a financial institution of ₹ 170.36 crore (March 31, 2013: ₹ 182.72 crore) of GHIAL is guaranteed by the Company. The rate of interest is base rate plus agreed spread, which is subject to reset at the end of agreed interval, which is presently 11.65% p.a. The loan is repayable in 41 quarterly instalments commencing from March 2013.

66 Secured foreign currency loans from banks of ₹ 335.36 crore (March 31, 2013: ₹ 306.89 crore) of GKEL are secured by first ranking charge/ assignment / mortgage / hypothecation / security interest on pari passu basis on all the immovable (including land) and movable properties (excluding mining equipment's) including plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicles and other movable assets of GKEL, both present and future in relation to the project, all the tangible and intangible assets including but not limited to its goodwill, undertaking and uncalled capital, both present and future in relation to the project, all insurance policies, performance bonds, contractors guarantees and any letter of credit provided by any person under the project documents, all the rights, titles, permits, clearances, approvals and interests of GKEL in, to and in respect of the project documents and all contracts relating to the project, all the book debts, operating cash flows, receivables, all other current assets, commission, revenues of GKEL, both present and future in relation to the project and all the accounts and all the bank accounts of GKEL in relation to the project and pledge of shares (in the demat form) held by GEL, constituting 51% of the shares which shall be reduced to 26% of shares on repayment of half the loans subject to the compliance of conditions put forth by the lenders. All the securities set out above shall rank pari passu amongst the lenders of the project for an aggregate rupee term loans including foreign currency loans and working capital lenders for an amount acceptable to the lenders. The rate of interest for each interest period is the rate p.a. which is aggregate of six months LIBOR and applicable margin calculated at two business days prior to the relevant interest period. GKEL has to repay 1% p.a. of the total foreign currency loans drawdown amount starting from 12 months from initial drawdown date for first four years and thereafter the balance amount is to be paid in 32 quarterly instalments from fifth year onwards.

67 Secured foreign currency loans from a bank of ₹ 311.63 crore (March 31, 2013: ₹ 386.98 crore) of GIML is secured by way of pledge of 6.91 crore (March 31, 2013 : 6.91 crore) shares of GISPL and further secured by way of corporate guarantee given by the Company. The rate of interest is LIBOR plus 3.50% to 6.45%. The loan is repayable in 3 equal annual instalments commencing from August 2013.

68 Unsecured foreign currency loan from a bank of ₹ 871.06 crore (March 31, 2013: ₹ 789.11 crore) of GIML is secured by way of corporate guarantee given by the Company. The rate of interest is LIBOR plus 200 bbps.(March 31, 2013: LIBOR plus 200 bbps.) The loan was repayable in April 2014 and the same has been extended by 3 months.

69 Secured foreign currency loan from a bank of ₹ 100.57 crore (March 31, 2013: ₹ Nil) of MTSCL is secured by way of first ranking mortgage / hypothecation / assignment / security interest / pledge on (a) the immovable property comprising of land and building both present and future, (b) movable current assets both present and future, (c) pledge of shares representing 30% of the total equity shares of MTSCL held by GEL, and (d) all rights, titles, permits and interests of MTSCL in respect of all the assets, project documentation including all insurance contracts and clearances. The loan carries an interest at LIBOR plus 4.50% p.a. MTSCL has entered into a contract to hedge the interest rate risk related to LIBOR and has entered into an IRS arrangement to convert floating rate of interest into fixed rate of interest. The effective rate of interest is 11.20% p.a. The entire foreign currency loan is repayable as a single instalment in May 2018.

70 Secured foreign currency loan from a bank of ₹ Nil (March 31, 2013: ₹ 30.38 crore) of LGM was secured by a corporate guarantee given by the Company and further secured by pledge of 100% shares of LGM held by its shareholders. The rate of interest was EURIBOR plus 550 bbps and was repayable in 14 equal half yearly instalments commencing from December 2010. Pursuant to the divestment, LGM ceased to be a jointly controlled entity and accordingly, the Group has not consolidated financial statements of LGM in these consolidated financial statements.

71 Secured foreign currency loans from banks and financial institutions of ₹ Nil (March 31, 2013: ₹ 1,055.42 crore) of ISG were secured against present and future receivables, rights, income, claims, interest, benefits and all kinds of receivables arising out of or in connection with other agreements. Further secured by pledge of 80% shares of ISG held by the Company. ISG has entered into IRS agreement with a bank for 10 years to hedge the floating interest rate on 80% of loan amount and is fixed at 5.10%. The rate of interest was EURIBOR plus spread i.e. 5.00% p.a. The loan was repayable in 18 unequal half yearly instalments commencing from June 2013. Pursuant to the divestment, ISG ceased to be a jointly controlled entity and accordingly, the Group has not consolidated financial statements of ISG in these consolidated financial statements.

72 Secured foreign currency loans from banks of ₹ Nil (March 31, 2013: ₹ 699.07 crore) of GISPL were secured by way of a charge over the DSRA to be created

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

and a corporate guarantee provided by a shareholder. The interest rate ranged from 3.68% p.a. to 5.05% p.a. The loans were originally repayable in 8 equal quarterly instalments commencing from July 2014. GISPL has repaid these loans in full in April 2013.

73 Secured foreign currency loans from banks of ₹ Nil (March 31, 2013: ₹ 327.90 crore) of GISPL were secured by way of a charge over the DSRA to be created and a corporate guarantee provided by a shareholder. The interest rate ranged from 3.68% p.a. to 5.05% p.a. The loans were originally repayable after 48 months from the first drawdown date i.e. in November 2011. GISPL has fully repaid these loans in April 2013.

74 Secured foreign currency loans from a bank of ₹ 2,443.14 crore (March 31, 2013: ₹ 1,870.06 crore) of DIAL are secured by first rank pari-passu charge on all the future revenues, receivables, TRA, DSRA, major maintaince reserve, any other reserve, other bank accounts and insurance proceeds of DIAL and all the rights, titles, interests, permits in respect of the project documents as detailed in the lenders agreements, to the extent permissible under OMDA and further secured by the pledge of requisite shares held by consortium of GAL, MAMPL and FAG (shareholders of the company). The loans carry an interest at 6 months LIBOR plus agreed spread. However, DIAL had entered into IRS arrangement to convert floating rate of interest into fixed rate of interest, as per the terms of the loan agreement. The effective weighted average interest rate is 7.31% p.a. (March 31, 2013 : 7.76% p.a.) The loans are repayable in unequal half yearly instalments commencing from March 2013 and ending in March 2021.

75 Secured foreign currency loans from banks of ₹ Nil (March 31, 2013: ₹ 136.45 crore) of HEGL were secured by way of charge on all the assets of HEGL and further guaranteed by the Company. The interest was paid at LIBOR plus 400 to 450 bbps, with tenure of 6 years from first drawdown date i.e. July 2011 with repayment starting from third year onwards. Pursuant to the sale of certain mines held by certain subsidiaries and jointly controlled entities of HEGL during the year ended March 31, 2014, the entire loans were repaid.

76 Secured foreign currency loans from banks of ₹ 80.67 crore (March 31, 2013: ₹ 146.14 crore) of GENBV are secured by pledge of shares of GENBV, pledge of 100% shares of PTDSU, PTDSI, and PT, non-disposal undertaking from PTDSI and PT for their entire shareholding in PTBSL, non-disposal undertaking from GEL for its shareholding in GEML and non disposal undertaking of 100% shareholding of GEML in GECL and undertaking by the Company to retain 51% direct ownership and control in GEL. Further secured by way of irrevocable and unconditional guarantee by the Company and charge over escrow of cash flows from PTDSU, PTDSI, PTBSL, and PTU including dividends and cash sweeps. The rate of interest is LIBOR plus 550 bbps. The loan is repayable in 3 equal annual instalments commencing from February 2013 and ending in February 2015.

77 Secured foreign currency loan from a bank of ₹ 100.35 crore (March 31, 2013: ₹ 90.91 crore) of ATSCL is secured by way of first ranking mortgage / hypothecation / assignment / security interest / pledge on: (a) the immovable property comprising of land and building, both present and future acquired; (b) movable current assets both present and future; (c) pledge of shares representing 30% of the total equity shares of ATSCL; and (d) all rights, titles, permits and interest of ATSCL in respect of all the assets, project documentation, including all insurance contracts and clearances. The loan carries an interest at LIBOR plus 4.50% p.a. ATSCL has entered into a contract to hedge the interest rate risk related to LIBOR and has entered into full currency swap arrangement to convert floating rate of interest into fixed rate of interest. The effective rate of interest is 10.71% p.a. The entire foreign currency loan is repayable as a single instalment in December 2017.

78 Secured foreign currency loans from banks of ₹ 2,697.74 crore (March 31, 2013: ₹ 2,574.43 crore) of GCRPL are secured by a charge over all tangible and intangible assets of GCRPL and charge over the shares of GCRPL held by GEL and the Company. Further, secured by way of guarantee by the Company and a non-disposable undertaking with respect to shares held in PTGEMS by GCRPL. The rate of interest is six month LIBOR plus 4.25% .The term loan is repayable in 4 instalments of 5% of the loans within 24 months from the first utilisation date i.e. in October 2011, 10% within 36 months from the first utilisation date, 10% within 48 months from the first utilization date and the final instalment of 75% on the maturity date i.e. in October 2016.

79 Secured foreign currency loans from banks amounting to ₹ 967.84 crore (March 31, 2013: ₹ 876.80 crore) of GMIAL are secured by first charge / assignment of all revenues and receivables of GMIAL from the project or otherwise, first charge of existing and future movable properties, all banks accounts including without limitation, the escrow accounts and each of the other accounts required to be created by GMIAL under any project document or contract, all intangible assets including but not limited to the goodwill, undertaking, uncalled capital and intellectual property rights, assignments of all the rights, titles, and interests of GMIAL from all contractors, insurances, licenses in, to, and under all assets of the project, all project documents, which GMIAL is a party to including contractor guarantees, liquidated damages and all other contracts relating to the project, a first charge or assignment of all the rights, titles, interests, benefits, claims and demands whatsoever of GMIAL in any letter of credit, guarantee, performance bonds, provided by EPC contractors, or any party to the project documents, lender's security package listed in the project documents, including substitution rights and termination payments due in respect of the project in specified circumstances and pledge of 51% of the equity share capital of GMIAL. As per the direct agreement signed between Maldives Airport Company Limited ('MACL'), Government of Maldives ('GoM'), lenders and GMIAL, GoM has guaranteed the loan of GMIAL to the lenders. All the securities created would be shared on pari passu basis amongst the lenders participating in the facility and the lenders providing the operations and maintenance bonds, works bonds, capex LCs, working capital facilities and interest and currency hedge providers. The rate of interest is six months LIBOR plus 375 bbps. The loan was originally repayable in half yearly instalments starting from June 2015. However, pursuant to the takeover of control of Ibrahim Nasir International Airport ('Male airport') by MACL/GoM, the bank has served a notice of events default on December 7, 2012 and has recalled the total loan outstanding. Accordingly, the loans have been classified as current maturities of long term borrowings. However, GMIAL is in the process of negotiating with the bank to defer the loan repayment till the process of arbitration is complete. As at March 31, 2014, the bank has extended the repayment of the loans till December 2014.

80 Secured foreign currency loan from a bank of ₹ 241.96 crore (March 31, 2013: ₹ Nil) of PTBSL is secured by a charge over insurance, inventory, plant and machinery, receivables of PTBSL and further secured by corporate guarantee from GIL. The loan carries an interest rate of LIBOR plus 6.07% p.a. and is repayable in 10 half yearly instalments commencing after 42 months from the first utilisation date.

81 Secured Indian rupee term loan from a bank of ₹ 250.00 crore (March 31, 2013 : ₹ 250.00 crore) of the Company is secured by exclusive first mortgage and charge on non-agricultural lands of BIPL, NREPL, Sri Varalakshmi Jute Twine Mills Private Limited ('SVJTMPL') and Neozone Properties Private Limited. The

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

loan carries an interest rate of base rate of lender plus 1.50% p.a. and is repayable in 5 equated monthly instalments commencing from November 2014. The loan was unsecured in the previous year as the security offered was outside the Group. However, in the current year the loan has been considered as secured as NREPL has become a subsidiary .

82 Unsecured Indian rupee term loan from a bank of ₹ 100.00 crore (March 31, 2013 : ₹ 100.00 crore) of GEL carries an interest rate of base rate of the bank plus 1.75% p.a. and repayable in four equal quarterly instalments from the end of 15 months from the date of first disbursement i.e. March 2013.

83 Unsecured Indian rupee term loan from a financial institution of ₹ 183.33 crore (March 31, 2013 : ₹ 275.00 crore) of the Company is secured by way of corporate guarantee issued by GHPL and pledge of 26.92 crore equity shares of ₹ 1 each of the Company, held by GHPL. The loan carries periodic rates of interest as agreed with the lenders. The loan is repayable in 3 equated annual instalments commencing from August 2013.

84 Unsecured Indian rupee loans from a financial institution of ₹ 0.36 crore (March 31, 2013 : ₹ 5.76 crore) of WAISL carry an interest rate of 10.50% p.a. (March 31, 2013 : 10.50% p.a.). The loan is repayable in 72 equal monthly instalments commencing from January 2012 to December 2017.

85 Unsecured rupee term loan from others of ₹ Nil (March 31, 2013: ₹ 5.10 crore) of DCSCPL was interest free. The loan was originally repayable after 48 months but during the year ended March 31, 2014, on request of Cargo Service Centre (India) Private Limited, the loan has been prepaid in full.

86 Unsecured rupee term loan from others of ₹ 0.91 crore (March 31, 2013: ₹ Nil) of DCSCPL is interest free. The loan is payable after 48 months from the date of disbursement.

87 Unsecured loan from others of ₹ Nil (March 31, 2013: ₹ 4.55 crore) of EDWPCPL carried an interest rate of 15.00% p.a. and was repayable in 40 equal quarterly instalments commencing from 9th quarter from the date of first disbursement i.e. April 2011. Pursuant to the divestment, EDWPCPL ceased to be a subsidiary during the year ended March 31, 2014 and accordingly the Group has not consolidated financial statements of EDWPCPL in these consolidated financial statements.

88 Unsecured loan from others of ₹ 14.51 crore (March 31, 2013: ₹ 14.51 crore) of Laqshya is interest free. The loan is repayable in 6 unequal annual instalments commencing from the year 2015 to 2021.

89 Unsecured loan from others of ₹ 1.00 crore (March 31, 2013: ₹ 1.10 crore) of HMACPL is interest free. The loan is repayable in 15 equal annual instalments of ₹ 0.10 crore each commencing from April 2009.

90 Unsecured loan from others of ₹ Nil (March 31, 2013: ₹ 5.40 crore) of DSPL carried an interest rate of 12.00% p.a and was repayable within 13 months or as mutually agreed between the parties. The loan has been repaid during the year ended March 31, 2014.

91 Unsecured loan from others of ₹ 1.25 crore (March 31, 2013: ₹ 0.96 crore) of DSSHPL carries an interest rate of base rate plus 2.5% p.a. Loans of ₹ 0.56 crore is repayable in 45 equal monthly instalments commencing from November 2011 and loans of ₹ 0.69 crore is repayable in 8 equal quarterly instalments after completion of one year of moratorium period.

92 Unsecured foreign currency loans from others of ₹ 6.25 crore (March 31, 2013: ₹ 5.66 crore) of CDCTM carries an interest rate of six month LIBOR rate plus spread of 500 bbps and is repayable in a single instalment on maturity i.e. May 2018.

93 Secured suppliers' credit of ₹ 71.20 crore (March 31, 2013: ₹ 80.64 crore) of GAPL is secured by way of hypothecation of aircrafts and guarantee issued by the Company. The rate of interest is six months LIBOR plus spread of 115 bbps. The interest rate is hedged at 3.66% p.a. (March 31, 2013 : 3.66% p.a.). The loan is repayable in 16 equal half yearly instalments commencing from April 2010.

94 Unsecured suppliers' credit of ₹ 61.00 crore (March 31, 2013: ₹ 61.00 crore) of GVPGL is interest free and is repayable in a single instalment on December 31, 2018. The rights, benefits and obligations under this suppliers' credit were assigned to Grandhi Enterprises Private Limited ('GREPL'), on terms accepted by GVPGL. Further, GREPL has assigned the credit facilities to Prolific Finvest Private Limited ('assignee') ('PFPL'). The assignee on acceptance by GVPGL may convert the above facility in to fully convertible debentures at par to be issued by GVPGL.

95 Unsecured suppliers' credit of ₹ 48.00 crore of GGSPPL (March 31, 2013: ₹ 48.00 crore) represents interest free retention money repayable after 15 years.

96 Bills discounted of ₹ 134.70 crore (March 31, 2013: ₹ 134.70 crore) of GEL are secured by first charge over the current assets of GEL and second charge over the entire fixed assets of GEL. The securities are shared on a pari passu basis with existing charge holders. The amount was repayable in April 2014 and has been further renewed till April 2015.

97 Secured loans from banks of ₹ 0.64 crore (March 31, 2013: ₹ Nil) of the Company are secured on certain vehicles of the Company. The loans carry an interest rate of 10.00% p.a. The loan is repayable in 60 equal monthly instalments commencing from October 2013.

98 Finance lease obligations of ₹ 0.84 crore (March 31, 2013: ₹ 1.37 crore) are secured by underlying assets taken on finance lease arrangement. Lease term is around 4 to 5 years and carries an interest from 8.50% p.a. to 10.00% p.a .

99 Negative grant of ₹ Nil (March 31, 2013: ₹ 120.25 crore) was interest free. Negative grant was repayable in unequal yearly instalments over next 6 years. Pursuant to the divestment, GUEPL has ceased to be subsidiary during the year ended March 31, 2014 and accordingly the Group has not consolidated financial statements of GUEPL in these consolidated financial statements. Refer note 35 (b).

100 Negative grant of ₹ 66.41 crore (March 31, 2013: ₹ 66.41 crore) of GACEPL is interest free. Negative grant is repayable in unequal yearly instalments over next 5 years. As at March 31, 2014, an amount of ₹ 17.48 crore is due and GACEPL has obtained an interim stay order from the arbitration tribunal against the recovery of the negative grant till further orders. Refer note 35 (b).

101 Interest free loan from others of ₹ 315.05 crore (March 31, 2013: ₹ 315.05 crore) of GHIAL received from the State GoAP is repayable in 5 equal instalments commencing from 16th anniversary of the commercial operations date of GHIAL i.e. March 2008.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 6 OTHER LONG-TERM LIABILITIES

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Trade payables	20.97	68.57
	20.97	**68.57**
Others		
Advance / deposits received from customers	290.33	355.52
Unearned revenue	22.14	70.50
Deposits / advances from concessionaires	3.21	179.89
Deposits / advances from commercial property developers	1,471.51	1,471.51
Concession fee payable	140.16	109.98
Non-trade payable (including retention money)	471.36	670.83
	2,398.71	**2,858.23**
	2,419.68	**2,926.80**

NOTE 7 PROVISIONS

Particulars	Long-term		Short-term	
	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Provision for employee benefits				
Provision for gratuity (refer note 37)	2.91	1.16	0.42	0.13
Provision for leave benefits	-	-	46.13	46.02
Provision for voluntary retirement compensation (refer note 40)	70.76	89.57	18.72	18.99
Provision for other employee benefits	-	4.61	51.09	55.42
	73.67	**95.34**	**116.36**	**120.56**
Other provisions				
Provision for taxation (net)	-	-	45.55	36.74
Provision for wealth tax	-	-	0.01	0.01
Provision for debenture redemption premium	-	-	9.52	8.53
Provision for preference shares redemption premium	-	-	11.62	12.23
Provision for operation and maintenance (net of advances) (refer note 40)	4.78	53.50	58.18	27.51
Proposed equity dividend	-	-	38.92	38.92
Provision for tax on proposed equity dividend	-	-	9.73	8.51
Proposed preference dividend	-	-	0.54	-
Provision for tax on proposed preference dividend	-	-	0.09	0.09
	4.78	**53.50**	**174.16**	**132.54**
	78.45	**148.84**	**290.52**	**253.10**

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 8 SHORT TERM BORROWINGS

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Secured:		
Cash credit and overdraft from banks	482.02	385.29
Letters of credit/ bills discounted	3,158.25	3,570.36
Indian rupee short term loans from banks	959.11	443.72
Foreign currency short term loans from banks	323.31	-
Indian rupee short term loans from financial institutions	160.56	152.72
Unsecured:		
Foreign currency short term loan from bank	414.36	-
Letters of credit / bills discounted	61.76	88.10
Indian rupee short term loans from banks	-	151.99
Indian rupee short term loans from others (refer note 45)	28.80	64.44
	5,588.17	**4,856.62**
The above amount includes		
Secured borrowings	5,083.25	4,552.09
Unsecured borrowings	504.92	304.53
	5,588.17	**4,856.62**

1 Cash credit from banks of ₹ 47.67 crore (March 31, 2013: ₹ 43.03 crore) of GHIAL is 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 movable properties including movable plant and machinery, machinery spares, tools and accessories, whether stored or not or in the course of transit or on high seas or on order of delivery, but not limited to documents of title to goods. The rate of interest is 12.50% p.a. (March 31, 2013: 12.50% to 12.75% p.a.).

2 Cash credit from banks of ₹ Nil (March 31, 2013: ₹ 0.87 crore) of HDFRL was secured by current assets including stock, book debts, movable assets, software, whether installed or not and whether in possession or under the control of HDFRL or not, all bank accounts, a pledge of 30% of shares of total equity share capital of HDFRL held by GHIAL. The rate of interest was 12.40% to 12.50% p.a. (March 31, 2013: 12.50% to 12.75% p.a.).

3 Cash credit from banks of ₹ Nil (March 31, 2013: ₹ 0.20 crore) of TIM was secured by charge on receivables and subservient charge on security deposit of ₹ 17.46 crore deposited with DIAL by TIM, after payment of statutory dues and license fees payable to DIAL. The rate of interest was 12.00% to 12.50% p.a. (March 31, 2013 : 11.25% to 12.50% p.a.).

4 Cash Credit of DIAL of ₹125.19 crore (March 31, 2013 : ₹ Nil) is secured by first rank pari passu charge on all the future revenues / receivables (excluding dues to Airports Authority of India ('AAI')) and all insurance policies, contractors' guarantees and liquidated damages and all the rights, titles, interests, permits in respect of the project documents as permissible under the Project documents of DIAL, to the extent permissible under OMDA. The facility is further secured by the pledge of requisite shares held by consortium of GAL, MAMPL and FAG (shareholders of DIAL). The rate of interest is base rate plus 2.75% p.a. spread, which is subject to reset at the end of agreed interval.

5 Bank overdraft of ₹ 20.87 crore (March 31, 2013 : ₹ 20.89 crore) of GPCL is secured by way of first charge on current assets [inventories and book debts] and second charge on movable assets (other than current assets) of GPCL. The beneficial interest in the security shall rank pari passu among rupee lender and lenders participating in the bank borrowings for the working capital requirements. The rate of interest is 13.00% to 14.75% p.a. (March 31, 2013 : 13.50% to 15.00% p.a.).

6 Bank overdraft of ₹ Nil (March 31, 2013: ₹ 65.71 crore) of GETL was secured against bank deposits of GETL. The rate of interest was 10.22% p.a.

7 Cash credit from banks of ₹ 0.36 crore (March 31, 2013: ₹ 1.61 crore) of GAPL is secured by way of corporate guarantee from the Company and charge over current assets. The rate of interest is 14.35% p.a.

8 Cash credit from banks of ₹ 8.11 crore (March 31, 2013: ₹ 5.70 crore) of MGATL is secured by first charge on entire current assets and cash flows including stocks, receivables, bank balances etc., first pari passu charge by way of extension of equitable mortgage of leasehold rights of land to the extent of 16.46 acres standing in the name of MGAECL on which MRO facilities have been created along with all the buildings, structures, first pari passu charge by way of hypothecation of all the movable assets belonging to MGATL and MGAECL and including but not limited to plant and machinery, machinery spares, tools & accessories and corporate guarantee from MGAECL. The rate of interest is base rate of the bank plus 4.00% p.a. (March 31, 2013: base rate of the bank plus 3.25% p.a.)

9 Cash credit from banks of ₹ Nil (March 31, 2013: ₹ 23.65 crore) of GEL was secured by first pari-passu charge on entire current assets and second pari passu charge on the entire fixed assets of GEL. The rate of interest was bank's base rate plus 2.00% p.a.

10 Cash credit from banks of ₹ 4.98 crore (March 31, 2013: ₹ 4.00 crore) of GHRL is secured by way of first pari passu charge on entire current assets and

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 8 SHORT-TERM BORROWINGS (Contd.)

cash flows including stocks, receivables, bank balances etc. with existing term lenders and collateral first pari passu charge by way of extension of equitable mortgage of the immovable properties and assets pertaining to the hotel project (including assignment of leasehold rights in the case of leasehold land, if any) and assets of the project consisting of land admeasuring 5.37 acres together with all the buildings, structures etc. on such land. The rate of interest is base rate of the lender plus 2.50% p.a.

11 Bank overdraft of ₹ 136.64 crore (March 31, 2013: ₹ 201.20 crore) of the Company is secured by a first charge on current assets of the EPC division of the Company and carries an interest of 13.50% p.a.(March 31, 2013: 10.00% to 11.20% p.a.)

12 Cash credit from banks of ₹ 42.13 crore (March 31, 2013: ₹ Nil) of GKEL is secured by way of first charge and registered mortgage of all the immovable properties and movables including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods and by book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further, it is secured by pledge of shares representing 51% of the total paid up equity share capital of GKEL held by GEL. The beneficial interest in the security shall rank pari passu among all the rupee lenders and the lenders participating in the bank borrowings for the working capital requirements / bank guarantee facility to the extent as approved by the rupee lenders. The rate of interest is base rate of the lender plus 3.00% p.a.

13 Cash credit facilities of ₹ 96.07 crore (March 31, 2013: ₹ 18.43 crore) of EMCO are secured by way of a first charge and registered mortgage of all the immovable properties and movables including plant and machinery, machinery spares, tools and accessories, stock of raw materials, semi finished goods and consumable goods and by book debts, operating cash flows, receivables, revenues whatsoever in nature, present and future. Further, it is secured by pledge of shares representing 51% of the total paid up equity share capital of EMCO. The beneficial interest in the security shall rank pari passu among all the rupee lenders and the lenders participating in the bank borrowings for the working capital requirements/ bank guarantee facility to the extent as approved by the rupee lenders. The rate of interest is base rate of the lender plus 2.25% p.a.

14 Domestic letters of credit of ₹ 1,695.53 crore (March 31, 2013 : ₹ 1,452.01 crore) and foreign letters of credit of ₹ 1,462.72 crore (March 31, 2013 : ₹ 1,381.97 crore) of GCHEPL are sub limit to rupee term loans as per the facility agreement entered into by GCHEPL and are secured in the same manner and terms and conditions as that of rupee term loans of GCHEPL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit have been discounted with banks. Rate of interest of domestic letters of credit is 9.65% to 11.75% p.a (March 31, 2013 : 9.75% to 11.75% p.a) and foreign letters of credit is 0.82% to 1.25% p.a. (March 31, 2013 : 0.99% to 4.05% p.a.)

15 Foreign letters of credit of ₹ Nil (March 31, 2013 : ₹ 239.24 crore) of GKEL were sub limit to rupee term loans as per the facility agreement entered into by GKEL and were secured in the same manner and terms and conditions as that of rupee term loans of GKEL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit were discounted with banks. The rate of interest of foreign letters of credit was 1.27% to 1.32% p.a. (March 31, 2013: 2.13% to 4.43% p.a.).

16 Foreign letters of credit of ₹ Nil (March 31, 2013: ₹ 435.92 crore) of GREL were sub limit to rupee term loans as per the facility agreement entered by GREL and were secured in the same manner and terms and conditions as that of rupee term loans of GREL. The security details of the rupee term loans have been disclosed in note 5. These letters of credit were discounted with banks. The rate of interest of foreign letters of credit was 1.78% to 2.16% p.a.

17 Bills discounted of ₹ Nil (March 31, 2013 : ₹ 61.01 crore) of GEL were secured by second charge on the present and future current assets of GEL. These letters of credit were discounted with various banks for payment to the gas vendors for the supply of natural gas. The rate of interest was 11.75% to 13.00% p.a.

18 Domestic letters of credit of ₹ Nil (March 31, 2013: ₹ 0.21 crore) of Laqshya were secured by first pari passu charge on current and fixed assets of Laqshya and by corporate guarantee of holding company of Laqshya i.e. Laqshya Media Private Limited ('LMPL'). These letters of credit were discounted with banks. The rate of domestic letters of credit interest was 12.50% to 13.50% p.a. (March 31, 2013: 12.50% p.a.)

19 Secured Indian rupee short term loans from banks and financial institutions of ₹ 422.08 crore (March 31, 2013: ₹ 347.67 crore) of KSPL are secured by way of a charge on fixed deposits of the Company and other group companies. The rate of interest is interest rate on fixed deposit plus 1.00% p.a. or base rate whichever is higher (March 31, 2013 : interest rate on fixed deposit plus 1.00% p.a. or base rate whichever is higher). As at March 31, 2014, KSPL has defaulted the payment of interest of ₹ 1.38 crore (March 31, 2013: ₹ 2.49 crore) for the month of March 2014.

20 Secured Indian rupee short term loan from a bank of ₹ 280.00 crore (March 31, 2013: ₹ Nil) of GEL is secured against fixed deposits of GEL. The rate of interest is base rate plus 1.25% p.a. and is repayable in eight equal quarterly instalments commencing from the end of 36th month from the date of disbursement. GEL has prepaid loan aggregating to ₹ 50.00 crore during the year ended March 31, 2014. Further, the bank has a put option for full or part of the facility amount at the end of 4.5 months from the date of first disbursement and every 3 months thereafter.

21 Secured Indian rupee short term loans from banks of ₹ 2.21 crore (March 31, 2013: ₹ 2.23 crore) of CDCTM are secured against trade receivables including unbilled revenue. The loans carry an interest rate of 11.50% to 12.00%. p.a. (March 31, 2013: 12.00% to 13.00%. p.a.)

22 Secured Indian rupee short term loans from banks of ₹ 1.14 crore (March 31, 2013: ₹ 6.85 crore) of DAFF are secured by way of charge on receivables / cash flows / revenue under escrow account, both present and future, after payment of statutory dues and license fees payable to DIAL and carry an interest rate of 10.25% p.a. (March 31, 2013: 10.20% p.a.)

23 Secured Indian rupee short term loan from bank of ₹ Nil (March 31, 2013: ₹ 46.20 crore) of GETL were secured by way of a first ranking pari passu charge by way of hypothecation of the borrower's entire stock of materials, semi finished goods, finished goods, consumable goods and spares and such other movable including book debts, bills whether documentary or clean, outstanding monies , receivables both present and future in a form and manner satisfactory to the banks. The rate of interest was 12.75% p.a.

24 Secured Indian rupee short term loan form banks of ₹ 140.79 crore (March 31, 2013: ₹ Nil) of GETL is secured against GPCL bank deposits. The interest rate ranges from 10.25% p.a. to 10.65% p.a. and is payable on a monthly basis.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 8 SHORT-TERM BORROWINGS (Contd.)

25 Secured Indian rupee short term loans from banks of ₹ 189.99 crore (March 31, 2013 : ₹ 190.00 crore) of GEL are secured by fixed deposits of GPCL and GVPGL and carry an interest rate ranging from 9.75% to 12.00% p.a. (March 31, 2013: 9.75% to 10.45% p.a.).

26 Secured Indian rupee short term loans from banks of ₹ Nil (March 31, 2013: ₹ 3.49 crore) of DASPL were secured by a first charge on DASPL's escrow account, after payment of statutory dues and license fees payable to DIAL. The rate of interest was 12.50% p.a.

27 Secured Indian rupee short term loans from banks of ₹ 8.19 crore (March 31, 2013: ₹ Nil) of DDFS are secured by first charge on DDFS's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank and first charge on movable fixed assets of the company, both present and future (except those financed by other financial institution), in a form and manner satisfactory to the bank and pledge of 30% of sponsors' shareholding in DDFS worth ₹ 24.00 crore in accordance with section 19(2), 19(3) of the Banking Regulation Act and escrow agreement between the bank and DDFS for first and exclusive charge on receivables. The loan carries an interest at 13.25% p.a.

28 Secured Indian rupee short term loans from banks of ₹ 75.27 crore (March 31, 2013: ₹ Nil) of DSPL are secured against fixed deposits of GPEPL. The rate of interest is 10.25% to 10.50% p.a.

29 Secured foreign currency short term loans from banks of ₹ 314.46 crore (March 31, 2013: ₹ Nil) of GREL are sub limit to rupee term loans as per the facility agreement entered into by GREL and are secured in the same manner and terms and conditions as that of rupee term loans of GREL. The security details of the rupee term loans have been disclosed in note 5. The loans carry an interest at 6 months LIBOR plus 350 bbps.

30 Secured foreign currency short term loan from a bank of ₹ 8.85 crore (March 31, 2013: ₹ Nil) of PTGEMS bears an interest rate of 5.50% p.a. and is secured against trade receivables / inventories and margin money deposits of PTGEMS.

31 Unsecured foreign currency short term loans from a bank of ₹ 414.36 crore (March 31, 2013: ₹ Nil) of GALM are secured by corporate guarantee from the Company. The rate of interest is 3 months LIBOR plus 375 bbps.

32 Domestic letters of credit of ₹ Nil (March 31, 2013: ₹ 69.99 crore) of GVPGL were secured by corporate guarantee given by the Company. The rate of interest was 10.25% to 12.00% p.a.

33 Bills of ₹ 61.76 crore (March 31, 2013: ₹ 18.11 crore) of PTGEMS carry an interest of 2.25% p.a (March 31, 2013: 2.85% p.a.) .

34 Unsecured Indian rupee short term loans from banks of ₹ Nil (March 31, 2013: ₹ 150.00 crore) of the Company carried an interest rate of 12.00% p.a. (March 31, 2013: 12.00% to 12.80% p.a.).

35 Unsecured Indian rupee short term loans from banks of ₹ Nil (March 31, 2013: ₹ 1.99 crore) of CDCTM carried an interest rate of 12.00% to 13.00% p.a.

36 Unsecured short term loans from others of ₹ Nil (March 31, 2013: ₹ 54.44 crore) of EDWPCPL was taken from ILFS Renw, a minority shareholder in EDWPCPL and carried an interest rate of 11.00% p.a. Pursuant to the divestment, EDWPCPL ceased to be a subsidiary during the year ended March 31, 2014 and accordingly the Group has not consolidated financial statements of EDWPCPL in these consolidated financial statements.

37 Unsecured short term loans from others of ₹ Nil (March 31, 2013: ₹ 10.00 crore) of DSPL carried an interest rate of 10.00% p.a.

38 Unsecured short term loans from others of ₹ 28.80 crore (March 31, 2013: ₹ Nil) of GETL carries an interest rate of 13.00 % p.a.

NOTE 9 OTHER CURRENT LIABILITIES

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Trade payables (including acceptances)	1,759.31	1,481.59
	1,759.31	**1,481.59**
Other liabilities		
Current maturities of long-term borrowings (refer note 5)	5,853.28	5,859.52
Deposits / advances from concessionaires	15.10	12.08
Deposits / advances from commercial property developers	98.14	69.88
Interest accrued but not due on borrowings	299.86	320.73
Interest accrued and due on borrowings	5.14	2.49
Others		
Advances / deposits from customers	1,305.23	1,446.30
Unpaid share application money refund - not claimed *	-	0.05
Book overdraft	2.36	0.83
Non trade payables (including retention money)	2,618.70	3,325.96
Statutory dues payable	69.31	98.57
Unearned revenue	59.01	73.20
Development fee accrued (to the extent not utilised) (refer note 35 (f)(i))	150.04	185.60
Other liabilities	71.67	97.00
	10,547.84	**11,492.21**
	12,307.15	**12,973.80**

* During the year ended March 31, 2014, share application money pending refund of ₹ 0.01 crore was paid to the investors and ₹ 0.04 crore due and outstanding for more than seven years has been credited to Investor education and protection fund

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 10 TANGIBLE ASSETS

(₹ in crore)

	Freehold land	Leasehold land	Runways and others	Buildings	Plant and machinery	Leasehold improvements	Office equipments (including computers)	Furniture and fixtures	Vehicles and aircrafts	Leased assets - plant and machinery	Leased assets - office equipments	Leased assets - vehicles	Total
Gross block													
Cost or Valuation													
As at April 1, 2012	240.53	98.77	2,034.10	8,143.45	7,439.56	230.13	568.89	294.47	452.73	2.46	5.39	0.10	19,510.58
Additions	17.18	24.77	89.44	504.67	1,805.20	31.16	26.12	33.30	6.05	-	-	-	2,537.89
Disposals	(0.40)	-	-	(0.24)	(11.11)	(2.79)	(2.45)	(4.61)	(3.40)	-	-	(0.03)	(25.03)
Adjustments against development fund													
('DF')	-	-	0.32	1.53	0.95	-	-	0.04	-	-	-	-	2.84
Other adjustments	-	-	537.70	(578.95)	(6.22)	-	0.17	19.31	-	-	-	-	(27.99)
Exchange differences	(0.24)	(0.01)	23.82	117.52	143.99	0.37	4.67	7.58	9.21	-	-	-	306.91
Borrowing costs	10.73	-	-	40.06	153.14	0.49	-	0.82	-	-	-	-	205.24
Transferred to claims recoverable	-	-	-	(3.82)	(7.20)	-	(9.44)	(7.43)	(3.68)	-	-	-	(31.57)
Transferred to assets held for sale	-	-	-	-	(103.29)	-	(0.32)	(0.04)	(126.24)	-	-	-	(229.89)
As at March 31, 2013	**267.80**	**123.53**	**2,685.38**	**8,224.22**	**9,415.02**	**259.36**	**587.64**	**343.44**	**334.67**	**2.46**	**5.39**	**0.07**	**22,248.98**
Additions	5.34	79.47	9.69	492.37	6,160.42	13.90	12.95	17.36	171.75	-	-	-	6,963.25
Additions on inclusion / additional stake in													
subsidiaries / jointly controlled entities	17.55	-	-	23.14	3.82	9.52	1.58	6.16	0.12	-	-	-	61.89
Disposals	-	-	-	(8.46)	(3.46)	(0.27)	(4.19)	(2.34)	(187.25)	-	-	-	(205.97)
Deletions on disposal / dilution of stake in	-	-	-	(1,307.66)	(9.33)	(6.56)	(1.09)	(16.32)	(0.99)	-	-	-	(1,341.95)
subsidiaries / jointly controlled entities													
Adjustments against DF	-	-	0.33	1.56	0.97	-	-	0.04	-	-	-	-	2.90
Other adjustments	-	4.76	6.82	43.54	(78.03)	-	(0.38)	14.17	4.12	-	(5.39)	-	(10.39)
Exchange differences	0.02	(4.50)	37.35	362.80	413.34	4.60	5.31	11.93	7.91	-	-	-	838.76
Borrowing costs	-	-	-	66.36	816.63	-	-	-	-	-	-	-	882.99
As at March 31, 2014	**290.71**	**203.26**	**2,739.57**	**7,897.87**	**16,719.38**	**280.55**	**601.82**	**374.44**	**330.33**	**2.46**	**-**	**0.07**	**29,440.46**
Accumulated depreciation													
As at April 1, 2012	-	-	226.71	738.94	2,066.89	17.57	205.44	70.85	87.43	1.49	5.39	0.09	3,420.80
Charge for the year	-	-	129.08	250.53	320.95	10.52	51.26	39.04	30.93	0.49	-	-	832.80
Disposals	-	-	-	(0.14)	(5.79)	(1.52)	(0.86)	(0.99)	(2.30)	-	-	(0.02)	(11.62)
Exchange differences	-	-	-	0.56	1.48	-	0.81	0.66	0.58	-	-	-	4.09
Transferred to claims recoverable	-	-	-	(0.08)	(0.36)	-	(1.06)	(0.54)	(0.33)	-	-	-	(2.37)
Transferred to assets held for sale	-	-	-	-	(20.88)	-	(0.22)	(0.03)	(40.10)	-	-	-	(61.23)
As at March 31, 2013	**-**	**-**	**355.79**	**989.81**	**2,362.29**	**26.57**	**255.37**	**108.99**	**76.21**	**1.98**	**5.39**	**0.07**	**4,182.47**
Charge for the year	-	5.24	101.35	329.23	636.59	10.88	53.45	39.09	25.78	0.48	-	-	1,202.09
Additions on inclusion / additional stake in subsidiaries / jointly controlled entities	-	-	-	1.05	1.80	2.20	0.81	3.31	0.08	-	-	-	9.25
Disposals	-	-	-	(2.06)	(0.29)	-	(3.13)	(1.28)	(9.35)	-	-	-	(16.11)
Deletions on disposal / dilution of stake in subsidiaries / jointly controlled entities	-	-	-	(300.50)	(4.09)	(1.53)	(0.45)	(11.38)	(0.50)	-	-	-	(318.45)
Other adjustments	-	6.34	0.58	4.22	(7.58)	-	(0.31)	2.42	0.78	-	(5.39)	-	1.06
Exchange differences	-	(0.98)	-	38.88	0.31	1.22	0.41	1.68	0.02	-	-	-	41.54
As at March 31, 2014	**-**	**10.60**	**457.72**	**1,060.63**	**2,989.03**	**39.34**	**306.15**	**142.83**	**93.02**	**2.46**	**-**	**0.07**	**5,101.85**
Net Block													
As at March 31, 2013	**267.80**	**123.53**	**2,329.59**	**7,234.41**	**7,052.73**	**232.79**	**332.27**	**234.45**	**258.46**	**0.48**	**-**	**-**	**18,066.51**
As at March 31, 2014	**290.71**	**192.66**	**2,281.85**	**6,837.24**	**13,730.35**	**241.21**	**295.67**	**231.61**	**237.31**	**-**	**-**	**-**	**24,338.61**

Notes:

1 Buildings with a gross book value of ₹ 6,622.03 crore (March 31, 2013: ₹ 6,346.99 crore) and runways are on leasehold land.

2 Deletions on disposal / dilution of subsidiaries / jointly controlled entities includes gross block of ₹ 1,334.24 crore and accumulated depreciation of ₹ 314.86 crore pertaining to ISG.

3 Disposals from gross block includes ₹ 6.39 crore (March 31, 2013: ₹ 0.56 crore) on reversal of outstanding liabilities pertaining to project construction which are no longer payable in case of GHIAL and reversal of depreciation thereon amounting to ₹ 1.18 crore (March 31, 2013: ₹ 0.12 crore).

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 10 TANGIBLE ASSETS (Contd.)

4 DF of ₹ 2.90 crore (March 31, 2013 : ₹ 2.84 crore) received towards development of aeronautical assets in DIAL is reduced from the gross block above. Refer note 35 (f).

5 Other adjustments in the Gross Block and accumulated depreciation during the year includes:

a. Reclassification of gross block ₹ 0.36 crore (March 31, 3013 : ₹ Nil) and accumulated depreciation of ₹0.36 crore (March 31, 2013: ₹Nil) of GIL from tangible assets to intangible assets.

b. Reclassification of ₹ Nil (March 31, 2013 : ₹ 537.70 crore) from buildings to runways and others of DIAL pursuant to final settlements of vendors in respect of Terminal 3.

c. Gross block of ₹ 4.70 crore (March 31, 2013 : ₹ 21.73 crore) and accumulated depreciation of ₹ 0.55 crore (March 31, 2013: ₹ Nil) of DIAL towards reduction in liability in final settlement with vendors in respect of Terminal 3.

d. ₹ Nil crore (March 31, 2013 : ₹ 6.26 crore) of DAPSL on reversal of outstanding liabilities pertaining to project construction which are no longer payable.

e. Gross block of ₹ 4.70 crore (March 31, 2013 : ₹ Nil crore) and accumulated depreciation of ₹ 0.08 crore (March 31,2013: ₹ Nil) of GHASL on reversal of outstanding liabilities pertaining to project construction which are no longer payable.

f. ₹ 3.71 crore (March 31, 2013: ₹ Nil) of EMCO represents refund received from Maharashtra Industrial Development Corporation ('MIDC') in respect of lease hold land.

g. Other adjustments of ₹ 8.47 crore in gross block and ₹ 6.34 crore in accumulated depreciation of leasehold land during the period ended March 31, 2014 represents reclassification of leasehold land from prepaid expenses in a jointly controlled entity.

h. Other adjustments of ₹ 5.39 crore in gross block and ₹ 5.39 crore in accumulated depreciation of leased office equipments during the period ended March 31, 2014 represents represent deletion of leased office equipments pursuant to the completion of finance lease period in GEL.

6 Foreign exchange differences in gross block:

a. Foreign exchange gain of ₹ 230.53 crore (March 31, 2013: ₹ 38.66 crore) on account of the effect of translation of assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS - 11.

b. Foreign exchange loss of ₹ 608.23 crore (March 31, 2013 : ₹ 268.25 crore) in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets.

7 Claim recoverable in gross block and accumulated depreciation of ₹ Nil and ₹ Nil (March 31, 2013: ₹ 31.57 crore and ₹ 2.37 crore) respectively pertains to assets transferred by GMIAL pursuant to the take over of the Male International Airport ('MIA'). Refer note 30 (b).

8 Assets held for sale as at March 31, 2013 included in gross block and accumulated depreciation respectively as follows-

a. Aircraft of ₹ Nil and ₹ Nil (March 31, 2013: ₹ 125.91 crore and ₹ 39.96 crore) of GAPL.

b. ₹ Nil and ₹ Nil (March 31, 2013: ₹ 102.52 crore and ₹ 20.73 crore) consequent to sale of mining rights in HEGL. Refer note 30 (c).

c. ₹ Nil and ₹ Nil (March 31, 2013: ₹ 1.46 crore and ₹ 0.54 crore) of GJEPL which were sold subsequent to the year ended March 31, 2013. Refer note 30 (d)

9 Depreciation for the year includes ₹ 3.88 crore (March 31, 2013 : ₹ 0.42 crore) relating to certain consolidated entities in the project stage, which are included in capital work-in-progress in note 32(a) and intangible assets under development in note 32 (b).

10 Foreign exchange differences in accumulated depreciation represents foreign exchange loss of ₹ 41.54 crore (March 31, 2013 : ₹ 4.09 crore) on account of the effect of translation of assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS - 11.

11 Disposals from vehicles and aircraft during the year ended March 31, 2014 include sale of two aircrafts with gross block of ₹ 182.71 crore and accumulated depreciation of ₹ 7.15 crore.

12 EMCO has declared commercial operations of first phase of project on March 19, 2013 and second phase of the project on September 01, 2013. Accordingly the tangible assets and intangible assets have been capitalised on these dates based on the completion certified by the Technical team of EMCO and are included in the additions during the year ended March 31, 2014. Claims / Counter claims arising out of the project related EPC contracts and non-EPC contracts on account of delays in commissioning of the project and other reasons is pending settlement/ negotiations with the respective vendors. The management believes that any adjustments on account of aforesaid claims/counter claims by the vendors would be adjusted to the cost of the fixed assets.

13 GKEL has declared commercial operation of Phase 1 of the project constituting Unit 1, 2 and 3 of 350 MW each on April 29, 2013, November 11, 2013 and March 24, 2014 respectively. Accordingly the tangible assets and intangible assets have been capitalised on the dates based on the completion certified by the technical team of GKEL and are included in the additions during the year ended March 31, 2014. Certain common items of Phase 2, consisting of Unit 4, which is put to use along with Phase 1 have also been capitalised. Claims/ Counter claims arising out of the project related contracts including EPC contracts and other vendors on account of delays in commissioning of the project or any other reasons is pending settlement / negotiations with concerned vendors. GKEL has considered its best estimate of cost on the work completed based on the contract, work and purchase orders issued where the final bills are pending to be received /approved. Any adjustment on account of these contracts / bills would be adjusted to the cost of fixed asset in the year of settlement / crystallization.

14 During the year, MTSCL has completed all the works and requested Rajasthan Rajya Vidyut Prasaran Nigam Limited ('RRVPNL') for issue of Commercial Operations Date ('COD') for the project to commence operations. However, RRVPNL have accepted 70% completion w.e.f. December 16, 2013. Accordingly, MTSCL has capitalised 70% of the cost incurred in the respect of tangible assets.

15 Additions to plant and machinery include trial run costs of ₹ 217. 89 crore of GKEL and ₹34.61 crore of EMCO (March 31, 2013: ₹ 107.76 crore of EMCO)

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 11 INTANGIBLE ASSETS (₹ in crore)

Particulars	Goodwill on consolidation	Airport concessionaire rights	Capitalised software	Carriageways	Mining properties (including deferred exploration and stripping costs)	Technical know-how	Total
Gross block							
Cost or Valuation							
As at April 1, 2012	3,174.50	934.30	92.37	3,518.17	196.12	17.03	7,932.49
Additions	-	1.96	14.12	2,897.16	129.25	-	3,042.49
Additions on inclusion / acquisition of additional stake in subsidiaries / jointly controlled entities	8.69	-	-	-	-	-	8.69
Disposals	(44.62)	(2.40)	(0.16)	-	-	-	(47.18)
Exchange differences	123.27	25.45	0.01	-	(6.50)	-	142.23
Borrowing costs	-	-	-	269.16	-	-	269.16
Transferred to claims recoverable	-	(450.83)	(2.42)	-	-	-	(453.25)
Transferred to assets held for sale	-	-	(0.46)	(539.36)	(90.67)	-	(630.49)
As at March 31, 2013	**3,261.84**	**508.48**	**103.46**	**6,145.13**	**228.20**	**17.03**	**10,264.14**
Additions	77.90	1.13	4.09	765.44	54.41	-	902.97
Additions on inclusion / acquisition of additional stake in subsidiaries / jointly controlled entities	-	-	1.08	-	-	-	1.08
Disposals	-	-	(0.51)	(0.26)	-	-	(0.77)
Disposals of the assets impaired in earlier years	-	-	-	-	(98.76)	-	(98.76)
Deletions on disposal / dilution of stake in subsidiaries / jointly controlled entities	-	(11.87)	-	(1,012.10)	-	-	(1,023.97)
Exchange differences	221.43	1.74	(0.39)	-	(11.01)	-	211.77
Borrowing costs	-	-	-	98.22	-	-	98.22
Other adjustments	-	-	0.36	(6.25)	-	-	(5.89)
As at March 31, 2014	**3,561.17**	**499.48**	**108.09**	**5,990.18**	**172.84**	**17.03**	**10,348.79**
Accumulated amortisation							
As at April 1, 2012	-	62.94	43.45	573.68	13.11	1.44	694.62
Charge for the year	-	23.05	15.56	146.62	20.18	3.46	208.87
Disposals	-	(0.41)	(0.15)	-	-	-	(0.56)
Exchange differences	-	1.97	-	-	0.99	-	2.96
Transferred to assets held for sale	-	-	(0.39)	(59.77)	(38.95)	-	(99.11)
Transferred to claims recoverable	-	(37.92)	(0.33)	-	-	-	(38.25)
Assets written off	-	-	-	-	29.43	-	29.43
As at March 31, 2013	**-**	**49.63**	**58.14**	**660.53**	**24.76**	**4.90**	**797.96**
Charge for the year	-	9.52	17.85	189.59	36.56	4.08	257.60
Additions on inclusion / acquisition of additional stake in subsidiaries / jointly controlled entities	-	-	0.94	-	-	-	0.94
Disposals	-	-	(0.43)	-	-	-	(0.43)
Deletions on disposal / dilution of stake in subsidiaries / jointly controlled entities	-	(6.69)	-	(100.91)	-	-	(107.60)
Exchange differences	-	0.94	(0.17)	-	(1.48)	-	(0.71)
Other adjustments	-	-	0.36	-	-	-	0.36
As at March 31, 2014	**-**	**53.40**	**76.69**	**749.21**	**59.84**	**8.98**	**948.12**
Accumulated impairment							
As at April 1, 2012	-	-	-	-	-	-	-
Charge for the year	98.71	-	-	-	98.76	-	197.47
As at March 31, 2013	**98.71**	**-**	**-**	**-**	**98.76**	**-**	**197.47**
Charge for the year	1.31	-	-	-	-	-	1.31
Disposals	-	-	-	-	(98.76)	-	(98.76)
As at March 31, 2014	**100.02**	**-**	**-**	**-**	**-**	**-**	**100.02**
Net Block							
As at March 31, 2013	**3,163.13**	**458.85**	**45.32**	**5,484.60**	**104.68**	**12.13**	**9,268.71**
As at March 31, 2014	**3,461.15**	**446.08**	**31.40**	**5,240.97**	**113.00**	**8.05**	**9,300.65**

Notes:

1 Additions on inclusion of subsidiaries /acquisition of additional stake in subsidiaries/ jointly controlled entities in goodwill during the year ended March 31, 2013 represents additional payment of ₹ 8.69 crore made to the minority shareholders of HHPL.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 11 INTANGIBLE ASSETS (Contd.)

2 Additions on inclusion of subsidiaries /acquisition of additional stake in subsidiaries/ jointly controlled entities in goodwill during the year ended March 31, 2014 represents goodwill on acquisition of additional stake in DDFS ₹ 75.45 crore and acquisition of NREPL and HFEPL ₹ 2.45 crore.

3 Disposal in goodwill during the year ended March 31, 2013 is arising on account of disposal / dilution of Group's holding in GESPL. Refer note 30 (g).

4 Deletions on disposal / dilution of equity stake in subsidiaries / jointly controlled entities in carriageways during the year ended March 31, 2014 represents divestment of shareholding in GUEPL. For details, refer note 30 (e).

5 Deletions on disposal / dilution of equity stake in subsidiaries / jointly controlled entities in Airport concessionaire rights during the year ended March 31, 2014 represents divestment of shareholding in ISG and LGM. For details, refer note 30 (a).

7 Impairment of goodwill of ₹ Nil (March 31, 2013 : ₹ 98.71 crore) represents impairment of goodwill on consolidation of HEGL. For details, refer note 30 (c).

8 Impairment of goodwill of ₹ 1.31 crore (March 31, 2013 : ₹ Nil) represents impairment of goodwill on consolidation of MTSCL and ATSCL. For details, refer note 35 (g)(xii).

9 Exchange difference in goodwill on consolidation represents foreign exchange gain of ₹ 221.43 crore (March 31, 2013: ₹ 123.27 crore) on account of effect of translation of goodwill arising out of consolidation of foreign subsidiaries / jointly controlled entities which are consolidated as non integral foreign operations as per the requirements of AS - 11.

10 Foreign exchange differences in gross block includes foreign exchange loss of ₹ 9.66 crore (March 31, 2013: foreign exchange gain of ₹ 18.96 crore) on account of the effect of translation of intangible assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS - 11.

11 Claim recoverable in gross block and accumulated amortisation of ₹ 453.25 crore and ₹ 38.25 crore respectively for the year ended March 31, 2013 pertains to assets transferred by GMIAL pursuant to the take over of MIA by MACL. Refer note 30 (b).

12 Impairment loss during the year ended March 31, 2013 includes ₹ 98.76 crore pertaining to impairment of mining properties held by HEGL. Refer note 30 (c)

13 Amortisation for the year includes ₹ 0.82 crore (March 31, 2013: ₹1.47 crore) relating to certain consolidated entities in the project stage, which are included in capital work-in-progress in note 32(a) and intangible assets under development in note 32(b).

14 Foreign exchange differences in accumulated amortisation represents foreign exchange gain of ₹ 0.71 crore (March 31, 2013 : exchange loss of ₹ 2.96 crore) on account of the effect of translation of intangible assets held by foreign entities which are consolidated as non integral foreign operations as per the requirements of AS - 11.

15 Assets held for sale as at March 31, 2013 includes gross block and accumulated amortisation of-

a. Gross block of ₹ 539.82 crore and accumulated amortisation of ₹ 59.77 crore of carriageways due to sale of GJEPL subsequent to year ended March 31, 2013.

b. Gross block of ₹ 90.67 crore and accumulated amortisation of ₹ 39.34 crore of mining properties due to sale of certain mines by the Group subsequent to the year ended March 31, 2013.

16 Other adjustments in the Gross Block and accumulated depreciation during the year includes:

a. Reclassification of gross block ₹ 0.36 crore (March 31, 3013: ₹ Nil) and accumulated depreciation ₹ 0.36 crore (March 31, 3013: ₹ Nil) of GIL from tangible assets to intangible assets.

b. ₹ 6.25 crore (March 31, 2013: ₹ Nil) of GACEPL on account of consideration from NHAI towards settlement of dues incurred for additional works undertaken by GACEPL during construction of carriageways.

17 During the year ended March 31, 2014, GHVEPL and GPEPL have capitalised carriageways of ₹ 16.24 crore and ₹ 2.07 crore respectively on account of further construction activities.

18 Additions in carriageways during the year ended March 31, 2014 includes ₹ 845.35 crore (including borrowing costs) in gross block and ₹ 38.25 crore in accumulated amortisation from GCORRPL.

19 During the year ended March 31, 2014, the sale transaction towards divestment of the key coal mines in HEGL have been completed pursuant to which the Group have disposed mines of ₹ 98.76 crore which were impaired during the year ended March 31, 2013.

20 Also refer note 10 (12), 10 (13) and 10 (14) of tangible assets.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 12 NON-CURRENT INVESTMENTS

Particulars		March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Long term - at cost, unquoted			
A. In Equity shares of companies - Trade			
Vemagiri Power Services Limited			
[5000 (March 31, 2013 : 5,000) equity shares of ₹ 10 each, fully paid up]		0.01	0.01
Power Exchange India Limited			
[4,000,000 (March 31, 2013 : 4,000,000) equity shares of ₹ 10 each, fully paid up]		4.00	4.00
B. In Equity shares of body corporates - Trade			
GMR Holding (Malta) Limited ('GHML')			
[58 (March 31, 2013: 58) equity shares of EURO 1 each] (₹ 3,924 (March 31, 2013: ₹ 3,924))		0.00	0.00
PT DSSP Power Sumsel			
[2 (March 31, 2013: 2) equity shares with nominal value of Indonesia Rupiah 1,000,000 each]		0.01	0.01
PT Margaala Alam Lestari ('MAL')			
[12,939 (March 31, 2013: 12,939) equity shares with nominal value of Indonesia Rupiah 1,000,000 each]		0.03	0.03
C. In Equity share of associates - Trade			
EDWPCPL *			
[7,839 (March 31, 2013 : Nil) equity shares of ₹ 10 each, fully paid up]	0.07		
Less: Share of loss till date	(0.01)	(0.06)	-
D. In Debentures of companies - Trade			
Kakinada Infrastructure Holdings Private Limited ('KIHPL') **			
[100 (March 31, 2013 : 100) 0.10% cumulative optionally convertible Debentures of ₹ 10,000,000 each]		100.00	100.00
E. In Equity shares of companies - Other than trade			
Business India Publications Limited			
[5,000 (March 31, 2013: 5,000) equity shares of ₹ 10 each, fully paid up]		0.06	0.06
Ujjivan Financial Services Private Limited			
[50,000 (March 31, 2013: 50,000) equity shares of ₹ 1 each, fully paid up]		0.05	0.05
Total (A+B+C+D+E)		104.22	104.16

*- Pursuant to the divestment of its investment in EDWPCPL during the year ended March 31, 2014, EDWPCPL ceased to be a subsidiary and is an associate as at March 31, 2014.

**- During the year ended March 31, 2011, GSPHPL had invested ₹ 100 crore in KIHPL, a shareholder in KSPL, through cumulative optionally convertible debentures with coupon rate of 0.10% p.a.

GSPHPL is entitled to exercise the option of conversion of the aforesaid debentures into equity shares of KIHPL at a mutually agreed valuation at any time not exceeding 36 months from the date of execution of the debenture agreement (March 18, 2011). This period has been extended by 18 months with effect from March 18, 2014. In the event GSPHPL does not exercise the option to convert the debentures into shares within the said period, the debentures shall be compulsorily converted by KIHPL into equity shares on expiry of the aforementioned period.

Notes:

1. Aggregate amount of non-current unquoted investments - ₹ 104.22 crore (March 31, 2013 : ₹ 104.16 crore)

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 13 LOANS AND ADVANCES

Particulars	Non-current		Current	
	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Capital advances				
Unsecured, considered good	1,159.89	2,114.65	-	-
(A)	**1,159.89**	**2,114.65**	**-**	**-**
Security deposit				
Unsecured, considered good	216.39	237.76	38.07	5.75
Unsecured, considered doubtful	0.31	-	-	-
	216.70	**237.76**	**38.07**	**5.75**
Provision for doubtful deposits	(0.31)	-	-	-
(B)	**216.39**	**237.76**	**38.07**	**5.75**
Advances recoverable in cash or kind				
Unsecured, considered good	216.31	187.61	281.85	219.17
Unsecured, considered doubtful	3.18	4.12	0.43	0.97
	219.49	**191.73**	**282.28**	**220.14**
Provision for doubtful advances	(3.18)	(4.12)	(0.43)	(0.97)
(C)	**216.31**	**187.61**	**281.85**	**219.17**
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net), including paid under protest	225.43	211.66	-	-
MAT credit entitlement	145.44	62.37	0.65	0.45
Prepaid expenses	6.21	11.55	76.23	307.62
Loan to others	361.64	266.78	43.84	285.53
Loans to employees	5.59	3.61	11.16	12.53
Deposits / balances with statutory / government authorities	104.18	381.83	41.35	48.74
	848.49	**937.80**	**173.23**	**654.87**
Unsecured, considered doubtful				
Loans to others	49.32	49.32	-	-
Balances with statutory / government authorities	6.23	6.23	-	-
	55.55	**55.55**	**-**	**-**
Provision for doubtful advances	(55.55)	(55.55)	-	-
(D)	**848.49**	**937.80**	**173.23**	**654.87**
Total (A+B+C+D)	**2,441.08**	**3,477.82**	**493.15**	**879.79**
Capital advances includes advances to related parties:				
IL&FS Environmental Infrastructure & Services Limited ('IEISL')	-	27.94	-	-
GMR Projects Private Limited ('GPPL')	590.00	590.00	-	-
Security deposit includes deposits with related parties:				
GMR Family Fund Trust ('GFFT')	13.00	32.44	19.08	-
GMR Bannerghatta Properties Private Limited ('GBPPL')	1.12	1.12	-	-
GHTPL	135.00	135.00	-	-
Corporate Infrastructure Services Limited ('CISL')	8.59	8.59	-	-
Raxa Security Services Limited ('RSSL')	6.87	4.49	0.48	-
APFT	-	-	0.08	0.08
Advances recoverable in cash or kind includes advances to related parties:				
Airport Authority of India ('AAI')	-	-	0.94	0.76
Celebi Ground Handling Delhi Private Limited ('CELBI GHDPL')	-	-	0.33	0.57
Cambata Aviation Private Limited ('CAPL')	-	-	2.17	3.60
Limak Insaat San.Ve Ticaret A.S. ('LISVT')	-	-	-	3.13
Times Innovative Media Limited ('TIML')	-	-	-	0.07
Asia Pacific Flight Training Sdn Bhd ('APFTSB')	-	-	0.26	0.61
GHPL	-	-	0.41	-
Bird World Wide Flight Services India Private Limited ('BWWFSIPL')	-	-	1.41	1.21
Laqshya	-	-	0.06	-
Loan to others includes loans to related parties:				
GWT	115.00	115.00	-	-
GPPL	110.00	100.00	-	10.00
GHML	-	-	-	127.07
GMR Holdings Mauritius Limited ('GHLM')	-	-	6.43	-
Crossridge Investments Limited ('CIL')	2.45	14.64	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 13 **LOANS AND ADVANCES** (Contd.)

Particulars	Non-current		Current	
	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
GUEPL	74.43	-	-	-
GMR Varalakshmi Foundation ('GVF')	-	-	20.34	28.51
AAI	-	-	7.80	7.09
DASPL	-	-	0.05	0.76
DSSHPL	-	-	0.02	0.05
DAPSL	-	-	1.33	1.16
TFS	-	-	0.12	0.41
WAISL	-	-	2.09	5.47
DAFF	-	-	0.11	0.02
CDCTM	-	-	0.06	0.09
DDFS	-	-	-	0.09
MGAECL	10.20	-	-	0.36
Laqshya	5.10	5.10	-	-

NOTE 14 **TRADE RECEIVABLES**

Particulars	Non-current		Current	
	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	69.13	62.03	586.78	404.49
Unsecured, considered doubtful	3.96	4.83	32.45	33.77
	73.09	**66.86**	**619.23**	**438.26**
Provision for doubtful trade receivables	(3.96)	(4.83)	(32.45)	(33.77)
(A)	**69.13**	**62.03**	**586.78**	**404.49**
Other receivables				
Unsecured, considered good	102.63	111.38	1,013.36	1,291.14
Unsecured, considered doubtful	-	-	0.03	1.75
	102.63	**111.38**	**1,013.39**	**1,292.89**
Provision for doubtful trade receivables	-	-	(0.03)	(1.75)
(B)	**102.63**	**111.38**	**1,013.36**	**1,291.14**
Total (A+B)	**171.76**	**173.41**	**1,600.14**	**1,695.63**

NOTE 15 **OTHER ASSETS**

Particulars	Non-current		Current	
	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 18)	1,894.24	1,795.76	-	-
(A)	**1,894.24**	**1,795.76**	**-**	**-**
Unamortised expenditure				
Ancillary cost of arranging the borrowings	397.70	332.13	84.76	41.52
(B)	**397.70**	**332.13**	**84.76**	**41.52**
Others				
Insurance claim recoverable	-	-	-	11.94
Assets held for sale	-	-	-	715.41
Interest accrued on fixed deposits	9.74	2.72	59.38	23.63
Interest accrued on current investments	-	-	2.30	6.27
Development fund receivable (refer note 35(f))	511.18	864.22	435.76	345.16
Non trade receivables	985.20	843.27	1,756.39	58.06
Non trade receivables, considered doubtful	-	-	27.27	27.27
Grant receivable from authorities	-	-	0.04	0.04
Unbilled revenue	4.87	7.71	316.81	282.79
	1,510.99	**1,717.92**	**2,597.95**	**1,470.57**
Less: Provision for doubtful non trade receivables	-	-	(27.27)	(27.27)
(C)	**1,510.99**	**1,717.92**	**2,570.68**	**1,443.30**
Total (A+B+C)	**3,802.93**	**3,845.81**	**2,655.44**	**1,484.82**

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE | 16 | CURRENT INVESTMENTS

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Other than trade, quoted (valued at lower of cost and fair value)		
A. Investment in equity shares of companies		
Karur Vysya Bank Limited		
[27,126 (March 31, 2013: 41,000) equity shares of ₹ 10 each, fully paid up]	1.03	1.60
Aviva Corporation Limited		
[4,000,000 (March 31, 2013: 4,000,000) common shares without par value]	3.09	2.04
Caracara Silver Inc.		
[2,116,451 (March 31, 2013: 2,116,451) unlimited common shares without par value]	0.25	0.81
(i)	**4.37**	**4.45**
Trade, unquoted		
A. Investment in equity shares of associates #		
GJEPL* (net off share of losses amounting to ₹ 7.29 crore till the date on which GJEPL ceased to be a subsidiary and became an associate)		
[49,117,388 (March 31, 2013: Nil) equity shares of ₹ 10 each, fully paid up]	41.83	-
GUEPL (net off share of losses amounting to ₹ 11.53 crore till the date on which GUEPL ceased to be a subsidiary and became an associate)		
[68,783,615 (March 31, 2013: Nil) equity shares of ₹ 10 each, fully paid up]	77.28	-
(ii)	**119.11**	**-**
Other than trade, unquoted		
A. Investment in mutual funds		
ICICI Prudential - Super Institutional Plan - Growth Option		
[30,507 (March 31, 2013 : 565,361) units of ₹ 100 each]	0.58	9.78
Birla Sunlife Infrastructure Fund - Plan - Dividend - Payout		
[4,720,000 (March 31, 2013 : 4,720,000) units of ₹ 10 each]	5.54	4.60
Birla Sun Life Cash Plus - Institutional Premium Growth		
3,908,327 (March 31, 2013 : 5,393,513) units of ₹ 100 each]	80.32	101.11
IDFC Cash Fund Super Institutional Plan C - Growth		
[7,722 (March 31, 2013 : 88,362) units of ₹ 1,000 each]	1.20	12.58
IDBI Liquid Fund - Regular Plan - Growth		
[137,495 (March 31, 2013 : 20,805) units of ₹ 1,000 each]	18.86	2.61
SBI Premier Liquid Fund - Regular Plan - Growth		
[92,502 (March 31, 2013 : 8,173) units of ₹ 1,000 each]	18.61	1.50
Axis Liquid Institutional - Growth Option		
[70,511 (March 31, 2013: Nil) units of ₹ 1,000 each]	10.00	-
Birla Sunlife Cash Plus - Growth - Regular Plan		
[776,693 (March 31, 2013: Nil) units of ₹ 100 each]	15.94	
IDFC Cash Fund - Growth - Regular Plan		
[1,093 (March 31, 2013 : Nil) units of ₹ 1,000 each]	0.17	
Reliance Liquidity Fund Growth Plan		
[163,297 (March 31, 2013 : Nil) units of ₹ 1,000 each]	30.86	-

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 16 CURRENT INVESTMENTS (Contd.)

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Sundaram Money Fund - Regular Growth		
[1,853,722 (March 31, 2013: Nil) units of ₹ 10 each]	5.01	-
TATA Liquid Super High Investment Fund - Appreciation		
[65,871 (March 31, 2013: Nil) units of ₹ 1,000 each]	15.57	-
UTI Liquid Fund - Cash Plan - Institutional Growth		
[143,654 (March 2013 : Nil) units of ₹ 1,000 each]	30.13	-
Baroda Pioneer Liquid Fund Growth Plan		
[Nil (March 31, 2013 : 31,829) units of ₹ 1,000 each]	-	4.27
Birla Sunlife Cash Plus Institutional - Daily Dividend		
[Nil (March 31, 2013 : 85,208) units of ₹ 100 each]	-	1.60
LIC Nomura - Liquid Fund - Growth Plan		
[Nil (March 31, 2013 : 134,639) units of ₹ 1,000 each]	-	28.62
B. Investment in non-convertible debentures		
9% Shriram Transport Company Limited		
[Nil (March 31, 2013 : 42,284) units of ₹ 1,000 each]	-	4.23
C. Investments in venture capital funds:		
Faering Capital India Evolving Fund		
[56,855 (March 31, 2013 : 38,450) units of ₹ 1,000 each]	4.84	3.28
D. Investment in hedge funds:		
Haussmann Holdings		
[36 (March 31, 2013 : Nil) units of USD 2,555 each]	0.57	-
E. Investment in other funds:		
CNC Global Opportunities Fund SPC		
[63,500 (March 2013 : Nil) Units of USD 1,000 each]	384.11	-
Harrington Master		
[4,898 (March 31, 2013 : Nil) units of USD 1,000 each]	29.56	-
(iii)	**651.87**	**174.18**
Total - (iv) = (i)+(ii)+(iii)	**775.35**	**178.63**

Pursuant to the divestments of its investments in GJEPL and GUEPL by the Group during the year ended March 31, 2014, these entities ceased to be subsidiaries and have become associates as at March 31, 2014.

* Refer note 30 (d) for details of definitive sale agreements entered by the Group for divestment of stake in GJEPL.

Notes:

1. Aggregate market value of current quoted investments - ₹ 4.37 crore (March 31, 2013: ₹ 4.70 crore)
2. Aggregate amount of current unquoted investments - ₹ 770.98 crore (March 31, 2013: ₹ 174.18 crore)
3. Aggregate provision for diminution in the value of current investments - ₹ 16.75 crore (March 31, 2013: ₹ 17.18 crore)

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 17 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Raw materials	114.02	68.95
Work-in-progress	82.11	71.16
Traded goods / finished goods	107.70	73.18
Stores, spares and components	55.09	57.14
	358.92	**270.43**

NOTE 18 CASH AND BANK BALANCES

Particulars	Non-current		Current	
	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Cash and cash equivalents				
Cheques / drafts on hand	-	-	14.13	10.08
Cash on hand	-	-	11.11	10.85
Balances with banks:				
- On current accounts* ^^	11.31	-	822.12	3,399.83
- Deposits with less than three months maturity	-	-	646.95	362.35
	11.31	**-**	**1,494.31**	**3,783.11**
Other bank balances				
- Deposits with maturity for more than 12 months	15.33	30.35	24.88	26.99
- Deposits with maturity for more than 3 months but less than 12 months	15.18	105.85	279.31	160.57
- Restricted deposits ** ^	1,852.42	1,659.56	1,522.69	1,164.17
	1,882.93	**1,795.76**	**1,826.88**	**1,351.73**
Amount disclosed under non-current assets (refer note 15)	1,894.24	1,795.76	-	-
	-	**-**	**3,321.19**	**5,134.84**

* Includes share application money pending refund ₹ Nil (March 31, 2013: ₹ 0.05 crore)

** Includes fixed deposits in GICL of ₹ 832.78 crore (March 31, 2013: ₹ 747.20 crore) with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. The management is of the view that in spite of such economic difficulties the amount held as fixed deposit with Eurobank is good for recovery though withdrawal of the amount from the Republic of Cyprus would be subject to restriction as may be imposed by the Central Bank of Cyprus. Accordingly, the amount of deposit has been considered as non current.

*^^ Consists of unclaimed dividend of ₹ 0.14 crore (March 31, 2013: ₹ Nil) and ₹11.17 crore (March 31, 2013: ₹ Nil) towards DSRA maintained by the Company with ICICI.

^ Restricted deposits includes margin money deposit and deposits with banks that are pledged by the Group with the Government and other authorities and with lenders against long-term and short-term borrowings availed by the Group.

Refer note 5 and note 8 as regards restriction on balances with banks arising in connections with the borrowings made by the Group.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 19 SALES / INCOME FROM OPERATIONS

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Sale of products		
Power segment:		
Income from sale of electrical energy	2,287.77	1,374.91
Income from mining activities	327.99	456.71
	2,615.76	**1,831.62**
Traded goods		
Power segment:		
Income from sale of electrical energy	353.77	266.11
Income from coal trading	364.86	323.03
	718.63	**589.14**
Airport segment:		
Non-aeronautical		
Fuel trading	203.44	980.14
Duty free items	706.56	431.12
	910.00	**1,411.26**
Sale of services / others		
Power segment:		
Electrical energy transmission charges	8.22	-
	8.22	**-**
Airport segment:		
Aeronautical	3,331.45	2,748.15
Non-aeronautical	1,364.92	1,565.85
Cargo operations	287.37	277.02
Income from commercial property development	102.38	96.79
	5,086.12	**4,687.81**
Roads segment:		
Annuity income from expressways	342.33	248.53
Toll income from expressways	395.55	268.84
	737.88	**517.37**
EPC segment:		
Construction revenue	239.75	655.16
	239.75	**655.16**
Others segment:		
Income from hospitality services	106.34	94.95
Income from management and other services	144.27	84.56
	250.61	**179.51**
Sales / income from operations	**10,566.97**	**9,871.87**

NOTE 20 OTHER OPERATING INCOME

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Interest income on		
Bank deposits	73.04	54.03
Current investments	6.51	2.58
Dividend income on current investments	0.06	0.04
Sale of certified emission reductions	-	4.37
Net gain on sale of current investments	6.64	41.97
	86.25	**102.99**

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 21 OTHER INCOME

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Interest income on		
Bank deposits	124.73	90.27
Current investments	0.03	0.36
Others	25.32	52.96
Provisions no longer required, written back	14.67	23.58
Net gain on sale of current investments	37.33	42.32
Exchange differences (net)	29.12	0.17
Profit on sale of fixed assets (net)	13.83	3.82
Lease income	3.77	2.94
Income from management fees	39.86	30.42
Miscellaneous income [net of expenses directly attributable to such income are of ₹ Nil (March 31, 2013: ₹ Nil)]	27.21	30.35
	315.87	**277.19**

NOTE 22 COST OF MATERIALS CONSUMED

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Inventory at the beginning of the year	68.95	60.63
Add: Purchases	105.72	210.22
	174.67	**270.85**
Less: Inventory at the end of the year	114.02	68.95
	60.65	**201.90**

NOTE 23 PURCHASE OF TRADED GOODS

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Purchase of electrical energy	306.12	235.35
Purchase of fuel	177.11	751.74
Purchase of coal for trading	274.22	241.34
Purchase of duty free items	287.61	243.71
	1,045.06	**1,472.14**

NOTE 24 (INCREASE) / DECREASE IN STOCK IN TRADE

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Stock as at April 1,	73.18	142.10
Add: Stock on acquisition of subsidiary during the year	35.21	-
Less: Transferred at cost *	7.83	49.51
Less: Stock on disposal of a jointly controlled entity during the year	7.28	-
Less: Stock as at March 31,	107.70	73.18
	(14.42)	**19.41**

* Transfer at cost on account of takeover of MIA by MACL. Refer note 30 (b).

NOTE 25 EMPLOYEE BENEFITS EXPENSES

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Salaries, wages and bonus	506.08	543.62
Contribution to provident and other funds	27.89	27.34
Gratuity expenses	3.01	4.42
Other employment benefits	4.84	3.28
Staff welfare expenses	32.40	33.27
	574.22	**611.93**

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE | 26 | OTHER EXPENSES

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Consumption of stores and spares	42.50	34.44
Electricity and water charges	212.29	184.73
Prompt payment rebate	20.33	14.92
Open access charges paid	51.01	25.54
Airport service charges / operator fees	107.68	60.04
Cargo handling charges	12.81	12.49
Freight	18.56	11.32
Rent [includes land lease rentals of ₹ 6.95 crore (March 31, 2013: ₹ 8.23 crore)]	111.80	124.95
Rates and taxes	143.97	56.58
Insurance	37.04	38.01
Repairs and maintenance		
Plant and machinery	117.68	95.66
Buildings	51.37	29.48
Others	132.18	144.53
Manpower charges	13.75	15.81
Advertising and sales promotion	44.02	74.71
Transmission and distribution charges	127.65	0.99
Travelling and conveyance	50.10	41.91
Communication costs	10.18	10.97
Printing and stationery	6.69	7.10
Legal and professional fees	372.56	201.08
Directors' sitting fees	1.60	1.77
Adjustments to the carrying amount of current investments	5.29	2.91
Provision / write off of doubtful advances and trade receivables	34.81	125.22
Inventories written off	-	8.09
Donation	22.26	14.76
Fixed assets written off / loss on sale of fixed assets	38.11	38.57
Office maintenance	88.10	85.82
Security expenses	54.76	48.81
Logo fees	9.91	14.76
Miscellaneous expenses	76.08	78.96
	2,015.09	**1,604.93**

NOTE | 27 | DEPRECIATION AND AMORTISATION EXPENSES

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Depreciation of tangible assets	1,198.21	832.38
Amortisation of intangible assets	256.78	207.40
	1,454.99	**1,039.78**

NOTE | 28 | FINANCE COSTS

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Interest	2,828.54	2,005.43
Bank charges	81.64	45.94
Amortisation of ancillary borrowing costs	61.52	73.18
Mark to market loss on derivative instruments	0.18	-
Exchange difference to the extent considered as an adjustment to borrowing costs (net) [refer note 35(a)(iii)]	-	(25.55)
	2,971.88	**2,099.00**

NOTE | 29 | EXCEPTIONAL ITEMS - GAINS / (LOSSES)

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Profit on dilution in subsidiaries [refer note 30 (d) and 30 (e)]	69.73	-
Profit on sale of assets (consists of exchange differences amounting to ₹ 63.52 crore) [refer note 30 (c)]	100.54	-
Profit on sale of jointly controlled entities / subsidiary (net of expenses directly attributable to such income of ₹ 164.98 crore) [refer note 30 (a) and 30 (g)]	1,658.93	1,231.25
Loss on impairment of assets in subsidiaries [refer note 30 (c) and 35 (g)(xii)]	(8.95)	(251.37)
Assets write off in a subsidiary [refer note 30 (b)]	-	(202.61)
	1,820.25	**777.27**

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 30 DISCONTINUING OPERATIONS

a) During the year ended March 31, 2014, the Company along with its subsidiaries GIGL and GIOL has entered into a definitive agreement with Malaysia Airports MSC Sdn Bhd ('buyer') for sale of their 40% equity stake in jointly controlled entities ISG and LGM for a consideration of Euro 20.90 crore (net of equity gap adjustment of Euro 1.60 crore and subject to debt and other working capital adjustments, which are currently under finalisation). The management based on its internal assessment and a legal opinion is of the view that all 'Conditions Precedent' were either fulfilled or waived or agreed to be not applicable as at March 31, 2014 except for the buyer to obtain approval from Bank Negara Malaysia which was obtained on April 3, 2014. Subsequently after receipt of the sale consideration, the shares were transferred to the buyer on April 30, 2014, in view of which, the Group has recognized the profit on the sale of its investment in ISG (net of cost of ₹ 164.98 crore incurred towards sale of such equity stake) of ₹ 1,658.93 crore, which has been disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2014.

Further, pursuant to definitive agreement entered with the buyer, the Group has provided a guarantee of Euro 4.50 crore towards claims, as specified in the definitive agreement for a period till December 2015 and in respect of tax claims, if any, the guarantee period is upto May 2019.

The statement disclosed in note 30(h) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to ISG, LGM and SGH.

b) GMIAL entered into an agreement on June 28, 2010 with MACL and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of MIA for a period of 25 years ('the Concession Agreement'). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter.

Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. On March 15, 2014, GoM and MACL have served a case summary which sets out a new case that the claimants wish to advance at trial and amended pleadings have been received on March 24, 2014. Subsequent to March 31, 2014, the hearings of liability issues have taken place from April 10, 2014 to April 16, 2014 and the tribunal has not specified any timescales to produce any award. GMIAL is in the process of seeking remedies under the aforesaid Concession agreement and the outcome of the arbitration is uncertain as at March 31, 2014. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to ₹ 1,431.50 crore (USD 23.66 crore) including claim recoverable ₹ 1,062.90 crore (USD 17.57 crore) at their carrying values as at March 31, 2014, net of assets written off of ₹ 202.61 crore during the year ended March 31, 2013. Such assets written off were disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2013. GMIAL's ability to continue its future business operations and consequential impact on net assets / guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement. However financial statements of GMIAL as at and for the year ended March 31, 2014 have been prepared and accordingly consolidated on a going concern basis.

Further, GMIAL has executed work construction contracts with GADLIL and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore as at March 31, 2014 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised in these consolidated financial statements as at March 31, 2014 since the amounts payable are not certain.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Group is confident of proving that the Concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the Concession agreement atleast to the extent of the carrying value of the assets taken over by the GoM / MACL and the subsequent expenditure incurred by GMIAL and accordingly these consolidated financial statements of the Group do not include any adjustments that might result from the outcome of this uncertainty.

The statement disclosed in note 30(h) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to GMIAL.

c) The Group has an investment of ₹ 167.94 crore and has given a loan of ₹ 222.15 crore to HEGL. During the year ended March 31, 2013, the Group had entered into agreements for divestment of the key coal mines held by certain subsidiaries and jointly controlled entities of HEGL, subject to obtaining necessary approvals. Based on the realisable value of these mines, pursuant to the proposed divestment, during the year ended March 31, 2013, the Group had made an impairment provision of ₹ 251.37 crore towards the carrying value of the net assets of HEGL (including goodwill on consolidation of ₹ 98.71 crore), which was disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2013.

During the year ended March 31, 2014, the sale transaction has been completed for the coal mines of HEGL after obtaining the requisite approvals and the Group has realised a profit of ₹ 37.02 crore on sale of one of such mines, which has been disclosed as an 'exceptional item' in these consolidated financial statements of the Group for the year ended March 31, 2014 On account of the disposal of the shares in the entities having the abovementioned mining rights, the Group has recognised foreign exchange gain (inclusive of Foreign Currency Translation Reserve) of ₹ 63.52 crore for the year ended

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 30 DISCONTINUING OPERATIONS (Contd.)

March 31, 2014, which has been disclosed as an 'exceptional item' in these consolidated financial statements of the Group for the year ended March 31, 2014.

The management of the Group is confident that the carrying value of balance net assets of ₹ 19.87 crore as at March 31, 2014 in HEGL is appropriate.

The statement disclosed in note 30(h) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to HEGL and its subsidiaries and jointly controlled entities.

d) During the year ended March 31, 2013, the Group had entered into definitive sale agreements for divestment of 74% stake in GJEPL to Macquarie SBI Infrastructure Investments Pte Limited ('MSIF') and SBI Macquarie Infrastructure Trustee Limited. During the year ended March 31, 2014, the sale transaction has been completed and the Group has realised a profit of ₹ 55.08 crore on such sale of shares, which has been disclosed as 'exceptional item' in these consolidated financial statements of the Group for the year ended March 31, 2014.

The Group has also entered into a definitive sale agreement for the balance 26% stake in GJEPL subject to obtaining regulatory approvals. As such, the Group has accounted for investment in such associate in accordance with AS - 13 'Accounting for Investments'.

The statement disclosed in note 30(h) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to GJEPL.

e) During the year ended March 31, 2014, the Group has divested 74% of its stake in GUEPL to India Infrastructure Fund ('IIF') and realised a profit of ₹ 14.65 crore on such divestment, which has been disclosed as 'exceptional item' in these consolidated financial statements of the Group for the year ended March 31, 2014. Further, as at March 31, 2014, the Group has provided a loan of ₹74.43 crore to GUEPL carrying an interest rate of 0.01% p.a. The loan is repayable by January 22, 2027.

The statement disclosed in note 30(h) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to GUEPL.

f) During the year ended March 31, 2014, the Group has sold its entire stake of 49% in TVS GMR to the joint venture partner, TVS Logistics Services Limited ('TVSLSL') for ₹ 0.00 crore (₹ 10,000) and has terminated the joint venture agreement entered into with TVSLSL.

The statement disclosed in note 30(h) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to TVS GMR.

g) During the year ended March 31, 2013, the Group has divested its 70% stake in GESPL to FPM Power Holding Limited and had realised a profit of ₹ 1,231.25 crore arising on such sale of shares, which was disclosed as an 'exceptional item' in these consolidated financial statements. GESPL was developing an 800MW combined cycle gas turbine power plant in Jurong Island, Singapore. Further, the Company has provided a guarantee of Singapore Dollar ('SGD') 38.00 crore towards warranties as specified in the Share Purchase Agreement ('SPA') and other SPA transaction documents for a period till September 30, 2014 and in respect of tax claims, if any, the guarantee period is upto March 31, 2018.

The statement disclosed in note 30(h) of these consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to GESPL.

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 30 DISCONTINUING OPERATIONS (Contd.)

h. i) Profit / (loss) from discontinuing operations

(₹ in crore)

Particulars	HEGL		TVS GMR		GMIAL		ISG		SGH		LGM		GUEPL		GJEPL		GESPL		Consolidation adjustments		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Income																						
Revenue from operations:																						
Sales / income from operations	-	103.05	-	3.37	0.77	973.65	646.75	741.66	-	3.28	63.12	53.42	82.14	87.99	-	64.23	-	-	-	-	792.78	2,030.65
Other income	0.54	0.53	-	0.15	0.74	4.71	2.95	0.70	5.97	3.76	2.94	0.60	1.23	0.76	-	2.50	-	7.24	-	-	14.37	20.95
Total	**0.54**	**103.58**	**-**	**3.52**	**1.51**	**978.36**	**649.70**	**742.36**	**5.97**	**7.04**	**66.06**	**54.02**	**83.37**	**88.75**	**-**	**66.73**	**-**	**7.24**	**-**	**-**	**807.15**	**2,051.60**
Expenses																						
Revenue share paid / payable to concessionaire grantors	-	-	-	-	-	85.74	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85.74
Cost of materials consumed	-	-	-	-	-	-	-	-	-	-	7.40	(0.61)	-	-	-	-	-	-	-	-	7.40	(0.61)
Purchase of traded goods	-	-	-	-	-	453.00	170.58	401.09	-	-	-	-	-	-	-	-	-	-	-	-	170.58	854.09
(Increase) / decrease in stock in trade	-	-	-	-	-	14.92	(1.05)	14.08	-	-	-	-	-	-	-	-	-	-	-	-	(1.05)	29.00
Sub-contracting expenses	-	94.36	-	2.09	-	-	-	-	-	-	-	-	1.81	1.75	-	1.16	-	-	-	-	1.81	99.36
Employee benefits expenses	4.19	15.06	-	0.01	8.67	94.02	33.11	27.97	0.17	15.51	4.47	5.64	1.33	1.30	-	1.15	-	-	-	-	51.94	160.66
Other expenses	29.90	100.51	0.07	2.69	39.36	135.39	160.95	128.20	0.06	5.16	29.15	26.98	8.80	6.93	-	4.71	-	0.50	-	-	268.29	411.07
Utilisation fees	-	-	-	-	-	-	186.18	130.87	-	-	-	-	-	-	-	-	-	-	-	-	186.18	130.87
Depreciation and amortisation expenses	0.20	7.33	0.01	0.02	0.08	15.65	70.31	59.86	0.10	1.13	0.50	0.47	23.09	25.76	-	17.50	-	-	-	-	94.29	127.72
Finance costs	2.68	5.97	-	-	0.07	14.58	118.25	112.87	2.10	0.26	4.33	2.50	46.54	54.72	-	36.86	-	-	-	-	173.97	227.76
Total	**36.97**	**223.23**	**0.08**	**4.81**	**48.18**	**813.30**	**738.33**	**874.94**	**2.43**	**22.06**	**45.85**	**34.98**	**81.57**	**90.46**	**-**	**61.38**	**-**	**0.50**	**-**	**-**	**953.41**	**2,125.66**
Profit/ (loss) before exceptional items, tax expenses and minority interest	**(36.43)**	**(119.65)**	**(0.08)**	**(1.29)**	**(46.67)**	**165.06**	**(88.63)**	**(132.58)**	**3.54**	**(15.02)**	**20.21**	**19.04**	**1.80**	**(1.71)**	**-**	**5.35**	**-**	**6.74**	**-**	**-**	**(146.26)**	**(74.06)**
Exceptional items - gains / (losses)																				-		
Profit on dilution in subsidiaries [refer note 30 (d) and 30 (e)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69.73	-	69.73	-
Profit on sale of assets (consists of exchange differences amounting to ₹ 63.52 crore) [refer note 30 (c)]	100.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.54	-
Profit on sale of jointly controlled entities / subsidiary (net of expenses directly attributable to such income of ₹ 164.98 crore) [refer note 30 (a) and 30 (g)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,658.93	1,231.25	1,658.93	1,231.25
Loss on impairment of assets in subsidiaries [refer note 35 (g)(xii) and 30 (c)]	-	(251.37)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(251.37)
Assets write off in a subsidiary [refer note 30 (b)]	-	-	-	-	-	(202.61)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(202.61)
Profit/ (loss) before tax expenses and minority interest	**64.11**	**(371.02)**	**(0.08)**	**(1.29)**	**(46.67)**	**(37.55)**	**(88.63)**	**(132.58)**	**3.54**	**(15.02)**	**20.21**	**19.04**	**1.80**	**(1.71)**	**-**	**5.35**	**-**	**6.74**	**1,728.66**	**1,231.25**	**1,682.94**	**703.21**
Tax expenses																						
Current taxes	-	-	-	-	-	-	-	-	-	-	-	0.08	-	-	-	0.52	-	-	51.18	14.10	51.18	14.70
Tax adjustments for prior years	-	-	-	-	(0.46)	-	-	-	-	-	(0.59)	-	-	-	-	-	-	1.08	-	-	(1.05)	1.08
Less: MAT credit entitlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(45.20)	-	(45.20)	-
Deferred tax expenses/ (credit)	-	-	-	-	(0.01)	(0.20)	-	-	-	-	-	0.24	-	-	-	-	-	-	-	-	(0.01)	0.04
Profit/ (loss) after tax expenses and before minority interest	**64.11**	**(371.02)**	**(0.08)**	**(1.29)**	**(46.20)**	**(37.35)**	**(88.63)**	**(132.58)**	**3.54**	**(15.02)**	**20.80**	**18.72**	**1.80**	**(1.71)**	**-**	**4.83**	**-**	**5.66**	**1,722.68**	**1,217.15**	**1,678.02**	**687.39**
Minority interest - share of (profit) / loss	**-**	**23.05**	**-**	**0.53**	**19.26**	**17.23**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1.70)**	**-**	**-**	**19.26**	**39.11**
Net Loss / (Profit) after minority interest	**64.11**	**(347.97)**	**(0.08)**	**(0.76)**	**(26.94)**	**(20.12)**	**(88.63)**	**(132.58)**	**3.54**	**(15.02)**	**20.80**	**18.72**	**1.80**	**(1.71)**	**-**	**4.83**	**-**	**3.96**	**1,722.68**	**1,217.15**	**1,697.28**	**726.50**

Notes to the consolidated financial statements for the year ended March 31, 2014

NOTE 30 DISCONTINUING OPERATIONS (Contd.)

ii) The carrying amount of the total assets and liabilities attributable to the discontuning operations are as follows:

(₹ in crore)

Particulars	HEGL		TVS GMR		GMIAL		ISG		SGH		LGM		GUEPL		GJEPL		GESPL		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Total Assets	19.87	199.15	-	0.46	1,043.22	962.66	-	1,293.15	-	0.34	-	19.11	-	958.52	-	498.76	-	-	1,063.09	3,932.15
Total Liabilities	8.05	180.37	-	0.22	1,009.10	951.95	-	1,317.58	-	18.32	-	42.70	-	597.09	-	330.03	-	-	1,017.15	3,438.26
Net Assets	**11.82**	**18.78**	**-**	**0.24**	**34.12**	**10.71**	**-**	**(24.43)**	**-**	**(17.98)**	**-**	**(23.59)**	**-**	**361.43**	**-**	**168.73**	**-**	**-**	**45.94**	**493.89**

iii) Net cash flows attributable to the discontinuing operations are as tabulated below

(₹ in crore)

Particulars	HEGL		TVS GMR		GMIAL		ISG		SGH		LGM		GUEPL		GJEPL		GESPL		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash flow from / (used in) operating activities	(57.56)	(83.88)	(1.82)	(0.40)	(50.67)	10.34	51.59	(1.76)	(0.77)	(0.93)	6.10	5.00	60.68	83.48	-	75.22	-	-	7.55	87.07
Cash flow from / (used in) investing activities	176.34	(37.21)	-	0.02	0.72	(217.10)	(20.43)	(4.15)	(0.03)	5.73	3.63	2.99	5.93	(0.79)	-	(39.31)	-	(122.72)	166.16	(412.54)
Cash flow from / (used in) financing activities	(126.72)	89.81	1.47	-	(0.07)	236.31	(1.12)	(22.39)	0.89	(11.50)	(7.77)	(8.53)	(72.98)	(76.20)	-	(46.72)	-	808.86	(206.30)	969.64
Net cash inflows/ (outflows)	**(7.94)**	**(31.28)**	**(0.35)**	**(0.38)**	**(50.02)**	**29.55**	**30.04**	**(28.30)**	**0.09**	**(6.70)**	**1.96**	**(0.54)**	**(6.37)**	**6.49**	**-**	**(10.81)**	**-**	**686.14**	**(32.59)**	**644.17**

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 31 EARNINGS PER SHARE (EPS)

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Nominal value of equity shares (₹ per share)	1.00	1.00
Weighted average number of equity shares used in computing earnings per share	3,892,432,532	3,892,432,532
Profit / (loss) after minority interest from continuing and discontinuing operations (₹ in crore)	10.01	88.12
EPS - Basic and diluted (₹ per share)	0.03	0.23
Profit / (loss) after minority interest from continuing operations (₹ in crore)	(1,687.27)	(638.38)
EPS - Basic and diluted (₹ per share)	(4.33)	(1.64)
Profit / (loss) after minority interest from discontinuing operations (₹ in crore)	1,697.28	726.50
EPS - Basic and diluted (₹ per share)	4.36	1.87

Notes:

1. As at March 31, 2014, ₹ 0.00 crore (₹ 2,250) (March 31, 2013: ₹ 0.00 crore (₹ 2,250)) was receivable towards equity shares and for the computation of weighted average number of equity shares outstanding at the end of the year, these have been considered as partly paid-up shares.

NOTE 32 (a) CAPITAL WORK IN PROGRESS

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Capital expenditure incurred on tangible assets	16,384.09	18,990.32
Salaries, allowances and benefits to employees	466.25	531.59
Contribution to provident and other funds	28.72	27.38
Staff welfare expenses	25.14	26.86
Rent [includes land lease rentals of ₹ 1.64 crore (March 31, 2013: ₹ 21.46 crore)]	120.77	152.29
Repairs and maintenance		
Buildings	7.56	3.86
Others	68.34	71.36
Rates and taxes	51.76	45.14
Insurance	64.62	82.84
Legal and professional fees	560.94	863.35
Travelling and conveyance	187.18	205.06
Communication costs	12.74	14.56
Depreciation of tangible assets	17.03	17.24
Amortisation of intangible assets	4.37	6.07
Interest costs	3,703.73	2,869.31
Amortisation of ancillary borrowing costs	56.34	40.92
Bank charges	408.31	326.09
Printing and stationery	4.72	2.38
Exchange differences (net)	500.61	413.39
Trial run costs	294.62	165.84
Power and Fuel	21.29	35.89
Brokerage and Commission	7.31	13.99
Miscellaneous expenses	146.82	170.59
(i)	**23,143.26**	**25,076.32**
Less: Other income		
Interest income on bank deposits	123.61	74.97
Net gain on sale of current investments	53.04	35.86
Revenue from sale of infirm power	42.11	3.13
Miscellaneous income [net of expenses directly attributable to such income ₹ Nil (March 31, 2013: ₹ Nil)]	10.08	14.40
(ii)	**228.84**	**128.36**
Total - (iii) = (i) - (ii)	22,914.42	24,947.96
Less: Apportioned over the cost of tangible assets	7,816.67	2,772.70
Less: Provision for impairment during the year [refer note 35 (g)(xii)]	7.64	-
Less: Sale of subsidiary during the year [refer note 30 (g)]	-	3,861.31
Less: Transferred to claims recoverable	-	528.67
Less: Dilution in a subsidiary, consequent to which the subsidiary became an associate as at the balance sheet date	181.26	-
(iv)	**8,005.57**	**7,162.68**
Total - (v) = (iii) - (iv)	**14,908.85**	**17,785.28**

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 32 (b) INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Capital expenditure incurred on intangible assets	1,576.13	4,231.13
Salaries, allowances and benefits to employees	114.61	114.67
Contribution to provident and other funds	6.32	6.78
Staff welfare expenses	5.20	6.54
Rent	7.51	10.79
Repairs and maintenance		
Others	7.36	12.25
Rates and taxes	3.31	3.00
Insurance	4.97	9.10
Legal and professional fees	124.63	140.42
Travelling and conveyance	18.64	27.35
Communication costs	2.87	2.52
Depreciation of tangible assets	0.27	0.14
Amortisation of intangible assets	0.36	0.45
Interest costs	165.67	360.96
Amortisation of ancillary borrowing costs	9.92	6.59
Bank charges	18.58	21.80
Printing and stationery	0.22	0.37
Miscellaneous expenses	54.83	60.12
(i)	**2,121.40**	**5,014.98**
Less: Other income		
Interest income on bank deposits	0.34	2.91
Exchange differences (net)	-	1.21
Net gain on sale of current investments	2.34	3.55
Miscellaneous income [net of expenses directly attributable to such income ₹ Nil (March 31, 2013: ₹ Nil)]	0.04	0.04
(ii)	**2.72**	**7.71**
Total - (iii) = (i) - (ii)	**2,118.68**	**5,007.27**
Less: Government grant received [refer note 32(b)(i) and 32(b)(ii) below]	420.99	453.39
Less: Apportioned over the cost of intangible assets (net of grant adjusted)	872.70	3,132.06
Less: Transferred to statement of Profit and Loss	-	13.41
Less: Transferred to assets held for sale	-	15.37
(iv)	**1,293.69**	**3,614.23**
Total - (v) = (iii) - (iv)	**824.99**	**1,393.04**

Note 32(b)(i) - GOSEHHHPL is entitled to a grant of ₹ 340.92 crore as cash support by way of an outright grant for meeting the project cost from NHAI subject to the satisfaction of the conditions as per Article 25 of the Concession Agreement. The grant is to be deposited in escrow account and is to be utilised towards the project cost. As at March 31, 2014, GOSEHHHPL has received a grant of ₹ 319.01 crore (March 31, 2013: ₹ 241.80 crore) against the aforesaid sanction and the same has been deducted from the cost of intangible assets under development. Out of the grant amount of ₹ 319.01 crore received as at March 31, 2014, ₹ 174.03 crore has been deducted from Carriageways under intangible assets and ₹ 144.98 crore has been deducted from the cost of intangible assets under development.

Note 32(b)(ii) - GCORRPL is entitled to a grant of ₹ 300.00 crore as project support fund by way of a grant, which is to be disbursed on a quarterly basis based on the progress of the project and the expenditure incurred by the concessionaire on the civil works as per the disbursement methodology of the project fund as specified in clause 30.2.1 of the concession agreement entered into by GCORRPL with the Government of Tamil Nadu ('GoTN'). As at March 31, 2014, GCORRPL has received a grant of ₹ 276.01 crore (March 31, 2013: ₹ 211.59 crore) against the aforesaid sanction. Out of the grant amount of ₹ 276.01 crore received as at March 31, 2014, ₹ 270.72 crore has been deducted from carriageways under intangible assets and ₹ 5.29 crore has been deducted from the cost of intangible assets under development.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 33 (a) CONTINGENT LIABILITIES

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Corporate guarantees	3,324.64	3,430.49
Bank guarantees outstanding	1,853.39	1,332.27
Bonds outstanding	112.00	112.00
Fixed deposits pledged against loans taken by enterprises where key management personnel and their relatives exercise significant influence	15.00	70.00
Fixed deposits pledged against loans taken by Welfare trust for GMR Group Employees ('WTGGE')	125.50	108.00
Claims against the Group not acknowledged as debts	656.71	530.46
Matters relating to income tax under dispute	85.29	77.94
Matters relating to indirect taxes duty under dispute	783.65	757.13
Arrears of cumulative dividends on preference share capital issued by subsidiary	33.85	16.05

b) Others in addition to 33(a) above:

i. During the year ended March 31, 2010, GVPGL was granted a refund of customs duty of ₹ 69.09 crore which was paid earlier towards the import of plant and machinery. Considering that the cost of plant and machinery included the customs duty, the refund was adjusted to the cost of the asset and related depreciation expense of ₹ 11.19 crore, charged from the date of capitalisation till the date of grant of such refund, was credited to the statement of profit and loss during the year ended March 31, 2010. GVPGL received a refund of ₹ 59.11 crore.

a. During the year ended March 31, 2011, GVPGL had received an intimation from the Office of the Joint Director General of Foreign Trade ('DGFT') for cancellation of duty drawback refund Order received in 2009-10 to the extent of ₹9.99 crore, in view of which, GVPGL had restored the capitalisation of customs duty and adjusted the cost of the asset and the related depreciation expense of ₹ 2.39 crore, chargeable from the date of capitalisation till the date of cancellation of such refund, was adjusted with the depreciation for the year ended March 31, 2011.

b. During the year ended March 31, 2012, GVPGL had received a further intimation from DGFT for cancellation of duty drawback refund Order of ₹ 59.11 crore received in 2009-10, thereby seeking refund of the amount GVPGL received earlier. Based on an expert's opinion, the management of the Group is confident that the duty drawback refund granted earlier was appropriate and that the cancellation of the duty drawback refund is not tenable as the intimation cannot be applied retrospectively. Accordingly, no adjustment has been made with regard to the refund of ₹ 59.11 crore already received by GVPGL in these consolidated financial statements of the Group.

c. GVPGL has filed a writ petition with the Hon'ble High Court of Delhi in November 2011 as regards the aforesaid matter and the dispute is pending settlement as at March 31, 2014.

ii. During the year ended March 31, 2011, GPCL had received a refund of customs duty of ₹ 29.57 crore which was paid earlier towards the import of the plant and machinery and which was passed on to Tamilnadu Generation and Distribution Corporation Limited ('TANGEDCO') (formerly known as Tamilnadu Electricity Board 'TNEB') as a pass through as per the terms of PPA. During the year ended March 31, 2012, GPCL had received an intimation for cancellation of the duty draw back refund received earlier. The Group does not foresee any liability in respect of the same demand as a liability, if any, is to be recovered from TANGEDCO, the ultimate beneficiary of the refund received earlier. However pending settlement of the matter, the same has been considered as a contingent liability in these consolidated financial statements of the Group.

iii. During the year ended March 31, 2012, GVPGL had received a demand of ₹ 48.21 crore for the period September 2006 to November 2011 from the Chief Electrical Inspectorate, GoAP, whereby GoAP had imposed electricity duty on generation and sale of electrical energy calculated at the rate of six paise for each electricity unit generated by GVPGL since commencement of commercial operations. Based on an internal assessment and an expert opinion, the management of the Group is confident that the provisions of Electricity Duty Act and Rules, 1939 ('Electricity Rules') in respect of payment of electricity duty are not applicable to GVPGL. Accordingly electricity duty liability of ₹ 58.30 crore (March 31, 2013: ₹ 57.27 crore) for the period September 2006 to March 2014 has been considered as a contingent liability in these consolidated financial statements of the Group.

iv. During the year ended March 31, 2012, GEL received an intimation from the Chief Electrical Inspectorate, GoAP, whereby GoAP had demanded electricity duty on generation and sale of electrical energy amounting to ₹ 11.06 crore calculated at the rate of six paise for each electricity unit generated by GEL for the period from June 2010 to December 2011. GEL filed a writ petition with the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad against the intimation by GoAP and it was granted a stay order on deposit of 1/3rd of the duty demanded within a stipulated time. GEL had not made the requisite deposit and accordingly the interim stay was automatically vacated.

However, based on an internal assessment and a legal opinion obtained by GEL, the management is confident that the provisions of Electricity Rules in respect of payment of electricity duty are not applicable to GEL and accordingly electricity duty liability of ₹ 14.61 crore for the period from June 2010 to March 31, 2014 (March 31, 2013: ₹ 14.61 crore) has been considered as a contingent liability and accordingly no adjustments have been made in these consolidated financial statements of the Group.

v. As at March 31, 2014, the South Delhi Municipal Corporation ('SDMC') (earlier known as Municipal Corporation of Delhi ('MCD')) had demanded property tax of ₹ 105.18 crore on the land and properties at Indira Gandhi International Airport, New Delhi ('Delhi Airport'). DIAL had filed a writ petition in the Hon'ble High Court of Delhi challenging the applicability of the Delhi Municipal Corporation (Amendment) Act, 1957 on the land and properties at the Delhi Airport and had deposited an amount of ₹ 13.68 crore under protest. SDMC has brought the 'Airports & Airports properties' within the purview of property tax for the financial year 2013-14. Accordingly, an amount of ₹ 6.94 crore paid by DIAL towards property tax for the year 2013-14 as per self-assessment has been charged to the statement of profit and loss on time proportion basis during the year ended March 31,

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 33 (a) CONTINGENT LIABILITIES (Contd.)

2014.

The Hon'ble High Court of Delhi vide its order dated September 13, 2013, directed DIAL to make a proposal to the SDMC for settlement of property tax dues. Based on the self-assessment tax paid for the financial year 2013-14 and a legal opinion, DIAL has made a further provision amounting to ₹ 53.65 crore, towards the estimated property tax dues as against ₹ 105.18 crore demand raised by the SDMC and believes that the provision is adequate. The matter is pending settlement as at March 31, 2014 with the Hon'ble High Court of Delhi and hence the balance demand has been considered as a contingent liability and accordingly no adjustments have been made to these consolidated financial statements of the Group.

vi. GEL had entered into a PPA with Karnataka Power Transmission Corporation Limited for supply of energy during the period December 15, 1997 to July 7, 2008. GEL had a Fuel Supply Agreement ('FSA') with a fuel supplier towards purchase of naphtha for generation of electricity during the aforementioned period. The FSA provided for payment of liquidated damages to the fuel supplier in the event there was a shortfall in the purchase of the annual guaranteed quantity.

During the year ended March 31, 2013, GEL received a notice for good faith negotiation under erstwhile FSA entered into between GEL and the fuel supplier with respect to dispute regarding liquidated damages amounting to ₹296.16 crore along with an interest of ₹ 5.55 crore towards failure of GEL to purchase the annual guaranteed quantity for the period from November 21, 2001 to June 6, 2008. GEL vide its letter dated October 31, 2012 had disputed the demand from the fuel supplier towards the aforementioned damages. Further, GEL received a notice of arbitration from the fuel supplier's legal representative requesting the appointment of arbitrator for the dispute resolution which was disputed by GEL in its reply dated February 15, 2013.

During the year ended March 31, 2014, the fuel supplier has filed a petition in the Hon'ble High Court of Karnataka seeking appointment of a sole arbitrator for the resolution of the dispute. GEL has filed its reply on January 8, 2014 and the final outcome of the arbitration is pending conclusion. However based on its internal assessment and a legal opinion, the management of the Group is confident that the claim of the fuel supplier towards such liquidated damages is not tenable and accordingly no adjustments have been made in these consolidated financial statements of the Group and the claim from the fuel supplier has been considered as a contingent liability as at March 31, 2014.

vii. In case of DIAL, w.e.f. June 1, 2007, the AAI has claimed service tax on the annual fee payable to them considering the same as rental from immovable property. The Company has disputed the grounds of the levy under provisions of the OMDA. As the matter is under dispute and pending with the Honorable High Court of Delhi, no adjustment has been made in these consolidated financial statements of the Group.

viii. Certain entities in the power sector had entered into Gas Transportation / Transmission Agreements ('GTA') whereby these entities have agreed to pay a minimum ship or pay charges at a specified rate. However, pursuant to the Order number TO/08/2013 dated May 10, 2013 by Petroleum and Natural Gas Board ('PNGRB') the fuel transporters are levying and accordingly these entities are recording ship or pay charges at lower rate as compared to agreed rate. The fuel transporters have filed a writ petition before Appellate Tribunal for Electricity ('APTEL'), New Delhi against the said order. Further, the fuel transporters have issued a letter dated March 28, 2014 to these entities, whereby the fuel transporters have reduced the Minimum Daily Quantity ('MDQ') for levying the ship or pay charges to zero with effect from May 3, 2013, subject to the outcome of the petition filed by the fuel transporters with Hon'ble High Court of Delhi. Pending the final outcome of the writ petitions filed by the fuel transporters, an amount of ₹ 32.77 crore (March 31, 2013: ₹ Nil) has been considered as a contingent liability in these consolidated financial statements of the Group, being the product of the ship or pay charges at rate and units agreed as per the GTA.

ix. DIAL and GHIAL have been utilizing Passenger Service Fees (Security Component) ('PSF (SC)') towards capital expenditure and cost of maintenance of such capital asset as per the provisions of Standard Operating Procedure ('SOP'), guidelines and clarifications issued by Ministry of Civil Aviation ('MoCA') from time to time. MoCA has issued the order vide order no. AV 13024 /03/2011-AS (Pt. I) dated February 18, 2014 requiring the airport operators to reverse the capital expenditure on assets and cost of maintenance of such capital assets incurred from PSF (SC) fund from inception till date, together with interest thereon.

DIAL has challenged the said order before the Hon'ble High Court of Delhi and the Hon'ble Court vide its order dated March 14, 2014, has restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against DIAL and now the matter is listed for hearing on August 7, 2014. Further, GHIAL has obtained a stay order from the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad on March 3, 2014 and the stay order stated not to incur the capital expenditure from PSF (SC) escrow account hereafter.

As at March 31, 2014, DIAL and GHIAL have incurred ₹ 297.76 crore and ₹ 90.95 crore respectively (excluding related maintenance expenses and interest thereon) towards capital expenditure out of the PSF (SC) escrow account as per SOPs, guidelines and clarification issued by MoCA from time to time on the subject of utilisation of PSF (SC) funds. Based on internal assessment, the management of the Group is of the view that no adjustments are required to be made to the consolidated financial statements for the year ended March 31, 2014.

x. MoCA issued a Circular No.AV 13028/001/2009-AS dated January 8, 2010, giving fresh guidelines regarding the expenditure which could be met out of the PSF(SC) and was subsequently clarified by MoCA vide order dated April 16, 2010. Based on the said circular, DIAL is not debiting aforesaid security expenditure to PSF (SC) escrow account. Further, vide circular No.AV 13024/43/2003-SS (AD) dated May 17, 2012, it was further directed that any such expenditure already debited was required to be credited back to PSF (SC) account. However, security expenditure amounting to ₹ 24.48 crore was already incurred prior to April 16, 2010 and debited to PSF (SC) account.

DIAL has filed a writ petition with the Hon'ble High Court of Delhi challenging the applicability of the said circulars/letter issued by MoCA. The Hon'ble High Court of Delhi vide its order dated December 21, 2012 has restrained MoCA from taking any coercive measures in the form of initiation of criminal proceedings against DIAL and the matter is pending settlement as at March 31, 2014. In a similar case the aforesaid MoCA circulars/ letters were challenged before the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad and the Court has passed an interim order dated July 13, 2012, holding that the MoCA circular dated April 16, 2010 was prospective in nature and therefore reversal of payment of any amount prior to the

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 33 (a) CONTINGENT LIABILITIES (Contd.)

issuance of the circular did not arise. Based on an internal assessment and the aforesaid order of the Hon'ble High Courts, the management is confident that no liability in this regard would be payable and as such no provision has been made in these consolidated financial statements of the Group.

xi. HMACPL has accrued customs officers' salaries stationed at air cargo terminal based on debit notes raised by the customs department on GHIAL as the ultimate cost has to be borne by the custodian i.e. HMACPL. GHIAL had filed a writ petition under Article 226 of the Constitution of India in the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad against the demand raised by customs department. During the year ended March 31, 2013,

GHIAL had received an order from the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad (Single Judge), stating that the grounds on which the levy was made by customs department were wholly unsustainable and accordingly, HMACPL had reversed the accrued customs duty amounting to ₹ 14.02 crore for the period from March 23, 2008 to March 31, 2012 as provision no longer required and included the same in other income in the consolidated financial statement for the year ended March 31, 2013.

Subsequent to the above order, the customs department preferred an appeal against the same and on November 2, 2012, a bench of two judges of the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad passed an order for interim suspension of the said order passed by the Hon'ble Single Judge. Management, based on internal assessment/legal opinion, is confident that there is no financial impact of this interim suspension order and accordingly, no further adjustment has been made in these consolidated financial statements of the Group.

xii. In respect of ongoing land acquisition process of KSPL, there are claims of different types pending before various judicial forums. These claims are subject to judicial verdicts as at March 31, 2014. The Group based on its internal assessment is of the view that there would not be any claims against the Group and accordingly, no adjustments have been made to these consolidated financial statements of the Group for the year ended March 31, 2014.

xiii. The Deputy Commissioner of Commercial Taxes, Bhuvaneshwar demanded ₹ 152.83 crore (March 31, 2013: ₹ 150.23 crore) for non-payment of entry tax on imported plant and machinery from outside India as per Orissa Entry Tax Act, 1999. GKEL has deposited ₹ 23.17 crore (March 31, 2013: ₹ 13.42 crore) under protest and has filed an appeal before Appellate authorities and Special Leave Petition ('SLP') before Hon'ble Supreme Court of India. However, based on an internal assessment, the management of the Group is of the view that the demand of entry tax is not tenable and accordingly, no further adjustments have been made in these consolidated financial statements of the Group and the same has been considered as a contingent liability as at March 31, 2014.

xiv. GKEL has entered into a PPA with PTC India Limited ('PTC') and PTC has entered in turn with Uttar Haryana Bijili Vitran Nigam Limited ('UHBVNL') and Dakshin Haryana Bijli Vitran Nigam Limited. ('DHBVNL'). There has been a delay in supply of power by GKEL, which the management believes is due to force majeure events and change in law. The matter is currently under sub-judice with the CERC and APTEL.

xv. BIB has received a Court notice on September 20, 2013, which is in the nature of civil case registered in the Batulicin District court vide case no. 018/Pdt.G/2013/PN.Btl dated September 16, 2013 and named BIB as the Defendant in the suit. The suit was filed by H. Riduansyah ('Plaintiff I') and H.Mahfud Hadirat Dawiya ('Plaintiff II'), relating to the claim of 70 hectares of land located inside BIB's mining area. The Plaintiffs have claimed compensation of ₹ 39.97 crore (IDR 7,875.00 crore). Further, the lawsuit is also addressed to the Ministry of Energy and Mineral Resources of the Republic of Indonesia ('Co-defendant I') and Ministry of Forestry Republic of Indonesia ('Co-defendant II'). BIB holds the Borrow-Use permits granted by Minister of Forest under decree number SK. 288/Menhut-II/2010 dated April 27, 2010 on the disputed land area and accordingly management believes that BIB has the relevant permit based on the prevailing regulations relating to the use of 70 Hectares of forestry which are claimed by Plaintiffs in the suit. However, pending outcome of the suit no further adjustments have been made in these consolidated financial statements and as such the amount of ₹ 11.99 crore is considered as a contingent liability as at March 31, 2014.

xvi. As at March 31, 2014, the Group has an investment of ₹ 2.44 crore in the equity shares of RCMEPL and has provided bank guarantees of ₹ 22.18 crore on behalf of RCMEPL to the Ministry of Coal ('MoC'). MoC vide its letter dated January 15, 2014 asked the allocatees of 61 coal blocks including RCMEPL to obtain certain necessary approvals within the stipulated time specified in the letter and indicated that the absence of obtaining such approvals would result in de-allocation of these coal blocks. RCMEPL has filed a writ petition in the Hon'ble High Court of Delhi, New Delhi against Union of India whereby RCMEPL has requested the Hon'ble High Court to quash the letter by MoC dated January 15, 2014 and directed the State Government of Orissa to expedite the grant of requisite approvals. The Hon'ble High Court has passed an interim order maintaining status quo of the block. MoC vide their letter dated February 17, 2014 to the joint venture partners of RCMEPL has indicated that the Inter Ministerial Group has recommended de-allocation of the said blocks which have been accepted by MoC, but further action is put on hold in view of the interim order of the Hon'ble High Court. The management of the Group based on the filed writ petition and its internal assessment is of the view that the reasons for delay in obtaining the said approvals were beyond the control of RCMEPL, that it would obtain the necessary approvals in the foreseeable future and the aforesaid de-allocation of coal blocks by MoC is not tenable. Accordingly, no adjustments have been made in these consolidated financial statements of the Group in this regard.

xvii. Also refer note 30(a) as regards guarantees provided to the buyer of ISG & LGM as per the terms of SPA.

xviii. Refer note 30(g) as regards guarantee provided by the Company towards warranties and tax claims as specified in the SPA and other SPA transaction documents with respect to sale of GESPL.

xix. Refer note 35(e)(ii) for details of contingent liabilities on issue of non-cumulative compulsorily convertible non-participatory preference shares by GAL to Investor I and Investors II.

xx. Refer note 35(e)(i) for details of contingent liabilities on issue of fully paid up compulsorily convertible cumulative preference shares ('CCCPS') by GEL.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE | 34 (a) | CAPITAL COMMITMENTS

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	7,771.46	10,871.59

b) Other commitments

i. Entities in roads sectors have entered into various Concession agreements with concessionaires for periods ranging from 17.5 years to 26 years from achievement of date of COD / Appointed Date as defined in the respective Concession agreements, whereby these entities have committed to comply with certain key terms and conditions pertaining to construction of roads / highways in accordance with the timelines and milestones as defined in the respective Concession agreements, COD as per the respective Concession agreements, construction, management, operation and maintenance of roads / highways in accordance with the respective Concession agreements, performance of the obligations under the respective financing agreements, non-transfer or change in ownership without the prior approval of the concessionaire and transfer of the roads / highways projects on termination of relevant agreements or in case of defaults as defined in the respective Concession agreements and utilisation of grants received as per the requirements of the respective concession agreements.

ii. Entities in airports sector have entered into various agreements with Concessionaires for periods ranging from 25 years to 30 years extendable by another 30 years in certain cases on satisfaction of certain terms and conditions of respective Concession agreements from dates as defined in the respective agreements for development, rehabilitation, expansion, modernisation, operation and maintenance of various airports in and outside India. Pursuant to these agreements, these entities have committed to comply with various terms of the respective agreements which pertains to payment of fees, development / expansion of Airports in accordance with the timelines and milestones as defined in the respective agreements, achievement of COD as per the respective agreements, development, management, operation and maintenance of airports in accordance with the respective agreements, performance of various obligations under the respective financing agreements, non-transfer or change in ownership without the prior approval of respective airport concessionaires, compliance with the applicable laws and permits as defined in the respective agreements, transfer of airports on termination of agreements or in case of defaults as defined in the respective agreements.

iii. Certain entities in power sector have entered into PPAs with customers, pursuant to which these entities have committed to sell power of contracted capacity as defined in the respective PPAs, make available minimum Plant Load Factor ('PLF') over the period of tariff year as defined in the respective PPAs. The PPAs contain provision for disincentives and penalties in case of certain defaults.

iv. Certain entities in power sector have entered into fuel supply agreements with suppliers whereby these entities have committed to purchase and suppliers have committed to sell contracted quantity of fuel for defined period as defined in the respective fuel supply agreements, including the fuel obtained through the suppliers outside India.

v. One of the overseas entities in power sector and the Government of Indonesia (Government) have entered into Coal Sale agreement for a defined period pursuant to which the entity is required to pay to the Government, amount equivalent to a specified percentage of proceeds from sale of the coal by the entity. Further, based on a regulation of the Government, all Companies holding mining rights have an obligation to pay an exploitation fee equivalent to certain percentage, ranging from 3% - 5% of sales, net of selling expenses.

vi. One of the overseas entities in power sector (as the buyer) and its jointly controlled entity (as the seller) in power sector have entered into a Coal Sales Agreement for Sale and Purchase of Coal, whereby the buyer entity and seller entity have committed to, respectively, take delivery and to deliver, minimum specified percentage of the Annual Tonnage as specified in the Agreement for each Delivery Year, based on the agreed pricing mechanism. The buyer entity is also committed to use the coal for the Agreed Use, provided that it shall not sell any Coal to any person domiciled or incorporated in the country in which the seller entity operates.

vii. Certain entities in the power sector have entered into Long Term Assured Parts Supply and Maintenance Agreements with sub-contractors whereby these entities have committed to pay fixed charges in addition to variable charges based on operating performance as defined in the agreements. The entities have also committed to pay incentives on attainment of certain parameters by the sub-contractors.

viii. One of the entities in airports sector is committed to pay every year a specified percent of previous year's gross revenue as operator fee to the airport operator for the period specified in the Airport operator agreement.

ix. One of the entities in airport sector has entered into a tripartite Master Service Agreement ('MSA') with the service provider and the holding company of the service provider, whereby this entity is committed to pay annually to the service provider if the receivable of the service provider falls short of subsistence level (as defined in the said MSA). Also in case of delay in payment of dues from customers to the service provider, this entity would fund the deficit on a temporary basis till the time the service provider collects the dues from aforementioned customers.

   As at March 31, 2014, this entity has funded ₹ 8.58 crore (March 31, 2013: ₹ 12.30 crore) towards shortfall in collection from the customers.

x. The Group has entered into agreements with the lenders of certain subsidiaries wherein it has committed to hold at all times at least 51% of the equity share capital of these subsidiaries and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders.

xi. The Group has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of its project stage subsidiaries, to the extent as defined in the agreements executed with the respective lenders.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 34 (a) CAPITAL COMMITMENTS (Contd.)

xii. Certain entities in power sector have made a commitment towards expenditure on corporate social responsibilty activities amounting to ₹ 72.79 crore (March 31, 2013: ₹ 73.41 crore) and towards land lease rentals as per the long term land lease agreements entered into by the entities amounting to ₹ 10.30 crore (March 31. 2013: ₹ 10.77 crore).

xiii. In respect of Group's investments in certain jointly controlled entities, other joint venture partners have the first right of refusal in case any of the joint venture partners intend to sell its stake subject to other terms and conditions of respective joint venture agreements.

xiv. In respect of Group's investments in jointly controlled entities, the Group cannot transfer / dispose its holding for a period as specified in the respective joint venture agreements.

xv. Refer note 38 for commitments relating to lease arrangements.

xvi. Refer note 35(b) as regards negative grant payable to concessionaries of road entities.

xvii. Refer note 35(e) for commitments arising out of convertible preference shares.

xviii. Refer note 35(g)(ix) as regards deferred consideration payable to the erstwhile shareholders of PTDSU.

xix. Shares of the certain subsidiaries / jointly controlled entities have been pledged as security towards loan facilities sanctioned to the Group.

NOTE 35 OTHERS

a) Foreign currency transactions

The MCA, Government of India ('GoI') vide its Notification No GSR 225 (E) dated March 31, 2009 prescribed certain changes to AS - 11 on 'The Effects of Changes in Foreign Exchange Rates'.

The Group has, pursuant to adoption of such prescribed changes to the said Standard, 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,

i. Exchange loss amounting to ₹ 608.23 crore (March 31, 2013: ₹ 268.25 crore (net off exchange difference of ₹ 25.55 crore accounted as detailed under note 35(a)(iii)) have been adjusted to the cost of depreciable asset in these consolidated financial statements of the Group.

ii. Exchange gain of ₹ 4.88 crore (March 31, 2013: exchange loss of ₹ 0.01 crore), net of amortisation, on long term monetary asset has been accumulated in the 'Foreign currency monetary item translation difference account' and is being amortised in the statement of profit and loss over the balance period of such long term monetary asset. The unamortised balance as at March 31, 2014 amounts to exchange gain of ₹ 2.37 crore (March 31, 2013: exchange loss of ₹ 2.51 crore).

iii. In view of the clarification issued by MCA through General Circular No. 25/2012 dated August 09, 2012 with regard to paragraph 46A of Notification No. GSR. 914(E) dated December 29, 2011 on AS - 11, the Group had capitalized the exchange difference of ₹ 25.55 crore which was charged off to the statement of profit and loss during the year ended March 31, 2012 and the finance costs for the year ended March 31, 2013 were shown net off such adjustments.

b) Negative grant

In accordance with the terms of the Concession agreements entered into with NHAI by GACEPL, GJEPL and GUEPL dated November 16, 2005, February 20, 2006 and April 19, 2006 respectively, the companies had an obligation to pay an amount of ₹ 507.96 crore by way of Negative Grant to NHAI. GJEPL has entirely paid the negative grant as at March 31, 2013. Pursuant to the divestment the Group's holding in GUEPL during the year ended March 31, 2014, GUEPL ceased to be a subsidiary of the Group and became an associate of the Group as at March 31, 2014 and accordingly, the negative grant pertaining to GUEPL is not consolidated. GACEPL has paid an amount of ₹ 108.34 crore (March 31, 2013: ₹ 108.34 crore) and the balance amount of ₹ 66.41 crore (March 31, 2013: ₹ 66.41 crore) has been disclosed as negative grant under 'Long term borrowings' in these consolidated financial statements of the Group. Refer note 35(g)(vii) regarding the details of arbitration pursuant to which the arbitration tribunal has stayed the payment of negative grant of GACEPL during the year ended March 31, 2014.

Name of the subsidiary	Date of Concession Agreement	Total negative grant	Repayment details	Payable as at March 31, 2014	Payable as at March 31, 2013
GACEPL	November 16, 2005	174.75	Unequal yearly installments over next 4 years	66.41	66.41
GUEPL	April 19, 2006	250.51	Not applicable (also refernote 30(e))	-	120.25
Total		**507.96**		**66.41**	**186.66**

c) Utilisation fees

Pursuant to the implementation agreement between Under secretariat for Defense Industries (Administration) and consortium consisting of LISVT, the Company and MAHB, utilisation fee of Euro 193.20 crore was payable in annual installments over the final 17 years of the 20 year concession period, starting from 2011. The concession period was extended by a total of 665 days through February 2030 for an additional concession fee totaling approximately Euro 24.40 crore. The utilisation fees was accounted as below:

i. Utilisation fees is charged as per units of usage method, based on revenue projections with a corresponding credit to utilisation fees liability.

ii. Prepaid utilisation fees amounting to ₹ 225.79 crore as at March 31, 2013 had been disclosed as prepaid expenses under 'Loans and advances'. During the year ended March 31, 2014, the Group has entered into a SPA for sale of their entire equity stake in ISG and accordingly, the utlisation fees have not been consolidated as at March 31, 2014 (also refer note 30(a)).

d) Trade receivables

i. 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 ('the Electricity Act') and directed GEL to supply power to the State Grid during the period January 1, 2009 to May 31, 2009 at a specified rate.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 35 OTHERS (Contd.)

The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22, 2009. GEL had a 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 recognised in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to ₹ 44.76 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 for the four months period ended June 05, 2009 has been recognised, on a prudent basis, as per the rate specified in the Order.

The Hon'ble High Court of Karnataka, in its order dated March 26, 2010, dismissed the petition of GEL challenging the Order by invoking section 11(1) of the Electricity Act with a direction that if the Order had any adverse financial impact on GEL, then a remedy is provided to GEL to approach the appropriate commission under the Electricity Act empowered to offset the adverse financial impact in such manner as it considers appropriate. GEL had filed a SLP before the Hon'ble Supreme Court of India to appeal against the said Order of the Hon'ble High Court of Karnataka, and had sought ex-parte ad-interim order staying the operation of the said Order and to direct ESCOMs to pay minimum rate prescribed by KERC. Additionally, GEL filed a petition before KERC to decide on the adverse financial impact suffered by GEL because of invoking of powers u/s 11(1), in reply to which the Government of Karnataka undertakings ('respondents') filed their reply on April 26, 2012 contesting GEL's claim of ₹ 166.75 crore and have made a counter claim of ₹ 223.53 crore against GEL on account of adverse impact suffered by the respondents. In response to counter claim made by the respondent, GEL filed an updated petition with KERC on September 6, 2012.

In reply to the petition filed by GEL, KERC, vide their order dated November 30, 2012 through majority judgment directed for a tariff of ₹ 6.90 per Kwh for the entire period for which the order was in force to offset the adverse financial impact suffered by GEL. GEL has filed an appeal before the APTEL, New Delhi challenging the KERC's order to the limited extent that KERC has failed to fully offset the adverse financial impact suffered by GEL. Further, during the year ended March 31, 2013, GEL has withdrawn its SLP filed before the Hon'ble Supreme Court of India. During the year ended March 31, 2014, respondents filed a review petition before KERC against the majority judgment passed by it, which was rejected by KERC.

In view of the order received from KERC, appeal filed with APTEL and legal opinion obtained, the management of the Group is confident that there will not be any adverse financial impact on the Group with regard to these transactions and accordingly no adjustment has been made in these consolidated financial statements pending final resolution of the matter.

ii. As at March 31, 2014, the power segment companies have receivables (including unbilled revenue) from TANGEDCO aggregating to ₹ 336.43 crore (March 31, 2013: ₹722.56 crore). Based on an internal assessment, collections by the Group from TANGEDCO during the year ended March 31, 2014 and various discussions that the Group had with TANGEDCO, the management of the Group is confident of recovery of such receivables and accordingly, no adjustment has been made in these consolidated financial statements of the Group.

iii. As at March 31, 2014, GVPGL has total receivables of ₹ 10.98 crore (March 31, 2013: ₹10.98 crore) towards MAT reimbursement claim recognised by GVPGL. MAT reimbursement claim has not been acknowledged by the customer of GVPGL. During the year ended March 31, 2013, Andhra Pradesh Electricity Regulatory Commission ('APERC') has issued an order whereby APERC has directed the customer to pay the MAT reimbursement claim along with interest after validation of payment of MAT by GVPGL. Pursuant to the said order, GVPGL had submitted the copies of bank challans. Further, during the year ended March 31, 2014, GVPGL has filed an application in APERC for early enforcement of the aforesaid order passed by APERC.

The customer has filed an appeal in APTEL against the said order of APERC along with an application for condonation of delay in filing the appeal. However, the said condonation of delay and the appeal have been dismissed by APTEL. Based on an internal assessment, the management of the Group is confident of recovery of such receivables and accordingly, no provision towards such receivables has been made in these consolidated financial statements of the Group.

iv. The PPA entered into by GPCL with TANGEDCO on September 12, 1996 has expired on February 14, 2014 and the same was extended for a period of one year from February 15, 2014 with revised commercial terms and conditions. However, TANGEDCO has filed petition before TNERC for approval of Tariff. GPCL is recognizing the income on provisional basis from February 15, 2014 based on the revised commercial terms pending approval of TNERC.

v. GKEL has recognised ₹ 96.07 crore as revenue which has been billed on a provisional tariff basis in view of 'Tariff Determination Petition' and 'Tariff Review Petition' filed by GKEL which are pending before CERC and APTEL.

e) Preference shares issued by subsidiaries

Preference shares issued by subsidiaries include the following:

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
CCCPS issued by GEL	588.07	1395.00
0.0001% non-cumulative redeemable preference shares		
issued to ICICI by GEL	162.90	171.47
Non-cumulative compulsorily convertible non-participatory		
preference shares issued by GAL	404.63	404.63
Total	**1,155.60**	**1,971.10**

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 35 OTHERS (Contd.)

i. During the year ended March 31, 2011, GEL had issued 13,950,000 CCCPS of ₹ 1,000 each. These preference shares were held by Claymore Investments (Mauritius) Pte Limited, IDFC Private Equity Fund III, Infrastructure Development Finance Company Limited, IDFC Investment Advisors Limited, Ascent Capital Advisors India Private Limited and Argonaut Ventures (collectively called as Investors). These preference shares were convertible upon the occurrence of Qualifying Initial Public Offering ('QIPO') of equity shares of GEL. In case of non-occurrence of QIPO within 3 years of the closing date, as defined in the terms of share subscription and shareholders agreement between the parties, investors had the right to require GIL to purchase the preference shares or if converted, the equity shares in GEL at an agreed upon internal rate of return ('IRR'). In case GIL failed to purchase the preference shares within 180 days from the date of notice by the Investors, the CCCPS holder had the sole discretion to exercise the various rights under clause 11.18 of the share subscription and shareholders agreement including the conversion of CCCPS into equity shares of GEL / buyback of the converted shares by GEL.

During the year ended March 31, 2014, GEL has entered into an amended and restated share subscription and shareholders agreement ('Amended SSA') with the investors, GIL and other GMR group companies. The Investors continue to hold 6,900,000 CCCPS in GEL and a new investor GKFF Capital has subscribed to additional 325,000 CCCPS of ₹ 1,000 each (collectively referred to as 'Portion B securities').

As per the Amended SSA and Share Purchase Agreement between the investors, GEL and other Group Companies, 7,050,000 CCCPS with a face value of ₹ 705.00 crore ('Portion A securities') have been bought by GREEL and GEPML for a consideration of ₹ 1,169.17 crore and accordingly an amount of ₹464.17 crore representing consideration paid in excess of face value of Portion A securities has been adjusted against accumulated deficit in the statement of profit and loss in the consolidated financial statements for the year ended March 31, 2014. Portion A securities shall be converted into equity shares of GEL as per the terms prescribed in clause 5 of the SPA not later than the date of conversion of Portion B securities. As defined in the terms of Amended SSA, GEL has to provide an exit to the Portion B Securities investors within 30 months from last return date (November 29, 2013) at the agreed price of ₹ 1,278.67 crore ('Investor exit amount'). In case of non-occurrence of QIPO within 24 months from the last return date, GMR Group may give an exit to Portion B securities investors at investor exit amount by notifying them the intention to purchase the preference shares within 30 days from the expiry of the 24th month. In case of non-occurrence of QIPO or no notification from GMR group companies as stated aforesaid, the Portion B securities investors have the sole discretion to exercise the various rights under clause 10 of the Amended SSA.

Further on March 27, 2014, GEL has converted 1,344,347 Portion B securities into 110,554,848 equity shares of ₹ 10 each at a premium of ₹ 2.16 per share as per the terms of clause 4.2 of the Amended SSA so as to enable the Portion B securities investors to participate in proposed QIPO by way of an offer for sale whenever such QIPO is made.

ii. During the year ended March 31, 2011, GAL has issued 2,298,940 non-cumulative compulsory convertible non-participatory preference shares ('CCPS 1') bearing 0.0001% dividend on the face value of ₹ 1,000 each fully paid up amounting to ₹ 229.89 crore at a premium of ₹ 2,885.27 each totaling to ₹ 663.31 crore to Macquaire SBI Infrastructure Investments 1 Limited, ('Investor I') for funding and consolidation of airport related investments by the Group. Further, during the year ended March 31, 2012 GAL issued 1,432,528 non-cumulative compulsory convertible non-participatory preference shares ('CCPS 2') bearing 0.0001% dividend on the face value of ₹ 1,000 each fully paid up amounting to ₹ 143.25 crore at a premium of ₹ 3,080.90 each totaling to ₹ 441.35 crore to Standard Chartered Private Equity (Mauritius) III Limited, JM Financial - Old Lane India Corporate Opportunities Fund I Limited, JM Financial Trustee Company Private Limited, JM Financial Products Limited and Build India Capital Advisors LLP ('Investors II'). The Company and GAL have provided Investor I and Investors II various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreements and Investment agreements executed between the Company, GAL, Investor1 and Investors II.

iii. During the year ended March 31, 2010, GEL issued 0.0001% 200,000,000 non-cumulative redeemable preference shares of ₹ 10 each fully paid up amounting to ₹ 200.00 crore along with a securities premium of ₹ 100.00 crore to ICICI. GEL shall redeem 5% of the subscription amount outstanding under each tranche on the completion of 13th, 24th, 36th and 48th month from the date on which the subscription money was remitted and remaining outstanding amount shall be redeemed on December 31, 2014. The applicable yield shall be 14.00% p.a. for tranches subscribed prior to December 31, 2010 and for tranches subscribed on or after January 1, 2011 onwards, the applicable yield shall be 14.00% p.a. or ICICI Bank benchmark advance rate plus the applicable liquidity premia plus 0.25% p.a., whichever is higher. The 5% of the subscription amount outstanding has been redeemed on the completion of 13th month, 24th month, 36th month and 48th month during the year ended March 31, 2011, March 31, 2012, March 31, 2013 and March 31, 2014, respectively. The holders would be entitled to dividend, if dividend is paid to other class of preference shareholders. The preference shareholders have a right to attend General Meetings of GEL and vote on resolutions directly affecting their interest. In the event of winding up, GEL would repay the preference share capital in priority to the equity shares of GEL but it does not confer any further right to participate either in profits or assets of GEL.

f) Development Fund ("DF") Order

Airport Economic Regulatory Authority ('AERA') DF Order No. 28/2011-12, 30/ 2012-13 and AERA tariff order No. 03/2012-13 on determination of Aeronautical Tariff; issued on November 14, 2011, April 24, 2012 and December 28, 2012 respectively

i. DIAL has accrued DF amounting to ₹ 350.00 crore during the year ended March 31, 2013 earmarked for construction of Air Traffic Control ('ATC') tower, which is under progress as at March 31, 2014. DF amounting to ₹ 199.96 crore (March 31, 2013: ₹ 164.40 crore) has been adjusted against the expenditure incurred towards construction of ATC tower till March 31, 2014 and balance DF amounting to ₹ 150.04 crore (March 31, 2013: ₹185.60 crore), pending utilisation, has been disclosed under 'other current liabilities'.

ii. While calculating such additional DF amount:

a) In accordance with the earlier Standard Operating Procedure ('SOP') approved and issued by the AAI dated February 19, 2009 read with the MoCA order dated February 9, 2009, DIAL was adjusting collection charges against DF receipts. However, AERA vide its subsequent order no.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 35 OTHERS (Contd.)

28/2011-12 issued on November 14, 2011 has observed that in terms of Section 22A of the AAI Act, 1994 (amended from time to time) as well as Section 13(1)(b) of the AERA Act, 2008, the function of AERA is limited only to determining the rate/amount of DF and manner of collection and administration cost incurred thereupon is prescribed by way of rules by the Central Government. In view of the fact that DF rules notified by the MoCA dated August 2, 2011 do not prescribe adjustment of collection charges from the DF receipts; DIAL has reduced DF collection charges aggregating to ₹ 2.90 crore during the year ended March 31, 2014 (March 31, 2013 : ₹ 2.84 crore) from the DF grant.

b) AERA has passed an order vide Order No 30/2012-13 dated December 28, 2012 in respect of levy of Development fee at Delhi Airport. As per the said order, the rate of Airport Development Fee ('ADF') has been reduced from ₹ 200 to ₹ 100 and from ₹ 1,300 to ₹ 600 per embarking domestic and international passenger respectively. Further, as per the said order, such revised rates have come into force with effect from January 1, 2013 and estimated DF collection period has been extended up to April 2016.

g) Others

i. DIAL received advance development costs of ₹ 653.13 crore (March 31, 2013: ₹ 653.13 crore) from various developers at commercial Property District towards facilitating the development of common infrastructure there in. As per the terms of the agreement, DIAL will facilitate the development of common infrastructure upon receipt of advance towards development cost in accordance with the instructions and specifications in the agreements. Further, DIAL has no right to escalate the development cost and in case any portion of the advance development cost is not utilized by DIAL towards development of any infrastructure facility, the same shall be returned to the developers upon earlier of the expiry of the initial term of agreement or upon termination of the development agreement. As at March 31, 2014, DIAL has incurred development expenditure of ₹ 318.50 crore (March 31, 2013: ₹ 276.67 crore) which has been adjusted against the aforesaid advance and balance amount is disclosed under long term and current liabilities.

ii. During the year ended March 31, 2013, DIAL had started collecting 'Marketing Fund' at a specified percentage from various concessionaires as per respective concessionaire agreements, to be utilised towards sales promotional activities as defined in such agreements. Till March 31, 2014, DIAL had billed ₹ 36.97 crore (March 31, 2013: ₹ 23.91 crore) towards such Marketing Fund and has incurred expenditure amounting to ₹ 7.22 crore (March 31, 2013: ₹ 2.20 crore) towards agency fees to various external advertising and marketing service providers from the amount so collected. The balance amount of ₹ 29.75 crore as at March 31, 2014 (March 31, 2013: ₹ 21.71 crore) pending utilisation, against such sales promotion activities is included under 'Other Liabilities' as a specific fund to be used for the purposes for which the amounts are collected.

iii. As at March 31, 2014, DIAL has an accumulated losses of ₹ 969.86 crore (March 31, 2013: ₹ 1,380.69 crore) thus resulting in substantial erosion of its net worth as at the year end. DIAL has earned a net profit of ₹ 410.83 crore (March 31, 2013: ₹ 72.52 crore) and has met all its obligations as at March 31, 2014. AERA vide its powers conferred by section 13(1)(a) of AERA Act, 2008 passed an Aeronautical tariff hike order No.03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariffs to be levied at Delhi Airport for the fourth and fifth tariff periods of first five year control period. The first five year control period referred to in the above order ended on March 31, 2014. Pending determination of the final Aeronautical tariff (s) for the second control period i.e. from 2014 to 2019, AERA vide its order 04/2014-15 dated May 2, 2014 stated that the Aeronautical tariff (s) approved by AERA vide its order 03/2012-13 shall continue to upto October 31, 2014 or until the final determination of the tariff for the second control period, whichever is earlier. Further, the revenue so collected by DIAL during the interim period shall be adjusted from the aggregate revenue requirement for the second control period w.e.f. April 1, 2014.

Based on the order received from AERA, profit earned over the last financial years and DIAL's business plan, the management of the Group is confident that DIAL will be able to generate sufficient profits in future years and would continue to meet its financial obligations as they arise, in view of which the financial statements of DIAL has been prepared on a going concern basis.

iv. In case of GHIAL, the AERA, vide its powers conferred by section 13(1) (a) of AERA Act, 2008, passed an Aeronautical tariff order No.38 issued on February 24, 2014, in respect of control period from April 1, 2011 to March 31, 2016. As per the aforesaid order, there will be no PSF (FC) for embarking passengers and the same will be considered as part of User Development Fee (UDF). Further, the UDF for the period from April 1, 2014 to March 31, 2016 has been determined to be ₹ Nil. This will significantly impact the profitability and cash flows of GHIAL for the said period between April 01, 2014 to March 31, 2016.

GHIAL has initiated legal recourse challenging the aforesaid AERA order and has also initiated certain steps towards strategic cash management. Further, with the expected UDF commencing in the next tariff cycle, the financial position is expected to improve thereafter. Moreover, the Company has agreed to provide the necessary financial support to GHIAL, should the necessity arise.

v. During the year ended March 31, 2014, GHRL has incurred net loss of ₹ 20.73 crore (March 31, 2013: ₹ 23.85 crore) and has accumulated losses of ₹ 105.76 crore (March 31, 2013: ₹ 85.03 crore) as at March 31, 2014, which has resulted in substantial erosion of GHRL's net worth. Further, GHRL has incurred cash losses during the years ended March 31, 2014 and March 31, 2013. The management of the Group expects that there will be significant increase in the operations of GHRL that will lead to improved cash flows and long term sustainability. The Group has undertaken to provide such financial support as necessary, to enable GHRL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these consolidated financial statements of the Group do not include any adjustments relating to the recoverability and classification of carrying amounts of assets or the amounts and classification of liabilities that may be necessary if GHRL were unable to continue as a going concern.

vi. During the year ended March 31, 2014, MGATL, a 50% jointly controlled entity of the Group (effective ownership interest of the Group is 30.60%) has incurred net loss of ₹ 75.49 crore (March 31, 2013: ₹ 90.70 crore) and has accumulated losses of ₹ 226.46 crore (March 31, 2013: ₹ 150.97 crore) as at March 31, 2014, which has resulted in erosion of entire net worth of MGATL. Further, MGATL has incurred cash losses during the years ended March

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 35 OTHERS (Contd.)

31, 2014 and March 31, 2013. The management of the Group expects that there will be a significant increase in the operations of MGATL that will lead to improved cash flows and long term sustainability. The Group has undertaken to provide such financial support as necessary, to enable MGATL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these consolidated financial statements of the Group do not include any adjustments relating to the recoverability and classification of carrying amounts of assets or the amounts and classification of liabilities that may be necessary if MGATL were unable to continue as a going concern.

vii. The Group has an investment of ₹ 357.35 crore (including loans of ₹ 117.76 crore and investment in equity/ preference shares of ₹ 239.59 crore) made by the Company and its subsidiaries (March 31, 2013: ₹ 341.56 crore (including loans of ₹ 104.97 crore, share application money pending allotment of ₹ 20.00 crore and investments in equity and preference shares of ₹ 216.59 crore)) in GACEPL as at March 31, 2014. GACEPL has been incurring losses since the commencement of commercial operations. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads. The matter is currently under arbitration and the arbitration tribunal has passed an interim order staying the payment of negative grant which was due during the year ended March 31, 2014. Based on an internal assessment and a legal opinion, the management of the Group is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly the carrying value of net assets of ₹ 224.45 crore (after providing for losses till date of ₹ 132.90 crore) [March 31, 2013: ₹ 238.35 crore (after providing for losses till date of ₹ 103.21 crore)] as regards investment in GACEPL as at March 31, 2014 is appropriate.

viii. GCORPPL has completed construction of project highway between KM 0+150 and KM 28+550 in the land area handed over by Tamil Nadu Road Development Company Limited (TNRDC), the Managing Associate of GoTN and completed the tests as on June 15, 2013 and also applied for issuance of provisional completion certificate for the project for the completed portion vide letter GMR/CORRPL/IE/13-14/0315 effective from June 15, 2013.

Subsequently in April 2014, GoTN has approved the issue of provisional completion certificate and declared provisional COD effective from June 15, 2013 vide its letter dated April 8, 2014. Accordingly, GCORRPL has capitalised the expenditure incurred upto June 15, 2013 on completed portion by transferring from 'intangible assets under development' to carriageways and has recognised the annuity proportionately from June 15, 2013 onwards.

ix. The Group has an investment of ₹ 292.56 crore (USD 4.84 crore) including loan of ₹ 11.42 crore (USD 0.19 crore) in PTDSU (March 31, 2013: ₹ 239.48 crore (USD: 4.37 crore)). The Group acquired PTDSU for a consideration of USD 4.00 crore and a deferred consideration to be determined and paid on achievement of certain conditions as specified in the share purchase agreement. PTDSI, a step down subsidiary of PTDSU has pledged 60% shares of PTBSL with the sellers of PTDSU. The achievement of aforementioned conditions for settlement of deferred consideration has been under dispute and the matter is under arbitration and PTDSI has initiated a civil suit seeking direction to the sellers of PTDSU not to act on the pledge agreement provided as security earlier. Pending finalisation of the aforesaid arbitration proceedings and determination of the deferred consideration, PTDSU has not made any adjustments in the financial statements in respect of such consideration. Further, the consolidated financial statements of PTDSU and its subsidiaries PTBSL and PTDSI as at March 31, 2014 have accumulated deficit of ₹ 23.55 crore (USD 0.47 crore) (March 31, 2013: ₹ 21.92 crore (USD 0.40 crore)). PTBSL, a coal property Company remains in the exploration phase and is consistently in need of capital injection for its exploration costs. The management of PTDSU has committed to provide financial support until PTBSL commences commercial operations and generates income on its own. The management of PTDSU is not aware of any material uncertainties that may cast significant doubt upon these entities ability to continue as a going concern and accordingly, the management of the Group believes that the carrying value of the net assets in PTDSU and its subsidiaries as at March 31, 2014 is appropriate.

x. a) The Group is engaged in the business of generation and sale of electrical energy from its two gas based power plants of 220MW and 387.63MW situated at Kakinada and Vemagiri respectively. Further, the Group has investments in a subsidiary, GREL which is constructing a gas based power plant. In view of lower supplies / availability of natural gas to the power generating companies in India, the Group is facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL and GVPGL have not generated and sold electricity since April 2013 and May 2013 respectively and have been incurring losses on account of the aforesaid shortage of natural gas supply, thereby resulting in erosion of networth and usage of short term funds for long term purposes. The Gas Sales and Purchase Agreements ('GSPA') for supply of natural gas in GEL and GVPGL expired on March 31, 2014 and the Group is in the process of renewal of the same. GREL has not yet commenced commercial operations pending linkages of natural gas supply. The Group is actively pursuing / making representations with various government authorities to secure the natural gas linkage / supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. The Group, for its 768 MW gas based power plant, which is under construction at Rajahmundry, has applied for allocation of gas and Ministry of Petroleum and Natural Gas ('MoPNG') is yet to allocate the gas linkage. The consortium of lenders have approved the reschedulement of COD of the plant under construction to April 1, 2014 and repayment of project loans. GREL has sought further extension of COD and repayment of project loans with the consortium of lenders in the absence of gas linkage. The Group and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management of the Group is confident that the GoI would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Despite the aforementioned reasons, based on business plan and valuation assessment, the management of the Group is confident that GEL and GVPGL will be able to renew the GSPA and generate sufficient profits in future years, GREL will get an extension of the COD as stated aforesaid and these gas based power generating companies would meet their financial obligations as they arise. The management of the Group considers that the going concern assumption and the carrying value of the net assets of the aforesaid entities as at March 31, 2014 is appropriate and these consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. In the meantime, the Company has committed to provide necessary financial support to these companies as they may require for continuance of their normal business operations.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 35 OTHERS (Contd.)

b) In respect of plant under construction at Rajahmundry, pending securing supply of requisite natural gas, the Group has put on hold the active construction work of the plant. The management of the Group believes that the indirect expenditure attributable to the construction of the project and borrowing costs incurred during the period of uncertainty around securing gas supplies qualifies for capitalisation under paragraphs 9.3 and 9.4 of AS -10 and paragraphs 18 and 19 of AS -16. The subsidiary setting up the plant has approached the MCA seeking clarification / relaxation on applicability of the aforementioned paragraphs to the gas availability situation referred in 35(g)(x)(a) above. The management of the Group is confident of obtaining necessary clarification / relaxation allowing such capitalisation. Pending receipt of requisite clarification / relaxation, the Group has capitalised aforesaid expenses amounting to ₹ 397.56 crore and ₹ 679.95 crore (March 31, 2013: ₹ 282.39 crore) for the year ended March 31, 2014 and cumulatively upto March 31, 2014 towards cost of the plant under construction.

xi. During the year ended March 31, 2014, EMCO has incurred a net loss of ₹ 532.57 crore and has accumulated losses of ₹ 555.50 crore as at March 31, 2014, which has resulted in erosion of EMCO's entire net worth. EMCO has achieved the COD of Unit I in March 2013 and of Unit II in September 2013 and hence is in the stabilization phase of its operations. The management of the Group expects that the plant will generate sufficient profits in the future years in view of which the financial statements of EMCO have been prepared and accordingly consolidated on a going concern basis.

xii. During the year ended March 31, 2014, based on a valuation assessment of its investments (including unsecured loans) in ATSCL and MTSCL, the Group has made an impairment provision of ₹ 8.95 crore towards the carrying value of the net assets of ATSCL and MTSCL which has been disclosed as an exceptional item in the consolidated financial statements for the year ended March 31, 2014.

xiii. GPCL approached Tamil Nadu Electricity Regulatory Commission ('TNERC') to resolve the claims / counterclaims arising out of the PPA and Land Lease Agreement ('LLA') in respect of the dues recoverable from TANGEDCO 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 TANGEDCO. GPCL had received a favorable Order from TNERC on April 16, 2010 and in pursuance of the Order, GPCL filed its claim on April 30, 2010 amounting to ₹ 481.68 crore and recognised ₹ 79.55 crore as income in the books of account.

TANGEDCO filed a petition against TNERC Order in APTEL. In terms of an interim Order on November 19, 2010 from APTEL, TANGEDCO deposited ₹ 537.00 crore including interest on delayed payment of the claim amount. APTEL vide its Order dated February 28, 2012, upheld the claim of GPCL and further directed GPCL to verify and pay counter claims of TANGEDCO in respect of the benefits earned if any, by GPCL with regard to the delayed payment towards fuel supply that are not as per the terms of the FSA. GPCL has appealed to the Hon'ble Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by APTEL on credit period of Fuel Supplies in terms of the FSA. The legal counsel handling the matter has confirmed that on April 24, 2014, the Hon'ble Supreme Court has disposed off the appeal of TANGEDCO and directed GPCL and TANGEDCO to file their respective claim / account statement before TNERC within one month for adjudication. GPCL is yet to receive the certified copy of the Order dated April 24, 2014, on the subject matter for its perusal and further action. The management does not expect any cash outflow in this regard.

GPCL is availing tax holiday under Section 80IA of the IT Act in respect of its income from power generation. Considering that the substantial amount, though under protest, has been received by GPCL, based on an expert opinion, GPCL has offered the claims upto March 31, 2013 as income in its tax returns and has claimed the deduction as available under Section 80IA of the IT Act.

However, in accordance with the Group's accounting policy, pending acceptance of claims by TANGEDCO and pending adjudication of petition before the Hon'ble Supreme Court, the Group has not recognised such balance claim in the books of account.

In accordance with the above, the amount received towards the above mentioned claims after the date of Order is being disclosed as advance from the customer and is included in 'other current liabilities' in these consolidated financial statements of the Group. Further, GPCL has been legally advised that in view of the appeal filed by TANGEDCO against the Order of APTEL in Hon'ble Supreme Court, the entire matter is now subjudice and has not attained the finality.

xiv. The Group has an investment of ₹ 2,117.74 crore (including subordinate loan of ₹ 414.60 crore, interest accrued thereon ₹ 125.94 crore and investment of ₹ 1,577.20 crore) in GCHEPL as at March 31, 2014 and has also provided corporate / bank guarantee towards loan taken by GCHEPL from the project lenders. GCHEPL is in the advanced stage of construction of 1,370 MW coal based thermal power plant at Raipur district, Chhattisgarh and is expected to commence operations in the ensuing financial year. GCHEPL has obtained provisional Mega Power status certificate from the Ministry of Power, GoI vide letter dated September 8, 2011 and accordingly has availed exemptions of customs and excise duty against bank guarantees and pledge of deposits. The management of the Group is certain of obtaining Mega Power status, pending which cost of customs and excise has not been considered as cost of the project.

The Group expects certain delays in the completion of construction and costs overruns including additional claims from the EPC contractor which are pending settlement as at March 31, 2014. As per the management of the GCHEPL, the additional claims are not expected to be material and the cost overruns are expected to be financed by the lenders and the management of GCHEPL has commenced discussion with the lenders for funding the costs overruns. Further GCHEPL had entered into a PPA with Chhattisgarh State Power Trading Company Limited ('CSPTA') for supply of 35% of the plant capacity. On September 25, 2013, CSPTA has intimated GCHEPL that under the PPA, CSPTA has a right rather than an obligation to purchase 30% of the plant capacity, which has been disputed by GCHEPL. In view of the recent directives, the management of the Group is confident of obtaining the linkage of domestic coal prior to the completion of construction of the plant and is also confident of executing the PPA for its entire capacity and hence is of the view that the carrying value of net assets of GCHEPL as at March 31, 2014 is appropriate.

xv. GADLIL is re-registered in the Republic of Maldives for upgrading of existing terminal and construction of new terminal at MIA. As per the work construction contract dated October 25, 2010 entered into with GMIAL, the expected substantial completion date of the construction was July 1, 2014,

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 35 OTHERS (Contd.)

and GADLIL's registration in the Republic of Maldives is valid till December 31, 2016. However, pursuant to the takeover of MIA by MACL, GMIAL has terminated the work construction contract with GADLIL on December 10, 2012. These conditions indicate the existence of a material uncertainty about the going concern of GADLIL, which is fully dependent on the outcome of the arbitration process between GMIAL and GoM and MACL. However, the financial statements of GADLIL as at and for the year ended March 31, 2014 have been prepared and accordingly consolidated on a going concern basis.

xvi. a) The consolidated financial statements of the Group do not include Accounts for PSF (SC) of DIAL and GHIAL as the same are maintained separately in the fiduciary capacity by these entities on behalf of GoI and are governed by SOP issued vide letter number AV/13024/047/2003-SS/AD dated January 19, 2009 issued by MoCA, GoI.

b) The consolidated financial statements of the Group do not include billing to Airlines for DF by DIAL, as the management of the Group believes that DIAL's responsibility is restricted only to the billing on behalf of AAI in accordance with the provisions of AAI (Major Airports) Development Fee Rules, 2011 and DF SOP.

xvii. GKUAEL had entered into a Concession Agreement with NHAI on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of mandatory 'conditions precedent' specified under the Concession Agreement within the due date, GKUAEL has issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. Further, NHAI in their letter dated January 17, 2013 to GKUAEL had also indicated of making good the alleged defaults of NHAI within the cure period of 90 days. Further, the management of the Group has submitted the proposal for the continuance of the project subject to certain modifications in the financial and other terms in the Concession Agreement and is confident of obtaining approval of these modifications by NHAI.

The Company along with its subsidiary has made an investment of ₹ 724.43 crore (including loans of ₹ 24.43 crore and investment in equity shares of ₹ 700.00 crore) (March 31, 2013: investments in equity shares of ₹ 700.00 crore) in GKUAEL, which is primarily utilized towards payment of capital advances of ₹590.00 crore (March 31, 2013: ₹ 590.00 crore) to its EPC contractors and ₹ 124.42 crore (March 31, 2013: ₹ 107.75 crore) towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). The management of the Group is confident of recovering the aforesaid capital advance and does not anticipate any compensation payable to NHAI in view of the aforesaid dispute and continue to carry such project expenses as intangible assets under development pending satisfactory resolution of the matter.

xviii. The Company has given an interest free loan of ₹ 115.00 crore to GWT during the year ended March 31, 2011 for the purpose of an employee benefit scheme. GWT has utilised the proceeds of the loan received from the Company in the following manner and the position as at March 31, 2014 and March 31, 2013 is:

Particulars	March 31, 2014 ₹ in crore	March 31, 2013 ₹ in crore
Equity shares of GIL	101.55	101.55
Equity shares of GAL	11.28	11.28
Others	2.17	2.17
Total	115.00	115.00

SEBI had issued Circular No. CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed entities from framing any employee benefit scheme involving acquisition of own securities from the secondary market. SEBI had issued Circular No. CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013 extending the date of compliance to June 30, 2014. The management of the Company had submitted the details of the GWT to the stock exchanges and is in the process of complying with the requirements of the circular within the prescribed timelines. As per the Trust deed, GWT is undertaking employee benefit schemes and hence the Company has not consolidated financial statements of GWT in the financial statements of the Company.

xix. As at March 31, 2014, GICL has fixed deposits of ₹ 832.78 crore (March 31, 2013: ₹ 747.20 crore) with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. The management is of the view that inspite of such economic difficulties the amount held as fixed deposit with Eurobank is good for recovery though withdrawal of the amount from the Republic of Cyprus would be subject to restriction as may be imposed by the Central Bank of Cyprus. Accordingly, the amount of deposit has been considered as restrictive bank balance and disclosed under 'Other non-current assets' in these consolidated financial statements of the Group.

xx. a) KSPL is in the process of acquiring land for implementing a Multi-Product Special Economic Zone within the meaning of Special Economic Zone Act, 2005 and had obtained an initial Notification from the Ministry of Commerce, GoI vide Notification No. 635(E) dated April 23, 2007 to an extent of 1,035.67 hectares with an approval for 3 years from June 2006. The said approval was extended till June 2012 and is further extended till February 26, 2015. KSPL has obtained further notification from GoI vide Notification No. 342(E) dated February 6, 2013 to an extent of 1,013.63 hectares. Further, upon acquisition of the notified land, KSPL will seek for further notification for additional land. Pending the same the entire land is acquired till date by the KSPL is treated as land acquired for the purpose of implementation of Special Economic Zone awaiting notification.

b) KSPL, has acquired land for development of Special Economic Zone and initiated various rehabilitation and resettlement initiatives thereafter for relocating the inhabitants residing on the land acquired. The amount of expenditure incurred by KSPL towards rehabilitation and resettlement initiatives amounting to ₹ 63.69 crore (March 31, 2013: ₹ 60.63 crore) has been treated as part of the land acquisition cost and is classified under capital work-in-progress. Considering that the negotiations with the beneficiaries towards obtaining possession of land necessitating the

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 35 OTHERS (Contd.)

rehabilitation is in progress, no provision has been made towards the potential cost that is likely to be incurred by KSPL towards rehabilitation and settlement.

c) Land acquisition for SEZ project comprises direct purchases, land acquired from Andhra Pradesh Industrial Infrastructure Corporation Ltd and land awarded by GoAP through notification. The land acquired through awards by GoAP includes, payment towards structures, standing crops, solatium and interest from the date of notification till the date of award. All the above costs are treated as part of land acquisition cost.

d) The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 ('LARR Act') was published in the Gazette of India by the Government of India on September 27, 2013. The Act came into force on January1, 2014, as per internal assessment and legal opinion obtained by KSPL, the management of the Group is of the view that there is no further financial impact of the said act and accordingly no adjustments have been made in the consolidated financial statements of the Group.

xxi A search under Section 132 of the IT Act was carried out at the premises of the Company and certain entities of the Group by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates during the year ended March 31, 2013, to check the compliance with the provisions of the IT Act. The Income Tax Department has subsequently sought certain information / clarifications. The Group has not received any demand from the Income Tax Authorities. The management of the Group believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

xxii. During the year ended March 31, 2014, with a view to restructure shareholdings in airport sector, the Company and GEL have transferred 489,999,800 equity shares of ₹ 10 each held in DIAL to GAL, a 97.15% subsidiary of the Company, at cost.

xxiii.The Comptroller and Auditor General of India ('CAG') had conducted the performance audit of Public Private Partnership ('PPP') project of AAI at Delhi Airport for the period 2006 to 2012. CAG has presented its report before the Rajya Sabha on August 17, 2012 wherein they have made certain observations on DIAL. The Public Accounts Committee ('PAC'), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Lok Sabha vide its Ninety fourth report in February 2014.

The management of the Group is of the opinion that the observations in the CAG report and the PAC report do not have any financial impact on these consolidated financial statements of the Group.

NOTE 36 DERIVATIVE INSTRUMENTS

a. IRS outstanding as at the balance sheet date:

i. In case of DIAL, as per the conditions precedent to disbursement of External Commercial Borrowing ('ECB') loan. DIAL has entered into an IRS agreement from floating rate of interest to fixed rate of interest against its foreign currency loan of USD 31.06 crore (March 31, 2013: USD 34.13 crore). Since the critical terms of the IRS and the principal terms of the loan are same, based on the internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.

Particulars of Derivatives	Purpose			
IRS outstanding as at balance sheet date: USD 31.06 crore (March 2013: USD 34.13 crore)	Hedge of variable interest outflow on ECB. Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 months' LIBOR:			
	March 31, 2014 ECB Amount (USD in crore)	**March 31, 2013 ECB Amount (USD in crore)**	**March 31, 2014 Interest Rate**	**March 31, 2013 Interest Rate**
	8.88	9.75	4.99%	4.99%
	6.65	7.31	2.76%	2.76%
	8.88	9.75	0.87%	0.87%
	6.65	7.32	0.86%	0.86%

ii. GAPL has entered into an IRS contract with Axis Bank Limited from floating rate of interest to fixed rate of interest against its foreign currency loan amounting to USD 1.18 crore (March 31, 2013: USD 1.47 crore) covering the period from October 12, 2010 to October 06, 2017. Based on the internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.

iii. In case of GHIAL, as per the conditions precedent to disbursement of foreign currency loan of USD 12.50 crore (March 31, 2013: USD 12.50 crore), GHIAL has entered into swap agreement from floating rate of interest to fixed rate of interest covering the period of the foreign currency loan from September 10, 2007 to April 01, 2024. Since the critical terms of the IRS and the underlying foreign currency loan are the same, based on the internal assessment carried out by the management of the Group, the impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan, is considered to be immaterial and accordingly no adjustment has been made in these consolidated financial statements of the Group.

iv. ISG had entered into an IRS agreement with Royal Bank of Scotland for swapping floating rate of interest to fixed rate of interest for its loan of Euro 33.60 crore covering the period June 30, 2008 to June 29, 2018. Based on the internal assessment carried out by the management of the Group, the impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan, was considered to be immaterial and

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 36 DERIVATIVE INSTRUMENTS (Contd.)

accordingly no adjustment had been made in these consolidated financial statements of the Group in this regard. Pursuant to the divestment, ISG ceased to be a jointly controlled entity and accordingly, the Group has not consolidated the loans against which the IRS have been taken by the Group.

v. During the year ended March 31, 2013, ATSCL has entered into an IRS contract with ICICI from floating rate of interest to fixed rate of interest against its foreign currency loan amounting to USD 1.66 crore covering the period from December 7, 2012 to December 7, 2017. Based on an internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net gain/loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.

vi. During the year ended March 31, 2014, MTSCL has entered into an IRS contract with ICICI from floating rate of interest to fixed rate of interest against its foreign currency loan amounting to USD 1.66 crore covering the period from May 8, 2013 to May 8, 2018. Based on an internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net gain/loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.

vii. During the year ended March 31, 2014, GKEL has entered into an IRS from floating rate of interest to fixed rate of interest and a cross currency swap contract with ICICI against its foreign currency loan amounting to USD 5.54 crore covering the period from October 1, 2014 to December 1, 2017. Based on an internal assessment carried out by the management of the Group, the net impact of the mark to market valuation of the IRS, net gain/loss on the underlying loan is not expected to be material and accordingly no adjustment has been made in these consolidated financial statements of the Group.

viii. GMIAL has entered into IRS agreement with Axis Bank Limited for swapping floating rate of interest to fixed rate of interest against the loan of USD 14.50 crore (March 31, 2013: USD 14.50 crore) covering the period December 31, 2011 to December 31, 2015.

Since the critical terms of the IRS and the underlying foreign currency loan are the same, based on the internal assessment carried out by the management of the Group, the impact of the mark to market valuation of the IRS, net of gain / loss on the underlying loan, is considered to be immaterial and accordingly no adjustment has been made in these consolidated financial statements of the Group.

b. Un-hedged foreign currency exposure for monetary items is as follows:

(Foreign currencies and Indian ₹ in crore)

Currency	Cash and bank balances	Fixed assets non - current investments and current investments	Trade receivables, Inventories, long-term and short-term advances and other non-current and current assets	Trade payables, other long term and current liabilities and long term and short term provisions	Long-term borrowings, short term borrowings and current maturities of long term borrowings
Canadian Dollar	0.24	0.08	0.02	0.14	-
	(0.41)	(2.87)	(0.16)	(0.79)	-
Swiss Franc	-	-	0.00	0.00	-
	-	-	(0.00)	-	-
Chinese Yuan	0.00	-	0.01	0.18	-
	(0.08)	-	(0.01)	-	-
Euro	0.86	0.01	20.40	1.54	0.00
	(0.97)	(13.00)	(5.88)	(4.85)	(15.62)
Great Britain Pound ('GBP')	0.00	0.13	0.10	0.24	3.12
	(0.06)	(0.15)	(0.24)	(0.07)	(4.64)
Indonesian Rupiah	16,382.10	37,879.90	18,385.71	6,171.09	-
	(25,854.79)	(24,497.84)	(32,835.00)	(6,232.89)	-
Nepalese Rupee	0.45	114.87	0.23	1.35	-
	(2.22)	(107.30)	(0.25)	(1.70)	-
Singapore Dollar	0.01	0.05	0.04	0.11	-
	-	(0.05)	(0.08)	(1.21)	(23.49)
Turkish Lira	0.05	-	0.07	0.01	-
	(0.06)	-	(0.11)	(0.00)	-
United States Dollar ('USD')	32.21	58.57	20.94	33.77	172.23
	(31.99)	(52.02)	(23.27)	(38.16)	(170.94)

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 36 DERIVATIVE INSTRUMENTS (Contd.)

Currency	Cash and bank balances	Fixed assets non - current investments and current investments	Trade receivables, Inventories, long-term and short-term advances and other non-current and current assets	Trade payables, other long term and current liabilities and long term and short term provisions	Long-term borrowings, short term borrowings and current maturities of long term borrowings
Amount in ₹	2,120.14	3,939.09	3,062.72	2,243.01	10,729.76
	(1,998.01)	(4,230.21)	(1,903.29)	(2,567.99)	(11,862.34)

Note: Previous year figures are mentioned in brackets.

Forward contract outstanding as at balance sheet date:

Particulars	Entity	Currency	Amount in foreign currency in crore	
			March 31, 2014	March 31, 2013
Forward contract against payment for offshore supplies and discounted letter of credit	GKEL	USD	-	1.50
Forward cover for hedging of loan availed	GIML	GBP	-	4.64
	MTSCL	USD	1.66	-
	ATSCL	USD	1.66	1.66
	GREL	USD	5.20	-
Forward contract for hedging the supplier credit	GAPL	USD	0.08	-

NOTE 37 EMPLOYEE BENEFITS

a) Defined contribution plan

Contributions to provident and other funds included in capital work-in-progress (note 32(a)), intangible assets under development (note 32(b)) and employee benefits expenses (note 25) are as under:

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Contribution to provident fund	20.32	14.10
Contribution to superannuation fund	13.39	12.03
	33.71	**26.13**

b) Defined benefit plan

Provident Fund

Contribution to provident fund by DIAL included in capital work in progress (note 32(a)) and employee benefits expenses (note 25) are as under:

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Contribution to provident fund	3.95	5.48
	3.95	**5.48**

The Guidance on Implementing of Accounting Standard 15, Employee Benefits (revised 2005) issued by Accounting Standard Board (ASB) of the Institute of Chartered Accountants of India, states that benefits involving employer established provident funds, which require interest shortfalls to be re-compensated, are to be considered as defined benefit plans. Based on the actuarial valuation and on the assumptions provided below there is cumulative short-fall of ₹ Nil (March 2013: ₹ 0.97 crore) which has been provided in these consolidated financial statements and is included in other current liabilities (note 9).

The details of the fund and plan asset position are as follows:

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Plan assets at the year end, at fair value	65.35	56.45
Present value of benefit obligation at year end	65.35	55.48
Net (liability) / asset recognized in the balance sheet	-	(0.97)

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	March 31, 2014	March 31, 2013

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 37 EMPLOYEE BENEFITS (Contd.)

Discount Rate	9.25%	8.10%
Fund Rate	9.30%	8.60%
EPFO Rate	8.60%	8.60%
Withdrawal Rate	5.00%	5.00%
Mortality	Indian Assured Lives	LIC (1994-96)
	Mortality (2006-08)	Ultimate
	(modified)Ult *	

*As published by Insurance Regulatory and Development Authority ('IRDA') and adopted as Standard Mortality Table as recommended by the Institute of Actuaries of India effective April 1, 2013

Gratuity Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

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

Statement of profit and loss

Net employee benefits expenses

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Current service cost	7.01	6.02
Interest cost on benefit obligation	2.22	1.73
Expected return on plan assets	(2.61)	(2.15)
Net actuarial (gain) / loss recognised	(3.37)	0.92
Net benefit expenses	3.25	6.52

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Actual return on plan assets	2.20	2.24

Balance sheet

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Present value of defined benefit obligation	30.45	28.30
Fair value of plan assets	27.12	27.01
Plan asset / (liability)	(3.33)	(1.29)

Changes in the present value of the defined benefit obligation

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Opening defined benefit obligation	28.30	21.08
New acquisitions	0.27	-
Interest cost	2.22	1.73
Current service cost	7.01	6.02
Benefits paid	(3.57)	(1.54)
Actuarial (gains) / losses on obligation	(3.78)	1.01
Closing defined benefit obligation	30.45	28.30

Changes in the fair value of plan assets are as follows

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 37 EMPLOYEE BENEFITS (Contd.)

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Opening fair value of plan assets	27.01	16.36
Expected return on plan assets	2.61	2.15
Contributions by employer	1.48	9.95
Benefits paid	(3.57)	(1.54)
Actuarial gains / (losses) on plan assets	(0.41)	0.09
Closing fair value of plan assets	27.12	27.01

The Group expects to contribute ₹ 1.58 crore (March 31, 2013: ₹ 9.04 crore) towards gratuity fund in next year.

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

Particulars	March 31, 2014	March 31, 2013
Investments with insurer managed funds	100%	100%

The principal assumptions used in determining gratuity obligation:

Particulars	March 31, 2014	March 31, 2013
Discount rate	9.25%	8.10%
Expected rate of return on assets	9.40%	9.40%
Expected rate of salary increase	6.00%	6.00%
Employee turnover	5.00%	5.00%
Mortality Rate	Refer note (iii) below	Refer note (iii) below

Notes :

i. The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.

ii. The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iii. As per Indian Assured Lives Mortality (2006-08) (modified) Ult. (March 31, 2013: As per Indian Assured Lives Mortality (2006-08) (modified) Ult)

Amounts for the current and previous four years are as follows:

Particulars	Gratuity				
	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)	March 31, 2012 (₹ in crore)	March 31, 2011 (₹ in crore)	March 31, 2010 (₹ in crore)
Present value of defined benefit obligation	30.45	28.30	21.08	13.48	8.48
Fair value of plan assets	27.12	27.01	16. 36	12.91	8.38
Surplus / (deficit)	(3.33)	(1.29)	(4.72)	(0.57)	(0.10)
Experience adjustments on plan liabilities	(3.78)	1.01	2.64	(0.37)	(0.46)
Experience adjustments on plan assets	(0.41)	0.09	0.38	0.09	0.07

Other defined post employment benefit:

Certain entities in the Group located outside India have defined unfunded post employment benefits for its employees.

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

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Current service cost	2.51	2.53
Interest cost on benefit obligation	0.42	0.45
Net actuarial (gains) / losses recognised	(1.16)	(1.22)
Net benefit expenses	1.77	1.76

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 37 EMPLOYEE BENEFITS (Contd.)

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Opening defined benefit obligation	7.18	5.44
Interest cost	0.42	0.45
Current service cost	2.51	2.53
Benefits paid	(0.67)	(0.02)
Actuarial (gains) / losses on obligation	(1.16)	(1.22)
Closing defined benefit obligation	8.28	7.18

NOTE 38 LEASES:

a. Finance lease

The Group has entered into finance lease arrangements (as lessee) 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.

(₹ in crore)

Particulars	Minimum lease payments	Present value of minimum lease	Minimum lease payments	Present value of minimum lease
	As at March 31, 2014		As at March 31, 2013	
(i) Payable not later than 1 year	0.34	0.31	0.89	0.77
(ii) Payable later than 1 year and not later than 5 years	0.65	0.52	0.76	0.60
(iii) Payable later than 5 years	-	-	-	-
Total - (i)+(ii)+(iii) = (iv)	0.99	0.83	1.65	1.37
Less: Future finance charges (v)	0.16	-	0.28	-
Present value of minimum lease payments [(iv) - (v)]	0.83	-	1.37	-

Lease payment made during the year ₹ 0.66 crore (March 31, 2013: ₹ 0.88 crore)

b. Operating leases

The Group has entered into certain cancellable operating lease agreements mainly for office premises and hiring equipments and certain non-cancellable operating lease agreements towards office premises and hiring office equipments. The lease rentals charged during the year (included in note 32(a), note 32(b) and note 26) and the maximum obligation on the long term non-cancellable operating lease payable as per the agreements are as follows:

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Payment		
Lease rentals under cancelable and non-cancellable leases	120.88	141.52
Receipt		
Lease rentals under cancelable leases	3.77	2.94
Obligations on non-cancelable leases:		
Not later than one year	13.54	14.87
Later than one year and not later than five years	33.22	41.27
Later than five years	26.64	32.23

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 39 DEFERRED TAX

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

Sl.No.	Particulars	March 31, 2014		March 31, 2013	
		Deferred tax Asset (₹ in crore)	Deferred tax Liability (₹ in crore)	Deferred tax Asset (₹ in crore)	Deferred tax Liability (₹ in crore)
	Deferred tax liability :				
1	Depreciation Carry forward losses	-	1,407.64	-	1,046.13
2	unabsorbed depreciation	1,218.88	-	904.53	-
3	Intangibles (Airport concession rights)	80.70	-	80.68	-
4	Others	34.79	-	5.53	-
	Sub - total (A)	**1,334.37**	**1,407.64**	**990.74**	**1,046.13**
	Deferred tax liability (net)		73.27		55.39
	Deferred tax asset:				
1	Depreciation Carry forward losses /	-	231.76	-	211.92
2	unabsorbed depreciation	258.79	-	235.35	-
3	Others	17.54		34.68	-
	Sub total (B)	**276.33**	**231.76**	**270.03**	**211.92**
	Deferred tax asset (net)	44.57		58.11	
	Total (A+B)	**1,610.70**	**1,639.40**	**1,260.77**	**1,258.05**
	Deferred tax asset / (Deferred tax liability) (net)	(28.70)		2.72	
	Change for the year		31.42		95.51
	Foreign currency translation reserve		(0.40)		(0.22)
	Deferred tax asset/(liability) on account of acquisition during the year		1.06		-
	Charge/(credit) during the year		32.08		95.29

i. In case of GTAEPL and GTTEPL, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the IT Act, deferred tax has not been recognised by these companies.

ii. In case of PTBSL, deferred tax asset has not been recognized on unabsorbed losses on the grounds of prudence in view of the management's assessment of future profitability.

iii. During the year ended March 31, 2010, based on an expert opinion, GVPGL had recognised deferred tax asset amounting to ₹ 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 believed that there was virtual certainty, with convincing evidence, of availability of such future taxable income in view of the power pricing mechanism in the PPA entered into with the Andhra Pradesh Power Distribution Companies ('APDISCOMS') for supply of 370 MW out of the total capacity of 387 MW, as amended, for a period of 23 years set to expire in 2029 and the agreement entered into by GVPGL with Reliance Industries Limited ('RIL'), Niko (Neco) Limited and BP Exploration (Alpha) Limited for the supply of natural gas for a period till March 31, 2014 pursuant to allocation of natural gas from KG D-6 being made available to GVPGL under firm allocation basis by the MoPNG, GoI, vide their letter dated November 18, 2009.

The management had recognized deferred tax liability in respect of all the timing differences which had originated up to March 31, 2012 and were expected to reverse either before the commencement of the expected tax holiday period or after the expiry of such tax holiday period.

The natural gas supplies from KG D-6 basin had dropped significantly resulting in losses during the year ended March 31, 2014 and March 31, 2013. In the absence of virtual certainty supported by convincing evidence of future taxable profits to GVGPL, for set off of unabsorbed depreciation and carry forward losses, the management has recognised deferred tax asset only to the extent of deferred tax liability as at March 31, 2014 and March 31, 2013.

iv. During the year ended March 31, 2014, EMCO has recognized a deferred tax asset of ₹ 30.07 crore on its carry forward losses to the extent it is available for set-off from future taxable income before the commencement of the expected tax holiday period. The deferred tax asset on carry forward losses is accounted net of the deferred tax liability arising out of the difference between tax depreciation and depreciation/ amortization charged as per the books of account of EMCO and is restricted to the extent there is virtual certainty of taxable profits under the IT Act before the commencement of expected tax holiday period. The management of the Group believes that there is virtual certainty with convincing evidence of availability of such future taxable income in view of the power pricing mechanism in the PPAs entered into by EMCO with Maharashtra State Electricity Distribution Company Limited for 200 MW capacity, with Union Territory of Dadra Nagar Haveli for 200 MW capacity, with GETL for 150 MW capacity based on back-to-back power sale agreement with TANGEDCO and fuel linkage for full capacity of its plant. The management has recognized deferred tax asset / liability in respect of all the timing differences which have originated upto March 31, 2014 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such holiday period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 40 PROVISIONS

Particulars	As at April 1, 2013 (₹ in crore)	Provision made during the year (₹ in crore)	Amount written back during the year (inclusive of exchange differences) (₹ in crore)	Amount used during the year (₹ in crore)	As at March 31, 2014 (₹ in crore)
Provision for operations and maintenance	81.01	27.45	12.89	32.61	62.96
	(44.79)	(39.51)	(3.29)	-	(81.01)
Provision for voluntary retirement compensation	108.56	-	-	19.08	89.48
	(127.93)	-	-	(19.37)	(108.56)

Notes:

i. Previous year figures are mentioned in brackets.

ii. DIAL has provided ₹ 288.82 crore (March 31, 2013: ₹288.82 crore) towards reimbursement of voluntary retirement compensation payable to AAI on expiry of the initial operational support period as per the terms and conditions of OMDA. It has been recognised and amortised over the initial and extended period of OMDA.

iii. The balance as at March 31, 2014 includes ₹ 1.96 crore (March 31, 2013: ₹ 2.09 crore) for which commercial invoices have been received by GVPGL from the service provider.

NOTE 41 INFORMATION ON JOINTLY CONTROLLED ENTITIES AS PER ACCOUNTING STANDARD - 27

Name of the jointly controlled entities	Country of incorporation	Percentage of effective ownership (directly or indirectly) as on	
		March 31, 2014	March 31, 2013
ISG **	Turkey	-	40.00%
SGH^^^	Turkey	-	29.00%
CJV	Turkey	50.00%	50.00%
LGM **	Turkey	-	40.00%
RCMEPL^^	India	16.10%	17.03%
TVS GMR ****	India	-	29.99%
MGATL	India	30.60%	30.60%
MGAECL	India	30.60%	30.60%
TFS^	India	20.98%	21.13%
DAFF^	India	13.64%	13.73%
TIM^	India	26.18%	26.36%
DAPSL^	India	26.18%	26.36%
DFSPL^	India	20.98%	21.13%
DSSHPL^	India	20.98%	21.13%
DDFS *^	India	42.72%	26.36%
WAISL^	India	13.64%	13.73%
CDCTM^	India	13.64%	13.73%
DCSCPL^	India	13.64%	13.73%
DASPL^	India	26.23%	26.41%
NML^^	South Africa	25.80%	27.34%
TMR**	South Africa	-	27.34%
Laqshya	India	29.99%	29.99%
APFT	India	24.51%	24.51%
PTGEMS^^	Indonesia	27.89%	29.40%
RCI^^	Indonesia	27.62%	29.11%
BIB^^	Indonesia	27.36%	28.84%
KIM^^	Indonesia	27.89%	29.40%

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 41 INFORMATION ON JOINTLY CONTROLLED ENTITIES AS PER ACCOUNTING STANDARD - 27 (Contd.)

Name of the jointly controlled entities	Country of incorporation	Percentage of effective ownership (directly or indirectly) as on	
		March 31, 2014	March 31, 2013
KCP^^	Indonesia	27.89%	29.40%
BBU^^	Indonesia	27.89%	29.40%
BHBA^^	Indonesia	27.89%	29.40%
BNP^^	Indonesia	27.89%	29.40%
TBBU^^	Indonesia	27.89%	29.40%
TKS^^	Indonesia	19.52%	20.58%
BAS***	Indonesia	27.89%	-
GEMSCR^^	Indonesia	27.89%	29.40%

* Consequent to acquisition of additional stake from minority shareholder, DDFS has ceased to be a jointly controlled entity and has become a subsidiary during the year.

** Sold during the year

***Incorporated during the year.

**** Joint Venture agreement annulled during the year

^ Decrease in effective ownership consequent to change in holding structure of DIAL during the year.

^^ Decrease in effective ownership consequent to issue of equity shares to minority shareholders in GEL during the year ended March 31, 2014.

^^^ Ceased to be jointly controlled entity consequent to sale of ISG.

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 jointly controlled entities) related to its interests in the joint ventures, as included in these consolidated financial statements of the Group are as follows:

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Non-current assets		
Tangible and Intangible assets	662.02	1,557.08
Capital work-in-progress and Intangible assets under development	80.80	99.66
Non-current investments	0.04	0.04
Deferred tax asset (net)	6.17	6.48
Long-term loans and advances	42.83	109.45
Other non-current assets	6.65	56.54
Current assets		
Inventories	36.27	67.42
Trade receivables	157.15	175.35
Cash and bank balances	148.11	208.57
Short-term loans and advances	35.73	282.60
Other current assets	5.17	6.76
Non-current liabilities		
Long-term borrowings	325.73	1,411.88
Trade payables	-	46.70
Deferred tax liabilities (net)	9.73	7.91
Other long-term liabilities	0.97	111.89
Long-term provisions	4.74	17.50
Current liabilities		
Short-term borrowings	82.05	38.78
Trade payables	121.88	121.10
Other current liabilities	83.84	310.68
Short-term provisions	11.61	26.40
Income		
Sales and operating income	1,627.18	1,824.14
Other income	51.44	39.01
Expenses		
Sub-contracting expenses	288.41	323.38
Cost of materials consumed	15.36	7.10

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 41 INFORMATION ON JOINTLY CONTROLLED ENTITIES AS PER ACCOUNTING STANDARD - 27 (Contd.)

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Purchase of traded goods	478.92	765.27
(Increase) / decrease in stock-in-trade	(7.39)	8.15
Employee benefits expenses	102.02	120.92
Other expenses	335.84	305.01
Utilisation fees	186.18	130.87
Finance cost	178.15	180.65
Depreciation and amortisation expenses	155.40	121.33
Tax expenses	21.58	27.84
(Loss) / profit after tax	(75.85)	(127.37)
Other matters		
Capital commitments	23.90	28.27

Contingent Liabilities:

i. Group's share of contingent liabilities of the jointly controlled entities ₹ 18.16 crore (March 31, 2013: ₹ 9.57 crore).

ii. Refer note 33(b)(xv) regarding the details of compensation claimed on BIB.

iii. Refer note 33(b)(xvi) regarding details de-allocation of coal blocks of RCMEPL and bank guarantees provided by the Group on behalf of the jointly controlled entities.

Refer note 30(a) regarding the details of profit on sale of certain jointly controlled entities during the year ended March 31, 2014 by the Group, which has been disclosed as an exceptional item.

NOTE 42 SEGMENT REPORTING

a) The segment reporting of the Group has been prepared in accordance with AS 17 on Segment Reporting, notified under the Companies Act, 1956 read with General Circular 8/2014 dated April 4, 2014, issued by the MCA.

b) For the purpose of reporting, business segments are primary segments and the geographical segment is a secondary segment.

c) The business segments of the Group comprise of the following:

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

d) Geographical segment is categorised as 'India' and 'Outside India' and is based on the domicile of the customers.

e) Various business segments comprise of the following companies:

Power Segment	
GEL	TMR
GPCL	CPL
GVPGL	FCK
GBHPL	GMAEL
GMEL	GBEPL
GKEL	GUPEPL
HHPPL	GHOEL
GEML	GGSPPL
GLEL	KTCPL
GUKPL	MTCPL
GETL	GINELL
GCSPL	GINPCL
GCEPL	GREEL
GBHHPL	ATSCL
GLHPPL	MTSCL
GKEPL	GEPML
RCMEPL	GISPL
GCHEPL	EDWPCPL

Airport Segment	
GHIAL	DFSPL
GFIAL	DSSHPL
HMACPL	DDFS
HASSL	DAFF
GHARML	CDCTM
HAPL	DCSCPL
GHASL	DAPSL
GHMSL	TIM
MGAECL	ISG
TVS GMR	SGH
HDFRL	GAL
MGATL	GMRAML
GAHSCL	GMIAL
APFT	GMRPL
DIAL	Laqshya
DASPL	GAGL
DAPL	GHAPDL
TFS	GALM

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 42 SEGMENT REPORTING (Contd.)

GECL	GPIL
GENBV	GCRPL
PTDSU	PTGEMS
PTDSI	RCI
PTBSL	BIB
GREL	KIM
SJK	KCP
PT	BBU
EMCO	BHBA
HEGL	BNP
HEC	TBBU
HMES	TKS
HCM	GEMSCR
NML	BAS

Roads Segment	
GMRHL	GUEPL
GTTEPL	GHVEPL
GTAEPL	GCORRPL
GACEPL	GOSEHHHPL
GJEPL	GKUAEL
GPEPL	GHPPL

EPC Segment	
GADL	GADLML
GADLIL	CJV
GIL - EPC Segment	

Others Segment	
WAISL	PRPPL
GHRL	SRPPL
GAPL	GSPHPL
GKSEZ	GCAPL
APPL	DSPL
AKPPL	KSPL
AMPPL	GIML
BPPL	GICL
BOPPL	GIOSL
CPPL	GIUL
DPPL	GIGL
EPPL	GEGL
GPL	LGM
LPPPL	GIOL
HPPL	RPPL
IPPL	GBPSPL
KPPL	AREPL
LAPPL	LPPL
NPPL	GHEMCPL
PAPPL	NREPL
PPPL	HFEPL
PUPPL	GIL - Others Segment
SPPL	

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 42 SEGMENT REPORTING (Contd.)

f. The details of segment information is given below

Business segment

(₹ in crore)

Particulars	Power		Roads		Airports		EPC		Others		Discontinuing operations		Inter Segment and Inter operations		Unallocated		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenue																		
Revenue from operations	3,342.61	2,322.08	655.74	365.15	5,348.61	4,377.11	239.75	655.16	187.48	121.72	792.78	2,030.65	-	-	-	-	10,566.97	9,871.87
Other operating revenue	-	4.37	-	-	-	-	-	-	86.25	98.62	-	-	-	-	-	-	86.25	102.99
Inter segment revenue	-	-	-	5.58	2.49	40.49	228.92	798.56	231.26	264.60	-	-	(462.67)	(1,109.23)	-	-	0.00	(0.00)
Total revenue (a)	**3,342.61**	**2,326.45**	**655.74**	**370.73**	**5,351.10**	**4,417.60**	**468.67**	**1,453.72**	**504.99**	**484.94**	**792.78**	**2,030.65**	**(462.67)**	**(1,109.23)**	**-**	**-**	**10,653.22**	**9,974.86**
Other income (excluding interest income) (b)	84.46	5.67	4.79	3.23	47.31	67.93	3.43	6.90	21.44	45.01	5.28	17.73	(0.92)	(12.86)	-	-	165.79	133.61
Expenditure																		
Revenue share paid/ payable to concessionaire grantors	-	-	72.08	21.11	1,871.61	1,562.63	-	-	-	-	-	85.74	-	-	-	-	1,943.69	1,669.48
Consumption of fuel	1,743.93	1,020.40	-	-	-	-	-	-	11.12	14.06	-	-	(0.58)	(2.61)	-	-	1,754.47	1,031.85
Cost of materials consumed	-	-	-	-	7.96	7.71	92.08	289.25	4.34	11.43	7.40	(0.61)	(51.13)	(105.88)	-	-	60.65	201.90
Purchase of traded goods and (increase) / decrease in stock in trade	582.14	475.41	-	-	278.97	133.32	-	-	-	-	169.53	882.82	-	-	-	-	1,030.64	1,491.55
Sub -contracting expenses	291.70	358.05	63.86	49.53	-	-	308.62	753.59	-	-	4.28	105.22	(145.59)	(511.21)	-	-	522.87	755.18
Employee benefits expenses	122.45	61.45	27.50	13.37	258.12	247.59	58.57	103.31	81.50	75.74	51.95	160.67	(25.87)	(50.20)	-	-	574.22	611.93
Other expenses	570.39	270.42	53.25	27.51	1,048.06	809.94	46.25	141.12	118.36	110.66	390.24	448.42	(211.46)	(203.14)	-	-	2,015.09	1,604.93
Utilisation fees	-	-	-	-	-	-	-	-	-	-	186.18	130.87	-	-	-	-	186.18	130.87
Depreciation/amortisation	521.02	178.59	167.70	104.56	628.63	586.34	7.42	8.65	36.89	40.40	94.29	127.54	(0.96)	(6.30)	-	-	1,454.99	1,039.78
Total expenditure (c)	**3,831.63**	**2,364.32**	**384.39**	**216.08**	**4,093.35**	**3,347.53**	**512.94**	**1,295.92**	**252.21**	**252.29**	**903.87**	**1,940.67**	**(435.59)**	**(879.34)**	**-**	**-**	**9,542.80**	**8,537.47**
Segment results (a)+(b)-(c)	**(404.56)**	**(32.20)**	**276.14**	**157.88**	**1,305.06**	**1,138.00**	**(40.84)**	**164.70**	**274.22**	**277.66**	**(105.81)**	**107.71**	**(28.00)**	**(242.75)**	**-**	**-**	**1,276.21**	**1,571.00**
Unallocated income/(expense)																		
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,971.88)	(2,099.00)	(2,971.88)	(2,099.00)
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150.08	143.58	150.08	143.58
Interest expenses(net)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,821.80)**	**(1,955.42)**	**(2,821.80)**	**(1,955.42)**
Exceptional items											-	-		-		-		
Profit on dilution in subsidiaries [refer note 30 (d) and 30 (e)]		-	-	-	-	-	-	-	-	-	69.73	-	-	-	-	-	69.73	-
Profit on sale of assets (consists of exchange differences amounting to ₹ 63.52 crore) [refer note 30 (c)]		-	-	-	-	-	-	-	-	-	100.54	-	-	-	-	-	100.54	-
Profit on sale of jointly controlled entities / subsidiary (net of expenses directly attributable to such income of ₹ 164.98 crore) [refer note 30 (a) and 30 (g)]	-	-	-	-	-	-	-	-	-	-	1,658.93	1,231.25	-	-	-	-	1,658.93	1,231.25
Loss on impairment of assets in subsidiaries [refer note 35 (g)(xii) and 30 (c)]	(8.95)	-	-	-	-	-	-	-	-	-	-	(251.37)	-	-	-	-	(8.95)	(251.37)
Assets write off in a subsidiary [refer note 30 (b)]												**(202.61)**						**(202.61)**
Segment result/profit/(loss) before tax expenses and minority interest	(413.51)	(32.20)	276.14	157.88	1,305.06	1,138.00	(40.84)	164.70	274.22	277.66	1,723.39	884.98	(28.00)	(242.75)	(2,821.80)	(1,955.42)	274.66	392.85
Tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	166.25	257.44	166.25	257.44
Segment result/profit/(loss) before minority interest	**(413.51)**	**(32.20)**	**276.14**	**157.88**	**1,305.06**	**1,138.00**	**(40.84)**	**164.70**	**274.22**	**277.66**	**1,723.39**	**884.98**	**(28.00)**	**(242.75)**	**(2,988.05)**	**(2,212.86)**	**108.41**	**135.41**
Other information																		
Segment assets	33,652.96	32,382.52	7,397.82	6,959.25	15,886.94	16,276.15	1,060.04	933.30	16,444.28	13,518.60	1,451.35	4,407.69	(11,573.12)	(11,545.46)	-	-	64,320.27	62,932.05
Unallocated segment assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	821.58	884.94	821.58	884.94
Total Assets	**33,652.96**	**32,382.52**	**7,397.82**	**6,959.25**	**15,886.94**	**16,276.15**	**1,060.04**	**933.30**	**16,444.28**	**13,518.60**	**1,451.35**	**4,407.69**	**(11,573.12)**	**(11,545.46)**	**821.58**	**884.94**	**65,141.85**	**63,816.99**
Segment liabilities	6,727.96	7,925.31	1,529.40	1,523.21	2,156.15	2,598.59	674.93	780.65	1,361.29	1,493.10	168.09	458.64	(5,530.68)	(6,608.09)	-	-	7,087.14	8,171.41
Unallocated segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,269.39	44,676.30	47,269.38	44,676.30
Total Liabilities	**6,727.96**	**7,925.31**	**1,529.40**	**1,523.21**	**2,156.15**	**2,598.59**	**674.93**	**780.65**	**1,361.29**	**1,493.10**	**168.09**	**458.64**	**(5,530.68)**	**(6,608.09)**	**47,269.39**	**44,676.30**	**54,356.52**	**52,847.71**
Capital expenditure	3,895.59	6,649.50	191.64	1,740.33	207.31	447.11	-	8.85	278.97	158.72	55.93	2,190.53	-	-	-	-	4,629.44	11,195.04
Depreciation/amortisation	521.02	178.59	167.70	104.56	628.63	586.34	7.42	8.65	36.89	40.40	94.29	127.54	(0.96)	(6.30)	-	-	1,454.99	1,039.78
Other non cash expenses	36.27	130.05	0.61	0.27	48.11	46.18	-	-	160.82	6.21	13.47	518.67	(131.25)	-	-	-	128.03	701.38

The segment wise details of revenue, expenses, results, assets and liabilities of the discontinuing operations disclosed above are as below:

Discontinuing operations

(₹ in crore)

Particulars	Power		Roads		Airports		Others		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Total revenue	-	103.04	82.14	152.22	647.52	1,722.42	63.12	53.42	792.78	2,030.65
Other income (excluding interest income)	0.50	7.88	1.07	2.64	3.71	7.32	-	(0.11)	5.28	17.73
Total expenditure	34.28	218.23	37.50	65.84	790.56	1,624.20	41.52	32.48	903.87	1,940.67
Segment results	(33.78)	(107.31)	45.71	89.02	(139.33)	105.54	21.60	20.83	(105.81)	107.71
Segment assets	19.87	190.08	-	1,468.60	1,431.48	2,700.14	-	48.87	1,451.35	4,407.69
Segment liabilities	8.05	43.46	-	35.23	160.04	364.99	-	14.96	168.09	458.64

The Group has two geographical segments: India and outside India

Geographical segments

(₹ in crore)

Particulars	Revenue		Assets		Capital expenditure	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Continuing Operations:						
India	9,159.45	7,243.41	56,970.73	51,781.20	4,425.39	8,748.09
Outside India	700.99	700.80	7,108.00	8,071.18	147.81	256.38
Discontinuing Operations:						
India	82.14	155.13	-	1,457.57	0.31	25.54
Outside India	710.64	1,875.52	1,063.12	2,507.04	55.93	2,165.03
Total	**10,653.22**	**9,974.86**	**65,141.85**	**63,816.99**	**4,629.44**	**11,195.04**

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 43 DISCLOSURE IN TERMS OF AS - 7: CONSTRUCTION CONTRACTS

Sl. No.	Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
1	Contract revenue recognised during the year	239.75	655.16
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	1,529.33	1,993.40
3	Amount of customer advances outstanding for contracts in progress	74.54	265.27
4	Retention money due from customers for contracts in progress	131.04	131.71
5	Gross amount due from customers for contract works as an asset	65.74	132.19
6	Gross amount due to customers for contract works as a liability	0.57	1.67

NOTE 44 ACQUISITIONS AND DISPOSALS DURING THE YEAR

a. The Group has the acquired following subsidiaries / jointly controlled entities during the year ended March 31, 2014:

o HFEPL	o NREPL

b. The Group had acquired following subsidiaries / jointly controlled entities during the year ended March 31, 2013:

o LPPL	o AREPL

c. The effect of the acquisition of subsidiaries / jointly controlled entities on the financial position for the respective years at the reporting date and the results for the reporting period.

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Reserves and surplus	-	(0.01)
Trade payables	0.21	0.01
Other current liabilities	0.76	0.32
Goodwill on consolidation	2.26	-
Tangible assets	40.33	6.88
Intangible assets	0.03	-
Capital work-in-progress	0.74	0.69
Long-term loans and advances	3.74	3.33
Cash and bank balances	0.06	5.03
Short-term loans and advances	-	0.19
Other current assets	0.75	0.11
Sales and operating income	-	-
Other expenses	-	0.01
Profit / (loss) before tax	-	(0.01)
Tax expenses	-	-
Profit / (loss) after tax	-	(0.01)

d. DDFS has become a subsidiary from a jointly controlled entity on account of additional share acquired during the year. The impact of the same has not been considered in the table above.

e. Disposals during the year:

i. The Group has disposed following subsidiaries and jointly controlled entities during the year ended March 31, 2014

O TVS GMR	O GJEPL
O GUEPL	O TMR
O ISG	O LGM
O EDWPCPL	O SGH

ii. The Group had sold its entire equity shareholding in GESPL and its subsidiary GECPL during the year ended March 31, 2013

iii. The financial position as at the date of sale of these entities and the results of these entities for the reporting period from the beginning of the financial year till the date of disposals for the respective years were as follows:

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 44 ACQUISITIONS AND DISPOSALS DURING THE YEAR (Contd.)

Particulars	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Long-term borrowings	2,056.94	3,675.46
Short-term borrowings	61.98	-
Other long-term liabilities	178.69	-
Long-term provisions	5.30	-
Short-term provisions	31.35	-
Trade payables	18.60	-
Other current liabilities	597.66	76.76
	2,950.52	**3,752.22**
Goodwill on consolidation	-	44.62
Tangible assets	1,112.44	-
Intangible assets	1,396.01	-
Capital work-in-progress	181.26	3,865.55
Current investments	1.70	-
Long term loans and advances	99.08	-
Other non-current assets	12.77	182.15
Inventories	9.16	23.57
Trade receivables	36.72	-
Cash and bank balances	122.51	201.51
Short-term loans and advances	431.11	-
Other current assets	25.35	41.79
	3,428.11	**4,359.19**
Sales and operating income	792.00	-
Other income	13.10	7.73
Cost of materials consumed	7.40	-
(Increase) / decrease in stock in trade	(1.05)	-
Sub-contracting expenses	1.81	-
Employee benefits expenses	39.08	-
Purchase of traded goods	170.58	-
Other expenses	199.49	0.50
Utilisation fees	186.18	-
Finance costs	171.29	-
Depreciation and amortisation expenses	94.01	-
Profit / (loss) before tax expenses	(63.69)	7.23
Tax expenses	(0.47)	1.08
(Loss) / profit after tax	**(63.22)**	**6.15**

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS

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

Sl. No.	Relationship	Name of the parties
(i)	Holding Company	GHPL
(ii)	Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities	AAI
		African Spirit Trading 307 (Proprietary) Limited
		Arcelormittal India Limited (AIL)
		APFTSB
		Bharat Petroleum Corporation Limited (BPCL)
		Brindaban Man Pradhang
		BWWFSIPL
		CAPL
		Cargo Service Center India Private Limited (CSCIPL)
		CELEBI GHDPL
		CHSAS
		DIL
		FAG
		GoAP
		GMR Institute of Technology (GMRIT)
		Greenwich Investments Limited (GRIL)
		Homeland Energy Management Limited
		IDFS Trading Private Limited (IDFSTPL)
		IEISL
		Infrastructure Leasing and Financial Services Limited (IL&FS Limited)
		IL & FS Financials Services limited (IL&FS)
		ILFS Renw
		IL&FS Urban Infrastructure Services Limited (IUISL)
		IL&FS Energy Development Company Limited (ILFSEDCL)
		India Development Fund (IDF)
		IIF
		Indian Oil Corporation Limited (IOCL)
		Infrastructure Development Finance Company Limited (IDFC)
		KIHPL
		Kakinada Refinery& Petrochemicals Private Limited (KRPPL)
		Lanco Group Limited (LGL)
		LGM Guvenik (LGMG)
		LISVT
		Limak Yatrim (LY)
		LMPL
		M/S G.S.Atwal & Co.
		MAHB
		MAMPL
		Malaysian Aerospace Engineering Sdn. Bhd. (MAE)
		Malaysian Airline System Bhd. (MAS)
		MSIF
		Mehment Senk Aipsoy (MSA)
		Menzies Aviation Bobba (Bangalore) Private Limited (MABBPL)
		Menzies Aviation Cargo (Hyderabad) Limited (MACHL)
		Menzies Aviation India Private Limited (MAIPL)
		Menzies Aviation PLC (UK) (MAPUK)
		Menzies Bobba Ground Handling Services Private Limited (MBGHSPL)

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

Sl. No.	Relationship	Name of the parties
		NAPC Limited (NAPC)
		Navabharat Power Private Limited (NBPPL)
		Nepal Electricity Authority (NEA)
		Odeon Limited (OL)
		Oriental Tollways Private Limited (OTPL)
		Oriental Structures Engineers Private Limited (OSEPL)
		Petronas International Corporation Limited (PICL)
		PT Dian Swastatika Sentosa Tbk (PT Dian)
		PT Sinar Mas Cakrawala
		RIL
		Riverside Park Trading 164 (Pty) Limited (RPTL)
		Rushil Construction (India) Private Limited (RCIPL)
		Somerset India Fund (SIF)
		Sterlite Energy Limited (SEL)
		Tenega Parking Services (India) Private Limited (TPSIPL)
		TIML
		Tottenham Finance Limited (TFL)
		Travel Foods Services (Delhi) Private Limited (TFSDPL)
		TVS Communications Solutions Limited (TVSCSL)
		TVSLSL
		TVS Sundram Iyengar & Sons limited
		UE Development India Private Limited (UEDIPL)
		Veda Infra-Holdings (India) Private Limited (VIHIPL)
		Wipro Limited (WL)
		WTGGE
		Yalorvin Limited (YL)
(iii)	Enterprises where key management personnel and their relatives exercise significant influence	CISL
		GFFT
		GEPL
		GMR Estate Private Limited (GMREPL)
		GIVLLP
		GVF
		GMR Varalakshmi DAV Public School (GVDPS)
		GREPL
		GWT
		Rajam Enterprises Private Limited (REPL)
(iv)	Fellow subsidiary companies (where transactions have taken place)	CIL
		RSSL
		GBPPL
		GEOKNO India Private Limited (GEOKNO)
		GHML
		GHTPL
		GHLM
		GMR Holdings (Overseas) Limited (GHOL)
		GMR Infrastructure Malta Limited (GIMTL)
		GPPL
		GSPL
(v)	Jointly controlled entities	RCMEPL
		NML
		TMR*

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

Sl. No.	Relationship	Name of the parties
		PTGEMS
		RCI
		BIB
		KIM
		KCP
		BBU
		BHBA
		BNP
		TBBU
		TKS
		GEMSCR
		BAS
		MGAECL
		MGATL
		TVS GMR*
		Laqshya
		APFT
		DASPL
		TFS
		DFSPL
		DSSHPL
		DDFS***
		DAFF
		CDCTM
		DCSCPL
		WAISL
		DAPSL
		TIM
		ISG*
		SGH*
		CJV
		LGM*
(vi)	Associates	GJEPL**
		GUEPL**
		EDWPCPL**
(vii)	Key management personnel and their relatives	Mr. G.M. Rao (Chairman)
		Mrs. G.Varalakshmi
		Mr. G.B.S.Raju (Director)
		Mr. Grandhi Kiran Kumar (Director) (Managing Director w.e.f. July 28, 2013)
		Mr. Srinivas Bommidala (Director)
		Mr. B.V.Nageswara Rao (Resigned as Managing Director w.e.f. July 28, 2013)
		Mr. O Bangaru Raju (Director)

* Ceased to be a jointly controlled entity during the year ended March 31, 2014.

** Subsidiaries as at March 31, 2013, became associates during the year ended March 31, 2014.

*** Consequent to acquisition of additional stake from the minority shareholders, DDFS has ceased to be a jointly controlled entity and became a subsidiary during the year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Purchase of investments		
- Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	-	0.03
Sale of investments in equity shares		
- Enterprises where key management personnel and their relatives exercise significant influence		
REPL	-	0.39
Allotment of equity shares		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
MAE	8.28	20.85
DIL	-	1.27
GRIL	0.60	0.60
TPSIPL	0.15	0.15
TVSLSL	0.50	-
APFTSB	0.95	-
Redemption of investments in preference shares		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
RCIPL	-	46.73
Refund of share application money received		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
TIML	-	0.80
Share application money received		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
GRIL	0.60	0.60
TPSIPL	-	0.15
MAE	8.28	0.01
Share application money paid		
- Jointly controlled entities		
MGAECL	10.20	-
Loans/ advances repaid by		
- Fellow Subsidiary companies		
GHML	131.33	26.91
GHLM	692.76	-
GPPL	-	1.25
- Jointly controlled entities		
APFT	0.75	-
MGAECL	-	2.50

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	9.66	-
REPL	3.20	14.00
Loans/ advances given to		
- Holding company		
GHPL	0.01	-
- Enterprises where key management personnel and their relatives exercise significant influence		
REPL	3.20	14.00
GVF	0.55	15.62
GVDPS	1.49	-
- Jointly controlled entities		
MGAECL	-	2.50
APFT	-	0.75
GUEPL	70.98	-
- Fellow Subsidiary companies		
RSSL	-	0.10
GHLM	692.76	-
GHML	4.32	153.98
GPPL	-	1.25
Loans taken from		
- Holding company		
GHPL	-	12.77
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
IL&FS	-	24.44
CHSAS	-	5.66
ILFS Renw	-	19.50
CSCIPL	1.72	5.10
- Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	1.20	-
- Fellow Subsidiary company		
GPPL	20.00	92.80
Loans repaid		
- Holding company		
GHPL	5.40	7.37

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE | 45 | RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
MAIPL	0.10	0.10
CSCIPL	5.90	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GEPL	1.20	-
- Fellow Subsidiary companies		
GPPL	37.00	187.80
Redemption of Investments in compulsorily convertible debentures		
- Fellow Subsidiary companies		
GHML	-	99.12
Purchase of fixed assets		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
DIL	0.13	0.46
APFTSB	-	0.15
WL [Amounting to ₹ 36,660]	0.00	1.71
- Fellow Subsidiary companies		
RSSL	0.05	0.23
- Jointly controlled entities		
WAISL	9.95	0.72
Laqshya	-	0.01
Repayment of Subordinate Debt		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
UEDIPL	-	26.00
Deposit received		
- Fellow Subsidiary companies		
RSSL	0.51	-
- Jointly controlled entities		
DDFS	-	0.49
DAFF	-	60.22
CDCTM	-	5.78
DAPSL	-	0.07
TIM	0.23	1.05
DASPL	0.02	-
DFSPL	0.05	0.38
Deposit repaid		

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Jointly controlled entities		
TIM	1.25	
Deposits given		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
APFTSB	-	0.59
- Fellow Subsidiary companies		
RSSL (March 31, 2013: ₹ 5,000)	0.02	0.00
GPPL	0.02	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	-	0.98
Deposit refund received		
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	3.14	-
- Fellow Subsidiary companies		
RSSL	0.17	-
Equity dividend declared by the Company		
- Holding company		
GHPL	27.36	27.36
- Enterprises where key management personnel and their relatives exercise significant influence		
GIVLLP	0.30	0.30
GWT	0.05	0.05
GEPL	0.18	0.18
- Key management personnel and their relatives		
Mr. G.M.Rao	0.01	0.01
Mrs. G.Varalakshmi	0.01	0.01
Mr. G.B.S.Raju	0.01	0.01
Mr. Grandhi Kiran Kumar	0.01	0.01
Mr. Srinivas Bommidala [Amounting to ₹ 45,116 (March 31, 2013: ₹ 45,166)]	0.00	0.00
Equity dividend paid by subsidiaries / jointly controlled entities		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
IDFSTPL	1.63	1.09
YL	9.52	2.11
MACHL	4.25	5.75

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
Preference dividend paid by subsidiaries		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
MACHL	2.15	2.15
Revenue from operations		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	2.64	2.70
LGMG	-	0.11
MAHB	-	0.65
LMPL	2.09	0.96
TIML	2.31	0.36
- Fellow Subsidiary companies		
GSPL	0.04	0.03
GPPL [Amounting to ₹ 19,127 (March 31, 2013: ₹ Nil)]	0.00	-
- Associates		
GJEPL	2.32	-
- Jointly controlled entities		
DDFS	31.05	97.89
TVS GMR	-	0.10
Laqshya	8.90	11.30
MGATL	6.02	0.10
MGAECL	2.27	0.01
TIM	57.07	34.86
DCSCPL	19.89	20.36
DAFF	10.29	15.01
CDCTM	99.55	87.32
TFS	7.48	7.03
DAPSL	4.89	2.94
DASPL	2.52	3.01
DFSPL	3.43	3.66
DSSHPL	3.47	3.26
APFT	0.47	0.26
Fees received for services rendered		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
CELEBI GHDPL	3.37	2.95
BWWFSIPL	3.61	2.94

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
GMRIT [Amounting to ₹ Nil (March 31, 2013: ₹ 45,000)]	-	0.00
TVSLSL	-	0.02
CAPL	6.06	7.16
LISVT	0.90	2.41
APFTSB [Amounting to ₹ 45,776 (March 31, 2013: ₹ Nil)]	-	-
- Jointly controlled entities		
ISG	2.25	6.81
PTGEMS	38.36	28.66
BIB	-	2.93
TBBU	-	2.78
LGM	4.57	1.75
- Fellow Subsidiary companies		
RSSL [Amounting to ₹ 25,090 (March 31, 2013: ₹ Nil)]	0.00	-
Fee paid for services received		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
WL	9.42	9.71
TVSCSL	-	3.87
TVSLSL	-	0.09
AAI	0.08	0.10
CELEBI GHDPL	0.04	0.19
APFTSB	-	0.02
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	0.01	0.17
Interest income		
- Enterprises where key management personnel and their relatives exercise significant influence		
REPL	0.07	0.02
- Jointly controlled entities		
ISG	0.10	0.37
DAFF	1.15	3.97
CDCTM	2.21	-
DASPL	0.51	-
DFSPL	-	0.05
APFT	0.03	0.01
MGAECL	-	0.01

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Fellow Subsidiary companies		
GHML	0.34	1.15
CIL	0.21	0.85
GHLM	6.59	-
GPPL	0.70	0.60
Airport operator fees		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
FAG	100.07	45.92
Provision for doubtful loans and advances		
- Fellow Subsidiary companies		
CIL	-	49.32
Loans and advances / receviables		
- Fellow Subsidiary companies		
GHOL	-	0.55
GIMTL	-	0.01
- Jointly controlled entities		
DCSCPL	3.08	-
DSSHPL	0.74	-
DFSPL	0.35	-
WAISL	2.09	-
TIM	-	1.32
TFS	-	0.74
Sub-contracting expenses		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
UEDIPL	-	1.95
Revenue share paid/payable to concessionaire grantors		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	1,838.06	1,533.16
Rent Paid		
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	-	0.01
GFFT	20.62	19.97
- Jointly controlled entities		
ISG	0.51	
Managerial remuneration to		

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Key management personnel and their relatives		
Mr. G.M. Rao	10.10	4.33
Mr. G.B.S.Raju	7.03	4.91
Mr. Srinivas Bommidala	3.09	3.48
Mr. B.V. Nageswara Rao	2.76	2.20
Mr. Grandhi Kiran Kumar	4.04	1.56
Mr. O Bangaru Raju	2.42	2.20
Logo fee paid/payable to		
- Holding company		
GHPL	9.91	14.76
Technical and consultancy fee		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	0.16	0.42
FAG	1.39	9.81
LY	-	4.61
DIL	0.27	0.21
MAHB	2.80	5.30
TIML	1.68	-
MAPUK	5.33	4.76
APFTSB	0.37	-
- Jointly controlled entities		
ISG	0.12	-
CJV	0.65	-
- Fellow Subsidiary companies		
RSSL (Amounting to ₹ 49,926)	0.00	0.22
GPPL	-	0.13
Other expenses - others		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	0.31	-
TPSIPL	0.99	1.01
LISVT	-	1.80
MAHB	-	1.16
BPCL	-	0.01
DIL	1.09	0.50
IOCL [Amounting to ₹ Nil (March 31, 2013: ₹ 26,520)]	-	0.00
LMPL	0.45	0.43

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
LGMG	-	3.85
BWWFSIPL	0.68	0.65
TIML	0.13	-
TVSCSL	1.47	-
YL	5.00	-
- Jointly controlled entities		
WAISL	42.17	40.46
Laqshya	0.10	-
TVS GMR	-	0.01
TIM	-	0.01
ISG	0.02	-
- Fellow Subsidiary companies		
RSSL	69.30	63.13
GPPL	0.01	-
GSPL	0.10	
Purchase of fuel		
- Jointly controlled entities		
PTGEMS	41.33	-
Reimbursement of expenses incurred on behalf of the Group		
- Holding company		
GHPL	5.88	1.81
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
CHSAS	0.07	0.11
CSCIPL	0.18	0.26
LMPL	0.01	0.03
YL	0.28	0.82
CELEBI GHDPL (March 31, 2013: ₹ 40,634)	0.02	0.00
APFTSB	0.01	0.01
- Jointly controlled entities		
CDCTM	0.01	-
DCSCPL	0.06	-
TFS	0.05	0.01
DAFF	0.03	0.01
TIM	-	0.01
WAISL	0.01	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Fellow Subsidiary companies		
GSPL	-	0.93
RSSL	0.18	0.18
GPPL [Amounting to ₹ Nil (March 31, 2013: ₹ 16,253)]	-	0.00
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.95	0.80
Expenses incurred by the Group on behalf of		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	13.41	11.32
CELEBI GHDPL	0.02	0.09
TIML	-	0.19
KRPPL	-	1.69
CHSAS	-	0.02
WL [Amounting to ₹ 15,441]	0.00	0.01
YL	0.27	-
LMPL	0.01	-
- Jointly controlled entities		
WAISL	0.16	0.01
DAPSL	1.43	1.59
DASPL	5.10	4.28
DCSCPL	2.27	3.44
DSSHPL	0.63	0.77
CDCTM	10.36	6.94
TIM	1.43	1.79
DAFF	0.01	0.01
TFS	1.90	2.12
DFSPL	0.91	0.90
Laqshya	0.49	0.45
APFT	0.10	0.05
MGATL	0.03	0.03
TVS GMR	-	0.03
DDFS	-	1.37
- Fellow Subsidiary companies		
RSSL	-	0.05
GSPL	0.51	-
GBPPL	0.19	0.37

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	0.21	-
GEPL	-	0.01
Donations		
- Enterprises where key management personnel and their relatives exercise significant influence		
GVF	11.41	8.88
Personnel Expenses		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	3.55	4.33
TIML	0.03	-
DIL	0.01	0.05
Rent received		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	0.04	0.42
CELEBI GHDPL	0.16	0.12
IOCL [Amounting to ₹28,860 (March 31, 2013: ₹ 27,060)]	0.00	0.00
BPCL	0.02	0.02
- Fellow Subsidiary companies		
RSSL	0.20	-
Ground handling commission paid		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
CELEBI GHDPL	0.24	0.32
BWWFSIPL	0.23	0.21
CAPL	0.27	-
Construction cost paid to (including advances)		
- Fellow Subsidiary companies		
GPPL	-	474.10
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
OSEPL	-	263.28
ILFS Renw	-	1.21
Interest paid		
- Holding Company		
GHPL [Amounting to ₹17,753]	0.00	0.04

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	1.80	18.62
UEDIPL	-	0.10
CHSAS	0.35	0.18
LY	-	0.44
DIL	0.14	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GMREPL [Amounting to ₹ 3,945 (March 31, 2013: ₹ Nil)]	0.00	-
- Fellow Subsidiary companies		
GPPL	6.49	1.08
Corporate guarantee given on behalf of		
- Fellow Subsidiary companies		
GHML	19.35	11.12
- Jointly controlled entities		
MGATL	8.11	-
ISG	572.46	-
- Associates		
GUEPL	450.67	-
Corporate guarantee extinguished		
- Jointly controlled entities		
ISG	1,239.79	-
Bank guarantees given on behalf of		
- Fellow Subsidiary companies		
GEOKNO India Private Limited	8.77	-
- Associates		
GUEPL	17.50	-
GJEPL	12.50	-
Pledge of fixed deposit given on behalf of		
- Shareholders having substantial interest / enterprises exercising significant influence over the influence		
WTGGE	17.50	18.00
- Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	-	20.00
REPL	-	50.00
Pledge of fixed deposit extinguished		

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
- Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	5.00	-
REPL	50.00	-
Balance Payable / (receivable)		
- Holding Company		
GHPL	11.31	15.52
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
AAI	119.06	364.56
FAG	50.11	41.36
APFTSB	(0.26)	(0.61)
MAE	2.35	2.16
LISVT	0.39	(3.13)
MAS	4.21	-
MAHB	-	2.74
IOCL [Amounting to ₹ Nil (March 31, 2013: ₹1,560)]	-	0.00
UEDIPL	-	0.01
DIL	1.59	0.09
TIML	0.71	(0.07)
CSCIPL	1.03	5.09
WL	7.37	5.50
LMPL	13.41	14.09
OSEPL	0.31	28.37
MAIPL	1.00	1.10
MAPUK	1.11	0.45
GoAP	315.05	315.05
CHSAS	6.76	6.67
TPSIPL	0.48	0.21
CELEBI GHDPL	(0.33)	(0.57)
BWWFSIPL	(1.41)	(1.21)
CAPL	(2.17)	(3.60)
YL	4.84	0.45
IDFSTPL [Amounting to ₹ Nil (March 31, 2013: ₹ 5,440)]	-	0.00
LY	-	6.61
TVSLSL	-	0.04
TVSCSL	-	0.27
GMRIT	-	(0.01)

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
ILFS Renw	-	20.71
KRPPL	(0.01)	
IL&FS	-	54.44
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	(25.10)	(30.07)
GVF	(19.33)	(27.73)
CISL	(8.59)	(8.59)
GWT	(115.00)	(115.00)
GEPL	0.17	-
GIVLLP	0.30	-
- Fellow Subsidiary companies		
GPPL	(660.49)	(679.43)
CIL	(2.45)	(14.64)
GSPL	0.12	0.15
RSSL	8.48	3.57
GHTPL	(135.00)	(135.00)
GBPPL	(1.18)	(1.12)
GHLM	(6.43)	-
GHML	-	(127.01)
- Jointly controlled entities		
GEMSCR	14.40	17.26
BIB	0.11	-
PTGEMS	13.20	8.08
CJV	(1.24)	-
MGAECL	(9.84)	(0.01)
MGATL	(0.20)	0.04
Laqshya	(9.40)	(10.20)
APFT	0.05	(0.79)
DASPL	7.08	3.46
TFS	(3.35)	(3.59)
DFSPL	(2.59)	(2.45)
DSSHPL	(5.05)	(3.98)
DAFF	115.62	115.60
CDCTM	86.59	78.97
DCSCPL	(6.71)	6.71
WAISL	(0.93)	(5.38)

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 45 RELATED PARTY TRANSACTIONS (Contd.)

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in crore)	March 31, 2013 (₹ in crore)
DAPSL	(1.23)	(1.04)
TIM	14.01	12.64
TVS GMR	-	(0.09)
DDFS	-	111.97
ISG	-	(1.98)
- Associates		
GUEPL	(74.43)	-
GJEPL	3.64	-
EDWPCPL	(0.01)	-
- Key management personnel and their relatives		
Mr. G.M. Rao	7.91	4.00
Mr. Grandhi Kiran Kumar	2.49	-
Outstanding corporate guarantees		
- Fellow Subsidiary companies		
GHML	205.67	186.32
- Jointly controlled entities		
MGATL	8.11	-
ISG *	-	1,462.17
- Associates		
GUEPL	450.67	-
Outstanding bank guarantees		
- Fellow Subsidiary companies		
GEOKNO	8.77	-
- Associates		
GUEPL	17.50	-
GJEPL	12.50	-
Outstanding pledge of fixed deposits		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
WTGGE	125.50	108.00
- Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	15.00	20.00
REPL	-	50.00
* Pursuant to the divestment, ISG ceased to be a jointly controlled entity and accordingly, ISG has not been considered as a related party as at March 31, 2014. Refer note 30 (a).		

Notes:
1. The Group has provided securities by way of pledge of investments for loans taken by certain companies.
2. Certain Key management personnel have extended personal guarantees as security towards borrowings of the Group and other body corporates. Similarly, GHPL and certain fellow subsidiaries have pledged certain shares held in the Company as security towards the borrowings of the Group.
3. Remuneration to key managerial personal does not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the Company as a whole

Notes to the Consolidated Financial Statements for the year ended March 31, 2014

NOTE 46

The Board of Directors of the Company have recommended a dividend of ₹ 0.10 per equity share of ₹ 1 each for the year ended March 31, 2014.

NOTE 47

Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements of the Group have been rounded off or truncated as deemed appropriate by the management of the Group.

NOTE 48

Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year's classification. Further, the previous year's figures are not comparable with those of current year's to the extent of discontinuing operations, refer note 30.

As per our report of even date

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

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 29, 2014

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

G.M. Rao
Executive Chairman

Grandhi Kiran Kumar
Managing Director

Madhva Bhimacharya Terdal
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 29, 2014

Independent Auditors' Report on the Standalone Financial Statements of GMR Infrastructure Limited

To the Members of GMR Infrastructure Limited

Report on the financial statements

We have audited the accompanying financial statements of GMR Infrastructure Limited ('the Company'), which comprise the balance sheet as at March 31, 2014, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ('the Act'), read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

(a) *As detailed in Note 43 to the accompanying financial statements for the year ended March 31, 2014, the Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made an investment of ₹ 190.97Crore (USD 3.16Crore) (including in equity share capital of ₹ 139.73Crore and share application money pending allotment of ₹ 51.24Crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL') and has given a corporate guarantee of ₹ 2,540.58Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL. The Concession Agreement entered into between GMIAL, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'),Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the said agreement and pending resolution of the dispute, such investment has been carried at cost in the financial statements as at March 31, 2014 as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets of ₹ 1,431.50Crore (USD 23.66Crore) including the claim recoverable of ₹ 1,062.90Crore (USD 17.57Crore) as at March 31, 2014. Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion, and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and have received claims from GADLIL and other service providers towards termination payments. However, such claims relating to the termination of contracts have not been recognised as at March 31, 2014. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequent impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADLIL.*

Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on its impact on the carrying value of the investment pertaining to the aforesaid entities and any other consequential impact that may arise in this regard on the financial statements for the year ended March 31, 2014. In respect of the above matter our audit report for the year ended March 31, 2013 was similarly modified.

(b) *As detailed in Note 26(3)to the accompanying financial statements for the year ended March 31, 2014, the management of the Company has recognized the profit on sale of its investments in Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi ('ISG') of ₹458.78 Crore (net of cost incurred towards sale of shares) in the financial statements for the year ended March 31, 2014. In our opinion, since the sale consideration was received, the transfer of shares and certain regulatory approvals were obtained subsequent to March 31, 2014, recognition of the profit on sale of such investments in the financial statements of the Company for the year ended March 31, 2014 is not in accordance with the relevant Accounting Standards. Accordingly, profit after tax for the year ended March 31, 2014 would have been lower by ₹452.80Crorewith a consequential effect on the reserves of the Company as at the year end.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matter described in paragraph (a) and the effect of the matter described in* *paragraph (b) in the Basis for Qualified Opinion paragraph,* the financial statements 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, 2014;

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

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

Emphasis of Matter

(a) We draw attention to Note 30 to the accompanying financial statements for the year ended March 31, 2014 in connection with an investment of ₹ 357.35Crore (including loans of ₹ 117.76 Crore and investment in equity / preference shares of ₹ 239.59 Croremade by the Company and its subsidiaries) as at March 31, 2014 in GMR Ambala Chandigarh Expressways Private Limited (GACEPL), a subsidiary of the Company. Though GACEPL has been incurring losses since the commencement of commercial operations and the matter is currently under arbitration, based on management's internal assessment and legal opinion obtained by the management of GACEPL, such investment has been carried at cost. Accordingly, no provision for diminution in the value of investments has been made in the accompanying financial statements . Our opinion is not qualified in respect of this matter.

(b) We draw attention to Note 44 to the accompanying financial statements for the year ended March 31, 2014 regarding (i) cessation of operations and the losses incurred by GMR Energy Limited (GEL), GMR Vemagiri Power Generation Limited ('GVPGL'), subsidiaries of the Company and the consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas and (ii) rescheduling of the commercial operation date and the repayment of certain project loans by another subsidiary of the Company, GMR Rajahmundry Energy Limited ('GREL'), pending linkage of natural gas supply. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and the appropriateness of the going concern assumption is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet short term and long term obligations. The accompanying financial statements of the Company do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) 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;

   (c) The balance sheet, statement of profit and loss, and cash flow statement dealt with by this Report are in agreement with the books of account;

   (d) *except for the matters described in the Basis for Qualified Opinion paragraph,* in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards notified under the Act read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs;

   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI firm registration number: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership Number: 35141

Place: Bengaluru
Date: May 29, 2014

Annexure referred to in clause 1 of paragraph on the report on other legal and regulatory requirements of our report of even date

Re: GMR Infrastructure Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(e) According to the information and explanations given to us, 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)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchase of certain items of fixed assets and inventory are of proprietary nature for which alternative sources are not available to obtain comparable quotations, 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 except that the internal control system with regard to the periodic review and update of cost estimates of the Engineering Procurement and Construction ('EPC') projects executed needs to be further strengthened.* The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii)We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, related to the construction activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are accurate or complete .

(ix) (a) Undisputed statutory dues including sales-tax, provident fund, wealth-tax, service tax, customs duty, cess, employees' state insurance, income-tax, investor education and protection fund, excise duty and other material statutory dues as applicable to the Company, have generally been regularly deposited with the appropriate authorities *though there have been slight delays in few casesin remittance of tax deducted at source under the Income tax Act, 1961.*

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period for which amounts relates to	Forum where dispute is pending
Finance Act, 1994	Service tax	26.72	October 2007 to March 2012	Commissioner of Service Tax

(x) *Without considering the consequential effects of the matters stated in paragraph a) and b) of the Basis for Qualified Opinion paragraph of our auditor's report,* the Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) *The Company has given guarantees in respect of a loan taken by a group Company from a bank in respect of which it has not charged any commission nor was any adequate explanation provided to us of the benefit to the Company for giving such a guarantee.* In respect of other guarantees given by the Company for loans taken by others from banks or financial institutions, the terms and conditions, in our opinion, are not prima-facie prejudicial to the interest of the Company

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) During the period covered by our audit report, the Company has 10,000 secured debentures of ₹ 0.10 Crore each in respect of which security has been created. The outstanding amount as at March 31, 2014 in respect of these secured debentures is ₹ 977.50 Crore. Further, the Company has unsecured debentures of ₹ 175.00 Crore outstanding as at March 31, 2014 on which no security or charge is required to be created.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R.BATLIBOI & ASSOCIATES LLP
ICAI firm registration number: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership Number: 35141

Place: Bengaluru
Date: May 29, 2014

Balance Sheet as at March 31, 2014

	Notes	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,525.91	389.24
Reserves and surplus	4	6,874.74	6,796.49
		8,400.65	**7,185.73**
Non-current liabilities			
Long-term borrowings	5	3,778.43	3,015.83
Other long-term liabilities	7	2.88	-
Long-term provisions	8	1.35	0.89
		3,782.66	**3,016.72**
Current liabilities			
Short-term borrowings	9	215.64	751.20
Trade payables	10	206.95	162.55
Other current liabilities	10	1,651.78	966.22
Short-term provisions	8	64.23	67.72
		2,138.60	**1,947.69**
Total		**14,321.91**	**12,150.14**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	100.44	106.01
Intangible assets	12	4.01	2.89
Non-current investments	13	9,519.39	6,845.88
Deferred tax assets (net)	6	2.12	18.32
Long-term loans and advances	14	2,306.78	2,982.03
Trade receivables	15.1	102.63	111.38
Other non-current assets	15.2	656.60	422.81
		12,691.97	**10,489.32**
Current assets			
Current investments	16	15.54	67.70
Inventories	17	91.03	87.22
Trade receivables	15.1	145.86	206.79
Cash and bank balances	18	4.30	205.36
Short-term loans and advances	14	338.15	746.74
Other current assets	15.2	1,035.06	347.01
		1,629.94	**1,660.82**
Total		**14,321.91**	**12,150.14**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W
Chartered Accountants

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

per Sunil Bhumralkar
Partner
Membership number: 35141

G.M. Rao
Executive Chairman

Grandhi Kiran Kumar
Managing Director

Madhava Bhimacharya Terdal
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 29, 2014

Place: Bengaluru
Date: May 29, 2014

Statement of Profit and Loss for the year ended March 31, 2014

	Notes	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Income			
Revenue from operations	19	786.29	1,432.79
Other income	20	4.77	28.58
Total (i)		**791.06**	**1,461.37**
Expenses			
Cost of materials consumed	21	92.08	289.25
Subcontracting expenses		308.55	622.72
Employee benefit expenses	22	69.72	72.47
Other expenses	23	55.04	87.57
Depreciation and amortisation expenses	24	8.42	8.31
Finance costs	25	408.71	374.43
Total (ii)		**942.52**	**1,454.75**
(Loss) / profit before exceptional items and tax expenses [(i)-(ii)]		**(151.46)**	**6.62**
Exceptional items (net)	26	339.54	75.83
Profit before tax		**188.08**	**82.45**
Tax expenses			
Current tax		51.18	45.54
Less: Minimum Alternate Tax ('MAT') credit entitlement		(45.20)	-
Reversal of current tax of earlier years		-	(4.71)
MAT credit written off	14 (1)	-	10.39
Deferred tax charge / (credit)		16.20	(22.22)
Total tax expenses		**22.18**	**29.00**
Profit for the year		**165.90**	**53.45**
Earnings per equity share [nominal value of share ₹ 1 each (March 31, 2013: ₹ 1)]			
Basic and diluted	27	0.43	0.14
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W
Chartered Accountants

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

per Sunil Bhumralkar
Partner
Membership number: 35141

G.M. Rao
Executive Chairman

Grandhi Kiran Kumar
Managing Director

Madhava Bhimacharya Terdal
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date: May 29, 2014

Place: Bengaluru
Date: May 29, 2014

Cash flow statement for the year ended March 31, 2014

	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	188.08	82.45
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	8.42	8.31
Adjustments to the carrying amount of current investments	-	0.12
Provisions no longer required, written back	(1.31)	(0.24)
Provision for diminuition in the value of investment in a jointly controlled entity	1.27	-
Unrealised foreign exchange differences (net)	-	(2.52)
Profit on sale of current investment	(3.04)	(28.22)
Profit on sale of investment in a subsidiary	(13.28)	(75.81)
Profit on sale of investment in a jointly controlled entity	(471.21)	-
Loss on redeemable preference shares	131.25	-
Loss on sale of fixed assets (net)	-	0.01
Dividend income [(₹ 10,732 (March 31, 2013: ₹ 7,067)]	(0.00)	(0.00)
Interest income	(304.68)	(255.66)
Finance costs	408.71	374.43
Operating profit before working capital changes	**(55.79)**	**102.87**
Movement in working capital:		
(Increase)/ decrease in inventories	(3.81)	(55.51)
(Increase)/ decrease in loans and advances	101.95	(92.65)
(Increase)/ decrease in other assets	45.52	(30.98)
(Increase)/ decrease in trade receivables	69.69	56.79
Increase/ (decrease) in trade payables, other current liabilities and provisions	33.17	(39.61)
Cash generated (used in)/ from operations	**190.73**	**(59.09)**
Direct taxes paid (net of refunds)	(33.18)	(55.38)
Net cash from/ (used in) operating activities	**157.55**	**(114.47)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	(2.40)	(10.80)
Proceeds from sale of fixed assets	0.04	0.15
Purchase of non-current investments (including share application money)	(2,059.01)	(1,247.54)
Proceeds from sale of non-current investments (including refund of share application money)	1,076.48	1,173.32
Sale / (Purchase) of current investments (net)	2.10	228.22
Investment in bank deposit (having original maturity of more than three months)	(199.33)	(66.53)
Loans given to subsidiary companies	(3,083.47)	(3,279.16)
Loans repaid by subsidiary companies	2,048.36	2,183.33
Interest received	343.72	208.39
Dividend received [(₹ 10,732 (March 31, 2013: ₹ 7,067)]	0.00	0.00
Net cash (used in)/ from investing activities	**(1,873.51)**	**(810.62)**

Cash flow statement for the year ended March 31, 2014 (Contd.)

	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,992.24	1,589.50
Repayment of long term borrowings	(472.53)	(211.63)
Proceeds from short term borrowings	11.00	594.00
Repayment of short term borrowings	(546.56)	(694.80)
Proceeds from shares allotted to PE Investors	1,136.67	-
Dividend paid on Equity shares	(38.78)	-
Tax on equity dividend paid	(6.61)	-
Payment of debenture redemption premium	(48.90)	(58.06)
Financial costs paid	(510.15)	(296.05)
Net cash from/ (used in) financing activities	**1,516.38**	**922.96**
Net increase/ (decrease) in cash and cash equivalents	**(199.58)**	**(2.13)**
Cash and cash equivalents at the beginning of the year	**203.81**	**205.94**
Cash and cash equivalents at the end of the year	**4.23**	**203.81**
Components of cash and cash equivalents		
Cash on hand	0.05	0.02
Balances with scheduled banks		
- On current accounts	4.18	203.79
Total cash and cash equivalents (note 18)	**4.23**	**203.81**

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements as referred to in scheme 211 (3C) of the Companies Act, 1956 , read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs.
2. The above cash flow statement has been compiled from and is based on the balance sheet as at March 31, 2014 and the related statement of profit and loss for the year ended on that date.
3. Previous year's figures have been regrouped and reclassified, wherever necessary to conform to those of the current year's classification. Refer note 50

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 29, 2014

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

G.M. Rao	Grandhi Kiran Kumar	Madhava Bhimacharya Terdal	C.P. Sounderarajan
Executive Chairman	Managing Director	Group CFO	Company Secretary

Place: Bengaluru
Date: May 29, 2014

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 1 CORPORATE INFORMATION

GMR Infrastructure Limited ('GIL' or 'the Company') is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ('the Act'). Its equity shares are listed on two stock exchanges in India. The Company carries its business in the following business segments:

a. Engineering Procurement Construction (EPC)

The Company is engaged in handling EPC solutions in the infrastructure sector.

b. Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

NOTE 2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Use of estimates

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

b Tangible fixed assets

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

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

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the tangible asset and depreciates the same over the remaining life of the asset. In accordance with the Ministry of Corporate Affairs ('MCA') circular dated August 09, 2012, exchange differences adjusted to the cost of tangible fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

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

c Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Act, whichever is higher. The Company has used the following rates to provide depreciation on its tangible fixed assets.

Assets	Rates (SLM)
Plant and equipments	4.75%
Office equipments	4.75%
Furniture and fixtures	6.33%
Vehicles	9.50%
Computers	16.21%

Notes to the Financial Statements for the year ended March 31, 2014

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

Asset individually costing Indian Rupees (₹) 5,000 or less, are fully depreciated in the year of acquisition.

d Intangible assets

Intangible assets (Computer software) acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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

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

e Impairment of tangible/ intangible assets

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

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

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

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

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

f Leases

Where the Company is lessee

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

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

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

g Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Notes to the Financial Statements for the year ended March 31, 2014

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

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

h Investments

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

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

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

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

i Inventories

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

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

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value.

j Revenue recognition

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

<u>Revenue from construction activity</u>

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

<u>Dividends</u>

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

<u>Income from management/ technical services</u>

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

<u>Interest</u>

Interest on investments and bank deposits are recognised on a time proportion basis taking into account the amounts invested and the rate applicable.

k Foreign currency translation

Foreign currency transactions and balances

Notes to the Financial Statements for the year ended March 31, 2014

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

(i) Initial recognition

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

(ii) Conversion

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

(iii) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

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

For the purpose of (iii)(1) and (iii)(2) above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of twelve months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

l Retirement and other employee benefits

(i) Defined contribution plans

Retirement benefit in the form of provident fund, superannuation fund and pension fund are defined contribution schemes. The Company has no obligation, other than the contributions payable to the provident fund, pension fund and superannuation fund. The Company recognizes contribution payable to the provident fund, pension fund and superannuation fund schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided on the basis of 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 in full in the period in which they occur in the statement of profit and loss as an income or expense.

(iii) Other long term employee benefits

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

(iv) Short term employee benefits

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

m 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

Notes to the Financial Statements for the year ended March 31, 2014

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

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 number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

n Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 (the 'IT Act') enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes liabilities relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for credit available in respect of MAT under the IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

o Segment reporting

Identification of segments

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

Allocation of common costs

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

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial

Notes to the Financial Statements for the year ended March 31, 2014

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

statement of the Company as a whole.

p Shares/ debentures issue expenses and premium redemption

Equity shares issue expenses incurred are expensed in the year of issue and debenture/ preference share issue expenses and redemption premium payable on preference shares/ debentures are expensed over the term of preference shares/ debentures. These are adjusted to the securities premium account as permitted by Section 78(2) of the Act to the extent of balance available in such securities premium account. These expenses are adjusted to the securities premium account net of taxes.

q Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

r Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

s Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash/ cheques/ drafts on hand and short-term investments with an original maturity of three months or less.

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Notes to the Financial Statements for the year ended March 31, 2014

NOTE 3 SHARE CAPITAL

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Authorised shares		
7,500,000,000 (March 31, 2013: 7,500,000,000) equity shares of ₹ 1 each	750.00	750.00
6,000,000 (March 31, 2013: Nil) Compulsorily Convertible Preference Shares ('CCPS' or ' preference shares') of ₹ 1,000 each ('Series A CCPS')	600.00	-
6,000,000 (March 31, 2013: Nil) CCPS of ₹ 1,000 each ('Series B CCPS')	600.00	-
Issued, subscribed and fully paid-up shares		
3,892,430,282 (March 31, 2013: 3,892,430,282) equity shares of ₹ 1 each	389.24	389.24
5,683,351 (March 31, 2013: Nil) Series A CCPS of ₹ 1,000 each	568.33	-
5,683,353 (March 31, 2013: Nil) Series B CCPS of ₹ 1,000 each	568.34	-
Issued, subscribed but not fully paid-up shares		
4,500 (March 31, 2013: 4,500) equity shares of ₹ 1 each not fully paid-up [₹ 2,250 (March 31, 2013: ₹ 2,250)]	0.00	0.00
Total issued, subscribed and paid-up share capital	**1,525.91**	**389.24**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	March 31, 2014		March 31, 2013	
	Number	₹ in Crore	Number	₹ in Crore
At the beginning of the year	3,892,434,782	389.24	3,892,434,782	389.24
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	3,892,434,782	389.24	3,892,434,782	389.24

Preference Shares	March 31, 2014		March 31, 2013	
	Number	₹ in Crore	Number	₹ in Crore
At the beginning of the year	-	-	-	-
Add: Issued during the year				
a) Series A CCPS of ₹ 1,000 each	5,683,351	568.33	-	-
b) Series B CCPS of ₹ 1,000 each	5,683,353	568.34	-	-
Outstanding at the end of the year				
a) Series A CCPS of ₹ 1,000 each	5,683,351	568.33	-	-
b) Series B CCPS of ₹ 1,000 each	5,683,353	568.34	-	-

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Every member holding equity shares there in shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

c) Terms / rights attached to CCPS:

"Pursuant to the equity shareholders' approval obtained on March 20, 2014, the Company issued 11,366,704 CCPS of face value of ₹ 1,000 each comprising of (a) 5,683,351 Series A CCPS each fully paid up, carrying a coupon rate of 0.001% per annum ('p.a.') and having a term of 17 months from the date of allotment and (b) 5,683,353 Series B CCPS each fully paid up, carrying a coupon rate of 0.001% p.a. and having a term of 18 months from the date of allotment, to IDFC Limited, Dunearn Investments (Mauritius) Pte Limited, GKFF Ventures, Premier Edu-Infra Solutions Private Limited and Skyron Eco-Ventures Private Limited. The Series A CCPS and Series B CCPS shall be converted into equity shares upon the expiry of their respective terms in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2009 ('ICDR Regulations'). The number of equity shares allotted to the Investors upon conversion of the Investor Securities shall be on the basis of the minimum permissible price, computed in accordance with Regulation 76 read with Regulation 71(b) of the SEBI ICDR Regulations on the conversion date.

The preference shareholders have a right to attend General Meetings of the Company and vote on resolutions directly affecting their interest. In the event of winding up, the Company would repay the preference share capital in priority to the equity shares of the Company but it does not confer any further right to participate either in profits or assets of the Company."

Notes to the Financial Statements for the year ended March 31, 2014

NOTE | 3 | SHARE CAPITAL

(d) Shares held by the Holding Company / Ultimate Holding Company and / or their subsidiaries / associates:

Out of equity shares issued by the Company, shares held by its Holding Company, Ultimate Holding Company and their subsidiaries / associates are as below:

Particulars	March 31, 2014 Number	March 31, 2013 Number
GMR Holdings Private Limited ('GHPL'), the Holding Company		
Equity shares of ₹ 1 each, fully paid up	2,736,221,862	2,736,221,862
GMR Infra Ventures LLP ('GIVLLP'), an associate of the Holding Company		
Equity shares of ₹ 1 each, fully paid up	31,321,815	30,000,000
GMR Enterprises Private Limited ('GEPL'), an associate of the Holding Company		
Equity shares of ₹ 1 each, fully paid up	17,100,000	17,100,000
Welfare Trust of GMR Infra Employees ('GWT'), an associate of the Holding Company		
Equity shares of ₹ 1 each, fully paid up	17,999,800	17,999,800

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Equity shares allotted as fully paid-up for consideration other than cash[1]	2.60	2.60

1. During the year ended March 31, 2010, 46,800,000 equity shares of ₹ 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 ₹ 149.72 Crore, which was discharged by allotment of 26,038,216 equity shares of the Company of ₹ 1 each at an issue price of ₹ 57.50 per equity share (including ₹ 56.50 per equity share towards securities premium).

(f) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2014		March 31, 2013	
	Number	% holding in the class	Number	% holding in the class
Equity shares of ₹ 1 each fully paid				
GHPL	2,736,221,862	70.30%	2,736,221,862	70.30%
Series A CCPS of ₹ 1,000 each				
Dunearn Investments (Mauritius) Pte Limited	3,944,084	69.40%	-	-
IDFC Limited*	209,550	3.69%	-	-
GKFF Ventures*	272,415	4.79%	-	-
Premier Edu-Infra Solutions Private Limited*	209,550	3.69%	-	-
Skyron Eco Ventures Private Limited*	1,047,752	18.43%	-	-
Series B CCPS of ₹ 1,000 each				
Dunearn Investments (Mauritius) Pte Limited	3,944,085	69.40%	-	-
IDFC Limited*	209,550	3.69%	-	-
GKFF Ventures*	272,416	4.79%	-	-
Premier Edu-Infra Solutions Private Limited*	209,550	3.69%	-	-
Skyron Eco Ventures Private Limited*	1,047,752	18.43%	-	-

* Joint investors under the same share subscription and shareholders agreement.

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownership of shares.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 4 RESERVES AND SURPLUS

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
(a) Securities premium account		
Balance as per the last financial statements	6,328.34	6,378.10
Less: utilised towards provision for debenture redemption premium (net of taxes and MAT credit)	41.21	49.76
Less: utilised towards share issue expenses	0.60	-
Closing balance	**6,286.53**	**6,328.34**
(b) Debenture redemption reserve		
Balance as per the last financial statements	118.47	58.60
Add: amount transferred from surplus balance in the statement of profit and loss	108.50	81.53
Less: amount transferred to surplus in the statement of profit and loss / general reserve	108.75	21.66
Closing balance	**118.22**	**118.47**
(c) General reserve		
Balance as per the last financial statements	40.62	18.96
Add: amount transferred from debenture redemption reserve	-	21.66
Closing balance	**40.62**	**40.62**
(d) Surplus in the statement of profit and loss		
Balance as per last financial statements	309.06	382.37
Profit for the year	165.90	53.45
Amount transferred from debenture redemption reserve	108.75	-
Less: Appropriations		
Proposed equity dividend[1]	38.92	38.92
Tax on proposed equity dividend (March 31, 2014: includes tax on equity dividend of ₹ 0.30 Crore for the year ended March 31, 2013)	6.92	6.31
Proposed preference dividend[1] (₹ 1,868)	0.00	-
Tax on preference dividend (₹ 318)	0.00	-
Transfer to debenture redemption reserve	108.50	81.53
Net surplus in the statement of profit and loss	**429.37**	**309.06**
Total reserves and surplus	**6,874.74**	**6,796.49**

1. The Board of Directors of the Company have recommended a dividend of ₹ 0.10 (March 31, 2013: ₹ 0.10) per equity share of ₹ 1 (March 31,2013: ₹ 1) each for the year ended March 31, 2014 and dividend on preference shares at the rate of 0.001% on a prorata basis on Series A CCPS and Series B CCPS for the year ended March 31, 2014.

NOTE 5 LONG-TERM BORROWINGS

Particulars	Non-current portion		Current maturities	
	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Debentures				
10,000 (March 31, 2013: 10,000) 0% secured, redeemable and non-convertible debentures of ₹ 977,500 each (March 31, 2013: ₹ 987,500).[1]	967.50	977.50	10.00	10.00
5,000 (March 31, 2013: 5,000) 0% unsecured, redeemable and non-convertible debentures of ₹ 350,000 each (March 31, 2013: ₹ 700,000).[2]	-	175.00	175.00	175.00
Term loans				
Indian rupee term loan from financial institutions (secured)[15,16]	231.92	-	7.08	-
Indian rupee term loan from a financial institution (unsecured)[3,4,5]	941.66	983.33	191.67	191.67
Indian rupee term loan from banks (secured)[7,8,9,10,11]	588.50	430.00	350.11	93.50
Indian rupee term loan from banks (unsecured)[6,12,13]	961.22	450.00	488.78	-
Other loans and advances				
Loan from a group company (unsecured)[14]	87.40	-	4.60	-
Loan from others (secured)[17]	0.23	-	0.04	-
	3,778.43	**3,015.83**	**1,227.28**	**470.17**
The above amount includes				
Secured borrowings	1,788.15	1,407.50	367.23	103.50
Unsecured borrowings	1,990.28	1,608.33	860.05	366.67
Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(1,227.28)	(470.17)
Net amount	**3,778.43**	**3,015.83**	**-**	**-**

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

1. During the year ended March 31, 2012, the Company had entered into an agreement to issue 7,000 secured, redeemable, non convertible debentures of ₹ 1,000,000 each to ICICI Bank Limited ('ICICI') ('Tranche 1'). During the year ended March 31, 2013 the Company has further entered into an agreement with ICICI to issue 3,000 secured, redeemable, non convertible debentures of ₹ 1,000,000 each ('Tranche 2'). These debentures are secured by way of first ranking (i) pari passu charge on the fixed assets of GMR Vemagiri Power Generation Limited ('GVPGL'); (ii) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GMR Energy Limited ('GEL') held by GMR Renewable Energy Limited ('GREEL'); (iii) pari passu pledge over 30% of fully paid-up equity shares of ₹ 10 each of GVPGL held by GEL; (iv) pari passu charge over GVPGL excess cash flow account, as defined in the subscription agreement executed between the Company and ICICI; (v) exclusive charge over Debt Service and Reserve Account ('DSRA') maintained by the Company with ICICI. These debentures are redeemable at a premium yielding 14.50% p.a. till March 25, 2013 and after March 25, 2013 with a yield of base rate of ICICI plus 4.50% p.a. The Tranche 1 is redeemable in thirty seven quarterly unequal instalments commencing from March 25, 2012 and Tranche 2 is redeemable in thirty six quarterly unequal instalments commencing from June 25, 2012. As at March 31, 2014, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 977,500 (March 31, 2013: ₹ 987,500) per debenture.
2. During the year ended March 31, 2010, the Company had issued 5,000 unsecured redeemable, non convertible debentures of ₹ 1,000,000 each to ICICI which are redeemable at a premium yielding 14.00% p.a. (March 31, 2013: 14.00% p.a.) and are repayable in 5 annual unequal instalments commencing from April 2011. As at March 31, 2014, the Company has partially redeemed these debentures and the revised face value of these debentures after redemption is ₹ 350,000 (March 31, 2013: ₹ 700,000) per debenture.
3. Indian rupee term loan from a financial institution of ₹ 150.00 Crore (March 31, 2013: ₹ Nil) carries interest @ 12.00% p.a. (March 31, 2013: Nil) payable on a quarterly basis. The loan is repayable in 7 equal annual instalments commencing at the end of four years from the date of first disbursement i.e. September, 2013. The loan is secured by exclusive first charge on land held by GMR Krishnagiri SEZ Limited ('GKSEZ').
4. Indian rupee term loan from a financial institution of ₹ 183.33 Crore (March 31, 2013: ₹ 275.00 Crore) carries periodic rates of interest as agreed with the lenders and payable on a yearly basis. The loan is repayable in 3 equated annual instalment commencing from August 2013. The loan is secured by way of a corporate guarantee issued by GHPL and pledge of 269,238,300 (March 31, 2013: 269,238,300) equity shares of ₹ 1 each of the Company, held by GHPL.
5. Indian rupee term loan from a financial institution of ₹ 800.00 Crore (March 31, 2013: ₹ 900.00 Crore) carries interest @ 11.75% p.a. (March 31, 2013 : 11.75% p.a.) payable on a half yearly basis. The loan is repayable in 10 equated annual instalments commencing from December 2012. The loan is secured by exclusive first charge on barge mounted plant of a subsidiary Company and pledge of 133,198,216 (March 31, 2013: 115,103,532) equity shares of ₹ 1 each of the Company, held by GHPL.
6. Indian rupee term loan from a bank of ₹ 1,000.00 Crore (March 31, 2013: ₹ Nil) carries interest @ base rate of lender plus spread of 4.75% p.a. (March 31, 2013 : Nil) payable on a monthly basis. The loan is secured by i) subservient charge on the immovable properties and moveable assets of EMCO Energy Limited ('EMCO') both present and future ii) subservient charge on non agricultural land in the State of Andhra Pradesh of Kakinada SEZ Private Limited ('KSPL') iii) pledge of equity shares of the Company, held by GHPL iv) pledge of 23% equity shares of EMCO held by GEL v) pledge of 30% equity shares of GMR Chattisgarh Energy Limited ('GCHEL') held by GEL vi) pledge over 30% of equity shares of GEL held by GREEL vii) subservient charge on immovable properties situated in the State of Gujarat (both present and future) and all moveable assets of GMR Gujarat Solar Power Private Limited ('GGSPPL'). The loan is repayable in 32 structured quarterly instalments commencing from April 25, 2016 and ending on January 25, 2024. Out of the above ₹ 1,000.00 Crore, the Company has availed ₹ 900.00 Crore as at March 31, 2014. There are certain mandatory prepayment events agreed with the bank including divestment of shareholding in Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi ('ISG') and hence ₹ 200.00 Crore has been considered as current maturities.
7. Indian rupee term loan from a bank of ₹ 250.00 Crore (March 31, 2013: ₹ 300.00 Crore) carries interest @ base rate of lender plus spread of 1.50% p.a. (March 31, 2013 : base rate of lender plus spread of 1.50% p.a.) and interest is payable on a monthly basis. The loan is secured by i) 10% of cash margin on the outstanding amount in the form of lien on fixed deposits in favour of the lender ii) exclusive charge on loans and advances provided by the Company created out of this facility. The loan is repayable in 6 equal quarterly instalments commencing from March 31, 2014.
8. Indian rupee term loan from a bank of ₹ 200.00 Crore (March 31, 2013: ₹ 200.00 Crore) carries interest @ base rate of lender plus spread of 1.50% p.a. (March 31, 2013 : base rate of lender plus spread of 1.50% p.a.) and interest is payable on a monthly basis. The loan is secured by a first charge over the immovable properties of ₹ 17.70 Crore, aircrafts of ₹ 38.75 Crore, lien marked fixed deposit of ₹13.55 Crore and exclusive charge on loans and advances provided by the Company out of this loan facility, charge over 30% shares of GHPL in GMR Sports Private Limited ('GSPL') and non-disposable undertaking with regard to 19% of shareholding of GHPL in GSPL. The loan is repayable in 8 equal quarterly instalments commencing from June 26, 2016. Of the above ₹ 200.00 Crore, the Company has availed ₹ 188.00 Crore as at March 31, 2014 (March 31, 2013: ₹180.00 Crore).
9. Indian rupee term loan from a bank of ₹ 500.00 Crore (March 31, 2013: ₹ Nil) carries interest @ base rate of lender plus spread of 1.50% p.a. (March 31, 2013 : Nil) and interest is payable on a monthly basis. The loan is secured by i) residual charge over all current assets and movable fixed assets both present and future ii) first charge over loans and advances both present and future (excluding EPC division) to provide minimum cover of 1.25 times of the facility outstanding iii) second charge over cash flows both present and future of GMR Highways Limited ('GMRHL') iv) exclusive charge over rights and interest of GMR group in IBC Knowledge Park property at Bangalore and v) pledge of 30% shares of GMRHL. The loan is repayable in 8 equal quarterly instalments after a moratorium of 39 months from the date of first disbursement i.e., the first instalment is due on September 30, 2016. There are certain mandatory prepayment events agreed with the bank including divestment of shareholding in ISG and GMR Ulundurpet Expressways Private Limited ('GUEPL') and hence ₹ 150.00 Crore has been considered as current maturities of such loans.
10. Indian rupee term loan from a bank of ₹ Nil (March 31, 2013: ₹ 43.50 Crore) carried interest @ BBR plus 2.50% p.a. (March 31, 2013 : BBR plus 2.50% p.a). and was payable on a monthly basis. The loan was repayable in 3 equal instalments at the end of 12th, 18th and 24th month from the date of first disbursement i.e. February 16, 2012. The loan was secured by an exclusive first charge on assets acquired out of the proceeds of the loan and second charge on the current assets of EPC division of the Company.
11. Vehicle loan from a bank of ₹0.61 Crore (March 31, 2013: ₹Nil) carries interest @ 10.00% p.a. (March 31, 2013 : Nil) and the same is payable on a monthly basis. The loan is repayable in 60 equal monthly instalments commencing from October 01, 2013 and is secured by the vehicle taken on loan.
12. Indian rupee term loan from a bank of ₹ 500.00 Crore (March 31, 2013: ₹ 500.00 Crore) carries interest @ base rate of lender plus applicable spread of 3.25% p.a (March 31, 2013 : base rate of lender plus applicable spread of 3.25% p.a.) and interest is payable on a monthly basis. The loan is secured by exclusive first mortgage and charge on i) movable fixed assets and immovable properties of GMR Power Corporation Limited ('GPCL') ii) non agricultural lands of GMR Hebbal Towers Private

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 5 LONG-TERM BORROWINGS (Contd.)

Limited ('GHTPL') and Mr. G. M. Rao iii) certain immovable properties of Boyance Infrastructure Private Limited ('BIPL') in Mamidipally, Ranga Reddy district iv) commercial apartment owned by Honey Flower Estates Private Limited ('HFEPL') v) an irrevocable and unconditional guarantee of GHPL, BIPL and HFEPL and demand promissory note equal to principal amount of the loan and interest payable on the loan. The loan is repayable in 16 quarterly instalments commencing from October 1, 2014. Of the above ₹ 500.00 Crore, the Company has availed ₹ 300.00 Crore as at March 31, 2014 (March 31, 2013: ₹200.00 Crore).

13. Indian rupee term loan from a bank of ₹ 250.00 Crore (March 31, 2013: ₹250 Crore) carries interest @ base rate of lender plus 1.50% p.a. (March 31, 2013 :base rate of lender plus 1.50% p.a.) and is payable on a monthly basis. This loan is secured by exclusive first mortgage and charge on i) non-agricultural lands of BIPL, Namitha Real Estates Private Limited ('NREPL'), Sri Varalakshmi Jute Twine Mills Private Limited ('SVJTMPL') and Neozone Properties Private Limited ('NPPL'). The loan is repayable in 5 equated monthly instalments commencing from November 30, 2014.
14. Loans from group company of ₹ 100.00 Crore (March 31, 2013: ₹Nil) from its subsidiary, GMR Airport Developers Limited ('GADL') carries interest @ 12.95% p.a. (March 31, 2013: Nil.) and is payable on a monthly basis. The loan is to be prepaid on occurance of any liquidity event as per the terms of the agreement or repayable in 28 structured quarterly instalments commencing from December 23, 2013 . Out of the above ₹ 100 Crore, the Company has availed ₹ 93.40 Crore and ₹92.00 Crore is outstanding as at March 31, 2014.
15. Indian rupee term loan from a financial institution of ₹ 50.00 Crore (March 31, 2013: ₹ Nil) carries interest @ 14.75% p.a. linked with SBR on reducing balance (March 31, 2013: Nil) and is payable on a monthly basis. The loan is repayable in 57 monthly instalments commencing from April, 2014. The loan is secured by a charge on assets of the Company. Of the above ₹ 50.00 Crore, the Company has availed ₹ 44.00 Crore as at March 31, 2014.
16. Indian rupee term loan from a financial institution of ₹ 200.00 Crore (March 31, 2013: ₹Nil) carries interest rate @14.25% p.a. (March 31,2013: Nil) and is payable on a monthly basis. The loan is repayable in 18 quarterly instalments commencing from October, 2016. The loan is secured by way of i) first mortgage and charge on non agriculture lands of SJK Powergen Limited ('SJK') ii) pledge of 20,000,000 (March 31, 2013: Nil) equity shares of ₹ 1 each of the Company, held by GHPL and iii) pledge of such number of equity shares of ₹ 10 each of GEL having book value of minimum of ₹ 400.00 Crore (March 31, 2013: ₹ Nil) held by the Company and in case of default of repayment of loan, the lender has the right to convert the loan into equity. Of the above ₹ 200.00 Crore, the Company has availed ₹ 195.00 Crore as at March 31, 2014.
17. Vehicle loan from others of ₹ 0.27 Crore (March 31, 2013: ₹ Nil) carries interest @10.33 % p.a. (March 31, 2013: Nil) and interest is payable on a monthly basis. The loan is repayable in 60 equal monthly instalments commencing from April, 2014 and is secured by vehicle taken on loan.

NOTE 6 DEFERRED TAX (ASSET) / LIABILITY (NET)

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	11.06	8.75
Gross deferred tax liability	**11.06**	**8.75**
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	13.18	27.07
Gross deferred tax asset	**13.18**	**27.07**
Net deferred tax asset	**(2.12)**	**(18.32)**

NOTE 7 Other long-term liabilities

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Advances from customers	2.88	-
	2.88	**-**

NOTE 8 Provisions

Particulars	Long-term		Short-term	
	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Provision for employee benefits				
Provision for gratuity (refer note 28)	1.35	0.89	-	0.41
Provision for leave benefits	-	-	4.45	5.43
Provision for other employee benefits	-	-	9.58	10.28
	1.35	**0.89**	**14.03**	**16.12**
Other provision				
Proposed equity dividend (refer note 4(d))	-	-	38.92	38.92
Provision for tax on proposed equity dividend (refer note 4(d))	-	-	6.62	6.31
Proposed Preference dividend (refer note 4(d)) (₹1,868)	-	-	0.00	-
Provision for tax on proposed Preference dividend (refer note 4(d)) (₹318)	-	-	0.00	-
Provision for debenture redemption premium	-	-	4.66	6.37
	-	**-**	**50.20**	**51.60**
	1.35	**0.89**	**64.23**	**67.72**

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 9 SHORT-TERM BORROWINGS

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Bank overdraft (secured)[1]	136.64	201.20
Short-term loans from banks (unsecured)[2]	-	150.00
Intercorporate deposits from related parties repayable on demand (unsecured)[3]	79.00	150.00
Debentures		
Nil (March 31, 2013: 2,500) 0.01% unsecured, non-convertible debentures of ₹ 1,000,000 each.[4]	-	250.00
	215.64	**751.20**
The above amount includes		
Secured borrowings	136.64	201.20
Unsecured borrowings	79.00	550.00
	215.64	**751.20**

1. Bank overdraft is secured by first charge on current assets of the EPC division of the Company and carries an interest @13.50% p.a. (March 31, 2013: 13.75% p.a.).
2. Short-term loan from banks represents loan taken from banks which was repayable by way of a bullet payment within one year from the date of disbursement and carried interest rate of 12.80% p.a.(March 31, 2013: ranging from 12.00% p.a. to 12.80% p.a.)
3. During the year ended March 31, 2014, the Company has accepted intercorporate deposit ₹11.00 Crore from its subsidiary, GMR Aviation Private Limited ('GAPL') which is repayble on or before April 09, 2014 and carries an interest @ 12.50% p.a.(March 31, 2013 : Nil) payable on a monthly basis. During the year ended March 31, 2013, the Company had accepted intercorporate deposit of ₹ 150.00 Crore from its subsidiary, GMR Airports Limited ('GAL') which is repayable within 6 months from the date of first disbursement of deposit and carries an interest @ 11.75% p.a (March 31, 2013: 11.75% p.a.) payable on a monthly basis. The loan has been extended for a further period of one year. Of the above ₹ 150.00 Crore, ₹ 68.00 Crore is outstanding as at March 31, 2014.
4. During the year ended March 31, 2012, the Company had issued 2,500 0.01% non-convertible, unsecured debentures of ₹ 1,000,000 each to GAL. These debentures are redeemed at the request of the subscriber during the year ended March 31, 2014.

NOTE 10 OTHER CURRENT LIABILITIES

Particulars		March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Trade payable (refer note 33)[1]		206.95	162.55
	(A)	**206.95**	**162.55**
Other liabilities			
Current maturities of long-term borrowings (refer note 5)		1,227.28	470.17
Interest accrued but not due on borrowings		79.36	137.82
Unearned revenue		7.77	1.67
Share application money refund[2]		-	0.05
Advances from customers (refer note 33)		115.57	270.28
Retention money[3]		71.73	69.68
Non trade payable (refer note 33)		144.71	9.77
Unclaimed dividend		0.14	-
TDS payable		4.56	5.75
Other statutory dues		0.66	1.03
	(B)	**1,651.78**	**966.22**
Total (A+B)		**1,858.73**	**1,128.77**

1. Refer note 39 for details of dues to micro and small enterprises.
2. During the year ended March 31, 2014, share application money pending refund of ₹ 0.01 Crore was paid to the investors and ₹ 0.04 Crore due and outstanding for more than seven years has been credited to Investor education and protection fund.
3. Retention money is payable on the completion of the contracts or after the completion of the defect liability period as defined in the respective contracts.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 11 TANGIBLE ASSETS (₹ in Crore)

Particulars	Freehold Land	Office Equipments	Computer Equipments	Plant and Equipments	Furniture and Fixtures	Vehicles	Total
Gross block (at cost)							
As at April 1, 2012	0.08	6.63	7.99	88.66	2.77	6.31	112.44
Additions	-	1.51	0.53	12.25	0.19	0.15	14.63
Disposals	-	-	0.01	-	-	0.29	0.30
As at March 31, 2013	**0.08**	**8.14**	**8.51**	**100.91**	**2.96**	**6.17**	**126.77**
Additions	-	0.24	0.07	0.42	0.01	1.41	2.15
Disposals	-	0.04	0.06	-	-	-	0.10
As at March 31, 2014	**0.08**	**8.34**	**8.52**	**101.33**	**2.97**	**7.58**	**128.82**
Depreciation							
As at April 1, 2012	-	0.85	2.79	7.62	0.95	0.92	13.13
Charge for the year	-	0.36	1.28	5.22	0.20	0.62	7.68
Disposals	-	-	-	-	-	0.05	0.05
As at March 31, 2013	**-**	**1.21**	**4.07**	**12.84**	**1.15**	**1.49**	**20.76**
Charge for the year	-	0.40	1.31	5.14	0.15	0.68	7.68
Disposals	-	0.01	0.05	-	-	-	0.06
As at March 31, 2014	**-**	**1.60**	**5.33**	**17.98**	**1.30**	**2.17**	**28.38**
Net block							
As at March 31, 2013	**0.08**	**6.93**	**4.44**	**88.07**	**1.81**	**4.68**	**106.01**
As at March 31, 2014	**0.08**	**6.74**	**3.19**	**83.35**	**1.67**	**5.41**	**100.44**

NOTE 12 INTANGIBLE ASSETS (₹ in Crore)

Particulars	Computer software	Total
Gross block (at cost)		
As at April 1, 2012	3.11	3.11
Additions	1.36	1.36
Disposals	-	-
As at March 31, 2013	**4.47**	**4.47**
Additions	1.86	1.86
Disposals	-	-
As at March 31, 2014	**6.33**	**6.33**
Amortisation		
As at April 1, 2012	0.95	0.95
Charge for the year	0.63	0.63
Disposals	-	-
As at March 31, 2013	**1.58**	**1.58**
Charge for the year	0.74	0.74
Disposals	-	-
As at March 31, 2014	**2.32**	**2.32**
Net block		
As at March 31, 2013	**2.89**	**2.89**
As at March 31, 2014	**4.01**	**4.01**

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 13 NON-CURRENT INVESTMENTS		
Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
A. In Subsidiary Companies		
- Domestic Companies		
GMR Hyderabad International Airport Limited ('GHIAL')	0.00	0.00
[1,000 (March 31, 2013: 1,000) equity shares of ₹ 10 each] [₹ 10,000 (March 31, 2013: ₹ 10,000)]		
GMR Pochanpalli Expressways Limited ('GPEPL')	1.38	1.38
[1,380,000 (March 31, 2013: 1,380,000) equity shares of ₹ 10 each]		
GMR Jadcherla Expressways Limited ('GJEPL') (Formerly GMR Jadcherla Expressways Private Limited)[2]	-	1.18
[Nil (March 31, 2013: 1,178,250) equity shares of ₹ 10 each]		
GMR Ambala Chandigarh Expressways Private Limited ('GACEPL')[1]	23.27	23.27
[23,272,687 (March 31, 2013: 23,272,687) equity shares of ₹ 10 each]		
DIAL[1, 8]	0.00	245.00
[100 (March 31, 2013: 245,000,000) equity shares of ₹ 10 each] [₹ 1,000]		
GUEPL[6]	-	1.99
[Nil (March 31, 2013: 1,987,500) equity shares of ₹ 10 each]		
GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL')	0.00	0.00
[4,900 (March 31, 2013: 4,900) equity shares of ₹ 10 each] [₹ 49,000 (March 31, 2013: ₹ 49,000)]		
GAL[1]	679.83	679.83
[340,869,304 (March 31, 2013: 340,869,304) equity shares ₹ 10 each]		
GAPL	86.44	86.44
[86,440,000 (March 31, 2013: 86,440,000) equity shares of ₹ 10 each]		
Gateways for India Airports Private Limited ('GFIAL')	0.01	0.01
[8,649 (March 31, 2013: 8,649) equity shares of ₹ 10 each]		
GKSEZ	117.50	117.50
[117,500,000 (March 31, 2013: 117,500,000) equity shares of ₹ 10 each]		
GMR SEZ & Port Holdings Private Limited ('GSPHPL')	47.99	47.99
[47,989,999 (March 31, 2013: 47,989,999) equity shares of ₹ 10 each]		
GMRHL[1]	20.00	20.00
[20,000,000 (March 31, 2013: 20,000,000) equity shares of ₹ 10 each]		
GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL')	2.05	2.05
[2,050,000 (March 31, 2013: 2,050,000) equity shares of ₹ 10 each]		
GMR Corporate Affairs Private Limited ('GCAPL')	5.00	5.00
[4,999,900 (March 31, 2013: 4,999,900) equity shares of ₹ 10 each]		
GMR Chennai Outer Ring Road Private Limited ('GCORRPL')[1]	9.30	9.30
[9,300,000 (March 31, 2013: 9,300,000) equity shares of ₹ 10 each]		
GMR Energy Trading Limited ('GETL')	50.22	50.22
[50,219,897 (March 31, 2013: 50,219,897) equity shares of ₹ 10 each]		
Dhruvi Securities Private Limited ('DSPL')	199.70	199.70
[168,059,694 (March 31, 2013: 168,059,694) equity shares of ₹ 10 each]		
GMR OSE Hungund Hospet Highways Private Limited ('GOSEHHHPL')[1]	59.80	59.80
[59,801,692 (March 31, 2013: 59,801,692) equity shares of ₹ 10 each]		
GREEL	0.50	0.50
[500,000 (March 31, 2013: 500,000) equity shares of ₹ 10 each]		
GMR Power Infra Limited ('GPIL')	0.85	0.85
[849,490 (March 31, 2013: 849,490) equity shares of ₹ 10 each]		
GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL')	5.05	5.05
[5,050,000 (March 31, 2013: 5,050,000) equity shares of ₹ 10 each]		
GEL[1,4]	1,476.46	-
[536,894,545 (March 31, 2013: Nil) equity shares of ₹ 10 each]		

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 13 NON-CURRENT INVESTMENTS (Contd.)

	Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
	- Body Corporates		
	GMR Energy (Mauritius) Limited ('GEML')	0.00	0.00
	[5 (March 31, 2013: 5) equity share of USD 1 each] [₹ 202 (March 31, 2013: ₹ 202)]		
	GMR Infrastructure (Mauritius) Limited ('GIML') (refer note 43)	1,477.99	1,477.99
	[320,550,001 (March 31, 2013: 320,550,001) equity share of USD 1 each]		
	GMR Coal Resources Pte Limited ('GCRPL') (Formerly GMR Infrastructure Investments (Singapore) Pte Limited)	0.11	0.11
	[30,000 (March 31, 2013: 30,000) equity share of SGD 1 each]		
	GMR Male International Airport Private Limited ('GMIAL')	0.00	0.00
	[154 (March 31, 2013: 154) equity share of Mrf 10 each] [₹ 4,917 (March 31, 2013: ₹ 4,917)]		
	GMR Infrastructure (Overseas) Limited ('GIOL') (Formerly known as GMR Holdings (Overseas) Investments Limited)	0.00	0.00
	[100 (March 31, 2013: 100] equity shares of USD 1 each] [₹ 4,903 (March 31, 2013: ₹ 4,903)]		
B.	**In Jointly controlled entity**		
	ISG[1, 3]	-	334.62
	[Nil (March 31, 2013: 109,629,660) equity shares of YTL 1 each]		
C.	**In Associates**		
	GJEPL[2]	1.18	-
	[1,178,250 (March 31, 2013: Nil) equity shares of ₹ 10 each]		
	GUEPL[6]	1.99	-
	[1,987,500 (March 31, 2013: Nil) equity shares of ₹ 10 each]		
	(i)	**4,266.62**	**3,369.78**
	Unquoted preference shares		
D.	**In Subsidiary Companies**		
	GEL[4]	-	346.36
	[Nil (March 31, 2013: 215,109,146) 1% non-cumulative redeemable preference shares of ₹10 each]		
	GEL[4]	-	280.49
	[Nil (March 31, 2013: 280,493,375) 1% cumulative redeemable preference shares of ₹10 each]		
	GPEPL	44.50	44.50
	[4,450,000 (March 31, 2013: 4,450,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]		
	GACEPL	0.66	0.66
	[66,000 (March 31, 2013: 66,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]		
	GUEPL[6]	-	20.02
	[Nil (March 31, 2013: 2,002,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]		
	GMRHL	706.54	706.54
	[70,654,000 (March 31, 2013: 70,654,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]		
	GCORRPL	21.93	21.93
	[2,192,500 (March 31, 2013: 2,192,500) 6% non-cumulative redeemable convertible preference shares of ₹ 100 each]		
	GCAPL	15.00	15.00
	[15,000,000 (March 31, 2013: 15,000,000) 8% non-cumulative redeemable preference shares of ₹ 10 each]		
	DSPL	210.00	210.00
	[42,000,000 (March 31, 2013: 42,000,000) 8% compulsorily convertible preference shares of ₹ 10 each]		
	GHVEPL	81.53	76.83
	[8,152,740 (March 31, 2013: 7,682,740) 6% non-cumulative redeemable convertible preference shares of ₹ 100 each]		
	GKUAEL	1.95	1.95
	[195,000 (March 31,2013 : 195,000) 0.1% non cumulative redeemable convertible preference shares of ₹ 100 each]		
	GAL[7]	-	-
	GREEL[4]	1,013.44	-
	[1,013,440,000 (March 31, 2013: Nil) 8% compulsorily convertible preference shares of ₹ 10 each]		
	GREEL[4]	1,103.96	-
	[11,039,649 (March 31, 2013: Nil) 0.01% compulsorily convertible preference shares of ₹ 1,000 each]		
	GREEL[4]	495.60	-
	[495,602,500 (March 31, 2013: Nil) 0.01% compulsorily convertible preference shares of ₹ 10 each]		
	GJEPL[2]	-	53.10
	[Nil (March 31, 2013: 5,310,000) 8% non-cumulative redeemable preference shares of ₹ 100 each]		
	Less: Current portion of non-current investments [2] (refer note 16)	-	(53.10)
	(ii)	**3,695.11**	**1,724.28**

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 13 NON-CURRENT INVESTMENTS (Contd.)

	Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
	Unquoted debentures		
E.	**In Subsidiary Companies**		
	GKSEZ	22.85	135.00
	[22.85 (March 31, 2013: 135) 12% unsecured optionally convertible cumulative debentures of ₹ 10,000,000 each]		
	GKSEZ	73.40	47.20
	[734 (March 31, 2013: 472) 12% optionally convertible cumulative debentures of ₹ 1,000,000 each]		
	GAPL	98.65	185.65
	[9,865 (March 31, 2013: 18,565) 12.50% unsecured optionally convertible debentures of ₹ 100,000 each]		
	GSPHPL	100.00	100.00
	[100 (March 31, 2013: 100) 1% unsecured optionally convertible cumulative debentures of ₹ 10,000,000 each]		
	GSPHPL	129.00	129.00
	[12,900 (March 31, 2013: 12,900) 0.1% unsecured convertible cumulative debentures of ₹ 100,000 each]		
	GSPHPL	14.76	15.70
	[1,476 (March 31, 2013: 1,570) 12% unsecured optionally convertible cumulative debentures of ₹ 100,000 each]		
	GCAPL	15.00	15.00
	[1,500,000 (March 31, 2013: 1,500,000) 5% unsecured non-convertible redeemable debentures of ₹ 100 each]		
	GCAPL	135.00	135.00
	[13,500,000 (March 31, 2013: 13,500,000) 1% unsecured non-convertible redeemable debentures of ₹ 100 each]		
	Deepesh Properties Private Limited ('DPPL')	1.50	3.00
	[150 (March 31, 2013: 300) 0.1% unsecured optionally convertible cumulative debentures of ₹ 100,000 each]		
	Padmapriya Properties Private Limited ('PAPPL')	-	7.50
	[Nil (March 31, 2013: 750) 0.1% unsecured optionally convertible cumulative debentures of ₹ 100,000 each]		
	GEL	977.50	987.50
	[10,000 (March 31, 2013: 10,000) 14.50% unsecured non-convertible redeemable debentures of ₹ 977,500 each (March 31, 2013: ₹ 987,500)]		
	Less: Current portion of non-current investments (refer note 16)	(10.00)	(10.00)
	(iii)	**1,557.66**	**1,750.55**
	Unquoted equity shares		
F.	**- In other Body Corporates**		
	GMR Holdings Malta Limited ('GHML')[1]	0.00	0.00
	[58 (March 31, 2013: 58) equity shares of EURO 1 each] [₹ 3,924 (March 31, 2013: ₹ 3,924)]		
	Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi ('SGH')[1,5]	1.27	1.27
	[4,300 (March 31, 2013: 4,300) equity shares of YTL 100 each]		
	Less: provision for diminution in value of investments[5]	(1.27)	-
	(iv)	**0.00**	**1.27**
	Total (i)+(ii)+(iii)+(iv)	**9,519.39**	**6,845.88**
	Aggregate amount of unquoted investments	**9,519.39**	**6,845.88**

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 13 NON-CURRENT INVESTMENTS (Contd.)

Notes

1 Details of investments pledged as security in respect of the loans availed by the Company and the investee Companies.

The following unquoted investments included above have been pledged as security in respect of the borrowings of the Company or the investee Companies:

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Description		
GMRHL	11.20	5.20
[11,200,000 (March 31, 2013: 5,200,000) equity shares of ₹10 each fully paid up]		
GACEPL	23.27	23.27
[23,272,687 (March 31, 2013: 23,272,687) equity shares of ₹10 each fully paid up]		
DIAL	-	99.32
[Nil (March 31, 2013: 99,324,324) equity shares of ₹10 each fully paid up]		
GCORRPL	2.42	2.42
[2,418,000 (March 31, 2013: 2,418,000) equity shares of ₹10 each fully paid up]		
GOSEHHHPL	7.99	7.99
[7,988,993 (March 31, 2013: 7,988,993) equity shares of ₹10 each fully paid up]		
GAL	91.23	-
[91,226,067 (March 31, 2013: Nil) equity shares of ₹10 each fully paid up]		
GEL	219.66	-
[219,659,528 (March 31, 2013: Nil) equity shares of ₹10 each fully paid up]		
GHML	0.00	0.00
[58 (March 31, 2013: 58) equity shares of Euro 1 each fully paid up] [₹ 3,924 (March 31, 2013: ₹ 3,924]		
ISG	-	266.76
[Nil (March 31, 2013: 86,984,800) equity shares of YTL 1 each fully paid up]		
SGH	1.27	1.27
[4,300 (March 31, 2013: 4,300) equity shares of YTL 100 each fully paid up]		

2 Refer Note 26 (1)

3 Refer Note 26 (3)

4 During the year ended March 31, 2011, GEL had issued 13,950,000 compulsorily convertible cumulative preference shares ('CCCPS') of ₹ 1,000 each to Claymore Investments (Mauritius) Pte. Limited and IDFC group investors (collectively called as PE Investors). These preference shares were convertible upon the occurrence of Qualifying Initial Public Offering ('QIPO') of equity shares of GEL. During the year ended March 31, 2014, GEL entered into negotiations with the PE investors pursuant to which the Company agreed to convert the loans given to GEL and investment in the preference shares of GEL into equity shares of ₹10 each at a premium of ₹17.50 per share. Accordingly, the Company converted loans given to GEL aggregating to ₹ 1,476.46 Crore and 1% cumulative and non-cumulative redeemable preference shares aggregating to ₹ 495.60 Crore (excluding redemption premium of ₹131.25 crore) into 717,113,641 equity shares of GEL after obtaining the approval of the Board of Directors of the Company and class holders and shareholders of GEL.

The premium of ₹ 131.25 Crore paid on investment in 1% non- cumulative redeemable preference shares was waived off by the Company and the loss of ₹131.25 Crore arising on account of the waiver of premium has been disclosed as an exceptional item in the financial statements. The conversion as stated aforesaid and the premium waiver was done to maintain optimum fair value per share at the time of conversion of CCCPS held by the PE investors. This arrangement enabled GEL and the Company to conclude the Amended and Restated Share Subscription and Shareholders Agreements with PE investors at favourable terms.

Further, with a view to restructure its shareholding in energy business, the Company has made following issues/ transfer of shares during the year ended March 31, 2014.

(a) Out of the total allotment of 717,113,641 equity shares of GEL as stated aforesaid, the Company transferred 180,219,096 equity shares to GREEL, a 100% subsidiary of the Company, at cost. The proceeds of the transfer of shares to GREEL have been utilised for investment in 495,602,500 0.01% compulsorily convertible preference shares of ₹ 10 each of GREEL at par value.

(b) The proceeds of the issue of 11,366,704 CCPS of face value of ₹ 1,000 each to Series A CCPS and Series B CCPS holders as stated in Note 3 have been utilised by the Company primarily for investment in 11,039,649 0.01% compulsorily convertible preference shares of ₹ 1,000 each of GREEL at par value.

(c) The Company has also purchased DSPL's investment in 1,013,440,000 8% compulsorily convertible preference shares of ₹ 10 each in GREEL. The purchase consideration has been settled against the loan outstanding from DSPL along with interest accrued thereon of ₹ 610.55 Crore and balance has been paid before the year end.

5 Refer Note 26 (5)

6 Refer Note 46

7 GAL have alloted these shares as bonus shares in their allotment and transfer committee meeting held on August 04, 2011.

8 Refer Note 45

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 14 LOANS AND ADVANCES

Particulars		Non-current		Current	
		March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Capital advances					
Unsecured, considered good		0.10	1.71	-	-
	(A)	**0.10**	**1.71**	**-**	**-**
Security deposit					
Unsecured, considered good (refer note 33)		4.55	8.07	2.50	-
	(B)	**4.55**	**8.07**	**2.50**	**-**
Loan and advances to related parties					
Unsecured, considered good (refer note 33)		2,052.90	2,747.49	290.40	700.51
	(C)	**2,052.90**	**2,747.49**	**290.40**	**700.51**
Advances recoverable in cash or kind					
Unsecured considered good		-	-	43.62	43.43
	(D)	**-**	**-**	**43.62**	**43.43**
Other loans and advances (unsecured considered good)					
Advance income-tax (net of provision for taxation)		43.51	55.54	-	-
MAT credit entitlement[1]		72.78	27.58	-	-
Prepaid expenses		0.29	0.46	1.25	1.66
Loan to others[2]		115.00	115.00	-	-
Loans to employees		0.57	0.56	0.38	1.14
Balances with statutory/ government authorities		17.08	25.62	-	-
	(E)	**249.23**	**224.76**	**1.63**	**2.80**
Total (A+B+C+D+E)		**2,306.78**	**2,982.03**	**338.15**	**746.74**

1. During the year ended March 31, 2014, the Company has utilised MAT credit of ₹ Nil (March 31,2013: ₹3.53 Crore). Further the Company has reversed MAT credit of ₹ Nil (March 31,2013: ₹ 10.39 Crore) based on an intimation under Section 143(1) of the IT Act.
2. The Company has given an interest free loan of ₹ 115.00 Crore (March 31, 2013: ₹ 115.00 Crore) to GWT. Based on the confirmation received from GWT, the trust has utilised the proceeds of the loan received from the Company in the following manner:

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Investment in equity shares of the Company	101.55	101.55
Investment in equity shares of GAL	11.28	11.28
Bank balance	2.17	2.17
	115.00	**115.00**

Securities and Exchange Board of India ('SEBI') had issued Circular No. CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed entities from framing any employee benefit scheme involving acquisition of own securities from the secondary market. SEBI had issued Circular No. CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013 extending the date of compliance to June 30, 2014. The management of the Company submitted the details of the GWT to the stock exchanges and is in the process of complying with the requirements of the circular within the prescribed timelines. As per the trust deed, GWT is undertaking only employee benefit schemes and hence the Company has not consolidated the financial statements of GWT in the financial statements of the Company.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 15 TRADE RECEIVABLES AND OTHER ASSETS

15.1 Trade receivable

Particulars	Non-current		Current	
	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Unsecured, considered good				
Outstanding for a period exceeding six months from the date they are due for payment	-	-	13.98	1.99
(A)	**-**	**-**	**13.98**	**1.99**
Other receivables				
Unsecured, considered good[1]	102.63	111.38	131.88	204.80
(B)	**102.63**	**111.38**	**131.88**	**204.80**
Total (A+B)	**102.63**	**111.38**	**145.86**	**206.79**
1. Includes retention money of ₹ 173.42 Crore (March 31, 2013: ₹ 158.28 Crore)				

15.2 Other assets

Particulars	Non-current		Current	
	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Unsecured, considered good unless stated otherwise				
Non-current bank balances (refer note 18)	584.95	384.19	-	-
(A)	**584.95**	**384.19**	**-**	**-**
Unamortised expenditure				
Ancillary cost of arranging the borrowings	62.03	30.98	24.51	12.58
(B)	**62.03**	**30.98**	**24.51**	**12.58**
Others				
Interest accrued on fixed deposits	-	-	9.63	3.56
Interest accrued on loan and debentures to subsidiaries (refer note 33)	-	-	97.28	185.55
Other than trade - considered good (refer note 26 (3))	-	-	805.80	-
Unbilled revenue (refer note 33)	9.62	7.64	97.84	145.32
(C)	**9.62**	**7.64**	**1,010.55**	**334.43**
Total (A+B+C)	**656.60**	**422.81**	**1,035.06**	**347.01**

NOTE 16 CURRENT INVESTMENTS

	Particulars	March 31, 2014 ₹ in Crore	31 March 2013 ₹ in Crore
A	**Current portion of long-term investments (valued at cost, unquoted)**		
	Unqouted debentures		
	GEL (refer note 13)	10.00	10.00
	Unquoted preference shares		
	GJEPL (refer note 13)	-	53.10
	(i)	**10.00**	**63.10**
B	**Investments in Mutual Funds**		
	Birla Sunlife Infrastructure Fund - Plan - Dividend - Payout #	5.54	4.60
	[4,720,000 (March 31, 2013: 4,720,000) units of ₹ 10 each]		
	(ii)	**5.54**	**4.60**
	Total (i)+(ii)	**15.54**	**67.70**
Aggregate amount of unquoted investments		15.54	67.70
# Aggregate provision for diminution in value of investments		0.36	1.30

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 17 INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Raw materials	8.92	16.06
Contract work-in-progress	82.11	71.16
	91.03	**87.22**

NOTE 18 CASH AND BANK BALANCES

Particulars	Non-current		Current	
	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Cash and cash equivalents				
Balances with banks:				
- On current accounts [7,8]	11.31	-	4.18	203.79
- Deposits with original maturity of less than or equal to 3 months	11.85	-	-	-
Cash on hand	-	-	0.05	0.02
	23.16	**-**	**4.23**	**203.81**
Other bank balances				
- On current accounts[1]	-	-	-	0.05
- Deposits with original maturity for more than 3 months but less than or equal to 12 months.	533.74	354.15	-	1.50
- Deposits with original maturity for more than 12 months	28.05	30.04	0.07	-
	561.79	**384.19**	**0.07**	**1.55**
Amount disclosed under non-current assets (refer note 15.2)	(584.95)	(384.19)	-	-
	-	**-**	**4.30**	**205.36**

1. Includes share application money pending refund of ₹ Nil (March 31, 2013: ₹ 0.05 Crore)
2. A charge has been created over the deposits of ₹ 95.46 Crore (March 31, 2013: ₹ 1.83 Crore) towards DSRA maintained by the Company for loans availed by the Company from banks and financial institutions (refer note 5).
3. A charge has been created over the deposits of ₹ 20.55 Crore (March 31, 2013: ₹ 20.55 Crore) for working capital facility availed by the Company (refer note 9).
4. A charge has been created over the deposits of ₹ 30.00 Crore (March 31, 2013 : ₹ 30.04 Crore) for loan availed by the Company from a bank.
5. A charge has been created over the deposits of ₹ 2.98 Crore (March 31, 2013: ₹ 2.77 Crore) towards DSRA maintained by the Company with a bank for loan availed by GMRHL.
6. A charge has been created over the deposits of ₹ 424.65 Crore (March 31, 2013: ₹ 329.00 Crore) for loan against deposits availed by KSPL.
7. Includes unclaimed dividend of ₹0.14 Crore (March 31, 2013: ₹ Nil)
8. Includes ₹11.17 Crore (March 31, 2013: ₹ Nil) towards DSRA maintained by the Company with ICICI.

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Notes to the Financial Statements for the year ended March 31, 2014

NOTE 19 REVENUE FROM OPERATIONS

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Sale of services		
EPC:		
Construction revenue	468.67	1,142.17
	468.67	**1,142.17**
Other operating revenue		
Others:		
Income from management and other services	9.90	6.74
Dividend income on current investments (other than trade) (gross) [₹ 10,732 (March 31, 2013: ₹7,037)] (refer note 33)	0.00	0.00
Interest income (gross)		
- Bank deposits	48.38	37.46
- Long-term investments (refer note 33)	256.30	218.11
- Current investments	-	0.09
Profit on sale of current investments (others)	3.04	28.22
	317.62	**290.62**
	786.29	1,432.79

NOTE 20 OTHER INCOME

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Gain on account of foreign exchange fluctuations (net)	0.85	26.27
Provisions no longer required, written back	1.31	0.24
Other non-operating income [net of expenses directly attributable to such income of ₹ Nil (March 31, 2013: ₹ Nil)]	2.61	2.07
	4.77	**28.58**

NOTE 21 COST OF MATERIALS CONSUMED

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Inventory at the beginning of the year	16.06	27.89
Add: Purchases	84.94	277.42
	101.00	**305.31**
Less: inventory at the end of the year	8.92	16.06
Cost of materials consumed	**92.08**	**289.25**
Detail of materials consumed		
Steel	17.01	76.43
Bitumen	11.02	29.48
High speed diesel	12.55	34.46
Cement	13.70	43.42
Aggregates	7.31	22.72
Granular	0.71	5.86
Sand	2.03	19.67
Boulders	2.22	14.65
Others	25.53	42.56
	92.08	**289.25**

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 22 EMPLOYEE BENEFIT EXPENSES*

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Salaries, wages and bonus	61.17	60.76
Contribution to provident and other funds	5.12	4.93
Gratuity expense (refer note 28) (₹ (35,293))	0.00	0.95
Staff welfare expenses	3.43	5.83
	69.72	**72.47**

*Employee benefit expenses are net of ₹ 21.29 Crore (March 31, 2013: ₹ 25.16 Crore) cross charged to certain subsidiaries.

NOTE 23 OTHER EXPENSES**

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Bidding charges	-	0.45
Lease rental and equipment hire charges	14.63	35.04
Rates and taxes	6.15	5.50
Insurance	0.66	0.79
Repairs and maintenance		
Others	2.87	9.15
Advertising and sales promotion	0.31	0.49
Freight	3.45	7.49
Travelling and conveyance	2.82	3.13
Communication costs	0.63	0.67
Printing and stationery	1.53	1.78
Logo Fees (refer note 33)	3.60	4.39
Legal and professional fees	10.00	11.80
Payment to auditors# (refer details below)	2.39	2.25
Directors' sitting fees	0.16	0.13
Adjustments to the carrying amount of current investments	-	0.12
Meetings and seminars	0.07	0.09
Security expenses	2.75	2.82
Donation	0.10	0.18
Loss on sale of fixed assets (net)	-	0.01
Miscellaneous expenses	2.92	1.29
	55.04	**87.57**

** Other expenses are net of ₹ 91.68 Crore (March 31, 2013: ₹ 63.24 Crore) cross charged to certain subsidiaries.

#Payment to auditors [Inclusive of service tax]

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
As auditors:		
Audit fees (including fees for consolidated financial statements of the Company and quarterly limited reviews)	2.16	2.03
Tax audit fees	0.04	0.04
Other services (including certification fees)	0.01	0.03
Reimbursement of expenses	0.18	0.15
	2.39	**2.25**

NOTE 24 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Depreciation of tangible assets	7.68	7.68
Amortisation of intangible assets	0.74	0.63
	8.42	**8.31**

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 25 FINANCE COSTS***

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Interest expense	376.54	361.89
Bank and other finance charges	11.99	8.11
Amortization of ancillary borrowing costs	20.18	4.43
	408.71	**374.43**

*** Finance costs are net of ₹ 0.76 Crore (March 31, 2013: ₹ 0.42 Crore) cross charged to certain subsidiaries.

NOTE 26 EXCEPTIONAL ITEMS (NET)

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Profit on sale of investment in a subsidiary[1]	13.28	-
Profit on sale of investment in a subsidiary[2]	-	75.83
Profit on sale of investment in a jointly controlled entity[3]	471.21	-
Loss on redeemable preference shares[4]	(131.25)	-
Provision for diminuition in the value of investment in a jointly controlled entity[5]	(1.27)	-
	351.97	75.83
Less: Expenses attributable towards sale of investment in a jointly controlled entity[3]	12.43	-
	339.54	**75.83**

1 During the year ended March 31, 2013, the Company and GMRHL, a subsidiary of the Company had entered into a definitive sale agreement for divestment of 74% shareholding in GJEPL, a subsidiary of the Company to Macquarie SBI Infrastructure Investments Pte. Limited and SBI Macquarie Infrastructure Trustee Limited.

During the year ended March 31, 2014, the above transaction has been completed and the profit of ₹ 13.28 Crore on redemption of preference shares held by the Company has been disclosed as an exceptional item in the financial statements of the Company.

2 During the year ended March 31, 2013, the Company and GMR Infrastructure (Singapore) Pte Limited ('GISPL'), a subsidiary of the Company had sold their shareholding in GMR Energy (Singapore) Pte Limited ('GESPL'). The profit on such sale amounting to ₹ 75.83 Crore had been disclosed as an exceptional item in the financial statements. The Company had provided a guarantee of Singapore Dollar ('SGD') 38.00 Crore towards warranties as specified in the Share Purchase Agreement ('SPA') and other SPA transaction document for a period till September 30, 2014 and in respect of tax claims, if any, the guarantee period is up to March 31, 2018.

3 During the year ended March 31, 2014, the Company along with its subsidiaries has entered into a definitive agreement with Malaysia Airports MSC Sdn Bhd (Buyer) for sale of their 40% equity stake in their jointly controlled entities; ISG and LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi ('LGM') for a sale consideration of Euro 20.90 Crore (net of equity gap adjustment of Euro 1.6 Crore and subject to debt and other working capital adjustments, which are currently under finalisation).The management based on its internal assessment and a legal opinion is of the view that all "Conditions Precedent" were either fulfilled or waived or agreed to be not applicable as at March 31, 2014 except for the buyer to obtain approval from Bank Negara Malaysia which was obtained on April 3, 2014 and subsequently after receipt of the sale consideration, the shares were transferred to the buyer on April 30, 2014 in view of which, the Company has recognized the profit on the sale of its investment in ISG (net of cost incurred towards disposal of ₹ 12.43 Crore) of ₹ 458.78 Crore, which has been disclosed as an exceptional item in the financial statements of the Company for the year ended March 31, 2014.

Further, pursuant to definitive agreement entered with the buyer, the Company along with its subsidiaries has provided a guarantee of Euro 4.50 Crore towards claims, as specified in the definitive agreement for a period till December 2015 and in respect of tax claims, if any, the guarantee period is upto May 2019.

4 Refer note 13 (4)

5 Pursuant to the aforesaid definitive agreement as stated in note 3 above, the Company has provided ₹ 1.27 Crore for the diminution in the value of investment of SGH, a subsidiary of ISG.

NOTE 27 EARNINGS PER SHARE (EPS)

Calculation of EPS - (Basic and Diluted)

Particulars	Year ended	
	March 31, 2014	March 31, 2013
Nominal value of equity shares (₹ per share)	1	1
Weighted average number of equity shares outstanding during the year	3,892,432,532	3,892,432,532
Net profit after tax for the purpose of EPS (₹ in Crore)	165.90	53.45
EPS - Basic and Diluted (₹)	0.43	0.14

Notes:

(i) ₹ 2,250 (March 31, 2013: ₹ 2,250) are receivable towards equity shares and for the computation of weighted average number of equity shares outstanding during the year, these have been considered as partly paid-up shares.

(ii) Refer note 3(c) pertaining to the terms / rights attached to CCPS.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 28 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

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

Statement of profit and loss

Net employee benefit expense (as recognised in the employee cost)

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Current service cost	1.03	0.96
Interest cost on defined benefit obligation	0.31	0.27
Expected return on plan assets	(0.23)	(0.25)
Net actuarial (gain) / loss recognised in the year	(1.11)	(0.03)
Net benefit expense (₹ (35,293))	(0.00)	0.95

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Actual return on plan assets	0.26	0.25

Balance Sheet

Benefit asset/liability

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Present value of defined benefit obligation	3.78	4.08
Fair value of plan assets	2.43	2.79
Plan asset/ (liability)	(1.35)	(1.29)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Opening defined benefit obligation	4.08	3.20
Interest cost	0.31	0.27
Current service cost	1.03	0.96
Benefits paid	(0.64)	(0.16)
Acquistion Adjustment	0.08	(0.16)
Actuarial (gains)/ losses on obligation	(1.08)	(0.03)
Closing defined benefit obligation	3.78	4.08

Changes in the fair value of plan assets as follows:

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Opening fair value of plan assets	2.79	2.69
Expected return	0.23	0.25
Acquistion Adjustment	0.02	-
Contributions by employer	-	0.01
Benefits paid	(0.64)	(0.16)
Actuarial gains / (losses) on plan assets (March 31, 2013: ₹ 10,935)	0.03	0.00
Closing fair value of plan assets	2.43	2.79

The Company expects to contribute ₹ Nil (March 31, 2013: ₹ 0.41 Crore) towards gratuity fund in 2014-2015.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 28 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS (Contd.)

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

Particulars	March 31, 2014	March 31, 2013
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

Particulars	March 31, 2014	March 31, 2013
Discount rate	9.25%	8.10%
Expected rate of return on assets	9.40%	9.40%
Expected rate of salary increase	6.00%	6.00%
Employee turnover	5.00%	5.00%
Mortality rate	Refer Note 4 below	Refer Note 4 below

Notes :

1. Plan assets are fully represented by balance with Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2006-08) (modified) Ultimate [March 31, 2013- Indian Assured Lives Mortality (2006-08) (modified) Ultimate.]

Amounts for the current and previous four years are as follows:

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore	March 31, 2012 ₹ in Crore	March 31, 2011 ₹ in Crore	March 31, 2010 ₹ in Crore
Defined benefit obligation	3.78	4.08	3.20	3.19	2.22
Plan assets	2.43	2.79	2.69	2.53	2.22
Surplus/ (deficit)	(1.35)	(1.29)	(0.51)	(0.66)	-
Experience (gain) / loss on plan liabilities	(1.08)	(0.03)	(0.86)	(0.02)	(0.01)
Experience gain / (loss) on plan assets	0.03	0.00	-	0.03	0.06

NOTE 29 LEASES

Office premises and equipments taken by the Company are obtained on operating lease. The Company entered into certain cancellable operating lease arrangements and certain non-cancellable operating lease arrangements towards office premises. The equipments are taken on hire on need basis. There are no escalation clauses in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. The lease rentals charged during the year and maximum obligation on the long term non-cancellable operating leases as per the lease agreement are as follows:

Particulars	March 31, 2014 ₹ in Crore	March 31, 2013 ₹ in Crore
Lease rentals under cancellable leases and non-cancellable leases [net of ₹ 13.81 Crore (March 31, 2013: ₹ 4.96 Crore) cross charged to certain subsidiaries]	14.63	35.04
Obligations on non-cancellable leases:		
Not later than one year	2.26	1.40
Later than one year and not later than five years	0.08	-
Later than five years	-	-

NOTE 30

The Company has an investment of ₹ 357.35 Crore (March 31, 2013: ₹ 341.56 Crore) [including loans of ₹ 117.76 Crore (March 31, 2013: ₹ 104.97 Crore), share application money pending allotment of ₹Nil (March 31, 2013: ₹ 20.00 Crore) and investment in equity/ preference shares of ₹ 239.59 Crore (March 31, 2013: ₹ 216.59 Crore) made by the Company and its subsidiaries] in GACEPL as at March 31, 2014. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to loss of revenue arising as a result of diversion of partial traffic on parallel roads. The matter is currently under arbitration and the arbitration tribunal has passed an interim order staying the payment of negative grant which was due during the year ended March 31, 2014. Based on internal assessment and a legal opinion obtained by the management, the management of GACEPL is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the investment in GACEPL has been carried at cost and no provision for diminution in the value of investments has been made in the financial statements of the Company as at March 31, 2014.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 31 INFORMATION ON JOINTLY CONTROLLED ENTITY AS PER ACCOUNTING STANDARD-27

The Company directly holds Nil (March 31, 2013: 27.55%) of the equity shares of ISG and Nil (March 31, 2013: 12.45%) of the equity shares of ISG through its subsidiary company. ISG is incorporated in Turkey and is involved in development and operation of airport infrastructure.

The Company's ownership and voting power of ISG along with its share in the assets, liabilities, income, expenses, contingent liabilities and commitments are as follows:

Particulars	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
(1) Share in ownership and voting power of the Company (note 1)	-	27.55%
(2) Country of incorporation	Turkey	Turkey
(3 Contingent liabilities - Company has incurred in relation to jointly controlled entity	950.83	1,842.12
(4) Company's share of contingent liabilities of jointly controlled entity	-	-
(5) Company's share of capital commitments of the jointly controlled entity	-	-
(6) Aggregate amount of Company's share in each of the following:		
(a) Current assets	-	238.33
(b) Non current assets	-	736.21
(c) Current liabilities	-	165.07
(d) Non current liabilities	-	767.84
Equity (a+b-c-d)	**-**	**41.63**
(e) Income		
1. Revenue	462.25	524.43
2. Other income	2.03	1.07
(i) Total revenue	**464.28**	**525.50**
(f) Expenses		
1. Purchase of traded goods	117.49	276.25
2. Increase/ (decrease) in traded goods	(0.72)	9.70
3. Employee benefit expense	24.32	20.52
4. Other expenses	112.63	92.23
5. Utilisation fees	128.23	90.14
6. Depreciation and amortisation expenses	48.43	41.10
7. Finance costs	82.28	80.51
(ii) Total expenses	**512.66**	**610.45**
(g) Loss before tax [(i)-(ii)]	**(48.38)**	**(84.95)**
8. Income tax expenses	-	-
(h) Loss after tax	**(48.38)**	**(84.95)**

Note:

1 Refer Note 26 (3)

2 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, 2014.

NOTE 32 SEGMENT INFORMATION

The segment information of the Company has been prepared in accordance with Accounting Standard 17 on Segment Reporting notified under the Companies Act, 1956, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs. The primary segment reporting format is determined to be business segment as the Company's risk and rates of return are affected predominantly by difference in the services provided. Secondary information is reported geographically.

The business segments of the Company comprise of the following:

Segment	Description of Activity
EPC	Handling of engineering, procurement and construction activities in Infrastructure Sector.
Others	Investment activity and corporate support to various infrastructure SPVs.

Notes to the Financial Statements for the year ended March 31, 2014

Business segment

(₹ in Crore)

Particulars	EPC		Others		Unallocated		Inter Segment		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenue										
Revenue	468.67	1,142.17	317.62	290.62	-	-	-	-	786.29	1,432.79
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
Segment Revenue	**468.67**	**1,142.17**	**317.62**	**290.62**	**-**	**-**	**-**	**-**	**786.29**	**1,432.79**
Other income	1.56	1.29	3.21	27.29	-	-	-	-	4.77	28.58
Total income	**470.23**	**1,143.46**	**320.83**	**317.91**	**-**	**-**	**-**	**-**	**791.06**	**1,461.37**
Expenses									-	-
Cost of materials consumed	92.08	289.25	-	-	-	-	-	-	92.08	289.25
Subcontracting expenses	308.55	622.72	-	-	-	-	-	-	308.55	622.72
Employee benefit expenses	57.03	68.15	12.69	4.32	-	-	-	-	69.72	72.47
Other expenses	36.58	71.49	18.46	16.08	-	-	-	-	55.04	87.57
Depreciation and amortisation expenses	6.44	6.54	1.98	1.77	-	-	-	-	8.42	8.31
Segment result	**(30.45)**	**85.31**	**287.70**	**295.74**	**-**	**-**	**-**	**-**	**257.25**	**381.05**
Finance costs	-	-	-	-	408.71	374.43	-	-	408.71	374.43
Exceptional items (refer note 26)					-	-			-	-
Profit on sale of investment in a subsidiary			13.28	75.83					13.28	75.83
Profit on sale of investment in a jointly controlled entity			458.78	-					458.78	-
Loss on redeemable preference shares			(131.25)	-					(131.25)	-
Provision for diminuition in the value of investment in a jointly controlled entity			(1.27)	-					(1.27)	-
Profit/ (Loss) before tax	**(30.45)**	**85.31**	**627.24**	**371.57**	**-**	**-**	**-**	**-**	**188.08**	**82.45**
Tax expenses									**-**	**-**
Curent tax	-	-	-	-	51.18	45.54	-	-	51.18	45.54
Less: MAT credit entitlement	-	-	-	-	(45.20)	-	-	-	(45.20)	-
Charge/ (reversal) of current tax of earlier years	-	-	-	-	-	(4.71)	-	-	-	(4.71)
MAT credit written off					-	10.39			-	10.39
Deferred tax charge / (credit)	-	-	-	-	16.20	(22.22)	-	-	16.20	(22.22)
Profit after tax	**(30.45)**	**85.31**	**627.24**	**371.57**	**-**	**-**	**-**	**-**	**165.90**	**53.45**
Other information									**-**	**-**
Segment assets	597.36	720.40	13,404.60	11,169.75	319.95	259.99	-	-	14,321.91	12,150.14
Segment liabilities	362.79	487.12	207.56	50.67	5,350.91	4,426.62	-	-	5,921.26	4,964.41
Capital expenditure	0.45	8.80	1.95	2.00	-	-	-	-	2.40	10.80
Depreciation and amortisation expenses	6.44	6.54	1.98	1.77	-	-	-	-	8.42	8.31
Other non-cash expenses	-	-	132.52	0.12	-	-	-	-	132.52	0.12

Geographical segment

The following table represents revenue and certain assets information regarding the Company's geographical segment:

(₹ in Crore)

Particulars	Segment revenue (including exceptional income)		Segment assets		Capital expenditure	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
India	657.15	1,416.12	12,038.01	10,196.91	2.40	10.79
Outside India	468.68	92.50	2,283.90	1,953.23	-	-

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES

a) Names 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 Renewable Energy Limited (GREEL)
	GMR Energy Limited (GEL)
	GMR Power Corporation Limited (GPCL)
	GMR Vemagiri Power Generation Limited (GVPGL)
	GMR Energy Trading Limited (GETL)
	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)
	Badrinath Hydro Power Generation Private Limited (BHPL)[1]
	GMR Mining and Energy Private Limited (GMEL)
	GMR Kamalanga Energy Limited (GKEL)
	GMR Consulting Services Private Limited (GCSPL)
	GMR Rajahmundry Energy Limited (GREL)
	SJK Powergen Limited (SJK)
	GMR Coastal Energy Private Limited (GCEPL)
	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)
	GMR Chhattisgarh Energy Limited (GCHEPL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	GMR Kakinada Energy Private Limited (GKEPL)
	EMCO Energy Limited (EMCO)
	Delhi International Airport Private Limited (DIAL)
	Delhi Aerotropolis Private Limited (DAPL)
	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 (HAPL)
	GMR Hyderabad Aviation SEZ Limited (GHASL)
	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)
	GMR Hotels and Resorts Limited (GHRL)
	Gateways for India Airports Private Limited (GFIAL)
	GMR Highways Limited (GMRHL)
	GMR Tuni Anakapalli Expressways Limited (GTAEPL) (Formerly known as GMR Tuni Anakapalli Expressways Private Limited)
	GMR Highways Projects Private Limited (GHPPL)
	GMR Tambaram Tindivanam Expressways Limited (GTTEPL) (Formerly known as GMR Tambaram Tindivanam Expressways Private Limited)
	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
	GMR Pochanpalli Expressways Limited (GPEPL)
	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
	GMR Chennai Outer Ring Road Private Limited (GCORRPL)
	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)
	GMR Krishnagiri SEZ Limited (GKSEZ)
	Advika Properties Private Limited (APPL)
	Aklima Properties Private Limited (AKPPL)
	Amartya Properties Private Limited (AMPPL)
	Baruni Properties Private Limited (BPPL)
	Camelia Properties Private Limited (CPPL)
	Eila Properties Private Limited (EPPL)
	Gerbera Properties Private Limited (GPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)
	Krishnapriya Properties Private Limited (KPPL)

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
	Nadira Properties Private Limited (NPPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Properties Private Limited (PUPPL)
	Shreyadita Properties Private Limited (SPPL)
	Sreepa Properties Private Limited (SRPPL)
	Bougainvillea Properties Private Limited (BOPPL)
	Honeyflower Estates Private Limited (HFEPL)[7]
	Namitha Real Estate Private Limited (NREPL)[7]
	GMR Gujarat Solar Power Private Limited (GGSPPL)
	GMR Airports Limited (GAL)
	GMR Corporate Affairs Private Limited (GCAPL)
	GMR SEZ & Port Holdings Private Limited (GSPHPL)
	GMR Aviation Private Limited (GAPL)
	GMR Business Process and Services Private Limited (GBPSPL)
	Dhruvi Securities Private Limited (DSPL)
	Himtal Hydro Power Company Private Limited (HHPPL)
	GMR Upper Karnali Hydro Power Limited (GUKPL)
	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 (PTBSL)
	GMR Infrastructure (Mauritius) Limited (GIML)
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas (Malta) Limited (GIOSL) (Formerly known as GMR Infrastructure Overseas Sociedad Limitada)
	GMR Infrastructure (UK) Limited (GIUL)
	GMR Airports (Malta) Limited (GMRAML)
	GMR Infrastructure (Global) Limited (GIGL)
	GMR Infrastructure (Singapore) Pte Limited (GISPL)
	GMR Energy (Global) Limited (GEGL)
	GMR Energy (Singapore) Pte Limited (GESPL)[1]
	GMR Supply Singapore Pte Limited (GSSPL)[1]
	Homeland Energy Group limited (HEGL)
	Homeland Energy Corporation (HEC)
	Homeland Mining & Energy SA (Pty) Limited (HMES)
	Homeland Energy (Swaziland) Pty Limited (HESW)[1]
	Homeland Mining & Energy (Botswana) (Pty) Limited (HMEB)[1]
	Homeland Coal Mining (Pty) Limited (HCM)
	Ferret Coal Holdings (Pty) Limited (FCH)[1]
	Wizard Investments (Pty) Limited (WIL)[1]
	Ferret Coal (Kendal) (Pty) Limited (FCK)
	Manoka Mining (Pty) Limited (MMPL)[1]
	Corpclo 331 (Pty) Limited (CPL)
	GMR Maharashtra Energy Limited (GMAEL)
	GMR Bundelkhand Energy Private Limited (GBEPL)
	GMR Uttar Pradesh Energy Private Limited (GUPEPL)
	GMR Hosur Energy Limited (GHOEL)
	Karnali Transmission Company Private Limited (KTCPL)
	Marsyangdi Transmission Company Private Limited (MTCPL)
	GMR Indo-Nepal Energy Links Limited (GINELL)
	GMR Indo-Nepal Power Corridors Limited (GINPCL)
	Aravali Transmission Service Company Limited (ATSCL)

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
	Maru Transmission Service Company Limited (MTSCL)
	GMR Energy Projects (Mauritius) Limited (GEPML)
	Hyderabad Duty Free Retail Limited (HDFRL)
	GMR Airport Developers Limited (GADL)
	GADL International Limited (GADLIL)
	GADL (Mauritius) Limited (GADLML)
	Deepesh Properties Private Limited (DPPL)
	Larkspur Properties Private Limited (LAPPL)
	Padmapriya Properties Private Limited (PAPPL)
	Radha Priya Properties Private Limited (RPPL)
	Pranesh Properties Private Limited (PRPPL)
	Kakinada SEZ Private Limited (KSPL)
	GMR Power Infra Limited (GPIL)
	GMR Male International Airport Private Limited (GMIAL)
	GMR Male Retail Private Limited (GMRPL)
	GMR Coal Resources Pte Limited (GCRPL)
	GMR Airport Handling Services Company Limited (GAHSCL)
	GMR Airport Global Limited (GAGL)
	GMR Hosur Industrial City Private Limited (GHICL) (Formerly known as Lantana Properties Private Limited (LPPL))[2]
	Asteria Real Estate Properties Private Limited (AREPL)[2]
	GMR Infrastructure Overseas Limited (GIOL)
	GMR Hosur EMC Private Limited(GHEMCPL)[6]
	GMR Airports (Mauritius) Limited (GALM)[6]
	Delhi Duty Free Services Private Limited (DDFS) [10]
	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)[2]
Enterprises where significant influence exists	Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi (SGH) [5]
	Rampia Coal Mine and Energy Private Limited (RCMEPL)
	MAS GMR Aerospace Engineering Company Private Limited (MGAECL)
	TVS GMR Aviation Logistics Limited (TVS GMR)[5]
	Limak GMR Construction JV (CJV)
	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)
	Delhi Cargo Service Centre Private Limited (DCSCPL)
	Delhi Aviation Services Private Limited (DASPL)
	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)
	Devyani Food Street Private Limited (DFSPL)
	Delhi Select Services Hospitality Private Limited (DSSHPL)
	Wipro Airport IT Services Limited (WAISL)
	TIM Delhi Airport Advertisment Private Limited (TIM)
	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)
	Delhi Airport Parking Services Private Limited (DAPSL)
	MAS GMR Aero Technic Limited (MGATL)
	Tshedza Mining Resource (Pty) Limited (TMR)[5]
	Nhalalala Mining (Pty) Ltd (NML)
	PT Golden Energy Mines Tbk (PTGEMS)
	PT Tanjung Belit Bara Utama (TBBU)
	PT Roundhill Capital Indonesia (RCI)
	PT Kuansing Inti Makmur (KIM)
	PT Trisula Kencana Sakti (TKS)
	PT Manggala Alam Lestari (MAL)[4]
	PT Borneo Indobara (BIB)
	PT Karya Cemerlang Persada (KCP)
	PT Bungo Bara Utama (BBU)
	PT Bara Harmonis Batang Asam (BHBA)
	PT Berkat Nusantara Permai (BNP)

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
	PT Nusa Indah Permai (NIP)[4]
	PT Bumi Anugerah Semesta (BAS)[9]
	GEMS Trading Resources Pte Limited (GEMSCR)[3] (Formerly known as GEMS Coal Resources Pte Limited)
	Delhi Aviation Fuel Facility Private Limited (DAFF)
	Laqshya Hyderabad Airport Media Private Limited (Laqshya)
	GMR Jadcherla Expressways Limited (GJEPL)[8]
	GMR Ulundurpet Expressways Private Limited (GUEPL)[8]
	GMR Trading Resources Pte. Limited (GEMSCR)
	Asia Pacific Flight Training Academy Limited (APFT)
	East Delhi Waste Processing Company Private Limited (EDWPCPL)[8]
Enterprises where key managerial personnel or their relatives exercise significant influence (Where transactions have taken place)	Welfare Trust of GMR Infra Employees (GWT)
	GMR Varalaxmi Foundation (GVF)
	GMR Family Fund Trust (GFFT)
	GMR Infra Ventures LLP (GIVLLP)
	GMR Enterprises Private Limited (GEPL)
	Grandhi Enterprises Private Limited (GREPL)
Jointly controlled enity	Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG)[11]
Fellow Subsidiaries (Where transactions have taken place)	Raxa Security Services Limited (RSSL)
	GMR Projects Private Limited (GPPL)
	GMR Hebbal Towers Private Limited (GHTPL)
	GMR Bannerghatta Properties Private Limited (GBPPL)
	GMR Sports Private Limited (GSPL)
	GMR Holding Malta Limited (GHML)
	Ravi Verma Realty Private Limited (RRPL)
	GEOKNO India Private Limited (GEOKNO)
Key management personnel and their relatives	Mr. G.M. Rao (Executive Chairman)
	Mrs. G Varalakshmi (Relative)
	Mr. G.B.S. Raju (Director)
	Mr. Grandhi Kiran Kumar (Managing director w.e.f July 28, 2013)
	Mr. O.B. Raju (Director)
	Mr. Srinivas Bommidala (Director)
	Mr. B.V. Nageswara Rao (Managing Director) (Resigned w.e.f July 28, 2013)

1. Ceased to be a subsidiary during the previous year.
2. Became subsidiaries during the previous year.
3. Subsidiary of PTGEMS incorporated during the previous year.
4. Ceased to be a subsidiary of PTGEMS during the previous year.
5. Ceased to be an enterprise where significant influence exists during the year ended March 31, 2014.
6. Subsidiaries incorporated during the year ended March 31, 2014.
7. Subsidiaries acquired during the year ended March 31, 2014.
8. Ceased to be a subsidiary during the year ended March 31, 2014 and is now an enterprise where significant influence exists.
9. Subsidiary of PTGEMS incorporated during the year ended March 31, 2014.
10. Ceased to be a jointly controlled entity and became a subsidiary during the year ended March 31, 2014.
11. Ceased to be a jointly controlled entity during the year ended March 31, 2014. (Refer note 26(3))

Notes to the Financial Statements for the year ended March 31, 2014

NOTE | 33 | RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
i) Interest Income - Gross		
Subsidiary Companies		
- GEL	79.67	110.50
- GMRHL	34.96	9.57
- DSPL	44.07	43.51
- GIML	-	5.93
- GPIL	0.38	0.39
- GBPSPL	0.69	0.50
- GKSEZ	25.73	19.82
- GAPL	19.72	16.47
- GSPHPL	3.54	1.94
- GHVEPL	-	0.01
- SJK	-	0.02
- GBHHPL	0.75	2.58
- GTAEPL	0.13	0.03
- GTTEPL	0.29	0.06
- KSPL	36.30	0.49
- DPPL ₹ 29,721 (March 31, 2013 : ₹ 84,466)	0.00	0.01
- PAPPL ₹ 73,562 (March 31, 2013 : ₹ 110,507)	0.01	0.01
- GCAPL	2.10	2.10
- GBHPL	3.74	-
- CPPL	2.07	-
- GPL	2.15	-
Jointly controlled entity		
- ISG	-	4.17
ii) Construction revenue		
Subsidiary Companies		
- EMCO	18.29	73.20
- GMRHL	7.31	-
- GTTEPL	25.35	-
- GKEL	43.56	29.75
Enterprises where significant influence exists		
- GUEPL	3.57	-
iii) Income from management and other services		
Subsidiary Company		
- GIML	9.90	6.58
iv) Dividend income on current investments		
Subsidiary Company		
- GAL ₹ 10,732 (March 31, 2013: ₹7,037)	0.00	0.00
v) Subcontracting expenses		
Subsidiary Companies		
- GCSPL	-	0.14
- GEL	-	0.56
- GHIAL (₹ 10,860)	0.00	0.02
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	-	0.16
Fellow subsidiaries		
- RSSL	1.34	1.44
- GPPL	-	0.13

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
vi) Finance costs		
Subsidiary Companies		
- GAL	8.99	2.05
- GAPL	0.11	-
- GADL (including the unammortised portion of ancillary cost of arranging the borrowings)	16.33	0.09
Fellow subsidiary		
- GPPL	-	1.08
vii) Legal and professional fees		
Subsidiary Companies		
- GCSPL	-	0.14
- GKSEZ	0.26	-
- GCAPL	26.85	21.28
- GAL	0.52	
- GBPSPL	2.60	6.26
Fellow subsidiary		
- RSSL ₹ 21,463 (March 31, 2013: ₹22,000)	0.00	0.00
viii) Lease rental and equipment hire charges		
Subsidiary Companies		
- GHIAL	0.28	0.35
- HFEPL	0.29	-
- GCAPL	1.39	2.12
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	8.62	-
ix) Security expenses		
Subsidiary Company		
- GHIAL ₹ 46,510(March 31,2013: ₹1,75,001)	0.00	0.02
Fellow subsidiary		
- RSSL	2.66	1.38
x) Travelling and conveyance		
Subsidiary Companies		
- GHIAL (March 31,2013: ₹10,860)	0.03	0.00
- GHVEPL (March 31,2013: ₹51,931)	-	0.00
- DIAL ₹ 45,655 (March 31,2013: ₹Nil)	0.00	-
- GAPL	2.12	0.51
- GKSEZ (March 31, 2013: ₹ 55,216)	-	0.01
- GISPL (March 31, 2013: ₹ 20,580)	-	0.00
Fellow subsidiary		
- GPPL ₹ 104,330 (March 31, 2013: ₹ 3,530)	0.01	0.00
xi) Repairs and maintenance		
Subsidiary Companies		
- GCAPL	1.27	1.14
- GHIAL ₹2,239 (March 31, 2013: ₹ 85,762)	0.00	0.01
Fellow subsidiaries		
- GPPL (March 31, 2013:₹ 10,967)	-	0.00
- RSSL	-	0.10
xii) Advertisement and sales promotion		
Subsidiary Companies		
- GHRL ₹ 4,385 (March 2013: ₹Nil)	0.00	-
- GAL ₹ 11,236 (March 2013: ₹Nil)	0.00	-
xiii) Rates & Taxes		
Subsidiary Company		
- GAL (March 2014: ₹ 50,000)	0.01	-

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
xiv) Communication Costs		
Subsidiary Company		
- GHIAL (March 2014: ₹ 60,812)	0.01	0.03
Fellow Subsidiary		
- GPPL (March 31, 2013: ₹ 1,500)	-	0.00
xv) Miscelleneous Expenses		
Fellow Subsidiaries		
- GSPL	-	0.54
- RSSL	-	0.08
xvi) Expenses incurred by GIL on behalf of others- Cross charges		
a) Cross charges during the year		
Subsidiary Companies		
- GMIAL	-	1.12
- ATSCL	0.36	-
- MTSCL	0.53	-
- EMCO	9.95	18.11
- GCHEPL	19.39	10.33
- GREL	-	4.54
- GKUAEL	0.29	6.36
- GGSPPL	3.90	0.81
- DIAL	24.87	46.48
- GCORRPL	2.88	-
- GEL	1.66	1.52
- GETL	-	-
- GHIAL	8.50	13.82
- GKSEZ	0.92	0.66
- KSPL	2.74	1.95
- GPCL	5.36	0.33
- GSPHPL	0.35	0.22
- GTTEPL	1.11	1.06
- GACEPL	-	0.19
- GAPL	0.65	0.86
- GMRHL	6.06	3.38
- GHVEPL	4.60	2.52
- GTAEPL	1.03	0.97
- GVPGL	1.92	1.78
- GKEL (March 31, 2013: ₹ 27,271)	16.27	0.00
Fellow subsidiary		
- RSSL	-	0.18
Enterprises where significant influence exists		
- GUEPL	0.39	2.16
- GJEPL	-	0.62
b) Cross charges of earlier year reversed during the year		
Subsidiary Companies		
- EMCO	-	10.39
- GCHEPL	-	7.52
- GREL	-	13.24
xvii) Logo fee		
Holding Company		
- GHPL	3.60	4.39

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
xviii) Security deposit given		
Subsidiary Companies		
- GHIAL	0.03	-
- HFEPL	0.48	-
Fellow subsidiary		
- GPPL	0.02	-
xix) Security deposit refunded		
Subsidiary Company		
- GCAPL	1.76	-
Fellow subsidiary		
- RSSL	0.15	-
xx) Purchase of fixed assets		
Fellow subsidiary		
- GPPL	-	-
xxi) Investment in equity shares of		
a) Share application money alloted		
Subsidiary Companies		
- GETL	-	8.10
- DSPL	-	160.00
- GKUAEL	-	5.00
xxii) Investment in preference shares of		
a) Share application money alloted		
Subsidiary Companies		
- GKUAEL	-	1.95
- GEL	-	225.00
- GHVEPL	4.70	72.54
- GMRHL	-	80.00
b) Allotment of preference shares		
Subsidiary Company		
- GREEL (Refer note 13(4))	2,613.01	-
xxiii) Investment in debentures		
a) Debenture application money alloted		
Subsidiary Companies		
- GKSEZ	37.25	24.40
- GEL	-	650.00
- GSPHPL	16.06	15.85
xxiv) Redemption of preference shares of		
Subsidiary Company		
- DSPL	-	800.00
Enterprises where significant influence exists		
- GUEPL	20.02	-
- GJEPL	53.10	-
xxv) Redemption of debentures of		
Subsidiary Companies		
- GEL	10.00	11.63
- GKSEZ	123.20	-
- DPPL	1.50	7.00
- GSPHPL	17.00	-
- GAPL	87.00	-
- PAPPL	7.50	4.80

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
xxvi) Sale of investments		
Subsidiary Companies		
- GAL	244.99	-
- GREEL (Refer note 13(4))	495.60	-
- GTTEPL	-	47.98
- GTAEPL	-	32.02
- GMRHL	-	183.65
xxvii) Preference shares converted into equity shares		
Subsidiary Company		
- GEL (net of loss on waiver of premium on redeemable preference shares of ₹ 131.25 Crore)	495.60	-
xxviii) Provision for diminution in value of investments		
Enterprise where significant influence exists		
- SGH	1.27	-
xxix) Equity share application money invested in		
Subsidiary Companies		
- GETL	-	8.10
- GKUAEL	-	5.00
- DSPL	-	160.00
xxx) Preference share application money invested in		
Subsidiary Companies		
- GEL	-	225.00
- GHVEPL	-	77.24
- GKUAEL	-	1.95
- GMRHL	-	80.00
xxxi) Debenture application money invested in		
Subsidiary Companies		
- GSPHPL	16.06	15.85
- GKSEZ	40.50	24.40
xxxii) Refund of debenture application money received		
Subsidiary Company		
- GKSEZ	3.25	-
xxxiii) Loans given		
Subsidiary Companies		
- GAPL	10.00	16.75
- GEL	1,346.62	931.59
- GMRHL	799.81	719.23
- DSPL	582.33	1,109.75
- GBPSPL	1.40	5.84
- GBHHPL	-	43.00
- GOSEHHHPL	0.66	20.00
- GTAEPL	-	3.00
- GTTEPL	-	7.00
- KSPL	37.00	258.00
- SJK	-	51.00
- GKSEZ	150.00	-
- GSPHPL	46.62	-
- GBHPL	50.00	-
- GPL	26.03	-
- CPPL	25.00	-
- GHVEPL	6.00	60.46
- GCORRPL	2.00	-
Fellow subsidiary		
- GPPL	-	-

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
xxxiv) Loans converted into equity shares		
Subsidiary Company		
- GEL	1,476.46	-
Jointly controlled entity		
- ISG	-	67.86
xxxv) a) Loans repaid by		
Subsidiary Companies		
- GIML	-	360.71
- GAPL	37.63	-
- DIAL	-	-
- GBPSPL	1.67	2.45
- GTAEPL	3.00	-
- GKSEZ	146.00	-
- KSPL	54.00	-
- GBHHPL	43.00	-
- GTTEPL	7.00	-
- GBHPL	50.00	-
- GHVEPL	66.46	-
- GOSEHHHPL	20.66	-
- GMRHL	734.84	46.80
- DSPL	322.49	775.20
- GKUAEL	-	197.50
- SJK	-	51.00
- GCORRPL	2.00	-
- GEL	559.61	696.13
b) Purchase of Preference shares of GREEL adjusted against loan given and interest accrued thereon		
Subsidiary Company		
- DSPL	610.55	-
xxxvi) Loans received from		
Subsidiary Companies		
- GADL	94.36	-
- GAPL	11.00	-
- GAL	-	150.00
Fellow subsidiary		
- GPPL	-	92.80
xxxvii) Loans repaid to		
Subsidiary Companies		
- GAL	82.00	-
- GADL	2.35	7.00
Fellow subsidiary		
- GPPL	-	187.80
xxxviii) Redemption of debentures		
Subsidiary Company		
- GAL	250.00	-
xxxix) Advance repaid to customers		
Fellow subsidiary		
- GPPL	17.00	-
xxxx) Corporate Guarantees/ Comfort Letters given on behalf of		
Subsidiary Companies		
- GMRHL	200.00	-
- GEL	30.00	800.00
- GETL	60.00	-

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
- GHIAL	-	292.00
- KSPL	-	250.00
- GCHEPL	1,768.15	-
- GISPL	-	1,705.20
- GIML	-	849.40
- GAL	500.00	-
- DIAL	115.33	2,518.08
- GMRHL	-	625.00
- GVPGL	-	50.00
- GADL	100.00	-
- GGSPPL	-	25.00
- GTAEPL	-	45.00
- GAPL	15.00	-
- GPCL	275.00	-
- GBHPL	1,545.00	-
- GTTEPL	-	105.00
- PTBSL	286.12	-
Jointly controlled entity		
- ISG	234.82	-
xxxxi) Bank Guarantees given on behalf of		
Subsidiary Companies		
- GKSEZ	45.66	-
- GMRHL	10.00	-
- GPCL	85.00	-
Fellow subsidiary		
- GEOKNO	8.77	-
xxxxii) Corporate Guarantees/ Comfort Letters extinguished on behalf of		
Subsidiary Companies		
- KSPL	-	215.00
- GMRHL	200.00	375.00
- GIML	54.80	40.73
- GADL	-	379.24
- GESPL	-	1,030.60
- GISPL	2,211.28	289.41
- DIAL	-	4,694.08
- GHIAL	-	350.00
- GVPGL	-	-
- GMIAL	150.70	-
- HEGL	164.40	-
- GVPGL	100.00	-
Jointly controlled entity		
- ISG	1,240.29	-
xxxxiii) Managerial remuneration to		
Key management personnel and their relatives		
- Mr. G.M.Rao	8.14	3.94
- Mr. G.Kiran Kumar	2.48	-
xxxxiv) Proposed final equity dividend		
Holding Company		
- GHPL	27.36	27.36
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GIVLLP	0.31	0.30
- GEPL	0.17	0.17
- GWT	0.18	0.18
Key management personnel and their relatives	0.06	0.05

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
xxxxv) Outstanding balances as at the year end		
a) Loans receivable - Non-Current		
Subsidiary Companies		
- GEL	1,095.00	1,644.96
- DSPL	-	144.50
- GHVEPL	-	60.46
- GPIL	-	3.80
- KSPL	241.00	258.00
- GMRHL	775.90	615.43
- GTAEPL	-	3.00
- GTTEPL	-	7.00
- GBPSPL	5.37	5.64
- GBHPL	-	-
- GSPHPL	46.62	-
- GKSEZ	4.00	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GWT	115.00	115.00
b) Loans receivable Current		
Subsidiary Companies		
- GEL	-	139.50
- GAPL	-	27.63
- GMRHL	-	95.50
- DSPL	27.00	190.05
- GPL	26.03	-
- CPPL	25.00	-
- GBHHPL	-	43.00
- GOSEHHHPL	-	20.00
- GPIL	3.80	-
c) Loans payables Current		
Subsidiary Companies		
- GAL	68.00	400.00
- GAPL	11.00	-
- GADL	4.60	-
d) Loans payables Non Current		
Subsidiary Company		
- GADL	87.40	-
e) Investment in share application money		
Subsidiary Company		
- GHVEPL	-	4.70
f) Trade receivables- Current		
Subsidiary Companies		
- EMCO	41.93	55.06
- GKEL	0.01	-
- GMRHL	1.40	-
- GCSPL (₹ 797)	0.00	-
- GKSEZ (₹ 9,317)	0.00	-
- GPEPL	0.01	-
- DIAL (₹ 10,407)	0.00	-
- GACEPL	0.01	-
- GIML	-	6.58
g) Trade receivables-Non-Current		
Subsidiary Companies		
- GMRHL	0.44	-
- GKEL	-	-

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
h) Unbilled revenue - Non Current		
Subsidiary Companies		
- EMCO	3.60	34.99
- GMRHL	0.13	-
- GKEL	1.02	23.59
i) Unbilled revenue - Current		
Subsidiary Companies		
- EMCO	15.86	-
- GMRHL	2.47	-
- GKEL	19.35	-
j) Unearned revenue -Current		
Subsidiary Company		
- GMRHL	7.20	-
k) Accrued interest on loan receivables		
Subsidiary Companies		
- GEL	-	51.64
- GIML	-	46.42
- GMRHL	43.01	9.04
- GAPL	-	2.77
- DSPL	-	40.59
- GHVEPL(March 31, 2013: ₹ 47,432)	-	0.00
- GBHHPL	-	2.32
- GTAEPL	0.14	0.02
- GTTEPL	0.32	0.05
- KSPL	35.84	0.45
- GKSEZ	0.05	-
- GBPSPL	0.67	-
- GSPHPL	0.08	-
- GCAPL	-	-
- DPPL	-	-
- PPPL	-	-
- GPL	-	-
- CPPL	-	-
- GBHPL	3.60	
Jointly controlled entity		
- ISG (March 31, 2013: ₹ 9,093)	-	0.00
l) Accrued interest on investment in debentures		
Subsidiary Companies		
- GAPL	11.53	-
- GKSEZ	-	18.17
- GAPL	-	12.28
- GSPHPL	-	1.78
- DPPL	-	0.01
- PPPL	-	0.01
- GCAPL	2.05	-
m) Accrued interest but not due on borrowings		
Subsidiary Companies		
- GAL	-	1.37
- GAPL	0.11	-
Fellow subsidiary		
- GPPL	-	0.03

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
n) Advances receivable in cash or kind (Other advances)		
Subsidiary Companies		
- GEL	0.38	17.28
- GKSEZ	0.84	0.78
- GHVEPL	5.61	0.88
- EMCO	23.86	13.47
- GCHEPL	12.20	9.36
- DIAL	6.23	36.36
- GHIAL	2.82	3.40
- GGSPPL	3.30	0.35
- KSPL	0.66	1.04
- GAPL	0.15	0.39
- GKUAEL	5.70	5.41
- GTTEPL	1.11	0.67
- GTAEPL	0.99	0.61
- GVPGL	3.62	1.88
- GPCL	5.20	0.15
- GMRHL	10.56	4.03
- GACEPL	-	0.19
- GKEL (March 31, 2013 : ₹ 27,271)	4.36	0.00
- GISPL	-	86.24
- GCORRPL	2.92	-
- MTSCL	0.34	-
- GCAPL	1.78	-
- GSPHPL	0.33	-
- ATSCL	0.38	-
- GIOSL	0.21	-
Fellow subsidiaries		
- RSSL	0.01	0.10
- GPPL	-	0.15
Enterprises where significant influence exists		
- GUEPL	-	1.77
- GJEPL	-	0.22
Jointly controlled entity		
- ISG	-	0.12
o) Security deposits payable		
Subsidiary Companies		
- GCAPL	-	1.76
- GHIAL	0.04	0.02
- HFEPL	0.48	-
Fellow subsidiaries		
- GPPL	0.02	-
- RSSL	0.28	0.43

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
p) Trade payables - Current		
Holding Company		
- GHPL	3.37	4.12
Subsidiary Companies		
- GMRHL	0.22	0.19
- GAPL	2.34	2.66
- GHIAL	0.03	0.05
- KSPL	0.01	-
- GAL	0.53	0.25
- GCAPL	11.99	11.56
- GKUAEL	-	0.01
- GBPSPL	2.47	1.58
- DIAL (March 31, 2014: ₹ 49,137)	0.00	0.99
- GKEL	0.01	-
- GKSEZ	0.17	-
- GCSPL	0.02	-
Fellow Subsidiaries		
- RSSL	1.56	0.12
- GPPL	0.04	-
- RRPL	0.01	-
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GFFT	1.50	0.01
- GVF	0.25	-
Key management personnel and their relatives		
- Mr. G.M.Rao	7.90	3.77
- Mr. G.Kiran Kumar	2.48	-
q) Non-Trade payables - Current		
Subsidiary Companies		
- GEL	134.43	-
- GREL	10.28	9.77
r) Advance from customers – Current		
Subsidiary Companies		
- GMRHL	6.28	0.18
- GKEL	20.21	20.36
- GTTEPL	2.57	1.14
- EMCO	14.84	42.43
Fellow subsidiary		
- GPPL	39.11	56.85
s) Corporate Guarantees/ Comfort Letters sanctioned on behalf of		
Subsidiary Companies		
- DIAL	395.33	280.00
- GADL	100.00	-
- GAPL	218.39	190.00
- GCORRPL	786.78	787.67
- GCRPL	3,127.33	2,833.16
- GEL	1,630.00	1,600.00
- GENBV	290.35	263.04
- GHIAL	542.00	542.00
- GHVEPL	1,690.00	1,690.00
- GIML	1,421.52	1,343.49

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 33 RELATED PARTIES (Contd.)

b) Summary of transactions with above related parties are as follows:

Nature of Transaction	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
- GISPL	1,808.14	3,872.64
- GMIAL	2,374.23	2,301.60
- GMRHL	450.00	450.00
- GOSEHHHPL	1,080.00	1,080.00
- GPEPL	8.00	8.00
- GVPGL	-	100.00
- HEGL	-	164.40
- KSPL	250.00	250.00
- GGSPPL	25.00	25.00
- PTBSL	286.12	-
- GPCL	275.00	-
- GETL	60.00	-
- GAL	500.00	-
- GCHEPL	1,768.15	-
- GTTEPL	105.00	105.00
- GTAEPL	45.00	45.00
- GBHHPL	1,545.00	-
Fellow subsidiary		
- GHML	205.66	186.32
Jointly controlled entity		
- ISG	-	1,842.12
Enterprises where significant influence exists		
- GUEPL	596.25	596.25
- GJEPL	353.48	353.48
- LGM	56.23	47.26
t) Bank Guarantee outstanding on behalf of		
Subsidiary Companies		
- GKSEZ	45.66	45.66
- GMRHL	10.00	-
- GPCL	85.00	-
Fellow subsidiary		
- GEOKNO	8.77	-
u) Provision for proposed final equity dividend		
Holding Company		
- GHPL	27.36	27.36
Enterprises where key managerial personnel or their relatives exercise significant influence		
- GIVLLP	0.31	0.30
- GEPL	0.17	0.17
- GWT	0.18	0.18
Key management personnel and their relatives	0.06	0.05

Notes:

a. The Company has provided securities by way of pledge of investments for loans taken by certain Companies (refer note 13).

b. The Holding Company has pledged certain shares held in the Company as security towards the borrowings of the Company.

c. A charge has been created over the deposits of ₹ 424.65 Crore (March 31, 2013: 329.00 Crore) for loan against deposits availed by KSPL.

d. A charge has been created over the deposits of ₹ 2.98 Crore (March 31, 2013: ₹2.77 Crore) for the purpose of DSRA maintained by the Company with ING Vysya Bank Limited for loan against Company for loan availed by GMRHL.

e. Also refer note 13 on non-current investments and note 16 on current investments.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 34 CAPITAL AND OTHER COMMITMENTS

Capital commitments

a) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances ₹ 0.01 Crore (March 31, 2013: ₹ 0.13 Crore).

Other commitments

1. The Company has committed to provide financial assistance as tabulated below:

Nature of relationship	Outstanding commitment for financial assistance	
	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Subsidiaries	2,941.02	2,634.41
Jointly controlled entity	-	18.01
Total	**2,941.02**	**2,652.42**

2. The Company has provided commitment to fund the cost overruns over and above the estimated project cost or cash deficiency, if any, to the lenders of the following subsidiaries, to the extent as defined in the agreements executed with the respective lenders:

March 31, 2014	March 31, 2013
· GMIAL	· GMIAL

3. The Company has extended comfort letters to provide continued financial support to the following subsidiaries, to ensure that these subsidiaries are able to meet their debts and liabilities as they fall due and they continue as going concerns:

March 31, 2014	March 31, 2013
. GADL	· GIOL
· GEL	· GEGL
· GAGL	· GIGL
. GICL	· GICL
. GHIAL	

4. The Company has entered into agreements with the lenders of the following subsidiary Companies wherein it has committed to hold directly or indirectly at all times at least 51% of the equity share capital of the below mentioned subsidiary Companies and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders:

March 31, 2014	March 31, 2013
· GIML	· GIML
· GCRPL	· GCRPL
· GENBV	· GISPL
· GMIAL	· GENBV
· GEL	· HEGL
· GAL	· GMIAL
· DIAL	· GEL
· GMRHL	· GAL
	· DIAL
	· GMRHL

5. For commitments relating to purchase of equity/ preference shares (refer note 35(b) and (c)).
6. For commitment relating to lease arrangements (refer note 29).
7. The Company has certain long term unquoted investments which have been pledged as security towards loan facilities sanctioned to the Company and the investee Companies (refer note 13).
8. Refer note 26 (3) for tax commitment relating to sale of investment in ISG.
9. Refer note 3 (c) for commitments relating to CCPS issued by the Company.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 35 CONTINGENT LIABILITIES

a) Contingent liabilities include

Particulars	As at March 31, 2014 (₹ in Crore)	As at March 31, 2013 (₹ in Crore)
Corporate guarantees availed by the group Companies		
(a) sanctioned	21,508.80	20,881.87
(b) outstanding	15,566.28	16,224.86
Bank guarantees		
(a) sanctioned	300.00	300.00
(b) outstanding	149.43	60.53
Letter of comfort availed by the group Companies		
(a) sanctioned	1,435.00	72.78
(b) outstanding	74.19	72.27
Matters relating to indirect taxes under dispute	26.72	26.72

b) GEL has issued following fully paid up CCCPS:

Investors	No. of CCCPS		March 31, 2014	March 31, 2013
	March 31, 2014	March 31, 2013	(₹ in Crore)	(₹ in Crore)
CCCPS - Portion B Securities of ₹ 1,000 each				
Claymore Investments (Mauritius) Pte Limited	3,705,749	9,300,000	370.57	930.00
IDFC Private Equity Fund III	999,940	2,500,000	99.99	250.00
Infrastructure Development Finance Company Limited	199,988	500,000	20.00	50.00
IDFC Investment Advisors Limited	449,988	500,000	45.00	50.00
Ascent Capital Advisors India Private Limited	199,988	500,000	20.00	50.00
Argonaut Ventures	-	650,000	-	65.00
GKFF Capital	325,000	-	32.50	-
CCCPS - Portion A Securities of ₹ 1,000 each				
GREEL	6,400,000	-	640.00	-
GEPML	650,000	-	65.00	-

"During the year ended March 31, 2011, GEL had issued 13,950,000 CCCPS of ₹ 1,000 each. These preference shares were held by Claymore Investments (Mauritius) Pte Limited, IDFC Private Equity Fund III, Infrastructure Development Finance Company Limited, IDFC Investment Advisors Limited, Ascent Capital Advisors India Private Limited, and Argonaut Ventures (collectively called as Investors). These preference shares were convertible upon the occurrence of QIPO of equity shares of GEL. In case of non-occurrence of QIPO within 3 years of the closing date, as defined in the terms of share subscription and shareholders agreement between the parties, investors had the right to require the Company to purchase the preference shares or if converted, the equity shares in GEL at an agreed upon internal rate of return ('IRR'). In case the Company failed to purchase the preference shares within 180 days from the date of notice by the Investors, the CCCPS holder had the sole discretion to exercise the various rights under clause 11.18 of the share subscription and shareholders agreement including the conversion of CCCPS into equity shares of GEL / buyback of the converted shares by GEL.

During the year ended March 31, 2014, GEL has entered into an amended and restated share subscription and shareholders agreement ('Amended SSA') with the investors, the Company and other GMR group companies, in accordance to which the Investors continue to hold 6,900,000 CCCPS in GEL and a new investor GKFF Capital has subscribed to additional 325,000 CCCPS of ₹ 1,000 each (collectively referred to as 'Portion B securities'). Further on March 27, 2014, GEL converted 1,344,347 portion B securities of Investors into 110,554,848 equity shares of ₹ 10 each at a premium of ₹ 2.16 per share as per the terms of clause 4.2 of the Amended SSA so as to enable the Portion B securities investors to participate in proposed QIPO by way of an offer for sale whenever such QIPO is made.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 35 CONTINGENT LIABILITIES (Contd.)

As per the Amended SSA and Share Purchase Agreement ('SPA') between the investors, GEL and other GMR Group Companies, 7,050,000 CCCPS with a face value of ₹ 705.00 Crore ('Portion A Securities') have been bought by GREEL and GEPML for a consideration of ₹ 1,169.17 Crore. Portion A securities shall be converted into equity shares of GEL as per the terms prescribed in clause 5 of the SPA not later than the date of conversion of Portion B securities. As defined in the terms of Amended SSA, GEL has to provide an exit to the Portion B Securities investors within 30 months from last return date (November 29, 2013) at the agreed price of ₹ 1,278.67 Crore ("Investor exit amount"). In case of non-occurrence of QIPO within 24 months from the last return date, GMR Group may give an exit to Portion B securities investors at investor exit amount by notifying them the intention to purchase the preference shares within 30 days from the expiry of the 24th month. In case of non-occurrence of QIPO or no notification from GMR group companies as stated aforesaid, the Portion B securities investors have the sole discretion to exercise the various rights under clause 10 of the Amended SSA."

c) During the year ended March 31, 2011 GAL has issued 2,298,940 non-cumulative compulsory convertible non-participatory preference shares (CCPSI) bearing 0.0001% dividend on the face value of ₹ 1,000 each fully paid up amounting to ₹ 229.89 Crore at a premium of ₹ 2,885.27 each totaling to ₹ 663.31 Crore to Macquaire SBI Infrastructure Investments 1 Limited, ("Investor I") for funding and consolidation of airport related investments by the Group. Further, during the year ended March 31.2013 GAL issued 1,432,528 non-cumulative compulsory convertible non-participatory preference shares (CCPS 2) bearing 0.0001% dividend on the face value of ₹ 1,000 each fully paid up amounting to ₹ 143.25 Crore at a premium of ₹ 3,080.90 each totaling to ₹ 441.35 Crore to Standard Chartered Private Equity (Mauritius) III Limited, JM Financial - Old Lane India Corporate Opportunities Fund I Limited, JM Financial Trustee Company Private Limited, JM Financial Products Limited and Build India Capital Advisors LLP ("Investors II"). The Company and GAL have provided Investor I and Investors II various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreements and Investment agreements executed between the Company, GAL, Investor I and Investor II.

d) Refer note 26 (3) in respect of future claims if any arising on account of the divestment of shareholding in ISG.

NOTE 36 (a) EARNINGS IN FOREIGN CURRENCY

Particulars	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Interest income	-	10.09
Profit on sale of investments (refer note 26)	471.21	75.83
Income from management and other services	9.90	6.58
Total	**481.11**	**92.50**

(b) Imported and indigenous materials consumed

Particulars	Value (₹ in Crore) March 31, 2014	% of total consumption March 31, 2014	Value (₹ in Crore) March 31, 2013	% of total consumption March 31, 2013
Raw materials				
Imported	-	0.00%	0.10	0.03%
Indigenously obtained	92.08	100.00%	289.15	99.97%
Total	**92.08**	**100.00%**	**289.25**	**100.00%**

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Notes to the Financial Statements for the year ended March 31, 2014

NOTE 37

Disclosure as per clause 32 of the Listing agreement of the loans and advances in nature of loan (including debenture and share application money) granted to subsidiaries, fellow subsidiaries, joint controlled entities and associates.

(₹ in Crore)

Name of the entity	Amount outstanding as at March 31,		Maximum amount outstanding during the year		Interest rate during the year		Investment by loanee in the Company/ subsidiary Companies Shares
	2014	2013	2014	2013	2014	2013	
Loans given/ debentures subscribed							
- GEL[1^]	1,095.00	1,784.46	2,274.46	1,846.76	0% to 16.50%	0% to 16.50%	Refer note 1
- GMRHL[1^]	775.90	710.93	1,065.74	718.73	0% to 14.75%	0% to 12%	Refer note 2
- GKSEZ[2^]	96.25	182.20	208.40	182.20	12%	12%	Refer note 4
-CPPL[1^]	25.00	-	25.00	-	12%	-	Nil
- GKSEZ[1^]	4.00	-	150.00	-	12%	-	Refer note 4
-GPL1[^]	26.03	-	26.03	-	12%	-	Nil
-GSPHPL1[^]	46.62	-	46.62	-	14.75%	-	Refer note 7
- GAPL[2^]	98.65	185.65	185.65	185.65	12.50%	2% to 12.5%	Nil
- GSPHPL[2^]	243.76	244.70	260.76	244.70	0.10% to 12%	0.10% to 12%	Refer note 7
- GWT[1^]	115.00	115.00	115.00	115.00	0%	0%	Refer note 14(2) on loans and advances
- DSPL[1^]	27.00	334.55	586.22	874.25	0.00% to 15%	8.50% to 13%	Refer note 3
- GAPL[1^]	-	27.63	27.63	27.63	12.5% to 14%	12.50%	Nil
- GBPSPL[1^]	5.37	5.64	7.04	6.74	12%	8.50% to 12%	Nil
- GEL[2^]	977.50	987.50	987.50	999.13	14.25% to 14.50%	14.25% to 14.50%	Refer note 1
- DPPL[2^]	1.50	3.00	3.00	10.00	0.10%	0.10%	Nil
- PAPPL[2^]	-	7.50	7.50	12.30	0.10%	0.10%	Nil
- GPIL[1^]	3.80	3.80	3.80	3.80	10%	10%	Refer note 10
- ISG[1^]	-	-	-	65.99	-	5.32% to 6.95%	Nil
- GKUAEL[1^]	-	-	-	197.50	-	0%	Nil
- GIML[1^]	-	-	-	360.71	-	11.75%	Refer note 6
- GCAPL[2^]	150.00	150.00	150.00	150.00	1% to 5%	1% to 5%	Refer note 5
-GTAEPL[1^]	-	3.00	3.00	3.00	12%	12%	Refer note 8
-GBHPL[1^]	-	-	50.00	-	12%	-	Nil
-GTTEPL[1^]	-	7.00	7.00	7.00	12%	12%	Refer note 09
-GOSEHHHPL[1^]	-	20.00	20.00	20.00	0%	0%	Nil
-KSPL[1^]	241.00	258.00	276.00	258.00	14% to 14.75%	14%	Nil
-SJK1[^]	-	-	-	51.00	-	12%	Nil
-GHVEPL[1^]	-	60.46	66.46	110.00	0% to 12%	0% to 12%	Nil
-GBHHPL[1^]	-	43.00	43.00	43.00	12%	12%	Nil

1. Loans given
2. Debentures subscribed

^ Excludes interest accrued.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 37 (Contd.)

(₹ in Crore)

Name of the entity	Amount outstanding as at March 31,		Maximum amount outstanding during the year		Investment by loanee in the Company/ subsidiary Companies Shares (Nos)
	2014	2013	2014	2013	
Investment in share/ debenture application money					
- GMRHL	-	-	-	80.00	Refer note 2
- GHVEPL	-	4.70	-	72.54	Nil
- GEL	-	-	-	225.00	Refer note 1
- DSPL	-	-	-	160.00	Refer note 3
- GKUAEL	-	-	-	6.95	Nil
- GSPHPL	-	-	16.06	15.85	Refer note 7
- GKSEZ	-	-	37.25	24.40	Refer note 4
- GETL	-	-	-	8.10	Nil

Note:

1. GEL has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Equity shares		
GVPGL	295.90	295.90
GPCL	164.98	164.98
GMEL	0.05	0.05
GBHPL	5.00	5.00
GKEL	1,557.02	1,096.17
GCSPL	0.01	0.01
GBHHPL	182.54	161.61
GKEPL	0.01	0.01
GCEPL	0.01	0.01
GLHPPL	0.01	0.01
BHPL	-	0.01
EMCO	563.75	563.75
GCHEPL	1,577.20	822.87
GREL	520.00	520.00
SJK	65.00	65.00
GMAEL	0.05	0.05
GUPEPL	0.01	0.01
GGSPPL	73.60	73.60
GBEPL	0.01	0.01
GHOEL	0.05	0.05
ATSCL	5.48	5.48
MTSCL	9.39	9.39
GINELL	0.05	0.05
GINPCL	0.05	0.05
GEML [₹ 3,954 (March 31, 2013: ₹ 3,954)]	0.00	0.00
HHPPL	31.79	31.79
GCRPL	2.10	2.10
GETL	14.06	11.78
HEGL (net of provision of ₹ 167.94 Crore (March 31, 2013: ₹ 167.94 Crore))	-	-
GJEPL	0.59	0.59
GPEPL	0.69	0.69
DIAL [₹ 1,000]	0.00	245.00
GUEPL	0.99	0.99
GCORRPL	3.00	3.00
GACEPL	24.22	24.22
Preference Shares		
GEML	354.03	353.44
GCRPL	30.18	30.18
GCORRPL	12.00	12.00

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 37 (Contd.)

2. GMRHL has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Equity shares		
GJEPL	47.35	116.06
GPEPL	135.93	135.93
GUEPL	85.83	195.77
GACEPL	45.63	45.63
GKUAEL	134.95	134.95
GTAEPL	23.76	23.76
GTTEPL	30.25	30.25
GHVEPL	2.45	2.45
GCORRPL	14.70	14.70
GOSEHHHPL	57.50	57.50
GHPPL	0.01	0.01
Preference shares		
GACEPL	0.80	0.80
GHVEPL	216.00	216.00
GCORRPL	74.08	74.08
GJEPL	-	1.08
GKUAEL	558.05	558.05
GUEPL	-	0.40

3. DSPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Preference shares		
GREEL	-	1,013.44

4. GKSEZ has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
equity shares		
GHEMCPL	0.10	-

5. GCAPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Equity shares		
GBPSPL	0.01	0.01

6. GIML has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (USD in Crore)	March 31, 2013 (USD in Crore)
Equity shares		
GICL	1.06	1.06
GIUL	0.90	0.90
GIOL [USD 4,702 (March 31, 2013: USD 4,702)]	0.00	0.00
GISPL	4.80	4.80
GMIAL	2.31	2.31

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 37 (Contd.)

7. GSPHPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Equity shares		
APPL	1.00	1.00
AKPPL	1.00	1.00
AMPPL	1.00	1.00
BPPL	1.00	1.00
BOPPL	1.00	1.00
CPPL	1.00	1.00
DPPL	1.00	1.00
DSPL [₹ 5,000 (March 31, 2013: ₹ 5,000)]	0.00	0.00
EPPL	1.00	1.00
GPL	1.00	1.00
LPPPL	1.00	1.00
LAPPL	1.00	1.00
HPPL	1.00	1.00
HFEPL	33.26	-
IPPL	1.00	1.00
KSPL	47.94	47.94
KPPL	1.00	1.00
NPPL	1.00	1.00
PPPL	1.00	1.00
PUPPL	1.00	1.00
PAPPL	1.00	1.00
SPPL	1.00	1.00
PRPPL	1.00	1.00
RPPL	1.00	1.00
AREPL	0.03	0.03
SRPPL	1.00	1.00
NREPL	0.01	-
LPPL	0.01	0.01

8. GTAEPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Preference shares		
GACEPL	76.51	53.51
GJEPL	-	12.50
GUEPL	-	50.00

9. GTTEPL has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Preference shares		
GACEPL	68.49	68.49
GJEPL	-	12.50
GUEPL	-	75.00

10. GPIL has invested in following subsidiary Companies:

Name of the Company	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Equity shares		
GETL	9.72	-

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 38 UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	Amount
Loans and advances	- ₹ Nil (SGD Nil)
	[March 31, 2013: ₹ 86.24 Crore (SGD 1.97 Crore)]
Investments (net of provision)	- ₹ 1,477.99 Crore (USD 32.06 Crore)
	[March 31, 2013: ₹ 1,477.99 Crore (USD 32.06 Crore)]
	- ₹ 0.11 Crore (SGD 0.00 Crore)
	[March 31, 2013: ₹ 0.11 Crore (SGD 0.00 Crore)]
	- ₹ Nil Crore (YTL Nil Crore)
	[March 31, 2013: ₹ 335.89 Crore (YTL 11.01 Crore)]
	₹ 0.00 Crore (₹ 3,924) (EURO 0.00 Crore) (EURO: 58)
	[March 31, 2013: ₹ 0.00 Crore (₹ 3,924) (EURO 0.00 Crore) (EURO: 58)]
	₹ 0.00 Crore (₹ 4,917) (MRF 0.00 Crore) (MRF 154)
	[March 31, 2013: ₹ 0.00 Crore (₹ 4,917) (MRF 0.00 Crore) (MRF 154)
Payables	- ₹1.46 Crore (USD 0.02 Crore)
	[March 31, 2013: ₹ Nil (USD Nil)]
	- ₹12.43 Crore (EURO 0.15 Crore)
	[March 31, 2013: ₹ Nil (EURO Nil)]
Trade receivables	- ₹Nil (USD Nil)
	[March 31, 2013: ₹ 6.58 Crore (USD 0.12 Crore)]
Other current assets	- ₹ 0.06 Crore (USD 0.00 Crore)
	[March 31, 2013: ₹ 46.42 Crore (USD 0.85 Crore)]
	- ₹ 805.80 Crore (EURO 9.75 Crore)
	[March 31, 2013: ₹ Nil Crore (EURO Nil Crore)]

Foreign currencies

USD = United States Dollar

SGD = Singapore Dollar

YTL = Turkish Lira

MRF = Maldivian Rufiyaa

EURO

NOTE 39

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2014.

NOTE 40 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Capital goods	-	1.49
Raw materials	-	0.1
Total	**-**	**1.59**

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 41 DISCLOSURE IN TERMS OF ACCOUNTING STANDARDS 7 - CONSTRUCTION CONTRACTS

Particulars	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Contract revenue recognised during the year	463.63	1,142.17
Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	2,127.62	2,667.96
Amount of customer advances outstanding	118.45	270.28
Retention money due from customers for contracts in progress	173.42	158.28
Gross amount due from customers for contract works as an asset (unbilled portion)	107.46	152.96
Gross amount due to customers for contract works as a liability	7.77	1.67

NOTE 42

The investment by GEL in equity shares/ preference shares of the following subsidiary Companies has been funded by the Company against an agreement to pass on any benefits or losses out of investments by GEL to the Company and has been approved by the Board of Directors of both the Companies. During the current year, GEL has disposed off its investments in DIAL at par to GAL.

Name of the subsidiaries	March 31, 2014 (₹ in Crore)	March 31, 2013 (₹ in Crore)
Equity Shares		
GJEPL [589,125 (March 31, 2013: 589,125) equity shares of ₹10 each fully paid-up]	0.59	0.59
GPEPL [690,000 (March 31, 2013: 690,000) equity shares of ₹10 each fully paid-up]	0.69	0.69
DIAL [100 (March 31, 2013: 245,000,000) equity shares of ₹10 each fully paid-up]	0.00	245.00
GUEPL [993,750 (March 31, 2013: 993,750) equity shares of ₹10 each fully paid-up]	0.99	0.99
GCORRPL [3,000,000 (March 31, 2013: 3,000,000) equity shares of ₹10 each fully paid-up]	3.00	3.00
GACEPL [24,222,593 (March 31, 2013: 24,222,593) equity shares of ₹10 each fully paid-up]	24.22	24.22
Preference Shares		
GCORRPL [1,200,000 (March 31, 2013: 1,200,000) preference shares of ₹100 each fully paid-up]	12.00	12.00

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Notes to the Financial Statements for the year ended March 31, 2014

NOTE 43

The Company through its subsidiary GIML has made an investment of ₹ 190.97 Crore (USD 3.16 Crore) (including equity share capital of ₹ 139.73 Crore and share application money, pending allotment of ₹ 51.24 Crore) towards 77% holding in GMIAL and GIML has pledged deposits of ₹871.06 Crore (USD 14.40 Crore) towards loan taken by GMIAL from its lenders. Further the Company has given a corporate guarantee of ₹ 2,540.58 Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL.

GMIAL entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. On March 15, 2014, Government of Maldives ('GoM') and MACL have served a case summary which sets out a new case that the claimants wish to advance at trial and amended pleadings have been received on March 24, 2014. Subsequent to March 31, 2014, the hearings of liability issues have taken place from April 10, 2014 to April 16, 2014 and the tribunal has not specified any timescales to produce any award. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and the outcome of the arbitration is uncertain as at March 31, 2014. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to ₹ 1,431.50 crore (USD 23.66 crore) including claim recoverable of ₹ 1,062.90 crore (USD 17.57 crore) at their carrying values as at March 31, 2014, net of assets written off of ₹ 202.61 crore during the year ended March 31, 2013. GMIAL's ability to continue its future business operations and consequential impact on investments made / guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement.

Further, GMIAL had executed work construction contracts with GADLIL and other service providers for rehabilitation, expansion, modernization of Male International Airport. Pursuant to aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore as at March 31, 2014 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised as at March 31, 2014 since the amounts payable are not certain.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident of proving that the concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the concession agreement atleast to the extent of the carrying value of the assets taken over by the GoM / MACL and the subsequent expenditure incurred by GMIAL as at March 31, 2014 and accordingly these financial statements of the Company do not include any adjustments that might result from the outcome of this uncertainty.

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Notes to the Financial Statements for the year ended March 31, 2014

NOTE 44

The Company's subsidiaries GEL and GVPGL are engaged in the business of generation and sale of electrical energy from its two gas based power plants of 220 MW and 387 MW situated at Kakinada and Vemagiri respectively. Further, GREL a subsidiary is constructing a gas based power plant. In view of lower supplies/ availability of natural gas to the power generating companies in India, these aforesaid entities' are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL and GVPGL have not generated and sold electricity since April 2013 and May 2013 respectively and have been incurring losses on account of the aforesaid shortage of natural gas supply, thereby resulting in erosion of net worth and usage of short term funds for long term purposes. The Gas Sales and Purchase Agreements for supply of natural gas in GEL and GVPGL have expired on March 31, 2014 and GEL and GVPGL are in the process of renewal of the same. Further, GREL has not yet commenced commercial operations pending linkages of natural gas supply. These aforesaid entities are actively pursuing / making representations with various government authorities to secure the natural gas linkage / supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. GREL, for its 768 MW gas based power plant, which is under construction at Rajahmundry, has applied for allocation of gas and the Ministry of Petroleum and Natural Gas ('MoPNG') is yet to allocate the gas linkage.

The consortium of lenders have approved the reschedulement of Commercial Operation Date ('COD') of the plant under construction to April 1, 2014 and repayment of project loans. GREL has sought further extension of COD and repayment of project loans with the consortium of lenders in the absence of gas linkage. The Company, these aforesaid entities and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management is confident that the Government of India would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Despite the aforementioned reasons, based on business plan and valuation assessment, the management is confident that GEL and GVPGL will be able to generate sufficient profits in future years, GREL will get a further extension of COD and these gas based power generating companies would meet their financial obligations as they arise and hence the going concern assumption of the aforesaid entities and carrying value of the investments (including advances) made by the Company directly or indirectly through its subsidiaries ('investments'), in GEL, GVPGL and GREL as at March 31, 2014 is appropriate and the financial statements of the Company do not include any adjustments that might result from the outcome of this uncertainty. In the meantime, the Company has also committed to provide necessary financial support to GEL, GVPGL and GREL as may be required by these Companies for continuance of their normal business operations.

NOTE 45

During the year ended March 31, 2014, with a view to restructure its shareholdings in airport business, the Company has transferred 244,999,900 equity shares of ₹ 10 each held in DIAL to GAL, a 97.15% subsidiary of the Company, at cost.

NOTE 46

"During the year ended March 31, 2013 with a view to restructure the equity holdings in road business, the Company had transferred 55,752,000 equity shares, 47,601,300 equity shares and 80,295,000 equity shares held in GPEPL, GJEPL and GUEPL respectively to GMRHL at cost. GMRHL is a 100.00% subsidiary of the Company. Further the Company has transferred 4,798,600 8% non-cumulative redeemable preference shares and 3,201,400 8% non-cumulative redeemable preference shares held in GUEPL to GTTEPL and GTAEPL at cost.

During the year ended March 31, 2014, the Company has transferred 2,002,000 8% non-cumulative, redeemable preference shares of ₹ 100 each held in GMR Ulundurpet Expressways Private Limited ('GUEPL') to a wholly owned subsidiary of the Company, GMRHL at cost."

NOTE 47

A search under Section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates thereafter, to check the compliance with the provisions of the Income Tax Act, 1961. The Income Tax Department has subsequently sought certain information / clarifications. The Company has not received any show cause notice / demand from the Income Tax Authorities. The management of the Company believes that it has complied with all the applicable provisions of the Income Tax Act, 1961 with respect to its operations.

NOTE 48

As per the transfer pricing rules prescribed under the IT Act, the Company is examining domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustments with regard to the transaction involved.

Notes to the Financial Statements for the year ended March 31, 2014

NOTE 49

Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

NOTE 50

Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI firm registration number: 101049W
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No. 35141

Place: Bengaluru
Date : May 29, 2014

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

G.M. Rao
Executive Chairman

Grandhi Kiran Kumar
Managing Director

Madhava Bhimacharya Terdal
Group CFO

C.P. Sounderarajan
Company Secretary

Place: Bengaluru
Date : May 29, 2014

GMR Infrastructure Limited

(CIN: L45203KA1996PLC034805)

Regd. Office: Skip House, 25/1, Museum Road, Bangalore - 560 025, Karnataka, India

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of GMR Infrastructure Limited will be held on Thursday, September 18, 2014 at 3.00 p.m. at MLR Convention Centre, Brigade Millennium Campus, 7th phase, J.P. Nagar, Bangalore - 560 078, Karnataka, India, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares and preference shares.
3. To appoint a director in place of Mr. O. Bangaru Raju, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Srinivas Bommidala, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

   In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:

   "RESOLVED THAT M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration as may be determined by the Board of Directors of the Company."

Special Business:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Prakash G. Apte (holding DIN 00045798), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for two consecutive years for a term upto the conclusion of the twentieth Annual General Meeting of the Company."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. R.S.S.L.N. Bhaskarudu (holding DIN 00058527), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for two consecutive years for a term upto the conclusion of the twentieth Annual General Meeting of the Company."
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. N.C. Sarabeswaran (holding DIN 00167868), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for two consecutive years for a term upto the conclusion of the twentieth Annual General Meeting of the Company."
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. Sandilya (holding DIN 00037542), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for two consecutive years for a term upto the conclusion of the twentieth Annual General Meeting of the Company."
10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. Rajagopal (holding DIN 00022609), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for two consecutive years for a term upto the conclusion of the twentieth Annual General Meeting of the Company."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. V. Santhana Raman (holding DIN 00212334), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for two consecutive years for a term upto the conclusion of the twentieth Annual General Meeting of the Company."

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. C.R. Muralidharan (holding DIN 02443277), Director of the Company who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for two consecutive years for a term upto the conclusion of the twentieth Annual General Meeting of the Company."

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

    "RESOLVED THAT pursuant to Section 149 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other approval, as may be required by law, the number of directors of the Company be increased from the existing maximum permissible limit of 15 (fifteen) to 16 (sixteen).

    RESOLVED FURTHER THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, Article 117 of the Articles of Association of the Company be amended to read as under:

    Article 117 - Board's maximum strength

    Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than Sixteen.

    RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolutions, the Board of Directors of the Company and the Company Secretary, be and are hereby severally authorized to complete all the formalities in this regard and to take such steps as may be necessary, appropriate or expedient to give effect to the above resolutions."

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and 62(1)(c) of the Companies Act, 2013 (the Act) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, the Rules, Regulations, Guidelines and Circulars, as amended from time to time and the provisions of the Foreign Exchange Management Act, 1999, as amended (the "FEMA"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended (the "FEMA Regulations"), the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and subject to any required approval, consent, permission and / or sanction including from the Ministry of Finance (Foreign Investment Promotion Board, Department of Economic Affairs), the Ministry of Commerce & Industry (Department of Industrial Policy & Promotion / Secretariat for Industrial Assistance), all other Ministries / Departments of the Government of India ("GoI"), the Reserve Bank of India ("RBI"), and the Securities and Exchange Board of India ("SEBI") and / or any other competent authorities and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by GoI, RBI, SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company's equity shares of face value ₹ 1 each ("Equity Shares") and non-convertible debentures are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee thereof), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, such number of Equity Shares, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), non-convertible debentures with or without warrants, other financial instruments convertible into Equity Shares (including warrants or otherwise, in registered or bearer form), any security convertible into Equity Shares with or without voting / special rights, securities linked to Equity Shares and / or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares, including the issue and allotment of Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, whether Indian rupee denominated or denominated in foreign currency, to any eligible person, as permitted under applicable law including qualified institutional buyers, foreign / Indian resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), foreign institutional investors, Indian and/or multilateral financial institutions, foreign portfolio investors, mutual funds, non-resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the Investors") whether or not such Investors are members of the Company as may be decided by the Board in their discretion and permitted under applicable laws and regulations, of an aggregate amount upto ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore only) or equivalent thereof in one or more foreign currency and / or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s), follow on offer or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency or equivalent Indian rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI (ICDR) Regulations"); and the provisions of the FEMA, the FEMA Regulations, the Board may at its absolute discretion, issue, offer and allot Equity Shares, fully convertible debentures, partly convertible debentures, non-convertible debentures with or without warrants or any securities which are convertible into or exchangeable with equity shares (collectively referred to as "Securities") of an aggregate amount upto ₹ 2,500 Crore or equivalent thereof in one or more foreign currency and/or Indian rupees inclusive of such premium, as specified above, to qualified institutional buyers (as defined by the SEBI (ICDR) Regulations) pursuant to a Qualified Institutions Placement (QIP), as provided under Chapter VIII of the SEBI (ICDR) Regulations and such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI (ICDR) Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT pursuant to Regulation 85(1) of the SEBI (ICDR) Regulations, the Board be and is hereby authorized to, at its absolute discretion, offer a discount of not more than 5% or such other percentage as permitted under applicable law to the price calculated in accordance with the pricing formula provided under Chapter VIII of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

a. the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

b. the relevant date for the determination of applicable price for the issue of the Securities shall be as per the regulations prescribed by SEBI, RBI, GoI through its various departments or any other regulator and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations and such price shall be subject to appropriate adjustments in the applicable rules/ regulations/statutory provisions.

RESOLVED FURTHER THAT the issue to the holders of any Securities with underlying Equity Shares shall be, *inter alia*, subject to the following terms and conditions:

a. in the event of the Company making a bonus issue by way of capitalization of its profits or reserves, prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted to the holders of such Securities at the relevant time, shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

b. in the event of the Company making a rights offer by issue of Equity Shares, prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted to the holders of such Securities at the relevant time may be increased in the same proportion as that of the rights offer and such additional Equity Shares may be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders if so determined by the Board in its absolute discretion; and

c. in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, redemption period, listings on one or more overseas stock exchanges, execution of various transaction documents, creation of mortgage/ charge in accordance with Section 180(1)(a) of the Companies Act, 2013, in respect of any Securities as may be required either on *pari-passu* basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board or Management Committee or any other Committee thereof be and is hereby authorized to engage / appoint the Lead Managers, Legal Advisors, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking *pari-passu* with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 42 and 71 of the Companies Act, 2013 (the Act), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, the Rules, Regulations, Guidelines and Circulars, as amended from time to time, the Memorandum and Articles of Association of the Company and subject to such other approvals as may be required from regulatory authorities from time to time, the consent of the Company, be and is hereby accorded to the Board to offer, issue and allot Secured or Unsecured redeemable Non-convertible Debentures/Bonds in one or more tranches, on private placement basis, on such terms and conditions as the Board of Directors may determine and consider proper and most beneficial to the Company including as to when the said Debentures to be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto, for an amount up to ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore only) including the amounts raised through issue of any other Securities.

RESOLVED FURTHER THAT subject to the applicable law, the Board be and is hereby authorized to form a committee or delegate all or any of its powers to any Director(s) or Committee of Directors / Company Secretary / other persons authorized by the Board to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Securities including but not limited to:

a. Approving the offer document and filing the same with any other authority or persons as may be required;
b. Approving the specific nature and size of Security (in Indian rupees or such other foreign currency) to be offered, the issue price, the number of Securities to be allotted, the basis of allocation and allotment of Securities;
c. To affix the Common Seal of the Company on any agreement(s) / document(s) as may be required to be executed in connection with the above, in the presence of any Director of the Company and any one of the above Authorised Persons, who shall sign the same in token thereof;
d. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities by the Company;
e. Opening such bank accounts and demat accounts as may be required for the transaction;
f. To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
g. To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
h. Making applications for listing of the Securities on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and
i. To authorize or delegate all or any of the powers herein above conferred to any one or more persons, if need be."

By order of the Board of Directors
For GMR Infrastructure Limited

Place: Bangalore
Date: August 13, 2014

C.P. Sounderarajan
Company Secretary & Compliance Officer

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Members are requested to send their proxy form to the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to item nos. 6 to 14 and the information required to be provided under the Listing Agreement entered into with stock exchanges relating to item No. 3, 4, 6, 7, 8, 9, 10, 11 and 12 are annexed hereto.
4. Copies of all documents referred to in the notice and explanatory statement annexed thereto are available for inspection at the registered office of the Company between 10.00 a.m. and 1.00 p.m. on all working days till the date of the AGM.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 11, 2014 to Thursday, September 18, 2014 (both days inclusive) for the purpose of determining the members entitled to the payment of dividend declared at the AGM on September 18, 2014 for the year ended March 31, 2014. Dividend on shares, when declared, will be paid only to those members whose names are registered as such in the Register of Members of the Company, after giving effect to valid share transfers in physical form lodged with the Company, on or before September 10, 2014 and to the Beneficial Holders as per the Beneficiary List as on September 10, 2014 provided by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. M/s. Karvy Computershare Private Limited is the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for Shares held in physical and electronic form.
8. Members holding shares in physical form are requested to dematerialize their shares. They are further requested to inform change of address, if any, immediately to RTA of the Company. Members holding shares in dematerialized form must send advice about change in address to their respective Depository Participants.
9. As per the provisions of Section 72 of the Companies Act, 2013, nomination facility is available to the members, in respect of equity shares held by them. Nomination forms can be obtained from the RTA.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/s. Karvy Computershare Private Limited (RTA) / Depositories.

11. In terms of Section 205C of the Companies Act, 1956, the Company has transferred the share application money received by the Company for allotment of shares and due for refund remaining unpaid or unclaimed for a period of seven years from the date they became due for payment to the Investor Education and Protection Fund, established by the Central Government.
12. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to send their queries at an early date so that the desired information may be made available at the Meeting.
13. Members or Proxies should bring the attendance slip duly filled in for attending the Meeting.
14. As a measure of austerity, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
15. No compliment or gift of any nature will be distributed at the Meeting.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members with facility to exercise their votes by electronic means through e-voting services provided by M/s. Karvy Computershare Private Limited, on all resolutions set forth in this Notice.

    The instructions and other information relating to e-voting are as under:

    The procedure for e-voting is as below:

    (i) In case of Members receiving e-mail from M/s. Karvy Computershare Private Limited:

    a) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.

    b) Enter the login credentials i.e. User ID and Password mentioned below this communication. Your Folio No./ DP ID-Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 character DP ID followed by 8 digits Client ID b) For CDSL:- 16 digits beneficiary ID
	For Members holding shares in physical form:- • Event Number followed by Folio Number registered with the Company
Password	In case of members who have not registered their email addresses, their User-ID and Password is printed below.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

    c) After entering the details appropriately, Click on "LOGIN".

    d) You will now reach Password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

    e) You need to login again with the new credentials.

    f) On successful login, the system will prompt you to select the "EVENT" i.e., GMR Infrastructure Limited.

    g) On the voting page, the number of shares as held by the members as on the Cut Off date will appear. If you desire to cast all the votes assenting/ dissenting to the resolution, then enter all shares and click "FOR/AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If the member does not indicate either "FOR"or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

    h) Members holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

    i) You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

    j) Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer through e-mail ID: sree@sreedharancs.com with a copy marked to evoting@karvy.com.

    k) Once you have cast your vote on resolution, you will not be allowed to modify it subsequently.

    l) The e-voting period commences on September 11, 2014 at 09:00 a.m. and ends on September 13, 2014 at 6:00 p.m. (both days inclusive). During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date (record date), being Friday, August 15, 2014, may cast their vote by electronic means in the manner and process setout hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

    ii) In case of Members receiving physical copy of the Notice of AGM by Post (for Members whose e-mail addresses are not registered with the Company/ Depositories):

    (i) Initial Password is provided as below / at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

(ii) Please follow all steps from SI. No. (a) to (j) of (i) above, to cast vote.

m) In case of any query pertaining to e-voting, please visit Help & Frequently Asked Questions (FAQ's) for members and e-voting User Manual for members available at the download section of https://evoting.karvy.com (Karvy's website) or contact M/s. Karvy Computershare Pvt. Ltd. at 1800 345 4001 (Toll free).

n) The results of e-voting will be announced by the Company in its website and the same shall also be informed to the Stock Exchanges

Other Instructions

1. Mr. V. Sreedharan (Membership No. FCS 2347), Practicing Company Secretary has been appointed as the Scrutinizer for conducting the e-voting process (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
2. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
3. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
4. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at www.gmrgroup.in and on Service Provider's website at https://evoting.karvy.com within two (2) days of passing of the resolutions at the 18th Annual General Meeting of the Company on September 18, 2014 and communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 6 to 12:

The Company had, pursuant to the provisions of clause 49 of the listing agreement entered with the stock exchanges, appointed Dr. Prakash G. Apte, Mr. R.S.S.L.N. Bhaskarudu, Mr. N.C. Sarabeswaran, Mr. S. Sandilya, Mr. S. Rajagopal, Mr. V. Santhana Raman and Mr. C. R. Muralidharan as Independent Directors of the Company at different points of time. All these directors were appointed as retiring directors under the erstwhile Companies Act, 1956.

As per Section 149 of the Companies Act, 2013, every listed public company is required to have at least one-third of the total number of directors as independent directors who are not liable to retire by rotation.

The Nomination and Remuneration Committee has recommended the appointment of the above directors as independent directors to hold office for 2 (two) consecutive years for a term up to the conclusion of the 20th Annual General Meeting of the Company.

Dr. Prakash G. Apte, Mr. R.S.S.L.N. Bhaskarudu, Mr. N.C. Sarabeswaran, Mr. S. Sandilya, Mr. S. Rajagopal, Mr. V. Santhana Raman and Mr. C.R. Muralidharan have given a declaration to the Board that they meet with the criteria of independence under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these directors fulfil the conditions specified in the Companies Act, 2013 for appointment as Independent Directors and the proposed directors are independent of the management.

In Compliance with the provisions of Section 149 read with schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the appointment of these directors as independent directors is placed before the members for their approval.

Except these directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out in Item Nos. 6 to 12.

The Board recommends passing of the resolutions set out in Item Nos.6 to 12 as ordinary resolutions.

Item No. 13:

In view of the substantial increase in the operations of the Company in Infrastructure development which require deliberations and resolutions of complex issues, it is proposed to broad base the Board of the Company. The increase in size of the Board would enable the Company to have persons with varied expertise and competencies on the Board.

As per Section 149 of the Companies Act, 2013, a Company may appoint more than fifteen directors after passing a special resolution. Hence, the existing Article 117 of the Articles of Association of the Company requires an amendment for appointment of more than fifteen directors, subject to the approval of the members pursuant to Section 149 of the Companies Act, 2013.

As per Section 14 of the Companies Act, 2013, amendments to the Articles of Association of the Company require the approval of the members of the Company at a general meeting by a special resolution.

It is proposed to alter the Articles of Association of the Company to increase the maximum number of Directors from 15 to 16.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the aforesaid Resolution.

The Board recommends passing of the resolution set out in Item No.13 as a special resolution.

Item No. 14:

The Special Resolution proposed is an enabling resolution to facilitate and meet the capital expenditure needs of the ongoing projects of the Company, its subsidiaries, associates etc., and to meet any exigencies including pursuing new opportunities, etc.,. As the Company has done in the past, it is proposed to create, offer, follow on offer, issue and allot Equity shares, GDRs, ADRs, FCCBs, equity linked instruments, debentures and such other securities as stated in the resolution (the "Securities") at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate. Section 42 of the Companies Act, 2013 read with the applicable rules requires a Company to pass a previous Special resolution once in a year for all the offer or invitation for non-convertible debentures to be made during the year through a private placement basis in one or more tranches.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutions Placement with Qualified Institutional Buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be amended from time to time ("the SEBI (ICDR) Regulations"). The Board of Directors, may in their discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI (ICDR) Regulations in order to facilitate and meet its capital expenditure needs of the ongoing projects of the Company, its subsidiaries, associates etc. and to meet any exigencies including pursuing new opportunities, etc. without the need for fresh approval from the shareholders. The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI (ICDR) Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI (ICDR) Regulations. The Company may, in accordance with applicable laws, offer a discount of not more than 5% or such other percentage as permitted under applicable law to the price determined pursuant to the SEBI (ICDR) Regulations. The "Relevant Date" for this purpose will be the date when the Board or the Committee thereof decides to open the Qualified Institutions Placement for subscription.

The Company therefore seeks a fresh approval which will enable the Company to meet its fund requirements as and when required, by providing an option to the Board of Directors to decide the type and manner of securities to be offered in the best interests of the Company.

The Special Resolution seeks to give the Board the powers to issue any of the Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board in its absolute discretion deem fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue / allotment / conversion would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges under the provisions of the Listing Agreement.

Section 62(1)(c) of the Companies Act, 2013 and the relevant clauses of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, *inter alia*, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company unless the shareholders in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. The Company with this resolution intends to retain the right and flexibility to undertake any of the following activities; namely issue of GDRs, ADRs, FCCBs, QIPs, Equity linked instruments, Non-Convertible Debentures and other securities upto ₹ 2,500 Crore.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the aforesaid Resolution.

The Board recommends passing of the resolution set out in Item No. 14 as a Special Resolution.

By order of the Board of Directors
For GMR Infrastructure Limited

Place: Bangalore
Date: August 13, 2014

C.P. Sounderarajan
Company Secretary & Compliance Officer

Profile of Directors seeking appointment / re-appointment at the Annual General Meeting to be held on September 18, 2014, pursuant to Clause 49 of the Listing Agreement

Mr. O. Bangaru Raju has been a member of the Board of Directors since 2007. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He has over 30 years of diverse experience in the fields of finance and infrastructure business. Presently, he is the Managing Director of GMR Highways Limited. Under his guidance, the commercial operation of all the highway projects awarded by the NHAI was achieved. He led the core team for successful structured funding by assigning annuity receivables and the issue of ―AAA rated bonds, which resulted in a substantial reduction in the cost of borrowings for the Company. He has undergone a management training course with Harvard University, U.S.A.

He holds 55,000 equity shares of the Company as on March 31, 2014.

Mr. O. Bangaru Raju is not related to any Director of the Company.

Details of Mr. O. Bangaru Raju's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1.	GMR Infrastructure Limited	Member - CSR Committee
2.	GMR Tuni-Anakapalli Expressways Limited	Member - Audit Committee Member - CSR Committee Member - Nomination and Remuneration Committee
3.	GMR Tambaram Tindivanam Expressways Limited	Member - Audit Committee Member - CSR Committee Member - Nomination and Remuneration Committee
4.	GMR Ambala-Chandigarh Expressways Private Limited	Member - Audit Committee Member - Nomination and Remuneration Committee Member - Securities Issue, Allotment and Transfer Committee

5.	Delhi Aerotropolis Private Limited	Nil
6.	GMR Highways Limited	Member - Audit Committee Member - CSR Committee Member - Nomination and Remuneration committee Member - Securities Issue, Allotment and Transfer Committee
7.	GMR Jadcherla Expressways Limited	Member - Audit Committee Member - Nomination and Remuneration committee
8.	GMR Hyderabad Vijayawada Expressways Private Limited	Member - Audit Committee Chairman - Project Management Committee Chairman - Securities Issue, Allotment and Transfer Committee Member - Nomination and Remuneration Committee
9.	GMR Chennai Outer Ring Road Private Limited	Member - Audit Committee Chairman - Project Management Committee Member- Securities Issue, Allotment and Transfer Committee Member –Nomination and Remuneration Committee
10.	GMR Highways Projects Private Limited	Nil
11.	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	Member - Audit Committee Member - CSR Committee Member - Securities Issue, Allotment and Transfer Committee Member – Nomination and Remuneration Committee Chairman - Project Management Committee
12.	Indian Highways Management Company Limited	Nil
13.	Vasavi Charitable Trust	Nil

Mr. Srinivas Bommidala, a Group Director, is one of the first directors of the Company. He has been a member of the Board since 1996. He entered his family tobacco export business in 1982 and subsequently led the diversification into new businesses such as aerated water bottling plants, etc. and was also in charge of international marketing and management of the organisation.

Subsequently, he led the team as the Managing Director of GMR Power Corporation Limited for setting up the first independent power project. This project with slow speed diesel technology is the world's largest diesel engine power plant under one roof situated at Chennai in the southern part of India. He was also instrumental in implementing the combined cycle gas turbine power project in Andhra Pradesh.

When the Government decided to modernise and restructure Delhi Airport under a public private partnership scheme in 2006, he became the first Managing Director of this venture and successfully handled the transition process from a public owned entity to a public private partnership enterprise. He is currently the Chairman of the airports business and continues to spearhead commercial property development / Aerotropolis at the Delhi Airport and the Hyderabad Airport.

He holds 4,51,660 equity shares of the Company as on March 31, 2014.

Mr. Srinivas Bommidala is the son-in-law of Mr. G. M. Rao, brother-in-law of Mr. G. B. S. Raju and Mr. Grandhi Kiran Kumar.

Details of Mr. Srinivas Bommidala's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1.	GMR Infrastructure Limited	Member- Management Committee Member- Debenture Allotment Committee
2.	GMR Aviation Private Limited	NIL
3.	GMR Hyderabad International Airport Limited	Member -Audit Committee
4.	GMR Hyderabad Aerotropolis Limited	NIL
5.	GMR Varalakshmi Foundation	NIL
6.	GMR Krishnagiri SEZ Limited	Member - Audit Committee
7.	GMR Sports Private Limited	NIL
8.	GMR Airports Limited	NIL
9.	GMR Holdings Private Limited	NIL
10.	Delhi International Airport Private Limited	Member - Share Allotment, Transfer and Grievance Committee
11.	Kakinada SEZ Private Limited	NIL
12.	AMG Healthcare Destination Private Limited	NIL
13.	MAS GMR Aerospace Engineering Company Limited	Member - Audit Committee
14.	B S R Infrastructure Private Limited	NIL
15.	Bommidala Tobacco Exporters Pvt. Ltd.	NIL
16.	Bommidala Exports Pvt. Ltd.	NIL
17.	BSR Holdings Private Ltd.	NIL
18.	Hotel Shivam International Pvt. Ltd.	NIL

19.	Delhi Duty Free Services Private Limited	NIL
20.	Istanbul Sabiha Gökçen Uluslararası Havalimanı Yer Hizmetleri A.Ş., (Ground Handling Company)*	NIL
21.	GMR Male International Airport Pvt. Ltd.*	NIL
22.	GMR Megawide Cebu Airport Corporation, Philippines*	NIL

*incorporated outside India.

Dr. Prakash G. Apte has been on the Company's Board since 2005. He has a doctorate degree in economics from Columbia University, a postgraduate diploma in management from the Indian Institute of Management, Kolkata and a bachelor's degree in technology (Mechanical Engineering) from the Indian Institute of Technology, Mumbai. He was UTI chair professor at the Indian Institute of Management, Bangalore. He taught economics at the Vassar College, Poughkeepsie, U.S., and Columbia University. He was a consultant at Edison Electric Institute, New York and a project manager at Centron Industrial Alliance, Mumbai. He has published four books and several articles in academic journals and professional media. He has served on expert committees appointed by NSE and SEBI and is a consultant to several leading organizations in Government, public and private sectors. He has also been a visiting faculty at the Katholieke Universiteit Leuven, Belgium.

He holds 30,000 equity shares of the Company as on March 31, 2014.

Dr. Prakash G. Apte is not related to any Director of the Company.

Details of Dr. Prakash G. Apte's Directorships and Committee memberships are as follows:

Sl No.	Name of the Company (Directorship)	Committee Chairmanship/Membership
1.	GMR Infrastructure Limited	Member - Nomination and Remuneration Committee Member - Corporate Governance Committee
2.	UTI Trustee Company Private Limited	Member - Audit Committee

Mr. R.S.S.L.N. Bhaskarudu has been on the Company's board since 2005. He is also on the Board of Directors of GMR Hyderabad International Airport Limited and Delhi International Airport Private Limited. He graduated from the College of Engineering, Andhra University with a degree in electrical engineering and has over 48 years of experience in management and leadership positions. He worked for more than 20 years at Bharat Heavy Electricals Limited and was involved in the development and production of turbine generator sets. He was also the Managing Director of Maruti Udyog Limited, where he worked for 16 years and was a member / chairman of the Public Enterprises Selection Board of the Government. He is also on the Board of other companies.

He holds NIL equity shares of the Company as on March 31, 2014.

Mr. R.S.S.L.N. Bhaskarudu is not related to any Director of the Company.

Details of Mr. R.S.S.L.N. Bhaskarudu's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1.	GMR Infrastructure Limited	Member- Audit Committee Chairman - Stakeholders' Relationship Committee Member - Corporate Governance Committee Chairman - Nomination and Remuneration Committee Chairman - CSR Committee
2.	Fatpipe Networks Limited	Chairman - Audit Committee Chairman - Investor Grievance Committee Chairman - Remuneration Committee Chairman - Corporate Grievances Committee
3.	Delhi International Airport Private Limited	Member - Audit Committee Chairman - CSR Committee Chairman - Committee of the Board for considering change in Accounting Policy for NACIL
4.	GMR Hyderabad International Airport Limited	Chairman - Audit Committee Chairman - CSR Committee Chairman - Nomination and Remuneration Committee Chairman - Share Allotment and Transfer Committee
5.	GMR Upper Karnali Hydro Power Public Limited*	Member - Audit Committee
6.	GMR Male International Airport Private Limited*	Chairman - Audit Committee
7.	GMR Airports Limited	Chairman- Audit Committee Chairman - CSR Committee Chairman- Nomination and Remuneration Committee Chairman- Share Allotment and Transfer Committee

* Incorporated outside India.

Mr. N.C. Sarabeswaran is a Chartered Accountant and the Founding partner of Jagannathan & Sarabeswaran, Chartered Accountants, an Audit Firm with 40 years standing. He renders advisory services to various corporate clients. He was Nominee Director of Reserve Bank of India and later professional and Independent Director on the Board of Vysya Bank Limited, the predecessor of ING Vysya Bank Limited for 13 years. He was Chairman of the Audit Committee and a member of Management and Joint Venture Committees. He was the past President of Indo-Australian Chamber of Commerce. He is an Advisory Board member of a US and Australian Private Equity Fund. He has been a Director of the Company since 2011.

He holds 20,000 equity shares of the Company as on March 31, 2014.

Mr. N. C. Sarabeswaranis not related to any Director of the Company.

Details of Mr. N. C. Sarabeswaran' s Directorships and Committee memberships are as follows:

Sl. No.	Name of the Company (Directorship)	Committee Chairmanship/Membership
1.	GMR Infrastructure Limited	Chairman - Audit committee Member - Nomination and Remuneration Committee Chairman - Corporate Governance Committee
2.	R. Subbaraman & Co Private Limited	Nil
3.	GMR Energy Limited	Chairman - Audit committee Chairman - Shareholders Transfer & Grievance Committee Member - Nomination and Remuneration Committee Member - IPO Committee
4.	Madura Micro Finance Limited	Member - Audit committee
5.	GMR Pochanpalli Expressways Limited	Member - Audit committee Chairman - CSR Committee Chairman - Nomination and Remuneration Committee Member - Securities issue, allotment and transfer committee
6.	GMR Power Corporation Limited	Nil
7.	GMR Kamalanga Energy Limited	Chairman - Audit committee Member - Nomination and Remuneration Committee
8.	GMR Highways Limited	Chairman - Audit committee Chairman - CSR Committee Chairman - Nomination and Remuneration Committee Member - Securities issue, allotment and transfer committee
9.	GMR Chhattisgarh Energy Limited	Member - Nomination and Remuneration Committee
10.	GMR Airports Limited	Nil
11.	Delhi International Airport Private Limited	Nil

Mr. S. Sandilya is a commerce graduate from Chennai University and has a Post Graduate Diploma in business administration from the Indian Institute of Management, Ahmedabad. He is the immediate past president of Society of Indian Automobile Manufacturers (SIAM). He is also the immediate past president of the International Motorcycle Manufacturers Association, Geneva. In addition, he is also the chairman of the Lean Management Institute of India and a member of the board of Lean Global Network, United States. He is also currently the president of SOS Children's Villages of India, a not-for-profit organisation involved in caring for children in need. He has been Director of the Company since 2012.

He holds 5,000 equity shares of the Company as on March 31, 2014.

Mr. S. Sandilya is not related to any Director of the Company.

Details of Mr. S. Sandilya's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1.	GMR Infrastructure Limited	Nil
2.	Eicher Motors Limited	Chairman - CSR Committee Member - Nomination and Remuneration Committee Member - Audit Committee Member - Stakeholders Relationship Committee Member - Compensation Committee
3.	Tube Investments of India Limited	Chairman - Audit Committee Member - Nomination and Remuneration Committee Member - CSR Committee
4.	Lean Management Institute of India (Section 25 Company)	Nil
5.	Rane Brake Lining Limited	Chairman - Audit Committee Member - Nomination and Remuneration Committee
6.	Association of Indian Automobiles Manufacturers (Section 25 Company)	Nil
7.	Mastek Limited	Chairman - Audit Committee Member - Nomination and Remuneration Committee
8.	Mastek UK limited*	Nil
9.	National Skill Development Corporation	Nil

* Incorporated outside India.

Mr. S. Rajagopal holds a Masters' Degree in Economics, Degrees in Commerce and Law from Gujarat University and a Professional Qualification from the Indian Institute of Banking and Finance. Having been on the Boards of various Companies and Development Funds in India and abroad, he has 36 years of experience in the field of Banking. He was previously Chairman and Managing Director of the Bank of India, Chairman and Managing Director of Indian Bank, and Chairman of the Banking Services Recruitment Board. He is also an advocate with specialisation in company matters. He has been Director of the Company since 2012.

He holds 22,000 equity shares of the Company as on March 31, 2014.

Mr. S. Rajagopal is not related to any Director of the Company.

Details of Mr. S. Rajagopal's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1.	GMR Infrastructure Limited	Member - Audit Committee
2.	GMR Energy Limited	Member - Audit Committee Member - Nomination and Remuneration Committee
3.	SREI Infrastructure Finance Limited	Member - Audit Committee
4.	GMR Tuni-Anakapalli Expressways Limited	Chairman - Audit Committee Chairman - CSR Committee Chairman - Nomination and Remuneration Committee
5.	GMR TambaramTindivanam Expressways Limited	Chairman - Audit Committee Chairman - CSR Committee Chairman - Nomination and Remuneration Committee
6.	National Trust Housing Finance Limited	Member - Audit Committee
7.	SREI Alternative Investment Managers Limited	Nil
8.	Wisdomleaf Technologies Private Limited	Nil
9.	GMR Kamalanga Energy Limited	Member - Audit Committee Member - Nomination and Remuneration Committee
10.	GMR Chhattisgarh Energy Limited	Chairman - Audit Committee Chairman - Nomination and Remuneration Committee Member - Securities Allotment Committee Member - CSR Committee
11.	Careercubicle Technologies Private Limited	Nil
12.	Vivek Limited	Chairman - Audit Committee
13.	GMR Hyderabad Vijayawada Expressways Private Limited	Chairman - Audit Committee Chairman - Nomination and Remuneration Committee Member - Securities Issue Allotment and Transfer Committee
14.	GMR Kishangarh Udaipur Ahmedabad Expressways Limited	Chairman - Nomination and Remuneration Committee Chairman - CSR Committee Member - Securities Issue Allotment and Transfer Committee

Mr. V. Santhana Raman was an Executive Director (ED), Bank of Baroda from October 2006, a post he held up to retirement in August 2009. His experience as a Banker spreads over a period of 39 years. Starting his banking career as an officer in 1970 in a Nationalised Bank, he handled various levels of responsibilities in officer and executive level positions. He has gained a thorough, practical and professional knowledge and skills over wide range of banking functions in Indian Bank and Bank of Baroda. As ED of Bank of Baroda, he led the Corporate Banking, Treasury, Risk Management, Balance Sheet Management, Information Technology, Inspection and Audit & Corporate Planning activities of the Bank. During his tenure, the business of the Bank (deposit and advances) almost doubled. He also was the Chairman of the Bank's international subsidiaries in Kenya, Tanzania and Uganda. He has been Director of the Company since 2013.

He holds NIL equity shares of the Company as on March 31, 2014.

Mr. V. Santhana Raman is not related to any Director of the Company.

Details of Mr. V. Santhana Raman's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1.	GMR Infrastructure Limited	Nil
2.	DQ Entertainment (International) Limited	Member - Audit Committee
3.	GMR Energy Limited	Member - CSR Committee
4.	DQ Entertainment PLC*	Nil
5.	Rajapalayam Mills Limited	Nil
6.	Ramaraju Surgical Cotton Mills Limited	Nil
7.	GMR BajoliHoli Hydropower Private Limited	Member - Audit Committee Member - Nomination and Remuneration Committee

*Incorporated outside India.

Mr. C. R. Muralidharan has a career spanning nearly four decades in supervision and regulation of the Indian banking and insurance sectors. He has experience in both operational and executive capacities. He has served as an executive at senior levels in the Reserve Bank of India with central banking and bank supervisory responsibilities for more than three decades and half and headed the Department of Banking operations and development. Later he joined at the board level in the Insurance Regulatory and Development Authority ("IRDA") and served as a whole time member for four years and half between 2005-2009. He has participated and contributed to the work of the International Association of Insurance Supervisors and represented India on its various sub committees on accounting, insurance laws, systems and practices, corporate governance, insurance core principles and conglomerate supervision. He was also a member of the Joint Forum Committee on Principles of Conglomerate Supervision. He has been Director of the Company since 2013.

He holds NIL equity shares of the Company as on March 31, 2014.

Mr. C. R. Muralidharan is not related to any Director of the Company.

Details of Mr. C. R. Muralidharan's Directorships and Committee memberships are as follows:

Sl. No	Name of the Company (Directorship)	Committee Chairmanship / Membership
1.	GMR Infrastructure Limited	Nil
2.	PTC India Financial Services Limited	Member - Audit Committee Member - Asset Liability Committee Member - Risk Management Committee Member - Shareholders and Investor Grievance Committee
3.	City Union Bank Limited	Member - Audit Committee Member - Risk Management Committee Member - IT Strategy Committee Member - Special Committee to monitor large value fraud
4.	ICICI Prudential Asset Management Company Limited	Chairman - Investment Committee
5.	Universal Sompo General Insurance Company Limited	Chairman - Audit Committee

GMR Infrastructure Limited

(CIN: L45203KA1996PLC034805)

Regd. Office: Skip House, 25/1, Museum Road, Bangalore - 560 025, Karnataka, India

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s): Registered address:		E-mail Id: Folio No/Client Id*: DP ID*:	

I/We, being the member (s) of______________________________ shares of GMR Infrastructure Limited, hereby appoint:

1)____________________of____________________having e-mail id____________________or falling him

2)____________________of____________________having e-mail id____________________or falling him

3)____________________of____________________having e-mail id____________________or falling him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 18th Annual General Meeting of the Company, to be held on Thursday, September 18, 2014 at 3.00 p.m. at MLR Convention Centre, Brigade Millennium Campus, 7th phase, J.P. Nagar, Bangalore - 560 078, Karnataka, India and / or at any adjournment thereof.

** I / We direct my / our proxy to vote on the resolution(s) in the manner as indicated below:

Sl. No.	Resolutions	For	Against
1.	Adoption of Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon		
2.	Declaration of dividend		
3.	Re-appointment of Mr. O. Bangaru Raju as Director		
4.	Re-appointment of Mr. Srinivas Bommidala as Director		
5.	Appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company		
6.	Appointment of Dr. Prakash G. Apte as an Independent Director		
7.	Appointment of Mr. R.S.S.L.N. Bhaskarudu as an Independent Director		
8.	Appointment of Mr. N.C. Sarabeswaran as an Independent Director		
9.	Appointment of Mr. S. Sandilya as an Independent Director		
10.	Appointment of Mr. S. Rajagopal as an Independent Director		
11.	Appointment of Mr. V. Santhana Raman as an Independent Director		
12.	Appointment of Mr. C. R. Muralidharan as an Independent Director		
13.	Increase in the number of directors from the existing maximum permissible limit of fifteen to sixteen		
14.	Issue and allotment of Securities, for an amount upto ₹ 2500 Crore in one or more tranches		

Affix a 15 paise Revenue Stamp

Signed this...................... day of...................... 2014

____
Signature of shareholder

________________ Signature of first Proxy holder

________________ Signature of second Proxy holder

________________ Signature of third Proxy holder

NOTES:

1. The form should be signed across the stamp as per specimen signature registered with the Company.
2. The proxy form should be deposited at least 48 hours before the commencement of the meeting at the registered office of the Company.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
6. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the Meeting.
7. In case a member wishes his / her votes to be used differently, he / she should indicate the number of shares under the column "For" or "Against" as appropriate.

* Applicable for the members holding shares in electronic form.

** This is optional. Please put a tick mark (√) in the appropriate column against the Resolutions indicated in the Box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he / she thinks appropriate.

GMR Infrastructure Limited

(CIN: L45203KA1996PLC034805)

Regd. Office: Skip House, 25/1, Museum Road, Bangalore - 560 025, Karnataka, India

ATTENDANCE SLIP

(18th Annual General Meeting to be held on Thursday, September 18, 2014)

Name of the Member:.. *DP ID No. :..

Regd. Folio No.:.. *Client ID No..

No. of shares held:..

Note : Member / Proxy must hand over the duly signed attendance slip at the venue.

* Applicable for the members holding shares in electronic form.

Signature of the Member / Proxy

GMR Infrastructure Limited

(CIN: L45203KA1996PLC034805)

Regd. Office: Skip House, 25/1, Museum Road, Bangalore - 560 025, Karnataka, India

Shareholders' Feedback Form

It is our constant endeavor to provide best possible services to our valuable Shareholders. We seek your feedback on the services provided by the Company.

Please spare your valuable time to fill the questionnaire given below and send it back to the Company Secretary at the Registered Office address mentioned above, to serve you better.

You may also fill the feedback form online, which is available on the website of the Company www.gmrgroup.in.

Name of the Shareholder:.. DP ID No. :..

Address:..

Regd. Folio No.:... Client ID No...

No. of shares held:.. Signature of the Shareholder:..

Kindly rate on a five point scale (5=excellent, 4=very good, 3=good, 2=satisfactory, 1=Needs Improvement)

	5	4	3	2	1
Quality and contents of Financial and Non-Financial information in the Annual Report					
Information provided on the website of the Company					
Speed and quality of the responses to your queries / complaints					
Services provided by our Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited					
Overall rating of investor services					

Your comments and suggestions, if any ....

....

....

....

....

Airports Energy Highways Urban Infra Foundation

GMR INFRASTRUCTURE LIMITED

Registered Office:
Skip House, 25/1, Museum Road, Bangalore - 560 025

www.gmrgroup.in

print@rmossprints.com