

**INDEPENDENT AUDITOR'S 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 Rajahmundry Energy Limited ('GREL'), a subsidiary of the Company has capitalised Rs.397.56 crore and Rs.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 Rs. 389.25 crore and Rs. 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 Rs.124.42 crore (including Rs.16.67 crore incurred during the year ended March 31, 2014) and has given capital advances of Rs.590.00 crore. In our opinion, in view of the uncertainty as stated above such expenses of Rs.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 Rs.16.67 crore and Rs.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 Rs.1,431.50 crore (USD 23.66 crore) as at March 31, 2014 including the claim recoverable of Rs.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



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

*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 Uluslararası Havalimani Yatırım Yapım Ve İşletme Anonim Şirketi ('ISG') and LGM Havalimani İşletmeleri Ticaret Ve Turizm Anonim Şirketi ('LGM') of Rs 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 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 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 Rs.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 Rs.224.45 crore (after providing for losses till date of Rs.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 Rs. 14,022.30 crore as at March 31, 2014, total revenue (including other income) of Rs. 4,316.02 crore, total loss of Rs. 108.36 crore and net cash outflow amounting to Rs. 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 Rs. 41,929.34 crore as at March 31, 2014, total revenue (including other income) of Rs. 4,663.69 crore, total loss of Rs. 462.73 crore and net cash outflow amounting to Rs. 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 Rs. 778.21 crore as at March 31, 2014, total revenue (including other income) of Rs. 2,134.96 crore, total profit of Rs. 609.01 crore and net cash inflow amounting to Rs. 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.



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- (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 Rs. Nil as at March 31, 2014, total revenue (including other income) of Rs. 10.21 crore, total profit of Rs. 10.21 crore and net cash outflow amounting to Rs. 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 Rs. 8.15 crore as at March 31, 2014, total revenue (including other income) of Rs. 2.39 crore, total loss of Rs. 0.74 crore and net cash inflow amounting to Rs. 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 Rs. 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

**GMR INFRASTRUCTURE LIMITED**  
Consolidated balance sheet as at March 31, 2014

	Notes	March 31, 2014	March 31, 2013
		Rs. in crore	Rs. in crore
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,525.91	389.24
Reserves and surplus	4	6,095.18	6,888.94
		<u>7,621.09</u>	<u>7,278.18</u>
Preference shares issued by subsidiaries	35 (e)	1,155.60	1,971.10
Minority interest		2,008.64	1,720.00
<b>Non-current liabilities</b>			
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
		<u>36,170.68</u>	<u>34,764.19</u>
<b>Current liabilities</b>			
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
		<u>18,185.84</u>	<u>18,083.52</u>
<b>Total</b>		<b>65,141.85</b>	<b>63,816.99</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
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
		<u>55,937.66</u>	<u>54,172.85</u>
<b>Current assets</b>			
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
		<u>9,204.19</u>	<u>9,644.14</u>
<b>Total</b>		<b>65,141.85</b>	<b>63,816.99</b>

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

Madhya Bhimacharya Terdal  
Group CFO

Place: Bengaluru  
Date: May 29, 2014

Grandhi Kiran Kumar  
Managing Director

C. P. Sounderarajan  
Company Secretary



**GMR INFRASTRUCTURE LIMITED**

Consolidated statement of profit and loss for the year ended March 31, 2014

	Notes	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
<b>Income</b>			
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
<b>Total (A)</b>		<b>10,969.09</b>	<b>10,252.05</b>
<b>Expenses</b>			
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
<b>Total (B)</b>		<b>12,514.68</b>	<b>10,636.47</b>
<b>(Loss) / profit before exceptional items, tax expenses and minority interest (A-B)</b>		<b>(1,545.59)</b>	<b>(384.42)</b>
Exceptional items - gains / (losses) (net)	29	1,820.25	777.27
<b>Profit / (loss) before tax expenses and minority interest</b>		<b>274.66</b>	<b>392.85</b>
<b>Profit / (loss) from continuing operations before tax expenses and minority interest</b>		<b>(1,408.28)</b>	<b>(310.36)</b>
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
<b>Profit / (loss) from continuing operations after tax expenses and before minority interest</b>		<b>(1,569.61)</b>	<b>(551.98)</b>
Minority interest - share of (profit) / loss from continuing operations		(117.66)	(86.40)
<b>Profit / (loss) after minority interest from continuing operations (C)</b>		<b>(1,687.27)</b>	<b>(638.38)</b>
<b>Profit / (loss) from discontinuing operations before tax expenses and minority interest</b>	30 (h)	<b>1,682.94</b>	<b>703.21</b>
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
<b>Profit / (loss) from discontinuing operations after tax expenses and before minority interest</b>		<b>1,678.02</b>	<b>687.39</b>
Minority interest - share of (profit) / loss from discontinuing operations		19.26	39.11
<b>Profit / (loss) after minority interest from discontinuing operations (D)</b>		<b>1,697.28</b>	<b>726.50</b>
<b>Profit / (loss) after minority interest from continuing and discontinuing operations (C+D)</b>		<b>10.01</b>	<b>88.12</b>
Earnings per equity share (Rs.) - Basic and diluted (per equity share of Re.1 each)	31	0.03	0.23
Earnings per equity share (Rs.) from continuing operations - Basic and diluted (per equity share of Re.1 each)	31	(4.33)	(1.64)
Earnings per equity share (Rs.) from discontinuing operations - Basic and diluted (per equity share of Re.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 Bhumalkar  
Partner  
Membership number: 35141



For and on behalf of the Board of Directors of  
GMR Infrastructure Limited

G.M. Rao  
Executive Chairman

Madhva Bhimacharya Terdal  
Group CFO

Place: Bengaluru  
Date: May 29, 2014

Grandhi Kiran Kumar  
Managing Director

C. P. Sounderajan  
Company Secretary



Place: Bengaluru  
Date: May 29, 2014

**GMR INFRASTRUCTURE LIMITED**  
**Consolidated cash flow statement for the year ended March 31, 2014**

	March 31, 2014 (Rs. in crore)	March 31, 2013 (Rs. in crore)
<b>CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>		
(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
<b>Profit / (loss) before tax expenses and minority interest</b>	<b>274.66</b>	<b>392.85</b>
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)
<b>Operating profit before working capital changes</b>	<b>2,747.33</b>	<b>2,803.74</b>
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
<b>Cash generated from operations</b>	<b>2,812.46</b>	<b>3,440.00</b>
Direct taxes paid (net of refunds)	(222.40)	(262.50)
<b>Net cash flow from operating activities (A)</b>	<b>2,590.06</b>	<b>3,177.50</b>
<b>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		
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
<b>Net cash flow used in investing activities (B)</b>	<b>(5,421.67)</b>	<b>(8,333.28)</b>
<b>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
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)
<b>Net cash flow from financing activities (C)</b>	<b>633.56</b>	<b>5,910.28</b>
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
<b>Cash and cash equivalents as at March 31,</b>	<b>1,494.31</b>	<b>3,783.11</b>





**GMR INFRASTRUCTURE LIMITED**  
**Consolidated cash flow statement for the year ended March 31, 2014**

	March 31, 2014 (Rs. in crore)	March 31, 2013 (Rs. in crore)
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
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
<b>Total cash and cash equivalents</b>	<b>1,494.31</b>	<b>3,783.11</b>

**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

*(Signature of G.M. Rao)* *(Signature of Grandhi Kiran Kumar)*

G.M. Rao  
 Executive Chairman

Grandhi Kiran Kumar  
 Managing Director

*(Signature of Madhya Bhimacharya Tardal)*  
 Madhya Bhimacharya Tardal  
 Group CFO

*(Signature of C. P. Sounderarajan)*  
 C. P. Sounderarajan  
 Company Secretary

Place: Bengaluru  
 Date: May 29, 2014



## **GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

### **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.

### **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.



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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 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 <sup>1</sup>	92.60%	97.91%	92.60%	97.91%
2	GMR Power Corporation Limited (GPCL)	India	Subsidiary <sup>2</sup>	47.23%	49.93%	51.00%	51.00%
3	GMR Vemagiri Power Generation Limited (GVPGL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
4	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
5	GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary <sup>2</sup>	92.23%	97.52%	99.60%	99.60%
6	GMR Kamalanga Energy Limited (GKEL)	India	Subsidiary <sup>2,17</sup>	77.82%	79.13%	84.04%	80.82%
7	Himtal Hydro Power Company Private Limited (HHPPL)	Nepal	Subsidiary <sup>2</sup>	75.93%	80.29%	82.00%	82.00%
8	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
9	GMR Lion Energy Limited (GLEL)	Mauritius	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
10	GMR Upper Karnali Hydropower Limited (GUKPL)	Nepal	Subsidiary <sup>2</sup>	67.87%	71.55%	73.00%	73.00%
11	GMR Energy Trading Limited (GETL)	India	Subsidiary <sup>2,5</sup>	98.59%	99.60%	100.00%	99.99%
12	GMR Consulting Services Private Limited (GCSPL)	India	Subsidiary <sup>2</sup>	91.67%	96.93%	99.00%	99.00%
13	GMR Coastal Energy Private	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

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
	Limited (GCEPL)						
14	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
15	GMR Londa Hydropower Private Limited (GLHPPL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
16	GMR Kakinada Energy Private Limited (GKEPL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
17	Rampia Coal Mine and Energy Private Limited (RCMEPL)	India	Jointly controlled entity <sup>2</sup>	16.10%	17.03%	17.39%	17.39%
18	GMR Chhattisgarh Energy Limited (GCHEPL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
19	GMR Energy (Cyprus) Limited (GECL)	Cyprus	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
20	GMR Energy (Netherlands) B.V. (GENBV)	Netherlands	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
21	PT Dwikarya Sejati Utma (PTDSU)	Indonesia	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
22	PT Duta Sarana Internusa (PTDSI)	Indonesia	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
23	PT Barasentosa Lestari (PTBSL)	Indonesia	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
24	GMR Rajahmundry Energy Limited (GREL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
25	SJK Powergen Limited (SJK)	India	Subsidiary <sup>2</sup>	64.82%	68.54%	70.00%	70.00%
26	PT Unsoco (PT)	Indonesia	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
27	EMCO Energy Limited (EMCO)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
28	Homeland Energy Group Limited (HEGL)	Canada	Subsidiary <sup>2,15</sup>	51.60%	54.67%	55.72%	55.84%
29	Homeland Energy Corporation (HEC)	Mauritius	Subsidiary <sup>2,16</sup>	51.60%	54.67%	100.00%	100.00%
30	Homeland Mining & Energy SA (Pty) Limited (HMES)	South Africa	Subsidiary <sup>2,16</sup>	51.60%	54.67%	100.00%	100.00%
31	Homeland Coal Mining (Pty) Limited (HCM)	South Africa	Subsidiary <sup>2,16</sup>	51.60%	54.67%	100.00%	100.00%
32	Nhalalala Mining (Pty) Limited (NML)	South Africa	Jointly controlled entity <sup>2,16</sup>	25.80%	27.34%	50.00%	50.00%
33	Tshedza Mining Resource (Pty) Limited (TMR)	South Africa	Jointly controlled entity <sup>3</sup>	-	27.34%	-	50.00%
34	Corpco 331 (Pty) Limited (CPL)	South Africa	Subsidiary <sup>2,16</sup>	51.60%	54.67%	100.00%	100.00%
35	Ferret Coal (Kendal) (Pty) Limited (FCK)	South Africa	Subsidiary <sup>2,16</sup>	38.18%	40.46%	74.00%	74.00%
36	GMR Maharashtra Energy Limited (GMAEL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
37	GMR Bundelkhand Energy Private Limited (GBEPL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
38	GMR Uttar Pradesh Energy	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%



**GMR INFRASTRUCTURE LIMITED**
**Notes to the consolidated financial statements for the year ended March 31, 2014**

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
	Private Limited (GUPEPL)						
39	GMR Hosur Energy Limited (GHOEL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
40	GMR Gujarat Solar Power Private Limited (GGSPPL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
41	Karnali Transmission Company Private Limited (KTCPL)	Nepal	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
42	Marsyangdi Transmission Company Private Limited (MTCPL)	Nepal	Subsidiary <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
43	GMR Indo-Nepal Energy Links Limited (GINELL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
44	GMR Indo-Nepal Power Corridors Limited (GINPCL)	India	Subsidiary <sup>2</sup>	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 (ATSCCL)	India	Subsidiary <sup>2</sup>	92.60%	97.91%	100.00%	100.00%
47	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary <sup>2</sup>	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 <sup>2</sup>	92.97%	98.01%	100.00%	100.00%
51	PT Golden Energy Mines Tbk (PTGEMS)	Indonesia	Jointly controlled entity <sup>2</sup>	27.89%	29.40%	30.00%	30.00%
52	PT Roundhill Capital Indonesia (RCI)	Indonesia	Jointly controlled entity <sup>2</sup>	27.62%	29.11%	29.70%	29.70%
53	PT Borneo Indobara (BIB)	Indonesia	Jointly controlled entity <sup>2</sup>	27.36%	28.84%	29.43%	29.43%
54	PT Kuansing Inti Makmur (KIM)	Indonesia	Jointly controlled entity <sup>2</sup>	27.89%	29.40%	30.00%	30.00%
55	PT Karya Cemerlang Persada (KCP)	Indonesia	Jointly controlled entity <sup>2</sup>	27.89%	29.40%	30.00%	30.00%
56	PT Bungo Bara Utama (BBU)	Indonesia	Jointly controlled entity <sup>2</sup>	27.89%	29.40%	30.00%	30.00%
57	PT Bara Harmonis Batang Asam (BHBA)	Indonesia	Jointly controlled entity <sup>2</sup>	27.89%	29.40%	30.00%	30.00%
58	PT Berkat Nusantara Permai (BNP)	Indonesia	Jointly controlled entity <sup>2</sup>	27.89%	29.40%	30.00%	30.00%
59	PT Tanjung Belit Bara Utama (TBBU)	Indonesia	Jointly controlled entity <sup>2</sup>	27.89%	29.40%	30.00%	30.00%
60	PT Trisula Kencana Sakti (TKS)	Indonesia	Jointly controlled entity <sup>2</sup>	19.52%	20.58%	21.00%	21.00%
61	GEMS Trading Resources Pte Limited (GEMSCR)	Singapore	Jointly controlled entity <sup>2</sup>	27.89%	29.40%	30.00%	30.00%



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

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
	(Formerly known as GEMS Coal Resources Pte Limited)						
62	PT Bumi Anugerah Semesta (BAS)	Indonesia	Jointly controlled entity <sup>10</sup>	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 <sup>2</sup>	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 <sup>2</sup>	85.75%	86.48%	100.00%	100.00%
67	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary <sup>2</sup>	98.08%	99.46%	100.00%	100.00%
68	GMR Jadcherla Expressways Limited (GJEPL)	India	Associate <sup>4</sup>	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 <sup>4</sup>	25.97%	99.99%	26.00%	100.00%
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 <sup>2</sup>	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 (GKUAEPL)	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	India	Subsidiary	86.49%	86.49%	86.49%	86.49%



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

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
	Private Limited (GFIAL)						
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 <sup>14</sup>	-	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 <sup>5</sup>	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 <sup>6</sup>	97.15%	96.20%	100.00%	100.00%
92	GADL (Mauritius) Limited (GADLML)	Mauritius	Subsidiary <sup>6</sup>	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 <sup>7</sup>	52.46%	52.82%	54.00%	54.00%
97	Delhi Aviation Services Private Limited (DASPL)	India	Jointly controlled entity <sup>8</sup>	26.23%	26.41%	50.00%	50.00%



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

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
98	Delhi Aerotropolis Private Limited (DAPL)	India	Subsidiary <sup>8</sup>	52.46%	52.82%	100.00%	100.00%
99	East Delhi Waste Processing Company Private Limited (EDWPCPL)	India	Associate <sup>8,9</sup>	25.70%	26.94%	48.99%	51.00%
100	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	India	Jointly controlled entity <sup>8</sup>	20.98%	21.13%	40.00%	40.00%
101	Devyani Food Street Private Limited (DFSPL)	India	Jointly controlled entity <sup>8</sup>	20.98%	21.13%	40.00%	40.00%
102	Delhi Select Services Hospitality Private Limited (DSSHPL)	India	Jointly controlled entity <sup>8</sup>	20.98%	21.13%	40.00%	40.00%
103	Delhi Duty Free Services Private Limited (DDFS)	India	Subsidiary <sup>8, 12</sup>	42.72%	26.36%	66.93%	49.90%
104	Delhi Aviation Fuel Facility Private Limited (DAFF)	India	Jointly controlled entity <sup>8</sup>	13.64%	13.73%	26.00%	26.00%
105	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	India	Jointly controlled entity <sup>8</sup>	13.64%	13.73%	26.00%	26.00%
106	Delhi Cargo Service Center Private Limited (DCSCPL)	India	Jointly controlled entity <sup>8</sup>	13.64%	13.73%	26.00%	26.00%
107	Wipro Airport IT Services Limited (WAISL)	India	Jointly controlled entity <sup>8</sup>	13.64%	13.73%	26.00%	26.00%
108	Delhi Airport Parking Services Private Limited (DAPSL)	India	Jointly controlled entity <sup>8</sup>	26.18%	26.36%	49.90%	49.90%
109	TIM Delhi Airport Advertising Private Limited (TIM)	India	Jointly controlled entity <sup>8</sup>	26.18%	26.36%	49.90%	49.90%
110	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Velsletme Sirketi (ISG)	Turkey	Jointly controlled entity <sup>3</sup>	-	40.00%	-	40.00%
111	Istanbul Sabiha Gokcen Uluslararasi Hvalimani Yer Hizmetleri Anonim Sirketi (SGH)	Turkey	Jointly controlled entity <sup>18</sup>	-	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 <sup>6</sup>	96.66%	95.72%	99.50%	99.50%
115	GMR Airports (Malta) Limited (GMRAML)	Malta	Subsidiary <sup>5</sup>	97.15%	96.11%	100.00%	99.91%
116	GMR Airport Global Limited (GAGL)	Isle of Man	Subsidiary <sup>6</sup>	97.15%	96.20%	100.00%	100.00%
117	GMR Airports (Mauritius)	Mauritius	Subsidiary <sup>11</sup>	97.15%	-	100.00%	-





**GMR INFRASTRUCTURE LIMITED**
**Notes to the consolidated financial statements for the year ended March 31, 2014**

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
	Limited (GALM)						
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	India	Subsidiary	100.00%	100.00%	100.00%	100.00%



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

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
	Limited (AREPL)						
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%
144	Namitha Real Estates Private Limited (NREPL)	India	Subsidiary <sup>13</sup>	100.00%	-	100.00%	-
145	Honey Flower Estates Private Limited (HFEPL)	India	Subsidiary <sup>13</sup>	100.00%	-	100.00%	-
146	GMR Hosur EMC Private Limited (GHEMCPL)	India	Subsidiary <sup>11</sup>	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 <sup>3</sup>	-	40.00%	-	40.00%
160	GMR Infrastructure Overseas Limited (GIOL)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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.

## 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-



## **GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

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.



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

#### 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 airports has been disclosed as revenue share paid/ payable to concessionaire 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



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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 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.



## GMR INFRASTRUCTURE LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2014

### 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.

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.



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

#### 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 Rs 5,000 or less, which are fully depreciated in the year of acquisition.





**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

Sl. No.	Block	Rate of depreciation
1	Buildings: - Factory and office	3.34%
2	Office equipments - Computers - Others	15.00% 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 Rs. 5,000, which are fully depreciated in the year of acquisition.

Leasehold land is amortised over the tenure of the lease except in case of power 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.

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.



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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 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



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### Notes to the consolidated financial statements for the year ended March 31, 2014

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:

##### Raw materials, components, stores and spares:

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.

##### Contract work-in-progress:

Costs incurred that relate to future activities on the contract are recognised as contract work-in-progress. Contract work-in-progress comprises of construction cost and other directly attributable overheads and are measured at lower of cost and net realisable value.

##### Traded / Finished goods:

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



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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.

#### 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



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### Notes to the consolidated financial statements for the year ended March 31, 2014

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. 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.



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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.



## GMR INFRASTRUCTURE LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2014

### 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.

#### 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.



## GMR INFRASTRUCTURE LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2014

### 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.





3 Share capital

Authorised share capital

7,500,000,000 (March 31, 2013: 7,500,000,000) equity shares of Re. 1 each  
6,000,000 (March 31, 2013: Nil) Compulsorily Convertible Preference Shares ('CCPS' or 'preference shares') of Rs. 1,000 each (Series A CCPS)  
6,000,000 (March 31, 2013: Nil) CCPS of Rs. 1,000 each (Series B CCPS)

Issued, subscribed and fully paid-up

3,892,430,282 (March 31, 2013: 3,892,430,282) equity shares of Re. 1 each  
5,683,351 (March 31, 2013: Nil) Series A CCPS of Rs. 1,000 each  
5,683,353 (March 31, 2013: Nil) Series B CCPS of Rs. 1,000 each

Issued, subscribed but not fully paid-up shares

4,500 (March 31, 2013: 4,500) equity shares of Re. 1 each not fully paid up [Rs. 2.250 (March 31, 2013: Rs. 2.250)]

Total issued, subscribed and paid-up share capital

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
Authorised share capital		
7,500,000,000 (March 31, 2013: 7,500,000,000) equity shares of Re. 1 each	750.00	750.00
6,000,000 (March 31, 2013: Nil) Compulsorily Convertible Preference Shares ('CCPS' or 'preference shares') of Rs. 1,000 each (Series A CCPS)	600.00	-
6,000,000 (March 31, 2013: Nil) CCPS of Rs. 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 Re. 1 each	389.24	389.24
5,683,351 (March 31, 2013: Nil) Series A CCPS of Rs. 1,000 each	568.33	-
5,683,353 (March 31, 2013: Nil) Series B CCPS of Rs. 1,000 each	568.34	-
Issued, subscribed but not fully paid-up shares		
4,500 (March 31, 2013: 4,500) equity shares of Re. 1 each not fully paid up [Rs. 2.250 (March 31, 2013: Rs. 2.250)]	0.00	0.00
<b>Total issued, subscribed and paid-up share capital</b>	<b>1,525.91</b>	<b>389.24</b>

(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	Rs. in crore	Number	Rs. 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	<b>3,892,434,782</b>	<b>389.24</b>	<b>3,892,434,782</b>	<b>389.24</b>

Preference shares

	March 31, 2014		March 31, 2013	
	Number	Rs. in crore	Number	Rs. in crore
At the beginning of the year	-	-	-	-
Add: Issued during the year	-	-	-	-
a) Series A CCPS of Rs. 1,000 each	5,683,351	568.33	-	-
b) Series B CCPS of Rs. 1,000 each	5,683,353	568.34	-	-
Outstanding at the end of the year	-	-	-	-
a) Series A CCPS of Rs. 1,000 each	5,683,351	568.33	-	-
b) Series B CCPS of Rs. 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 Re. 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 Rs. 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, Duncam 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.

(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:

GMR Holdings Private Limited ('GHPL'), the Holding Company

Equity shares of Re. 1 each, fully paid up

GMR Infra Ventures LLP ('GIVLLP'), an associate of the Holding Company

Equity shares of Re. 1 each, fully paid up

GMR Enterprises Private Limited ('GEPL'), an associate of the Holding Company

Equity shares of Re. 1 each, fully paid up

Welfare Trust of GMR Infra Employees ('GWT'), an associate of the Holding Company

Equity shares of Re. 1 each, fully paid up

	March 31, 2014 Number	March 31, 2013 Number
GMR Holdings Private Limited ('GHPL'), the Holding Company	2,736,221,862	2,736,221,862
GMR Infra Ventures LLP ('GIVLLP'), an associate of the Holding Company	31,321,815	30,000,000
GMR Enterprises Private Limited ('GEPL'), an associate of the Holding Company	17,100,000	17,100,000
Welfare Trust of GMR Infra Employees ('GWT'), an associate of the Holding Company	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:

Equity shares allotted as fully paid-up for consideration other than cash<sup>1</sup>

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
Equity shares allotted as fully paid-up for consideration other than cash <sup>1</sup>	2.60	2.60

1. During the year ended March 31, 2010, 46,800,000 equity shares of Rs. 10 each of DIAL were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of Rs. 149.72 crore, which was discharged by allotment of 26,038,216 equity shares of the Company of Re. 1 each at an issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards securities premium).

(f) Details of shareholders holding more than 5% shares in the Company:

	March 31, 2014		March 31, 2013	
	Number	% holding in the class	Number	% holding in the class
<b>Equity shares of Re. 1 each fully paid</b>				
GHPL	2,736,221,862	70.30%	2,736,221,862	70.30%
<b>Series A CCPS of Rs. 1,000 each</b>				
Duncam 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%	-	-
<b>Series B CCPS of Rs. 1,000 each</b>				
Duncam 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.



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**4 Reserves and surplus**

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
<b>Capital reserve on consolidation</b>		
Balance as per the last financial statements	125.87	115.85
Add: Additions during the year	-	10.02
<b>Closing balance</b>	<b>125.87</b>	<b>125.87</b>
<b>Capital reserve on acquisition (as per the last financial statements) [refer note 4(a)]</b>	<b>3.41</b>	<b>3.41</b>
<b>Capital reserve (government grant) (as per the last financial statements) [refer note 4(e)]</b>	<b>65.49</b>	<b>65.49</b>
<b>Capital redemption reserve</b>		
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
<b>Closing balance</b>	<b>28.53</b>	<b>28.53</b>
<b>Debt redemption reserve</b>		
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
<b>Closing balance</b>	<b>172.36</b>	<b>158.62</b>
<b>Employee stock option outstanding (as per the last financial statements)</b>	<b>0.96</b>	<b>0.96</b>
<b>Securities premium account</b>		
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 debt redemption / share issue expenses, debt redemption / 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
<b>Closing balance</b>	<b>6,460.49</b>	<b>6,926.79</b>
<b>Foreign currency translation reserve</b>		
Balance as per the last financial statements	337.91	282.43
Movement during the year	81.15	55.48
<b>Closing balance</b>	<b>419.06</b>	<b>337.91</b>
<b>Foreign currency monetary items translation difference account</b>		
Balance as per the last financial statements	(2.51)	(2.50)
Movement during the year	4.88	(0.01)
<b>Closing balance</b>	<b>2.37</b>	<b>(2.51)</b>
<b>Special Reserve u/s 45-IC of Reserve Bank of India ('RBI') Act [refer note 4(b) and 4(c)]</b>		
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
<b>Closing balance</b>	<b>0.20</b>	<b>0.20</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance as per the last financial statements	(756.33)	(714.17)
Profit / (loss) for the year	10.01	88.12
<b>Appropriations</b>		
Add: Transfer from debt redemption reserve	108.75	21.66
Less: Transfer to debt redemption reserve	(122.49)	(99.50)
Less: Redemption premium to preference shareholders [refer note 35 (e)(ii)]	(464.17)	-
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: Rs. 1,868; March 31, 2013: Rs. Nil)	0.00	-
Less: Dividend distribution tax on proposed preference share dividend (March 31, 2014: Rs. 318; March 31, 2013: Rs. 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)
<b>Net (deficit) / surplus in the statement of profit and loss</b>	<b>(1,183.56)</b>	<b>(756.33)</b>
<b>Total reserves and surplus</b>	<b>6,095.18</b>	<b>6,888.94</b>

**Note 4(a)**

GAIL purchased the aircraft division of GMR Industries Limited ('GIDL') under slump sale on October 01, 2008 for a purchase consideration of Rs. 29.00 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of Rs. 3.41 crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognised as capital reserve on acquisition.

**Note 4(b)**

As required by section 45-IC of the RBI Act, 20% of DSPIL'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. 182/01.02.636/2012-13 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Re. 0.10 per equity share of Re. 1 each for the year ended March 31, 2014 and dividend on preference shares at the rate of 0.001% on a pro rata 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, GHAI had received a grant of Rs. 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 Rs. 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 GHAI, Rs. 1.92 crore was transferred to minority interest.



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**5 Long-term borrowings**

	Non-current portion		Current maturities	
	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
<b>Bonds / debentures</b>				
Debentures (secured)	2,249.27	2,298.15	48.88	44.61
Debentures (unsecured)	-	194.50	175.00	175.00
<b>Term loans</b>				
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	-	-
<b>Other loans</b>				
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	-	-
	<b>33,599.28</b>	<b>31,633.16</b>	<b>5,853.28</b>	<b>5,859.52</b>
<b>The above amount includes</b>				
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	<b>33,599.28</b>	<b>31,633.16</b>	<b>-</b>	<b>-</b>

- During the year ended March 31, 2012, GEL has issued 8,000 secured, redeemable and non convertible debentures of Rs. 0.10 crore (Rs. 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 Rs. 10 each of GEL held by GREEL; (c) pari passu pledge over 30% of fully paid-up equity shares of Rs. 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 Rs. 0.10 crore (Rs. 977,500) (March 31, 2013: Rs. 0.10 crore (Rs. 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.
- During the year ended March 31, 2012, the Company had entered into an agreement to issue 7,000 secured, redeemable, non convertible debentures of Rs. 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 Rs. 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 Rs. 10 each of GEL held by GREEL; (c) pari passu pledge over 30% of fully paid-up equity shares of Rs. 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 Rs. 0.10 crore (Rs. 977,500) (March 31, 2013: Rs. 0.10 crore (Rs. 987,500)) per debenture.
- Secured, redeemable and non convertible debentures of Rs. 0.10 crore each issued by GPEPL amounting to Rs. 538.65 crore (March 31, 2013: Rs. 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.
- During the year ended March 31, 2010, the Company issued 5,000 unsecured redeemable, non convertible debentures of Rs. 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 Rs. 0.04 crore (Rs. 350,000) (March 31, 2013: Rs. 0.07 crore (Rs. 700,000)) per debenture.
- During the year ended March 31, 2013, EDWPCPL had issued Rs. 1,950 unsecured fully convertible debentures of Rs. 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 Rs. 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.
- Secured Indian rupee term loan from a bank of Rs. 250.00 crore (March 31, 2013: Rs. 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.).



**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

- 7 Secured Indian rupee term loan from a bank of Rs. Nil (March 31, 2013: Rs. 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 Rs. 300.00 crore (March 31, 2013: Rs. 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 Rs. 250.00 crore (March 31, 2013: Rs. 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 Rs. 188.00 crore (March 31, 2013: Rs. 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 Rs. 136.34 crore (March 31, 2013: Rs. 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 Rs. 1,684.72 crore (March 31, 2013: Rs. 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 Rs. 35.00 crore (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 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 Rs. 263.77 crore (March 31, 2013: Rs. 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 Rs. 241.30 crore (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

- 18 Secured Indian rupee term loans from banks of Rs. 716.00 crore (March 31, 2013: Rs. 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 Rs. 186.86 crore (March 31, 2013: Rs. 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 NHA1, 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 NHA1 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 Rs. 1,061.73 crore (March 31, 2013: Rs. 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 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 Rs. 2,979.56 crore (March 31, 2013: Rs. 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, Rs. 968.91 crore is repayable in 59 quarterly unequal instalments from September 2013 to March 2028, Rs. 1,212.65 crore is repayable in 60 quarterly unequal instalments from June 2013 to March 2028 and Rs. 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 Rs. 929.65 crore (March 31, 2013: Rs. 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 Rs. 188.40 crore (March 31, 2013: Rs. 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 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 Rs. 1,402.90 crore (March 31, 2013: Rs. 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 Rs. 604.90 crore (March 31, 2013: Rs. 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 Rs. 798 crore (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. 39.78 crore (March 31, 2013: Rs. 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 Rs. 2,616.57 crore (March 31, 2013: Rs. 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 Rs. 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 Rs. 542.69 crore are repayable in 50 unequal quarterly instalments commencing from October 2016.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

- 28 Secured Indian rupee term loans from banks and financial institutions of Rs. 3,305.95 crore (March 31, 2013: Rs. 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 Rs. 300.00 crore (March 31, 2013: Rs. 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 GGSPPL 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 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 Rs. 2,022.35 crore (March 31, 2013: Rs. 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 Rs. 2,644.10 crore (March 31, 2013: Rs. 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 Rs. 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 Rs. 195.95 crore (March 31, 2013: Rs. 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 Rs. 85.99 crore (March 31, 2013: Rs. 88.65 crore) of MTSCCL 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 MTSCCL and all rights, titles, permits, interests in respect of MTSCCL 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 Rs. 13.93 crore (March 31, 2013: Rs. 14.45 crore) of ATSCCL 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 ATSCCL and all rights, titles, permits, and interests of ATSCCL 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 Rs. 23.10 crore (March 31, 2013: Rs. 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.



**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

- 37 Secured Indian rupee term loans from banks of Rs. 40.84 crore (March 31, 2013: Rs. 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 inmovable 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 Rs. 56.44 crore (March 31, 2013: Rs. 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, 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 Rs. 116.00 crore (March 31, 2013: Rs. 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 Rs. 3.76 crore (March 31, 2013: Rs. Nil) and principal amount of Rs. 1.45 crore (March 31, 2013: Rs. 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 Rs. 3.32 crore (March 31, 2013: Rs. 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 Rs. 2.40 crore (March 31, 2013: Rs. 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 Rs. 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 Rs. 38.05 crore (March 31, 2013: Rs. 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 Rs. 74.31 crore (March 31, 2013: Rs. 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 Rs. 43.26 crore (March 31, 2013: Rs. 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 Rs. 4.86 crore (March 31, 2013: Rs. 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 Rs. 7.90 crore (March 31, 2013: Rs. 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 Rs. 8.61 crore (March 31, 2013: Rs. 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 Rs. 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 Rs. 45.69 crore (March 31, 2013: Rs. 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.
- 49 Secured Indian rupee term loans from a bank of Rs. 21.61 crore (March 31, 2013: Rs. 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 Rs. 0.41 crore each. The rate of interest is BPLR minus 1.00% p.a.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

- 50 Secured Indian rupee term loan from a bank of Rs. 250.00 crore (March 31, 2013: Rs. 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 Rs. 260.00 crore (March 31, 2013 : Rs. 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 Rs. 221.80 crore (March 31, 2013: Rs. 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 Rs. 97.50 crore (March 31, 2013: Rs. 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 Rs. 900.00 crore (March 31, 2013: Rs. 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 Rs. 200.00 crore has been considered as current maturities of such loans.
- 55 Secured Indian rupee term loan from a bank of Rs. 500.00 crore (March 31, 2013: Rs. 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 Rs. 150.00 crore has been considered as current maturities of such loans.
- 56 Secured Indian rupee term loan from a financial institution of Rs. 800.00 crore (March 31, 2013: Rs. 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 Re. 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 Rs. 250.00 crore (March 31, 2013: Rs. 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 Rs. 25.59 crore (March 31, 2013: Rs. 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 Rs. 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 Rs. 700.00 crore (March 31, 2013: Rs. 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 Rs. 150.00 crore (March 31, 2013: Rs. 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 Rs. 44.00 crore (March 31, 2013: Rs. 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 Rs. 195.00 crore (March 31, 2013: Rs. 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 Re. 1 each of the Company, held by GHPL and (c) pledge of such number of equity shares of Rs. 10 each of GEL having book value of minimum of Rs. 400.00 Crore (March 31, 2013: Rs. 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 Rs. 0.27 crore (March 31, 2013: Rs. 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.





**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

- 64 Secured foreign currency loan from a financial institution of Rs. 483.92 crore (March 31, 2013: Rs. 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 inmovable 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 Rs. 170.36 crore (March 31, 2013: Rs. 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 Rs. 335.36 crore (March 31, 2013: Rs. 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 Rs. 311.63 crore (March 31, 2013: Rs. 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 Rs. 871.06 crore (March 31, 2013: Rs. 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 Rs. 100.57 crore (March 31, 2013: Rs. Nil) of MTSCCL 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 MTSCCL held by GEL, and (d) all rights, titles, permits and interests of MTSCCL 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. MTSCCL 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 699.07 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 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. 2,443.14 crore (March 31, 2013: Rs. 1,870.06 crore) of DIAL are secured by first rank pari-passu charge on all the future revenues, receivables, TRA, DSRA, major maintainance 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 Rs. Nil (March 31, 2013: Rs. 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.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

- 76 Secured foreign currency loans from banks of Rs. 80.67 crore (March 31, 2013: Rs. 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 Rs. 100.35 crore (March 31, 2013: Rs. 90.91 crore) of ATSCIL 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 ATSCIL; and (d) all rights, titles, permits and interest of ATSCIL 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. ATSCIL 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 Rs. 2,697.74 crore (March 31, 2013: Rs. 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 utilisation 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 Rs. 967.84 crore (March 31, 2013: Rs. 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 Rs. 241.96 crore (March 31, 2013: Rs. 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 Rs. 250.00 crore (March 31, 2013 : Rs. 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 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 Rs. 100.00 crore (March 31, 2013 : Rs. 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 Rs. 183.33 crore (March 31, 2013 : Rs. 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 Re. 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 Rs. 0.36 crore (March 31, 2013 : Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. 0.91 crore (March 31, 2013: Rs. Nil) of DCSCPL is interest free. The loan is payable after 48 months from the date of disbursement.
- 87 Unsecured loan from others of Rs. Nil (March 31, 2013: Rs. 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 Rs. 14.51 crore (March 31, 2013: Rs. 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 Rs. 1.00 crore (March 31, 2013: Rs. 1.10 crore) of HMACPL is interest free. The loan is repayable in 15 equal annual instalments of Rs. 0.10 crore each commencing from April 2009.
- 90 Unsecured loan from others of Rs. Nil (March 31, 2013: Rs. 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.



**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

- 91 Unsecured loan from others of Rs. 1.25 crore (March 31, 2013: Rs. 0.96 crore) of DSSHPL carries an interest rate of base rate plus 2.5% p.a. Loans of Rs. 0.56 crore is repayable in 45 equal monthly instalments commencing from November 2011 and loans of Rs. 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 Rs. 6.25 crore (March 31, 2013: Rs. 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 Rs. 71.20 crore (March 31, 2013: Rs. 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 Rs. 61.00 crore (March 31, 2013: Rs. 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 Rs. 48.00 crore of GGSPPL (March 31, 2013: Rs. 48.00 crore) represents interest free retention money repayable after 15 years.
- 96 Bills discounted of Rs. 134.70 crore (March 31, 2013: Rs. 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 Rs. 0.64 crore (March 31, 2013: Rs. 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 Rs. 0.84 crore (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. 66.41 crore (March 31, 2013: Rs. 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 Rs. 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 Rs. 315.05 crore (March 31, 2013: Rs. 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.



GMR INFRASTRUCTURE LIMITED  
Notes to the consolidated financial statements for the year ended March 31, 2014

6 Other long-term liabilities

	March 31, 2014	March 31, 2013
	Rs. in crore	Rs. in crore
<b>Trade payables</b>		
	20.97	68.57
	20.97	68.57
<b>Others</b>		
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

7 Provisions

	Long-term		Short-term	
	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
<b>Provision for employee benefits</b>				
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	31.09	55.42
	73.67	95.34	116.36	120.56
<b>Other provisions</b>				
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



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**8 Short-term borrowings**

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
<b>Secured:</b>		
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
<b>Unsecured:</b>		
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
	<b>5,588.17</b>	<b>4,856.62</b>
<b>The above amount includes</b>		
Secured borrowings	5,083.25	4,552.09
Unsecured borrowings	504.92	304.53
	<b>5,588.17</b>	<b>4,856.62</b>

- Cash credit from banks of Rs. 47.67 crore (March 31, 2013: Rs. 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.).
- Cash credit from banks of Rs. Nil (March 31, 2013: Rs. 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.).
- Cash credit from banks of Rs. Nil (March 31, 2013: Rs. 0.20 crore) of TIM was secured by charge on receivables and subservient charge on security deposit of Rs. 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.).
- Cash Credit of DIAL of Rs 125.19 crore (March 31, 2013 : Rs. 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.
- Bank overdraft of Rs. 20.87 crore (March 31, 2013 : Rs. 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.).
- Bank overdraft of Rs. Nil (March 31, 2013: Rs. 65.71 crore) of GETL was secured against bank deposits of GETL. The rate of interest was 10.22% p.a.
- Cash credit from banks of Rs. 0.36 crore (March 31, 2013: Rs. 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.
- Cash credit from banks of Rs. 8.11 crore (March 31, 2013: Rs. 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.)
- Cash credit from banks of Rs. Nil (March 31, 2013: Rs. 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.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

- 10 Cash credit from banks of Rs. 4.98 crore (March 31, 2013: Rs. 4.00 crore) of GHRL is secured by way of first pari passu charge on entire current assets and 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 Rs. 136.64 crore (March 31, 2013: Rs. 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 Rs. 42.13 crore (March 31, 2013: Rs. 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 Rs. 96.07 crore (March 31, 2013: Rs. 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 Rs. 1,695.53 crore (March 31, 2013 : Rs. 1,452.01 crore) and foreign letters of credit of Rs. 1,462.72 crore (March 31, 2013 : Rs. 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 Rs. Nil (March 31, 2013 : Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013 : Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. 422.08 crore (March 31, 2013: Rs. 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 Rs. 1.38 crore (March 31, 2013: Rs. 2.49 crore) for the month of March 2014.
- 20 Secured Indian rupee short term loan from a bank of Rs. 280.00 crore (March 31, 2013 : Rs. 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 Rs. 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 Rs. 2.21 crore (March 31, 2013: Rs. 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.)



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

- 22 Secured Indian rupee short term loans from banks of Rs. 1.14 crore (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. 140.79 crore (March 31, 2013: Rs. 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.
- 25 Secured Indian rupee short term loans from banks of Rs. 189.99 crore (March 31, 2013 : Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. 8.19 crore (March 31, 2013: Rs. 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 Rs. 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 Rs. 75.27 crore (March 31, 2013: Rs. 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 Rs. 314.46 crore (March 31, 2013: Rs. 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 Rs. 8.85 crore (March 31, 2013: Rs. 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 Rs. 414.36 crore (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. 61.76 crore (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 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 Rs. Nil (March 31, 2013: Rs. 10.00 crore) of DSPL carried an interest rate of 10.00% p.a.
- 38 Unsecured short term loans from others of Rs. 28.80 crore (March 31, 2013: Rs. Nil) of GETL carries an interest rate of 13.00 % p.a.



GMR INFRASTRUCTURE LIMITED  
Notes to the consolidated financial statements for the year ended March 31, 2014

9 Other Current Liabilities

Trade payables (including acceptances)

	March 31, 2014	March 31, 2013
	Rs. In crore	Rs. In crore
	1,759.31	1,481.59
	<b>1,759.31</b>	<b>1,481.59</b>
<b>Other liabilities</b>		
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
Bank 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 (D)(i))	150.04	185.60
Other liabilities		
	71.67	97.00
	10,547.84	11,492.21
	<b>12,307.15</b>	<b>12,973.80</b>

\* During the year ended March 31, 2014, share application money pending refund of Rs. 0.01 crore was paid to the investors and Rs. 0.04 crore due and outstanding for more than seven years has been credited to Investor education and protection fund.





GMR INFRASTRUCTURE LIMITED  
Notes to the consolidated financial statements for the year ended March 31, 2014

10 Tangible assets

(Rs. in crore)

	Freshhold land	Leasehold land	Roadways 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
<b>Gross block</b>													
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	19,310.58
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)	(1.11)	(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	7.38	9.21	-	-	-	306.91
Borrowing costs	10.73	-	-	40.06	153.14	0.49	-	0.82	-	-	-	-	203.24
Transferred to claims recoverable	-	-	-	(3.82)	(7.20)	-	(9.44)	(7.43)	(3.68)	-	-	-	(31.57)
Transferred to assets held for sale	-	-	-	-	(1.05.20)	-	(0.32)	(0.04)	(126.24)	-	-	-	(127.60)
As at March 31, 2013	267.80	133.53	2,685.38	8,334.23	9,415.02	259.36	587.64	343.67	334.67	2.46	5.39	0.07	22,448.98
Additions	5.34	79.47	9.09	492.37	6,100.42	(13.90)	12.95	17.36	171.75	-	-	-	6,963.25
Disposals	17.55	-	-	23.14	3.82	9.52	1.58	6.16	0.12	-	-	-	61.89
Adjustments against development fund (DF)	-	-	-	(8.46)	(0.27)	(0.27)	(4.19)	(2.34)	(187.25)	-	-	-	(205.97)
Other adjustments	-	-	-	(1,307.66)	(9.33)	(6.56)	(1.09)	(16.32)	(0.99)	-	-	-	(1,341.95)
Exchange differences	-	-	0.33	1.56	0.97	-	-	0.04	-	-	-	-	2.90
Borrowing costs	0.02	4.76	6.82	43.54	(78.03)	-	(0.38)	14.17	4.12	-	(5.39)	-	(10.39)
Transferred to claims recoverable	-	(4.50)	37.35	362.80	413.34	4.60	5.31	11.93	7.91	-	-	-	838.76
Transferred to assets held for sale	-	-	-	66.56	816.63	-	-	-	-	-	-	-	883.19
As at March 31, 2014	290.71	203.26	2,730.57	7,897.87	16,719.38	280.55	601.82	374.44	330.33	2.46	-	0.07	29,440.46
<b>Accumulated depreciation</b>													
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)	-	-	-	(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)	-	-	-	(3.37)
Transferred to assets held for sale	-	-	-	(20.81)	(20.81)	-	(0.22)	(0.05)	(40.10)	-	-	-	(61.21)
As at March 31, 2013	-	-	355.79	989.31	2,362.29	24.57	255.37	100.99	76.31	1.98	5.39	0.07	4,182.47
Charge for the year	5.24	101.35	329.23	636.59	636.59	10.88	53.45	39.09	25.78	0.48	-	-	1,202.09
Disposals	-	-	-	1.05	1.80	2.20	0.81	3.31	0.08	-	-	-	9.25
Exchange differences	-	-	-	(2.06)	(0.29)	-	(3.13)	(1.28)	(9.35)	-	-	-	(16.11)
Transferred to claims recoverable	-	-	-	(300.50)	(4.09)	(1.53)	(0.45)	(11.38)	(0.50)	-	-	-	(318.45)
Transferred to assets held for sale	-	6.34	0.58	4.22	(7.38)	1.22	(0.31)	2.42	0.78	-	(5.39)	-	(10.06)
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	5,101.35
<b>Net Block</b>													
As at March 31, 2013	267.80	123.53	2,329.50	7,234.41	7,052.73	235.79	332.27	234.45	258.46	0.48	-	-	18,062.51
As at March 31, 2014	290.71	192.66	2,391.85	6,837.24	15,730.35	241.21	296.67	231.61	237.31	-	-	-	24,338.61



**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

**Notes:**

- 1 Buildings with a gross book value of Rs. 6,622.03 crore (March 31, 2013: Rs. 6,346.99 crore) and runways are on leasehold land
- 2 Deductions on disposal / dilution of subsidiaries / jointly controlled entities includes gross block of Rs. 1,334.24 crore and accumulated depreciation of Rs. 314.86 crore pertaining to ISG
- 3 Disposals from gross block includes Rs. 6.39 crore (March 31, 2013: Rs. 0.56 crore) on reversal of outstanding liabilities pertaining to project construction which are no longer payable (March 31, 2013: Rs. 0.12 crore)
- 4 DP of Rs. 2.90 crore (March 31, 2013: Rs. 2.84 crore) received towards development of aeronautical assets in DJAL 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 Rs. 0.36 crore (March 31, 2013: Rs. Nil) of GIL from tangible assets to intangible assets
  - b Reclassification of Rs. Nil (March 31, 2013: Rs. Nil) from buildings to land settlements of vendors in respect of Terminal 3
  - c Gross block of Rs. 4.70 crore (March 31, 2013: Rs. 21.73 crore) and accumulated depreciation of Rs. 0.55 crore (March 31, 2013: Rs. Nil) of DJAL towards reduction in liability in final settlement with vendors in respect of Terminal 3
  - d Rs. Nil crore (March 31, 2013: Rs. 6.26 crore) of DAPSL on reversal of outstanding liabilities pertaining to project construction which are no longer payable
  - e Gross block of Rs. 4.70 crore (March 31, 2013: Rs. Nil crore) and accumulated depreciation of Rs. 0.08 crore (March 31, 2013: Rs. Nil) of GHASI on reversal of outstanding liabilities pertaining to project construction which are no longer payable.
  - f Rs. 3.71 crore (March 31, 2013: Rs. Nil) of EMCO represents refund received from Maharashtra Industrial Development Corporation (MIDCO) in respect of lease hold land
  - g Other adjustments of Rs. 8.47 crore in gross block and Rs. 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 Rs. 5.39 crore in gross block and Rs. 5.39 crore in accumulated depreciation of leased office equipments during the period ended March 31, 2014 represents reversal of depreciation 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 Rs. 230.53 crore (March 31, 2013: Rs. 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 Rs. 608.25 crore (March 31, 2013: Rs. 288.25 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 Rs. Nil and Rs. Nil (March 31, 2013: Rs. 31.57 crore and Rs. 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 Rs. Nil and Rs. Nil (March 31, 2013: Rs. 125.91 crore and Rs. 39.96 crore) of GAPI.
    - b Rs. Nil and Rs. Nil (March 31, 2013: Rs. 102.52 crore and Rs. 20.73 crore) consequent to sale of mining rights in HEGL. Refer note 30 (c)
    - c Rs. Nil and Rs. Nil (March 31, 2013: Rs. 1.46 crore and Rs. 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 Rs. 3.88 crore (March 31, 2013: Rs. 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 Rs. 41.54 crore (March 31, 2013: Rs. 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 Rs. 182.71 crore and accumulated depreciation of Rs. 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 Rajsthan Rajya Vidyut Prasarin 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 Rs. 217.89 crore of GKEL and Rs. 34.61 crore of EMCO (March 31, 2013: Rs. 107.76 crore of EMCO)



(Rs. in crore)

11. Intangible assets

	Goodwill on consolidation	Airport concessionaire rights	Capitalised software	Carriageways	Mining properties (including deferred exploration and stripping costs)	Technical know-how	Total
<b>Cross block</b>							
<b>Cost or Valuation</b>							
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)
<b>As at March 31, 2013</b>	<b>3,261.84</b>	<b>508.48</b>	<b>103.46</b>	<b>6,145.13</b>	<b>228.20</b>	<b>17.03</b>	<b>10,264.14</b>
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)
<b>As at March 31, 2014</b>	<b>3,561.17</b>	<b>499.48</b>	<b>108.09</b>	<b>5,990.18</b>	<b>172.84</b>	<b>17.03</b>	<b>10,348.79</b>
<b>Accumulated amortisation</b>							
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
<b>As at March 31, 2013</b>	<b>-</b>	<b>49.61</b>	<b>58.14</b>	<b>660.53</b>	<b>24.76</b>	<b>4.90</b>	<b>797.96</b>
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
<b>As at March 31, 2014</b>	<b>-</b>	<b>53.40</b>	<b>76.69</b>	<b>749.21</b>	<b>59.84</b>	<b>8.98</b>	<b>948.12</b>
<b>Accumulated impairment</b>							
As at April 1, 2012	98.71	-	-	-	98.76	-	197.47
Charge for the year	98.71	-	-	-	98.76	-	197.47
<b>As at March 31, 2013</b>	<b>98.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98.76</b>	<b>-</b>	<b>197.47</b>
Charge for the year	1.31	-	-	-	-	-	1.31
Disposals	-	-	-	-	(98.76)	-	(98.76)
<b>As at March 31, 2014</b>	<b>100.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.02</b>
<b>Net Block</b>							
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:

- 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 Rs. 8.69 crore made to the minority shareholders of HHPPL.
- 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 Rs. 75.45 crore and acquisition of NREPL and HFEPL Rs. 2.45 crore.
- 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).
- 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 (c).
- 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).
- Impairment of goodwill of Rs. Nil (March 31, 2013 : Rs. 98.71 crore) represents impairment of goodwill on consolidation of HEGL. For details, refer note 30 (c).
- Impairment of goodwill of Rs. 1.31 crore (March 31, 2013 : Rs. Nil) represents impairment of goodwill on consolidation of MTSC and ATSC. For details, refer note 35 (g)(xii).
- Exchange difference in goodwill on consolidation represents foreign exchange gain of Rs. 221.43 crore (March 31, 2013: Rs. 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.
- Foreign exchange differences in gross block includes foreign exchange loss of Rs. 9.66 crore (March 31, 2013: foreign exchange gain of Rs. 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.
- Claim recoverable in gross block and accumulated amortisation of Rs. 453.25 crore and Rs. 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 MAEL. Refer note 30 (b).
- Impairment loss during the year ended March 31, 2013 includes Rs. 98.76 crore pertaining to impairment of mining properties held by HEGL. Refer note 30 (c).
- Amortisation for the year includes Rs. 0.82 crore (March 31, 2013: Rs. 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).
- Foreign exchange differences in accumulated amortisation represents foreign exchange gain of Rs. 0.71 crore (March 31, 2013 : exchange loss of Rs. 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.
- Assets held for sale as at March 31, 2013 includes gross block and accumulated amortisation of-  
a. Gross block of Rs. 539.82 crore and accumulated amortisation of Rs. 59.77 crore of carriageways due to sale of GJEPL subsequent to year ended March 31, 2013.  
b. Gross block of Rs. 90.67 crore and accumulated amortisation of Rs. 39.34 crore of mining properties due to sale of certain mines by the Group subsequent to the year ended March 31, 2013.
- Other adjustments in the Gross Block and accumulated depreciation during the year includes:  
a. Reclassification of gross block Rs. 0.36 crore (March 31, 2013: Rs. Nil) and accumulated depreciation Rs. 0.36 crore (March 31, 2013: Rs. Nil) of GIL from tangible assets to intangible assets  
b. Rs. 6.25 crore (March 31, 2013: Rs. Nil) of GACEPL on account of consideration from NHAI towards settlement of dues incurred for additional works undertaken by GACEPL during construction of carriageways
- During the year ended March 31, 2014, GHVEPL and GPEPL have capitalised carriageways of Rs. 16.24 crore and Rs. 2.07 crore respectively on account of further construction activities.
- Additions in carriageways during the year ended March 31, 2014 includes Rs. 845.35 crore (including borrowing costs) in gross block and Rs. 38.25 crore in accumulated amortisation from GORRPL.
- 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 Rs. 98.76 crore which were impaired during the year ended March 31, 2013.
- Also refer note 10 (12), 10 (13) and 10 (14) of tangible assets.



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**12 Non-current investments**

**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 Rs. 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 Rs. 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] (Rs. 3,924 (March 31, 2013: Rs. 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 Rs. 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 Rs. 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 Rs. 10 each, fully paid up]

0.06

0.06

Ujjivan Financial Services Private Limited

[50,000 (March 31, 2013: 50,000) equity shares of Re. 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 Rs. 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 - Rs. 104.22 crore (March 31, 2013 : Rs. 104.16 crore)



GMR INFRASTRUCTURE LIMITED  
Notes to the consolidated financial statements for the year ended March 31, 2014

13 Loans and advances

	Non-current		Current	
	March 31, 2014 Rs. In crore	March 31, 2013 Rs. In crore	March 31, 2014 Rs. In crore	March 31, 2013 Rs. In crore
<b>Capital advances</b>				
Unsecured, considered good	1,159.89	2,114.65	-	-
<b>(A)</b>	<b>1,159.89</b>	<b>2,114.65</b>	<b>-</b>	<b>-</b>
<b>Security deposit</b>				
Unsecured, considered good	216.39	237.76	38.07	5.75
Unsecured, considered doubtful	0.31	-	-	-
Provision for doubtful deposits	216.70	237.76	38.07	5.75
	(0.31)	-	-	-
<b>(B)</b>	<b>216.39</b>	<b>237.76</b>	<b>38.07</b>	<b>5.75</b>
<b>Advances recoverable in cash or kind</b>				
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)
<b>(C)</b>	<b>216.31</b>	<b>187.61</b>	<b>281.85</b>	<b>219.17</b>
<b>Other loans and advances</b>				
<b>Unsecured, considered good</b>				
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
Loans 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
<b>Unsecured, considered doubtful</b>				
Loans to others	49.32	49.32	-	-
Balances with statutory / government authorities	6.23	6.23	-	-
Provision for doubtful advances	55.55	55.55	-	-
	(55.55)	(55.55)	-	-
<b>(D)</b>	<b>848.49</b>	<b>937.80</b>	<b>173.23</b>	<b>654.87</b>
<b>Total (A+B+C+D)</b>	<b>2,441.08</b>	<b>3,477.82</b>	<b>493.15</b>	<b>879.79</b>
<b>Capital advances includes advances to related parties:</b>				
JL&FS Environmental Infrastructure & Services Limited ('HEISL')	-	27.94	-	-
GMR Projects Private Limited ('GPPL')	590.00	590.00	-	-
<b>Security deposit includes deposits with related parties:</b>				
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
<b>Advances recoverable in cash or kind includes advances to related parties:</b>				
Airport Authority of India ('AAI')	-	-	0.94	0.76
Celebi Ground Handling Delhi Private Limited ('CELBI GHDPL')	-	-	0.33	0.57
Caumbata 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
GHPIL	-	-	0.41	-
Bird World Wide Flight Services India Private Limited ('BWWFISPL')	-	-	1.41	1.21
Laqshya	-	-	0.06	-
<b>Loan to others includes loans to related parties:</b>				
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	-	-
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	-	-



GMR INFRASTRUCTURE LIMITED  
Notes to the consolidated financial statements for the year ended March 31, 2014

14 Trade receivables

	Non-current		Current	
	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good	69.13	62.03	586.78	404.49
Unsecured, considered doubtful	3.96	4.81	53.45	33.77
	73.09	66.86	619.23	438.26
Provision for doubtful trade receivables	(3.95)	(4.83)	(32.45)	(33.77)
<b>(A)</b>	<b>69.13</b>	<b>62.03</b>	<b>586.78</b>	<b>404.49</b>
<b>Other receivables</b>				
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>(B)</b>	<b>102.63</b>	<b>111.38</b>	<b>1,013.36</b>	<b>1,291.14</b>
<b>Total (A+B)</b>	<b>171.76</b>	<b>173.41</b>	<b>1,600.14</b>	<b>1,695.63</b>

15 Other assets

	Non-current		Current	
	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances (refer note 18)	1,894.24	1,795.76	-	-
<b>(A)</b>	<b>1,894.24</b>	<b>1,795.76</b>		
<b>Unamortised expenditure</b>				
Ancillary cost of arranging the borrowings	397.70	332.13	84.76	41.52
<b>(B)</b>	<b>397.70</b>	<b>332.13</b>	<b>84.76</b>	<b>41.52</b>
<b>Others</b>				
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	4.82	7.71	316.81	282.29
	1,510.99	1,717.92	2,597.95	1,470.57
Less: Provision for doubtful non trade receivables	-	-	(27.27)	(27.27)
<b>(C)</b>	<b>1,510.99</b>	<b>1,717.92</b>	<b>2,570.68</b>	<b>1,443.30</b>
<b>Total (A+B+C)</b>	<b>3,802.93</b>	<b>3,845.81</b>	<b>2,655.44</b>	<b>1,484.82</b>



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**16 Current investments**

**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 Rs. 10 each, fully paid up]

Aviva Corporation Limited

[4,000,000 (March 31, 2013: 4,000,000) common shares without par value]

Caracara Silver Inc.

[2,116,451 (March 31, 2013: 2,116,451) unlimited common shares without par value]

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
	1.03	1.60
	3.09	2.04
	0.25	0.81
(i)	<b>4.37</b>	<b>4.45</b>

**Trade, unquoted**

**A. Investment in equity shares of associates #**

GJEPL\* (net off share of losses amounting to Rs. 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 Rs. 10 each, fully paid up]

GUEPL (net off share of losses amounting to Rs. 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 Rs. 10 each, fully paid up]

	41.83	-
	77.28	-
(ii)	<b>119.11</b>	-

**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 Rs. 100 each]

Birla Sunlife Infrastructure Fund - Plan - Dividend - Payout

[4,720,000 (March 31, 2013 : 4,720,000) units of Rs. 10 each]

Birla Sun Life Cash Plus - Institutional Premium Growth

3,908,327 (March 31, 2013 : 5,393,513) units of Rs. 100 each]

IDFC Cash Fund Super Institutional Plan C - Growth

[7,722 (March 31, 2013 : 88,362) units of Rs. 1,000 each]

IDBI Liquid Fund - Regular Plan - Growth

[137,495 (March 31, 2013 : 20,805) units of Rs. 1,000 each]

SBI Premier Liquid Fund - Regular Plan - Growth

[92,502 (March 31, 2013 : 8,173) units of Rs. 1,000 each]

Axis Liquid Institutional - Growth Option

[70,511 (March 31, 2013: Nil) units of Rs. 1,000 each]

Birla Sunlife Cash Plus - Growth - Regular Plan

[776,693 (March 31, 2013: Nil) units of Rs. 100 each]

IDFC Cash Fund - Growth - Regular Plan

[1,093 (March 31, 2013 : Nil) units of Rs. 1,000 each]

Reliance Liquidity Fund Growth Plan

[163,297 (March 31, 2013 : Nil) units of Rs. 1,000 each]

Sundaram Money Fund - Regular Growth

[1,853,722 (March 31, 2013: Nil) units of Rs. 10 each]

TATA Liquid Super High Investment Fund - Appreciation

[65,871 (March 31, 2013: Nil) units of Rs. 1,000 each]

UTI Liquid Fund - Cash Plan - Institutional Growth

[143,654 (March 2013 : Nil) units of Rs. 1,000 each]

Baroda Pioneer Liquid Fund Growth Plan

[Nil (March 31, 2013 : 31,829) units of Rs. 1,000 each]

Birla Sunlife Cash Plus Institutional - Daily Dividend

[Nil (March 31, 2013 : 85,208) units of Rs. 100 each]

LIC Nomura - Liquid Fund - Growth Plan

[Nil (March 31, 2013 : 134,639) units of Rs. 1,000 each]

	0.58	9.78
	5.54	4.60
	80.32	101.11
	1.20	12.58
	18.86	2.61
	18.61	1.50
	10.00	-
	15.94	-
	0.17	-
	30.86	-
	5.01	-
	15.57	-
	30.13	-
	-	4.27
	-	1.60
	-	28.62

**B. Investment in non-convertible debentures**

9% Shriram Transport Company Limited

[Nil (March 31, 2013 : 42,284) units of Rs. 1,000 each]

	-	4.23
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**C. Investments in venture capital funds:**

Faering Capital India Evolving Fund

[56,855 (March 31, 2013 : 38,450) units of Rs. 1,000 each]

	4.84	3.28
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**D. Investment in hedge funds:**

Hausmann Holdings

[36 (March 31, 2013 : Nil) units of USD 2,555 each]

	0.57	-
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**E. Investment in other funds:**

CNC Global Opportunities Fund SPC

[63,500 (March 2013 : Nil) Units of USD 1,000 each]

Harrington Master

[4,898 (March 31, 2013 : Nil) units of USD 1,000 each]

	384.11	-
	29.56	-

(iii)	<b>651.87</b>	<b>174.18</b>
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**Total - (iv) = (i)+(ii)+(iii)**

	<b>775.35</b>	<b>178.63</b>
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**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

# 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 - Rs. 4.37 crore (March 31, 2013: Rs. 4.70 crore)
2. Aggregate amount of current unquoted investments - Rs. 770.98 crore (March 31, 2013: Rs. 174.18 crore)
3. Aggregate provision for diminution in the value of current investments - Rs. 16.75 crore (March 31, 2013: Rs. 17.18 crore)





**GMR INFRASTRUCTURE LIMITED**  
Notes to the consolidated financial statements for the year ended March 31, 2014

**17 Inventories (valued at lower of cost and net realisable value)**

Raw materials  
Work-in-progress  
Traded goods / finished goods  
Stores, spares and components

	March 31, 2014	March 31, 2013
	Rs. in crore	Rs. 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
	<b>358.92</b>	<b>270.43</b>

**18 Cash and bank balances**

**Cash and cash equivalents**

Cheques / drafts on hand  
Cash on hand

**Balances with banks:**

- On current accounts\* ^^  
- Deposits with less than three months maturity

**Other bank balances**

- Deposits with maturity for more than 12 months  
- Deposits with maturity for more than 3 months but less than 12 months  
- Restricted deposits \*\* ^

Amount disclosed under non-current assets (refer note 15)

	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Rs. in crore	Rs. in crore	Rs. in crore	Rs. in crore
Cash and cash equivalents	-	-	14.13	10.08
Cheques / drafts 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
	<b>11.31</b>	<b>-</b>	<b>1,494.31</b>	<b>3,783.11</b>
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 ** ^	1,852.47	1,659.56	1,522.69	1,164.17
	<b>1,882.98</b>	<b>1,795.76</b>	<b>1,826.88</b>	<b>1,351.73</b>
Amount disclosed under non-current assets (refer note 15)	<b>1,894.24</b>	<b>1,795.76</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>	<b>3,321.19</b>	<b>5,134.84</b>

\* Includes share application money pending refund Rs Nil (March 31, 2013: Rs 0.05 crore)

\*\* Includes fixed deposits in GICL of Rs 832.78 crore (March 31, 2013: Rs 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 Rs 0.14 crore (March 31, 2013: Rs Nil) and Rs 11.17 crore (March 31, 2013: Rs 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.



**GMR INFRASTRUCTURE LIMITED**

Notes to consolidated financial statements for the year ended March 31, 2014

**19 Sales / income from operations**

**Sale of products**

Power segment:

Income from sale of electrical energy  
Income from mining activities

**Traded goods**

Power segment:

Income from sale of electrical energy  
Income from coal trading

Airport segment:

Non-aeronautical  
Fuel trading  
Duty free items

**Sale of services / others**

Power segment:

Electrical energy transmission charges

Airport segment:

Aeronautical  
Non-aeronautical  
Cargo operations  
Income from commercial property development

Roads segment:

Annuity income from expressways  
Toll income from expressways

EPC segment:

Construction revenue

Others segment:

Income from hospitality services  
Income from management and other services

**Sales / income from operations**

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. in crore
<b>Sale of products</b>		
Power segment:		
Income from sale of electrical energy	2,287.77	1,374.91
Income from mining activities	327.99	456.71
	<b>2,615.76</b>	<b>1,831.62</b>
<b>Traded goods</b>		
Power segment:		
Income from sale of electrical energy	353.77	266.11
Income from coal trading	364.86	323.03
	<b>718.63</b>	<b>589.14</b>
Airport segment:		
Non-aeronautical	203.44	980.14
Fuel trading	706.56	431.12
Duty free items	<b>910.00</b>	<b>1,411.26</b>
<b>Sale of services / others</b>		
Power segment:		
Electrical energy transmission charges	8.22	-
	<b>8.22</b>	-
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
	<b>5,086.12</b>	<b>4,687.81</b>
Roads segment:		
Annuity income from expressways	342.33	248.53
Toll income from expressways	395.55	268.84
	<b>737.88</b>	<b>517.37</b>
EPC segment:		
Construction revenue	239.75	655.16
	<b>239.75</b>	<b>655.16</b>
Others segment:		
Income from hospitality services	106.34	94.95
Income from management and other services	144.27	84.56
	<b>250.61</b>	<b>179.51</b>
<b>Sales / income from operations</b>	<b>10,566.97</b>	<b>9,871.87</b>

**20 Other operating income**

Interest income on

Bank deposits  
Current investments

Dividend income on current investments

Sale of certified emission reductions

Net gain on sale of current investments

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. 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
	<b>86.25</b>	<b>102.99</b>

**21 Other income**

Interest income on

Bank deposits  
Current investments  
Others

Provisions no longer required, written back

Net gain on sale of current investments

Exchange differences (net)

Profit on sale of fixed assets (net)

Lease income

Income from management fees

Miscellaneous income [net of expenses directly attributable to such income are of Rs. Nil (March 31, 2013: Rs. Nil)]

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. 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 Rs. Nil (March 31, 2013: Rs. Nil)]	27.21	30.35
	<b>315.87</b>	<b>277.19</b>



**GMR INFRASTRUCTURE LIMITED**

Notes to consolidated financial statements for the year ended March 31, 2014

**22 Cost of materials consumed**

Inventory at the beginning of the year	
Add: Purchases	
Less: Inventory at the end of the year	

March 31, 2014	March 31, 2013
Rs. in crore	Rs. in crore
68.95	60.63
105.72	210.22
<b>174.67</b>	<b>270.85</b>
114.02	68.95
<b>60.65</b>	<b>201.90</b>

**23 Purchase of traded goods**

Purchase of electrical energy	
Purchase of fuel	
Purchase of coal for trading	
Purchase of duty free items	

March 31, 2014	March 31, 2013
Rs. in crore	Rs. in crore
306.12	235.35
177.11	751.74
274.22	241.34
287.61	243.71
<b>1,045.06</b>	<b>1,472.14</b>

**24 (Increase) / decrease in stock in trade**

Stock as at April 1,	
Add: Stock on acquisition of subsidiary during the year	
Less: Transferred at cost *	
Less: Stock on disposal of a jointly controlled entity during the year	
Less: Stock as at March 31,	

March 31, 2014	March 31, 2013
Rs. in crore	Rs. in crore
73.18	142.10
35.21	-
7.83	49.51
7.28	-
107.70	73.18
<b>(14.42)</b>	<b>19.41</b>

\* Transfer at cost on account of takeover of MIA by MACL. Refer note 30 (b).

**25 Employee benefits expenses**

Salaries, wages and bonus	
Contribution to provident and other funds	
Gratuity expenses	
Other employment benefits	
Staff welfare expenses	

March 31, 2014	March 31, 2013
Rs. in crore	Rs. in crore
506.08	543.62
27.89	27.34
3.01	4.42
4.84	3.28
32.40	33.27
<b>574.22</b>	<b>611.93</b>

**26 Other expenses**

Consumption of stores and spares	
Electricity and water charges	
Prompt payment rebate	
Open access charges paid	
Airport service charges / operator fees	
Cargo handling charges	
Freight	
Rent [includes land lease rentals of Rs. 6.95 crore (March 31, 2013: Rs. 8.23 crore)]	
Rates and taxes	
Insurance	
Repairs and maintenance	
Plant and machinery	
Buildings	
Others	
Manpower charges	
Advertising and sales promotion	
Transmission and distribution charges	
Travelling and conveyance	
Communication costs	
Printing and stationery	
Legal and professional fees	
Directors' sitting fees	
Adjustments to the carrying amount of current investments	
Provision / write off of doubtful advances and trade receivables	
Inventories written off	
Donation	
Fixed assets written off / loss on sale of fixed assets	
Office maintenance	
Security expenses	
Logo fees	
Miscellaneous expenses	

March 31, 2014	March 31, 2013
Rs. in crore	Rs. in crore
42.50	34.44
212.29	184.73
20.33	14.92
51.01	25.54
107.68	60.04
12.81	12.49
18.56	11.32
111.80	124.95
143.97	56.58
37.04	38.01
117.68	95.66
51.37	29.48
132.18	144.53
13.75	15.81
44.02	74.71
127.65	0.99
50.10	41.91
10.18	10.97
6.69	7.10
372.56	201.08
1.60	1.77
5.29	2.91
34.81	125.22
-	8.09
22.26	14.76
38.11	38.57
88.10	85.82
54.76	48.81
9.91	14.76
76.08	78.96
<b>2,015.09</b>	<b>1,604.93</b>



**GMR INFRASTRUCTURE LIMITED**

Notes to consolidated financial statements for the year ended March 31, 2014

**27 Depreciation and amortisation expenses**

Depreciation of tangible assets  
Amortisation of intangible assets

March 31, 2014	March 31, 2013
Rs. in crore	Rs. in crore
1,198.21	832.38
256.78	207.40
<b>1,454.99</b>	<b>1,039.78</b>

**28 Finance costs**

Interest  
Bank charges  
Amortisation of ancillary borrowing costs  
Mark to market loss on derivative instruments  
Exchange difference to the extent considered as an adjustment to borrowing costs (net)  
[refer note 35(a)(iii)]

March 31, 2014	March 31, 2013
Rs. in crore	Rs. in crore
2,828.54	2,005.43
81.64	45.94
61.52	73.18
0.18	-
-	(25.55)
<b>2,971.88</b>	<b>2,099.00</b>

**29 Exceptional items - gains / (losses)**

Profit on dilution in subsidiaries [refer note 30 (d) and 30 (e)]  
Profit on sale of assets (consists of exchange differences amounting to Rs. 63.52 crore) [refer note 30 (c)]  
Profit on sale of jointly controlled entities / subsidiary (net of expenses directly attributable to such income of Rs. 164.98 crore) [refer note 30 (a) and 30 (g)]  
Loss on impairment of assets in subsidiaries [refer note 30 (c) and 35 (g)(xii)]  
Assets write off in a subsidiary [refer note 30 (b)]

March 31, 2014	March 31, 2013
Rs. in crore	Rs. in crore
69.73	-
100.54	-
1,658.93	1,231.25
(8.95)	(251.37)
-	(202.61)
<b>1,820.25</b>	<b>777.27</b>



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

#### 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 Rs. 164.98 crore incurred towards sale of such equity stake) of Rs. 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 Rs. 1,431.50 crore (USD 23.66 crore) including claim recoverable Rs. 1,062.90 crore (USD 17.57 crore) at their carrying values as at March 31, 2014, net of assets written off of Rs. 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



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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 Rs. 167.94 crore and has given a loan of Rs. 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 Rs. 251.37 crore towards the carrying value of the net assets of HEGL (including goodwill on consolidation of Rs. 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 Rs. 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 Rs. 63.52 crore for the year ended 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 Rs. 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 Rs. 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 Rs. 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 Rs.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 Rs. 0.00 crore (Rs. 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.



**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

- 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 Rs. 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.



**GMR INFRASTRUCTURE LIMITED**  
Notes to the consolidated financial statements for the year ended March 31, 2014

Particulars	HEGL		TVS GMR		GNIAL		ISG		SGH		LGM		GIEPL		GIEPL		GSEPL		Consolidated 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		
<b>Income</b>																					
Revenue from operations	100.04	117	975.65	741.66	646.75	741.66	3.28	63.12	53.42	82.14	87.99	64.23	792.78	2,040.65							
Share / income from operations	0.54	0.51	0.74	4.71	2.95	4.71	3.76	2.94	0.80	0.76	0.76	3.50	14.37	20.93							
Other income	0.54	103.29	1.11	978.36	647.79	741.26	1.14	46.86	54.62	81.37	88.23	46.73	191.13	2,061.58							
<b>Expenses</b>																					
Revenue share paid / payable to concessionaire/guarantors	-	-	85.74	-	-	-	-	7.40	(0.61)	-	-	-	-	-	-	-	-	-	-	-	85.74
Cost of materials consumed	-	-	453.00	401.09	170.58	401.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.40
Purchase of treated goods	-	-	14.92	14.08	(1.05)	14.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	170.58
(Increase) / decrease in stock in trade	-	-	94.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	854.09
Subsidiary expenses	3.19	2.09	8.67	94.02	33.11	27.97	0.17	15.51	5.64	1.33	1.75	1.16	51.94	100.76							
Impairment benefits expenses	29.90	0.17	135.39	169.65	128.20	169.65	5.16	29.15	20.98	8.80	6.93	4.71	208.29	411.07							
Other expenses	0.20	7.33	0.11	14.58	118.25	112.87	0.11	0.50	0.47	23.09	25.76	17.51	186.18	130.87							
Depreciation and amortisation expenses	2.58	5.97	0.08	14.58	118.25	112.87	0.26	4.33	2.50	46.54	54.72	36.86	94.29	127.72							
Finance costs	56.97	233.23	48.18	813.39	728.33	874.94	3.43	45.85	34.08	81.57	90.46	61.38	173.97	227.76							
<b>Profit/(loss) before exceptional items, tax expense and minority interest</b>	<b>(36.43)</b>	<b>(119.65)</b>	<b>(46.67)</b>	<b>165.06</b>	<b>(89.63)</b>	<b>(132.58)</b>	<b>3.54</b>	<b>20.21</b>	<b>19.04</b>	<b>1.80</b>	<b>(1.71)</b>	<b>5.35</b>	<b>(146.26)</b>	<b>(74.06)</b>							
Exceptional items - gains / (losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit on dilution in subsidiary (refer note 30 (d) and 30 (e))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit on sale of assets (consists of exchange differences amounting to Rs. 65.52 crore) (refer note 31 (e))	100.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60.73
Profit on sale of jointly controlled entities / subsidiary (net of expenses directly attributable to such income of Rs. 164.98 crore) (refer note 30 (d) and 30 (g))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.54
Loss on impairment of assets in subsidiaries (refer note 35 (a)(xii) and 30 (e))	-	(251.37)	-	(202.61)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,658.93)
Asset impairment in subsidiary (refer note 35 (b))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(251.37)
<b>Profit/(loss) before tax expenses and minority interest</b>	<b>64.11</b>	<b>(371.02)</b>	<b>(46.67)</b>	<b>(37.55)</b>	<b>(88.63)</b>	<b>(132.58)</b>	<b>3.54</b>	<b>20.21</b>	<b>19.04</b>	<b>1.80</b>	<b>(1.71)</b>	<b>5.35</b>	<b>(146.26)</b>	<b>(74.06)</b>							
Tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current taxes	-	-	(0.46)	-	-	-	-	(0.59)	0.08	-	-	-	-	-	-	-	-	-	-	-	51.18
Tax adjustments for prior years	-	-	0.01	(0.29)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.08
Loss MAT credit entitlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(45.20)
Deferred tax expense/(benefit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.54
<b>Profit/(loss) after tax expenses and before minority interest</b>	<b>64.11</b>	<b>(371.02)</b>	<b>(46.20)</b>	<b>(37.35)</b>	<b>(88.63)</b>	<b>(132.58)</b>	<b>3.54</b>	<b>20.80</b>	<b>18.72</b>	<b>1.80</b>	<b>(1.71)</b>	<b>4.83</b>	<b>(146.26)</b>	<b>(74.06)</b>							
Minority interest - share of (profit) / loss	-	23.05	19.26	17.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19.26
<b>Net Loss/(Profit) after minority interest</b>	<b>64.11</b>	<b>(347.97)</b>	<b>(26.94)</b>	<b>(20.12)</b>	<b>(88.63)</b>	<b>(132.58)</b>	<b>3.54</b>	<b>20.80</b>	<b>18.72</b>	<b>1.80</b>	<b>(1.71)</b>	<b>4.83</b>	<b>(146.26)</b>	<b>(74.06)</b>							

(i) The carrying amount of the total assets and liabilities attributable to the discontinued operations are as follows:

Particulars	HEGL		TVS GMR		GNIAL		ISG		SGH		LGM		GIEPL		GIEPL		GSEPL		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	
Total Assets	19.87	189.15	1.04	102.66	297.5	297.5	18.32	42.70	597.09	597.09	187.73	187.73	339.03	339.03	1,017.15	1,017.15	3,438.26	3,438.26		
Total Liabilities	4.95	180.37	0.22	1,009.19	951.93	951.93	18.32	42.70	597.09	597.09	187.73	187.73	339.03	339.03	1,017.15	1,017.15	3,438.26	3,438.26		
Net Assets	14.92	8.78	0.82	18.47	145.57	145.57	-	-	-	-	-	-	-	-	-	-	-	-	-	

(ii) Net cash flows attributable to the discontinued operations are as tabulated below:

Particulars	HEGL		TVS GMR		GNIAL		ISG		SGH		LGM		GIEPL		GIEPL		GSEPL		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	
Cash flow from / (used in) operating activities	(37.56)	(83.88)	(1.82)	(0.40)	51.29	(1.76)	(0.93)	6.10	(0.72)	(0.72)	83.48	83.48	75.22	75.22	7.55	7.55	87.07	87.07		
Cash flow from / (used in) investing activities	176.34	(37.21)	0.02	(217.10)	(20.43)	(4.15)	(0.03)	3.63	(0.79)	5.93	(0.79)	(122.72)	(122.72)	166.16	166.16	(412.54)	(412.54)			
Cash flow from / (used in) financing activities	(126.72)	89.81	1.47	(0.07)	(1.12)	(22.39)	0.89	(7.77)	(8.53)	(76.20)	(76.20)	(46.72)	(46.72)	808.86	808.86	(206.30)	(206.30)			
Net cash inflows/(outflows)	(88.94)	(31.28)	(0.33)	(216.57)	29.74	(28.07)	0.77	(1.51)	(1.52)	(71.03)	(71.03)	(64.22)	(64.22)	450.19	450.19	(531.71)	(531.71)			





**GMR INFRASTRUCTURE LIMITED**

Notes to consolidated financial statements for the year ended March 31, 2014

**31 Earnings per share ('EPS')**

	March 31, 2014	March 31, 2013
Nominal value of equity shares (Re. 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 (Rs. in crore)	10.01	88.12
EPS - Basic and diluted (Re. per share)	0.03	0.23
Profit / (loss) after minority interest from continuing operations (Rs. in crore)	(1,687.27)	(638.38)
EPS - Basic and diluted (Re. per share)	(4.33)	(1.64)
Profit / (loss) after minority interest from discontinuing operations (Rs. in crore)	1,697.28	726.50
EPS - Basic and diluted (Re. per share)	4.36	1.87

**Notes:**

1. As at March 31, 2014, Rs. 0.00 crore (Rs. 2,250) (March 31, 2013: Rs. 0.00 crore (Rs. 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.



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**32(a) Capital work in progress**

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. 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 Rs. 1.64 crore (March 31, 2013: Rs. 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
	<b>(i) 23,143.26</b>	<b>25,076.32</b>

**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 Rs. Nil (March 31, 2013: Rs. Nil)]	10.08	14.40
	<b>(ii) 228.84</b>	<b>128.36</b>

**Total - (iii) = (i) - (ii)**

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	-
	<b>(iv) 8,005.57</b>	<b>7,162.68</b>

**Total - (v) = (iii) - (iv)**



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**32(b) Intangible assets under development**

	March 31, 2014 Rs. in crore	March 31, 2013 Rs. 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
<b>(i)</b>	<b>2,121.40</b>	<b>5,014.98</b>
<b>Less: Other income</b>		
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 Rs. Nil (March 31, 2013: Rs. Nil)]	0.04	0.04
<b>(ii)</b>	<b>2.72</b>	<b>7.71</b>
<b>Total - (iii) = (i) - (ii)</b>	<b>2,118.68</b>	<b>5,007.27</b>
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
<b>(iv)</b>	<b>1,293.69</b>	<b>3,614.23</b>
<b>Total - (v) = (iii) - (iv)</b>	<b>824.99</b>	<b>1,393.04</b>

Note 32(b)(i) - GOSEHHPL is entitled to a grant of Rs. 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, GOSEHHPL has received a grant of Rs. 319.01 crore (March 31, 2013: Rs. 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 Rs. 319.01 crore received as at March 31, 2014, Rs. 174.03 crore has been deducted from Carriageways under intangible assets and Rs. 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 Rs. 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 Rs. 276.01 crore (March 31, 2013: Rs. 211.59 crore) against the aforesaid sanction. Out of the grant amount of Rs. 276.01 crore received as at March 31, 2014, Rs. 270.72 crore has been deducted from carriageways under intangible assets and Rs. 5.29 crore has been deducted from the cost of intangible assets under development.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014****33. a) Contingent liabilities**

Particulars	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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 Rs. 69.09 crore which was paid earlier towards the import of plant and machinery. Considering that the cost of plant and machinery included the customs duty, the refund was adjusted to the cost of the asset and related depreciation expense of Rs. 11.19 crore, charged from the date of capitalisation till the date of grant of such refund, was credited to the statement of profit and loss during the year ended March 31, 2010. GVPGL received a refund of Rs. 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 Rs 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 Rs. 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 Rs. 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 Rs. 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 Rs. 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 Rs. 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



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

Rules') in respect of payment of electricity duty are not applicable to GVPGL. Accordingly electricity duty liability of Rs. 58.30 crore (March 31, 2013: Rs. 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 Rs. 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 Rs. 14.61 crore for the period from June 2010 to March 31, 2014 (March 31, 2013: Rs. 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 Rs. 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 Rs 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 Rs. 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, 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 Rs. 53.65 crore, towards the estimated property tax dues as against Rs. 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 Rs 296.16 crore along with an interest of Rs. 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



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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 Rs. 32.77 crore (March 31, 2013: Rs. 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 Rs. 297.76 crore and Rs. 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 Rs. 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 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. HMA CPL 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. HMA CPL. 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,



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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, HMA CPL had reversed the accrued customs duty amounting to Rs. 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 Rs. 152.83 crore (March 31, 2013: Rs. 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 Rs. 23.17 crore (March 31, 2013: Rs. 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 Bijili 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 Rs. 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 Rs. 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 Rs. 2.44 crore in the equity shares of RCMEPL and has provided bank guarantees of Rs. 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.



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**Notes to the consolidated financial statements for the year ended March 31, 2014**

- 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.





**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**34. a) Capital commitments**

Particulars	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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.



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

- 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 Rs. 8.58 crore (March 31, 2013: Rs. 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.
- xii. Certain entities in power sector have made a commitment towards expenditure on corporate social responsibility activities amounting to Rs. 72.79 crore (March 31, 2013: Rs. 73.41 crore) and towards land lease rentals as per the long term land lease agreements entered into by the entities amounting to Rs. 10.30 crore (March 31, 2013: Rs. 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.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014****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 Rs. 608.23 crore (March 31, 2013: Rs. 268.25 crore (net off exchange difference of Rs. 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 Rs. 4.88 crore (March 31, 2013: exchange loss of Rs. 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 Rs. 2.37 crore (March 31, 2013: exchange loss of Rs. 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 Rs. 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 Rs. 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 Rs. 108.34 crore (March 31, 2013: Rs. 108.34 crore) and the balance amount of Rs. 66.41 crore (March 31, 2013: Rs. 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.

(Rs. in crore)					
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 refer note 30(e))	-	120.25
<b>Total</b>		<b>507.96</b>		<b>66.41</b>	<b>186.66</b>



## GMR INFRASTRUCTURE LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2014

### 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 Rs. 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 utilisation 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. 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 Rs. 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 Rs. 166.75 crore and have made a counter claim of Rs. 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 Rs. 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.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

- ii. As at March 31, 2014, the power segment companies have receivables (including unbilled revenue) from TANGEDCO aggregating to Rs. 336.43 crore (March 31, 2013: Rs.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 Rs. 10.98 crore (March 31, 2013: Rs 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 Rs. 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	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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
<b>Total</b>	<b>1,155.60</b>	<b>1,971.10</b>

- i. During the year ended March 31, 2011, GEL had issued 13,950,000 CCCPS of Rs. 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.



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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 Rs. 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 Rs. 705.00 crore ('Portion A securities') have been bought by GREEL and GEPML for a consideration of Rs. 1,169.17 crore and accordingly an amount of Rs 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 Rs. 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 Rs. 10 each at a premium of Rs. 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 Rs. 1,000 each fully paid up amounting to Rs. 229.89 crore at a premium of Rs. 2,885.27 each totaling to Rs. 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 Rs. 1,000 each fully paid up amounting to Rs. 143.25 crore at a premium of Rs. 3,080.90 each totaling to Rs. 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 Investors II.
- iii. During the year ended March 31, 2010, GEL issued 0.0001% 200,000,000 non-cumulative redeemable preference shares of Rs. 10 each fully paid up amounting to Rs. 200.00 crore along with a securities premium of Rs. 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.



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

#### 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 Rs. 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 Rs. 199.96 crore (March 31, 2013: Rs. 164.40 crore) has been adjusted against the expenditure incurred towards construction of ATC tower till March 31, 2014 and balance DF amounting to Rs. 150.04 crore (March 31, 2013: Rs. 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. 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 Rs. 2.90 crore during the year ended March 31, 2014 (March 31, 2013 : Rs. 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 Rs. 200 to Rs. 100 and from Rs. 1,300 to Rs. 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 Rs. 653.13 crore (March 31, 2013: Rs. 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 Rs. 318.50 crore (March 31, 2013: Rs. 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 Rs. 36.97 crore (March 31, 2013: Rs. 23.91 crore) towards such Marketing Fund and has incurred expenditure amounting to Rs. 7.22 crore (March 31, 2013: Rs. 2.20 crore) towards agency fees to various external advertising and marketing service providers from the amount so collected. The balance amount of Rs. 29.75 crore as at March 31, 2014 (March 31, 2013: Rs. 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 Rs. 969.86 crore (March 31, 2013: Rs. 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 Rs. 410.83 crore (March 31, 2013: Rs. 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



## GMR INFRASTRUCTURE LIMITED

### Notes to the consolidated financial statements for the year ended March 31, 2014

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 Rs. 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 Rs. 20.73 crore (March 31, 2013: Rs. 23.85 crore) and has accumulated losses of Rs. 105.76 crore (March 31, 2013: Rs. 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 Rs. 75.49 crore (March 31, 2013: Rs. 90.70 crore) and has accumulated losses of Rs. 226.46 crore (March 31, 2013: Rs. 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 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 Rs. 357.35 crore (including loans of Rs. 117.76 crore and investment in equity/preference shares of Rs. 239.59 crore) made by the Company and its subsidiaries (March 31, 2013: Rs. 341.56 crore (including loans of Rs. 104.97 crore, share application money pending allotment of Rs. 20.00 crore and investments in equity and preference shares of Rs. 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 Rs. 224.45 crore (after providing for losses till date of Rs. 132.90 crore) [March 31, 2013: Rs.





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238.35 crore (after providing for losses till date of Rs. 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 Rs. 292.56 crore (USD 4.84 crore) including loan of Rs. 11.42 crore (USD 0.19 crore) in PTDSU (March 31, 2013: Rs. 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 Rs. 23.55 crore (USD 0.47 crore) (March 31, 2013: Rs. 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



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committed to provide necessary financial support to these companies as they may require for continuance of their normal business operations.

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 Rs. 397.56 crore and Rs. 679.95 crore (March 31, 2013: Rs. 282.39 crore) for the year ended March 31, 2014 and cumulatively upto March 31, 2014 towards cost of the plant under construction.

- x. During the year ended March 31, 2014, EMCO has incurred a net loss of Rs. 532.57 crore and has accumulated losses of Rs. 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 ATSCIL and MTSCIL, the Group has made an impairment provision of Rs. 8.95 crore towards the carrying value of the net assets of ATSCIL and MTSCIL 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 Rs. 481.68 crore and recognised Rs. 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 Rs. 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



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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 Rs. 2,117.74 crore (including subordinate loan of Rs. 414.60 crore, interest accrued thereon Rs. 125.94 crore and investment of Rs. 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, 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 Rs. 724.43 crore (including loans of Rs. 24.43 crore and investment in equity shares of Rs. 700.00 crore) (March 31, 2013: investments in equity shares of Rs. 700.00 crore) in GKUAEL, which is primarily utilized towards payment of capital advances of Rs 590.00 crore (March 31, 2013: Rs. 590.00 crore) to its EPC contractors and Rs. 124.42 crore (March 31, 2013: Rs. 107.75 crore) towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). The management



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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 Rs. 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:

(Rs. in crore)		
Particulars	March 31, 2014	March 31, 2013
Equity shares of GIL	101.55	101.55
Equity shares of GAL	11.28	11.28
Others	2.17	2.17
<b>Total</b>	<b>115.00</b>	<b>115.00</b>

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 Rs. 832.78 crore (March 31, 2013: Rs. 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 Rs. 63.69 crore (March 31, 2013: Rs. 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 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 January 1, 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.



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- 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 Rs. 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.

### 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	March 31, 2013	March 31, 2014	March 31, 2013
	ECB amount (USD in crore)	ECB amount (USD in crore)	Interest Rate	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



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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 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, ATSCCL 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, MTSCCL 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.



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**b. Un-hedged foreign currency exposure for monetary items is as follows:**

(Foreign currencies and Indian Rs. 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)
Amount in Rs.	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	-



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**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	(Rs. in crore)	
	March 31, 2014	March 31, 2013
Contribution to provident fund	20.32	14.10
Contribution to superannuation fund	13.39	12.03
	<b>33.71</b>	<b>26.13</b>

## 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	(Rs. in crore)	
	March 31, 2014	March 31, 2013
Contribution to provident fund	3.95	5.48
	<b>3.95</b>	<b>5.48</b>

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 Rs. Nil (March 2013: Rs. 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	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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
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 Mortality (2006-08) (modified)Ult *	LIC (1994-96) Ultimate

\*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





**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**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	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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	(Rs. in crore)	
	March 31, 2014	March 31, 2014
Actual return on plan assets	2.20	2.24

**Balance sheet**

Particulars	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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**

Particulars	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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 Rs. 1.58 crore (March 31, 2013: Rs. 9.04 crore) towards gratuity fund in next year.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

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 :

- 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.
- 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.
- 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:

(Rs. in crore)

Particulars	Gratuity				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
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.

(Rs. in crore)

Particulars	March 31, 2014	March 31, 2013
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



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

(Rs. in crore)

Particulars	March 31, 2014	March 31, 2013
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

**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.

(Rs. 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 Rs. 0.66 crore (March 31, 2013: Rs. 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:

(Rs. in crore)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Payment</b>		
Lease rentals under cancelable and non-cancellable leases	120.88	141.52
<b>Receipt</b>		
Lease rentals under cancelable leases	3.77	2.94
<b>Obligations on non-cancelable leases:</b>		
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



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**39. Deferred Tax**

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

(Rs. in crore)

Sl.No.	Particulars	March 31, 2014		March 31, 2013	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
	<b>Deferred tax liability :</b>				
1	Depreciation	-	1,407.64	-	1,046.13
2	Carry forward losses / unabsorbed depreciation	1,218.88	-	904.53	-
3	Intangibles (Airport concession rights)	80.70	-	80.68	-
4	Others	34.79	-	5.53	-
	<b>Sub – total (A)</b>	<b>1,334.37</b>	<b>1,407.64</b>	<b>990.74</b>	<b>1,046.13</b>
	Deferred tax liability (net)		73.27		55.39
	<b>Deferred tax asset:</b>				
1	Depreciation	-	231.76	-	211.92
2	Carry forward losses / unabsorbed depreciation	258.79	-	235.35	-
3	Others	17.54	-	34.68	-
	<b>Sub – total (B)</b>	<b>276.33</b>	<b>231.76</b>	<b>270.03</b>	<b>211.92</b>
	Deferred tax asset (net)	44.57		58.11	
	<b>Total (A+B)</b>	<b>1,610.70</b>	<b>1,639.40</b>	<b>1,260.77</b>	<b>1,258.05</b>
	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 GTAEP and GTTEPL, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the 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 Rs. 147.00 crore on carry forward business loss and unabsorbed depreciation available for set-off from future taxable income before commencement of the expected tax holiday period. The management 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.



**GMR INFRASTRUCTURE LIMITED****Notes to the consolidated financial statements for the year ended March 31, 2014**

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 Rs. 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.

**40. Provisions**

(Rs. in crore)

Particulars	As at April 1, 2013	Provision made during the year	Amount written back during the year (inclusive of exchange differences)	Amount used during the year	As at March 31, 2014
Provision for operations and maintenance	81.01 (44.79)	27.45 (39.51)	12.89 (3.29)	32.61 -	62.96 (81.01)
Provision for voluntary retirement compensation	108.56 (127.93)	- -	- -	19.08 (19.37)	89.48 (108.56)

## Notes:

- Previous year figures are mentioned in brackets.
- DIAL has provided Rs. 288.82 crore (March 31, 2013: Rs 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.
- The balance as at March 31, 2014 includes Rs. 1.96 crore (March 31, 2013: Rs. 2.09 crore) for which commercial invoices have been received by GVPGL from the service provider.



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Notes to the consolidated financial statements for the year ended March 31, 2014

**41. Information on Jointly controlled entities as per AS - 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%
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.



**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

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:

	(Rs. in crore)	
Particulars	March 31, 2014	March 31, 2013
<b>Non-current assets</b>		
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
<b>Current assets</b>		
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
<b>Non-current liabilities</b>		
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
<b>Current liabilities</b>		
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
<b>Income</b>		
Sales and operating income	1,627.18	1,824.14
Other income	51.44	39.01
<b>Expenses</b>		
Sub-contracting expenses	288.41	323.38
Cost of materials consumed	15.36	7.10
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
<b>(Loss) / profit after tax</b>	<b>(75.85)</b>	<b>(127.37)</b>



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

Particulars	(Rs. in crore)	
	March 31, 2014	March 31, 2013
<b>Other matters</b>		
Capital commitments	23.90	28.27

**Contingent liabilities:**

- Group's share of contingent liabilities of the jointly controlled entities Rs. 18.16 crore (March 31, 2013: Rs. 9.57 crore).
- Refer note 33(b)(xv) regarding the details of compensation claimed on BIB.
- 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.

**42. Segment Reporting**

- 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.
- For the purpose of reporting, business segments are primary segments and the geographical segment is a secondary segment.
- The business segments of the Group comprise of the following:

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

- Geographical segment is categorised as 'India' and 'Outside India' and is based on the domicile of the customers.





**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

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
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	

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

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	



**GMR INFRASTRUCTURE LIMITED**  
**Notes to the consolidated financial statements for the year ended March 31, 2014**

f. The details of segment information is given below

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	
<b>Revenue</b>																		
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	-	5.58	2.40	40.49	228.92	798.56	231.26	98.62	-	-	-	-	86.25	102.99	-	-
<b>Total revenue (a)</b>	<b>3,342.61</b>	<b>2,326.45</b>	<b>655.74</b>	<b>370.73</b>	<b>5,351.01</b>	<b>4,417.60</b>	<b>468.67</b>	<b>1,453.72</b>	<b>504.56</b>	<b>484.04</b>	<b>792.78</b>	<b>2,030.65</b>	-	-	<b>10,653.22</b>	<b>9,974.86</b>	-	-
Other income (excluding interest income) (b)	84.46	5.67	4.79	3.23	47.31	67.93	3.43	6.90	21.44	43.01	5.28	17.73	-	-	165.79	135.61	-	-
<b>Expenditure</b>																		
Revenue share paid/ payable to concessionaire grantors	-	-	-	-	1,871.61	1,562.63	-	-	-	-	-	85.74	-	-	1,943.69	1,669.48	-	-
Consumption of fuel	1,743.93	1,020.40	-	21.11	7.96	7.71	92.08	289.25	4.34	11.12	7.40	(0.61)	-	(2.61)	1,754.47	1,031.85	-	-
Cost of materials consumed	-	-	-	-	278.97	133.32	-	-	-	-	169.53	882.82	-	-	60.65	201.90	-	-
Purchase of traded goods and (increase) / decrease in stock in trade	582.14	475.41	63.86	49.53	238.12	247.59	308.62	753.59	81.50	75.71	4.28	105.22	-	-	1,030.64	1,491.55	-	-
Sub-contracting expenses	291.70	358.05	27.50	13.37	58.57	50.20	58.57	103.31	81.50	101.32	51.95	205.20	-	-	522.87	555.18	-	-
Employee benefits expenses	122.45	61.45	27.50	17.37	1,048.06	809.94	46.25	141.12	118.36	110.66	390.24	448.42	-	-	574.22	611.93	-	-
Other expenses	570.39	270.42	53.25	27.51	167.70	104.56	7.42	8.65	36.89	40.40	94.29	127.54	-	-	2,015.09	1,604.93	-	-
Utilisation fees	-	-	-	-	628.63	586.34	-	-	-	-	-	-	-	-	186.18	130.87	-	-
Depreciation/amortisation	52.10	178.59	167.70	104.56	628.63	586.34	7.42	8.65	36.89	40.40	94.29	127.54	-	-	1,861.88	1,301.87	-	-
<b>Total expenditure (c)</b>	<b>3,821.63</b>	<b>2,864.32</b>	<b>384.39</b>	<b>216.08</b>	<b>4,093.35</b>	<b>3,447.53</b>	<b>512.94</b>	<b>1,295.92</b>	<b>252.29</b>	<b>252.29</b>	<b>903.87</b>	<b>1,946.67</b>	-	-	<b>9,542.30</b>	<b>8,537.47</b>	-	-
<b>Segment results (a)-(b)-(c)</b>	<b>(484.56)</b>	<b>(532.20)</b>	<b>276.14</b>	<b>157.88</b>	<b>1,305.06</b>	<b>1,138.06</b>	<b>(40.84)</b>	<b>164.70</b>	<b>274.22</b>	<b>277.66</b>	<b>(105.81)</b>	<b>107.71</b>	-	-	<b>(2,971.88)</b>	<b>(2,099.00)</b>	-	-
Unallocated income/(expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150.08	143.58	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,821.80)	(1,955.42)	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69.73	100.54	-	-
<b>Investment income/net</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,658.93	1,231.25	-	-
<b>Reconciliation items</b>																		
Profit on dilution in subsidiaries [refer note 30 (d) and 30 (e)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit on sale of assets (consists of exchange differences amounting to Rs 61.52 crore) [refer note 30 (e)]	-	-	-	-	-	-	-	-	-	-	69.73	-	-	-	-	-	-	-
Profit on sale of jointly controlled entities / subsidiary (net of expenses directly attributable to such income of Rs 164.98 crore) [refer note 30 (a) and 30 (e)]	(8.95)	-	-	-	-	-	-	-	-	-	100.54	-	-	-	-	-	-	-
Loss on impairment of assets in subsidiaries [refer note 35 (g)(xix) and 30 (b)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets write off in a subsidiary [refer note 30 (b)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Segment result/(profit)/(loss) before tax expenses and minority interest</b>	<b>(413.51)</b>	<b>(32.20)</b>	<b>276.14</b>	<b>157.88</b>	<b>1,305.06</b>	<b>1,138.06</b>	<b>(40.84)</b>	<b>164.70</b>	<b>274.22</b>	<b>277.66</b>	<b>1,723.39</b>	<b>884.98</b>	-	-	<b>(2,821.80)</b>	<b>(1,955.42)</b>	-	-
Tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	166.25	257.44	-	-
Segment result/(profit)/(loss) before minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,988.05)	(2,212.86)	-	-
Other information	31,652.96	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	-	-	821.58	884.04	-	-
Segment assets	33,652.96	32,882.52	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	-	-	821.58	884.04	-	-
Unallocated segment assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Segment liabilities</b>	<b>6,727.96</b>	<b>7,925.31</b>	<b>1,529.40</b>	<b>1,523.21</b>	<b>2,156.15</b>	<b>2,598.59</b>	<b>674.93</b>	<b>780.65</b>	<b>1,361.29</b>	<b>1,393.10</b>	<b>1,68.09</b>	<b>458.64</b>	-	-	<b>(2,821.80)</b>	<b>(1,955.42)</b>	-	-
Unallocated segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>6,727.96</b>	<b>7,925.31</b>	<b>1,529.40</b>	<b>1,523.21</b>	<b>2,156.15</b>	<b>2,598.59</b>	<b>674.93</b>	<b>780.65</b>	<b>1,361.29</b>	<b>1,393.10</b>	<b>1,68.09</b>	<b>458.64</b>	-	-	<b>(2,821.80)</b>	<b>(1,955.42)</b>	-	-
Capital expenditure	3,895.59	6,649.50	191.64	1,740.33	2,073.31	447.11	8.85	278.97	36.89	40.40	94.29	127.54	-	-	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	-	-	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	-	-	1,28.03	701.38	-	-

The segment wise details of revenue, expenses, results, assets and liabilities of the discontinuing operations disclosed above are as below:

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	0.50	105.04	82.14	132.22	694.52	1,723.32	63.12	53.42	792.78	2,030.65
Other income (excluding interest income)	44.28	7.88	1.07	2.64	3.71	7.52	(0.11)	5.28	5.28	17.73
Total expenditure	(33.78)	218.23	37.50	65.84	790.56	1,624.20	41.52	32.48	903.87	1,940.67
Segment results	19.87	(107.31)	45.71	89.02	(139.33)	105.54	21.60	20.83	(105.51)	(107.71)
Segment assets	8.05	190.08	-	1,468.60	1,431.48	2,700.14	-	48.87	1,431.35	4,407.69
Segment liabilities	-	43.46	-	35.23	160.04	364.99	-	14.96	168.09	458.64



**GMR INFRASTRUCTURE LIMITED**  
**Notes to the consolidated financial statements for the year ended March 31, 2014**

The Group has two geographical segments: India and outside India

Particulars	Revenue		Asset		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	4,425.19	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	2,163.03
Total	10,653.22	9,974.86	65,141.85	63,816.99	4,629.44	11,193.04

(Rs. in crores)



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**43. Disclosure in terms of AS - 7: Construction contracts**

(Rs. in crore)

Sl. No.	Particulars	March 31, 2014	March 31, 2013
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

**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
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- b. The Group had acquired following subsidiaries / jointly controlled entities during the year ended March 31, 2013:

o LPPL	o AREPL
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- 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.

(Rs. in crore)

Particulars	March 31, 2014	March 31, 2013
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.



**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

e. Disposals during the year:

i. The Group has disposed following subsidiaries and jointly controlled entities during the year ended March 31, 2014

○ TVS GMR	○ GJEPL
○ GUEPL	○ TMR
○ ISG	○ LGM
○ EDWPCPL	○ 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:

Particulars	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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
	<b>2,950.52</b>	<b>3,752.22</b>
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
	<b>3,428.11</b>	<b>4,359.19</b>
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
<b>(Loss) / profit after tax</b>	<b>(63.22)</b>	<b>6.15</b>



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**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 (UIISL) 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 (KRPL) 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) 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)



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

**45. Related party transactions**

**a. Names of the related parties and description of relationship:**

Sl. No.	Relationship	Name of the parties
(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 Raiaam 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* PTGEMS RCI BIB KIM KCP BBU BHBA BNP TBBU TKS GEMSCR BAS MGAECL MGATL TVS GMR* Laqshya AFPT 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.



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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 DIL GRIL TPSIPL TVSLSL APFTSB	8.28 - 0.60 0.15 0.50 0.95	20.85 1.27 0.60 0.15 - -
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 TPSIPL MAE	0.60 - 8.28	0.60 0.15 0.01
Share application money paid - Jointly controlled entities MGAECL	10.20	-
Loans/ advances repaid by - Fellow Subsidiary companies GHML GHLM GPPL - Jointly controlled entities APFT MGAECL - Enterprises where key management personnel and their relatives exercise significant influence GVF REPL	131.33 692.76 - 0.75 - 9.66 3.20	26.91 - 1.25 - 2.50 - 14.00
Loans/ advances given to - Holding company GHPL - Enterprises where key management personnel and their relatives exercise significant influence REPL GVF GVDPS - Jointly controlled entities MGAECL APFT GUEPL - Fellow Subsidiary companies RSSL GHLM GHML GPPL	0.01 3.20 0.55 1.49 - - 70.98 - 692.76 4.32 -	- 14.00 15.62 - 2.50 0.75 - - 0.10 - 153.98 1.25





**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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 companies		
GPPL	20.00	92.80
Loans repaid		
- Holding company		
GHPL	5.40	7.37
- 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 Rs. 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		
- 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: Rs. 5,000)	0.02	0.00
GPPL	0.02	-
- Enterprises where key management personnel and their relatives exercise significant influence		
GFFT	-	0.98



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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 Rs. 45,116 (March 31, 2013: Rs. 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
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 Rs. 19,127 (March 31, 2013: Rs. 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



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
<b>Fees received for services rendered</b>		
- 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
GMRIT [Amounting to Rs. Nil (March 31, 2013: Rs. 45,000)]	-	0.00
TVSLSL	-	0.02
CAPL	6.06	7.16
LISVT	0.90	2.41
APFTSB [Amounting to Rs. 45,776 (March 31, 2013: Rs. 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 Rs. 25,090 (March 31, 2013: Rs. Nil)]	0.00	-
<b>Fee paid for services received</b>		
- 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
<b>Interest income</b>		
- 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	-
DFSP	-	0.05
APFT	0.03	0.01
MGAECL	-	0.01
- Fellow Subsidiary companies		
GHML	0.34	1.15
CIL	0.21	0.85
GHLM	6.59	-
GPPL	0.70	0.60
<b>Airport operator fees</b>		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
FAG	100.07	45.92
<b>Provision for doubtful loans and advances</b>		
- Fellow Subsidiary companies		
CIL	-	49.32
<b>Loans and advances / receivables write off</b>		
- Fellow Subsidiary companies		
GHOL	-	0.55
GIMTL	-	0.01
- Jointly controlled entities		
DCSCPL	3.08	-
DSSHPL	0.74	-
DFSP	0.35	-
WAISL	2.09	-
TIM	-	1.32
TFS	-	0.74



GMR INFRASTRUCTURE LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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 GFFT - Jointly controlled entities ISG	- 20.62 0.51	0.01 19.97 -
Managerial remuneration to - Key management personnel and their relatives Mr. G.M. Rao Mr. G.B.S.Raju Mr. Srinivas Bommidala Mr. B.V. Nageswara Rao Mr. Grandhi Kiran Kumar Mr. O Bangaru Raju	10.10 7.03 3.09 2.76 4.04 2.42	4.33 4.91 3.48 2.20 1.56 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 FAG LY DIL MAHB TIML MAPUK APFTSB - Jointly controlled entities ISG CJV - Fellow Subsidiary companies RSSL (Amounting to Rs. 49,926) GPPL	0.16 1.39 - 0.27 2.80 1.68 5.33 0.37 0.12 0.65 0.00 -	0.42 9.81 4.61 0.21 5.30 - 4.76 - - - 0.22 0.13
Other expenses - others - Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities AAI TPSIPL LISVT MAHB BPCL DIL IOCL [Amounting to Rs. Nil (March 31, 2013: Rs. 26,520)] LMPL LGMG BWWFSIPL TIML TVSCSL YL - Jointly controlled entities WAISL Laqshya TVS GMR TIM ISG - Fellow Subsidiary companies RSSL GPPL GSPL	0.31 0.99 - - - 1.09 - 0.45 - 0.68 0.13 1.47 5.00 42.17 0.10 - - 0.02 69.30 0.01 0.10	- 1.01 1.80 1.16 0.01 0.50 0.00 0.43 3.85 0.65 - - - 40.46 - 0.01 0.01 - 63.13 - -



GMR INFRASTRUCTURE LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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
L MPL	0.01	0.03
YL	0.28	0.82
CELEBI GHDPL (March 31, 2013: Rs. 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	-
- Fellow Subsidiary companies		
GSPL	-	0.93
RSSL	0.18	0.18
GPPL [Amounting to Rs. Nil (March 31, 2013: Rs. 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 Rs. 15,441]	0.00	0.01
YL	0.27	-
L MPL	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
- 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



GMR INFRASTRUCTURE LIMITED

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
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 Rs.28,860 (March 31, 2013: Rs. 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 Rs.17,753]	0.00	0.04
- 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 Rs. 3,945 (March 31, 2013: Rs. 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	-
GUEPL	12.50	-
Pledge of fixed deposit given on behalf of		
- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities		
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		
- Enterprises where key management personnel and their relatives exercise significant influence		
GREPL	5.00	-
REPL	50.00	-



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
Balance Payable / (receivable)		
<b>- Holding Company</b>		
GHPL	11.31	15.52
<b>- Shareholders having substantial interest / enterprises exercising significant influence over the subsidiaries or jointly controlled entities</b>		
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 Rs. Nil (March 31, 2013: Rs.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 Rs. Nil (March 31, 2013: Rs. 5,440)]	-	0.00
LY	-	6.61
TVSLSL	-	0.04
TVSCSL	-	0.27
GMRIT	-	(0.01)
ILFS Renw	-	20.71
KRPPL	(0.01)	-
IL&FS	-	54.44
<b>- Enterprises where key management personnel and their relatives exercise significant influence</b>		
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	-
<b>- Fellow Subsidiary companies</b>		
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)
<b>- Jointly controlled entities</b>		
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
DCSCL	(6.71)	6.71
WAISL	(0.93)	(5.38)
DAPSL	(1.23)	(1.04)
TIM	14.01	12.64
TVS GMR	-	(0.09)
DDFS	-	111.97
ISG	-	(1.98)



**GMR INFRASTRUCTURE LIMITED**

Notes to the consolidated financial statements for the year ended March 31, 2014

b. Summary of transactions with the above related parties are as follows:

Nature of Transaction	(Rs. in crore)	
	March 31, 2014	March 31, 2013
- 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





**GMR INFRASTRUCTURE LIMITED**

**Notes to the consolidated financial statements for the year ended March 31, 2014**

46. The Board of Directors of the Company have recommended a dividend of Re. 0.10 per equity share of Re. 1 each for the year ended March 31, 2014.
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.
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



For and on behalf of the Board of Directors of  
GMR Infrastructure Limited

G.M. Rao  
Executive Chairman

Madhva Bhimacharya Terdal  
Group CFO

Grandhi Kiran Kumar  
Managing Director

C.P. Sounderarajan  
Company Secretary

Place: Bengaluru  
Date: May 29, 2014

Place: Bengaluru  
Date: May 29, 2014

