

# Standalone Financial Statements

## Auditors' Report to the Members of GMR Infrastructure Limited

1. We have audited the attached balance sheet of GMR Infrastructure Limited ('the Company') as at March 31, 2011 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to Note 3 of Schedule 18 (III) in the accompanying financial statements for the year ended March 31, 2011 in connection with an investment of Rs. 2,763,078,800 (including loans of Rs. 597,194,800 and investment in equity / preference shares of Rs. 1,926,557,130 being made by subsidiaries of the Company) in GMR Ambala Chandigarh Expressways Private Limited (GACEPL). Though GACEPL has been incurring losses since the commencement of commercial operations, based on management's internal assessment and legal opinion obtained by the management of GACEPL, such investment has been carried at cost.
5. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge

and belief were necessary for the purposes of our audit;

- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
  - b. in the case of the profit and loss account, of the profit for the year ended on that date; and
  - c. in the case of cash flow statement, of the cash flows for the year ended on that date.

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

per Sunil Bhumralkar  
Partner  
Membership No.: 35141

Place : Bengaluru  
Date : May 30, 2011

## Annexure to Auditors' Report

Annexure referred to in paragraph 3 of our report of even date

Re: GMR Infrastructure Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted unsecured loans and unsecured debentures to six subsidiary Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year (excluding interest) was Rs. 16,000,000,000 and the year-end balance of loans/debentures granted (excluding interest) to such parties was Rs. 15,706,500,000.
- (b) In our opinion and according to the information and explanations given to us and considering the economic interest of the Company in these subsidiary companies, the rate of interest and other terms and conditions for such loans/debentures are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans/debentures granted, repayment of the principal amount is as stipulated and payment of interest is as per the terms of the contract.
- (d) There is no overdue amount of loans/debentures granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *except for professional tax where there have been delays in certain cases*. The provisions relating to employees' state insurance are not applicable to the Company.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money through public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

per Sunil Bhumralkar  
Partner  
Membership No.: 35141

Place : Bengaluru  
Date : May 30, 2011

## Balance Sheet as at March 31, 2011

(Amount in Rupees)

Particulars	Schedule Ref	March 31, 2011		March 31, 2010	
Sources of funds					
Shareholders' funds					
Share capital	1	3,892,432,532		3,667,351,642	
Reserves and surplus	2	67,803,350,031	71,695,782,563	54,732,844,378	58,400,196,020
Loan funds					
Secured loans	3	13,760,688,356		12,750,000,000	
Unsecured loans	4	10,000,000,000	23,760,688,356	13,000,000,000	25,750,000,000
Deferred tax liability (Net) [Refer Note 11 of Schedule 18(III)]			12,748,839		-
<b>Total</b>			<b>95,469,219,758</b>		<b>84,150,196,020</b>
Application of funds					
Fixed assets					
Gross block	5	884,307,406		254,877,872	
Less : Accumulated depreciation		66,042,361		17,812,640	
Net block			818,265,045		237,065,232
Capital work in progress (including capital advances)			97,487,715		84,779,701
Investments	6		70,380,196,667		62,524,959,283
Deferred tax asset (Net) (Refer Note 11 of Schedule 18(III))			-		301,915
Current assets, loans and advances					
Inventories	7	105,687,720		126,808,589	
Sundry debtors	8	1,166,179,223		373,515,770	
Cash and bank balances	9	4,741,771,344		685,306,545	
Other current assets	10	1,694,194,770		28,535,922	
Loans and advances	11	20,316,976,519		20,893,095,603	
			28,024,809,576		22,107,262,429
Less : Current liabilities and provisions	12				
Current liabilities		3,721,340,983		701,582,884	
Provisions		130,198,262		102,589,656	
		3,851,539,245		804,172,540	
Net current assets			24,173,270,331		21,303,089,889
Statement on significant accounting policies and notes to accounts	18				
<b>Total</b>			<b>95,469,219,758</b>		<b>84,150,196,020</b>

The schedules referred to above and statement on significant accounting policies and notes to accounts form an interegral part of the Balance Sheet.

As per our report of even date.

For S. R. Batliboi & Associates  
Firm registration number: 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar  
Partner  
Membership No.: 35141

G.M. Rao                      Srinivas Bommidala      Subba Rao Amarthaluru      C.P. Sounderarajan  
Executive Chairman      Managing Director      Group CFO                      Company Secretary

Place : Bengaluru  
Date : May 30, 2011

Place : Bengaluru  
Date : May 30, 2011

## Profit and Loss Account for the year ended March 31, 2011

(Amount in Rupees)

Particulars	Schedule Ref	March 31, 2011	March 31, 2010
<b>Income</b>			
Operating income	13	7,274,048,252	1,693,583,186
Other income	14	54,566,645	94,205,535
		<b>7,328,614,897</b>	<b>1,787,788,721</b>
<b>Expenditure</b>			
Operating expenses	15	3,920,536,030	423,407,410
Administration and other expenditure	16	957,870,290	527,492,627
Financial expenses	17	1,741,424,346	691,148,979
Depreciation	5	49,137,378	9,362,939
		<b>6,668,968,044</b>	<b>1,651,411,955</b>
<b>Profit before taxation</b>		<b>659,646,853</b>	<b>136,376,766</b>
<b>Provision for taxation</b>			
- Current tax		236,568,812	44,060,630
- Reversal of earlier years		(15,195,997)	-
- MAT credit entitlement		(163,557,101)	(44,060,630)
- Deferred tax charge		13,050,755	1,854,543
<b>Profit after taxation</b>		<b>588,780,384</b>	<b>134,522,223</b>
Balance brought forward from previous year		2,774,772,002	2,510,401,792
<b>Profit available for appropriation</b>		<b>3,363,552,386</b>	<b>2,644,924,015</b>
Transfer to debenture redemption reserve		(377,289,912)	(32,652,013)
Transfer from debenture redemption reserve		-	162,500,000
<b>Available surplus carried to Balance Sheet</b>		<b>2,986,262,474</b>	<b>2,774,772,002</b>
<b>Earnings per Share (Rs.) - Basic and Diluted</b>		<b>0.15</b>	<b>0.04</b>
[Per equity share of Re.1 each ] [Refer Note 10 of Schedule 18(III)]			
Statement on significant accounting policies and notes to accounts	18		

The schedules referred to above and statement on significant accounting policies and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date.

For S. R. Batliboi & Associates  
Firm registration number: 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar  
Partner  
Membership No.: 35141

G.M. Rao                      Srinivas Bommidala      Subba Rao Amarthaluru      C.P. Sounderarajan  
Executive Chairman      Managing Director      Group CFO                      Company Secretary

Place : Bengaluru  
Date : May 30, 2011

Place : Bengaluru  
Date : May 30, 2011

## Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 1   SHARE CAPITAL	March 31, 2011	March 31, 2010
Authorised		
7,500,000,000 (2010: 7,500,000,000 equity shares of Re. 1 each) equity shares of Re. 1 each	7,500,000,000	7,500,000,000
	7,500,000,000	7,500,000,000
Issued, subscribed and paid up		
3,892,434,782 (2010: 3,667,354,392 ) equity shares of Re. 1 each fully paid	3,892,434,782	3,667,354,392
Notes:		
Of the above,		
(i) 1,057,747,230 (2010: 1,057,747,230 equity shares of Re. 1 each) equity shares of Re. 1 each fully paid-up were allotted during the year ended March 31, 2006, by way of bonus shares by capitalising free reserves of the Company.		
(ii) 2,726,840,000 (2010: 2,725,850,824 equity shares of Re.1 each) equity shares of Re. 1 each fully paid-up are held by the Holding Company, GMR Holdings Private Limited.		
(iii) During the year ended March 31, 2010, 46,800,000 equity shares of Rs. 10 each of Delhi International Airport Private Limited (DIAL) were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration of Rs. 1,497,197,420 which was discharged by allotment of 26,038,216 equity shares of GIL of Re. 1 each at issue price of Re. 1 each at a issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards share premium).		
	3,892,434,782	3,667,354,392
Less: Calls unpaid -others	2,250	2,750
Total	3,892,432,532	3,667,351,642
Note 1: Refer Note 21 of schedule 18(III) for details of additional issue of shares during the year ended March 31, 2011 to Qualified Institutional Buyers for consideration in cash.		
Note 2: Refer Note 22 of schedule 18(III) on sub division of one equity share of the Company carrying face value of Rs. 2 each into equity shares of Re. 1 each during the year ended March 31, 2010.		

(Amount in Rupees)

Schedule 2   RESERVES AND SURPLUS	March 31, 2011	March 31, 2010
Securities premium account		
At the commencement of the year	51,925,420,363	50,708,036,118
Add: Received on issue of shares [Refer Note (iii) of Schedule 1 and Note 21 of Schedule 18(III)]	13,774,919,868	1,471,159,204
Less: utilised towards debenture issue expenses	188,600,000	196,240,713
Less: utilised towards provision for debenture redemption premium	700,000,000	57,534,246
Less: utilised towards share issue expenses	404,601,549	-
Add: received against calls unpaid	6,950	-
(i)	64,407,145,632	51,925,420,363
Debenture redemption reserve		
At the commencement of the year	32,652,013	162,500,000
Less: transfer to profit and loss account on redemption	-	162,500,000
Add: transferred from profit and loss account	377,289,912	32,652,013
(ii)	409,941,925	32,652,013
Profit and loss account (iii)	2,986,262,474	2,774,772,002
Total (i)+(ii)+(iii)	67,803,350,031	54,732,844,378

## Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 3   SECURED LOANS	March 31, 2011	March 31, 2010
Term loan		
Rupee loan		
From a financial institution - Life Insurance Corporation of India	12,750,000,000	12,750,000,000
(a) Secured by pledge of 189,978,027 (2010: 160,546,832 equity shares of Re. 1 each) fully paid-up equity shares of Re. 1 each of the company, held by GMR Holdings Private Limited and by way of Guarantee issued by GMR Holdings Private Limited.		
(b) Rs.10,000,000,000 (2010: 10,000,000,000) further secured by exclusive charge on barge mounted power plant of a subsidiary company.		
Bank Overdraft	1,010,688,356	-
(Secured by first charge on current assets of the EPC division of the Company).		
Total	13,760,688,356	12,750,000,000

(Amount in Rupees)

Schedule 4   UNSECURED LOANS	March 31, 2011	March 31, 2010
Short term		
From banks	5,000,000,000	8,000,000,000
Other than short term		
Debentures		
5,000 (2010: 5,000) 0% unsecured, redeemable, non-convertible debentures of Rs. 1,000,000 each	5,000,000,000	5,000,000,000
Due within one year Rs. 750,000,000 (2010: Nil)		
(These debentures are redeemable at a premium yielding 14% p.a. in 5 annual installments starting from April 2011.)		
Total	10,000,000,000	13,000,000,000

## Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 5   FIXED ASSETS	Gross Block						Depreciation			Net Block	
	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at April 01, 2010	For the year	Deletions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010	
Freehold land	835,700	-	-	835,700	-	-	-	-	835,700	835,700	
Office equipments	26,516,376	29,544,234	450,000	55,610,610	2,543,925	2,732,198	26,897	5,249,226	50,361,384	23,972,451	
Computer equipments	61,861,712	24,030,971	6,551	85,886,132	10,074,046	11,354,118	4,933	21,423,231	64,462,901	51,787,666	
Plant and machinery	136,251,843	546,904,951	-	683,156,794	1,127,493	27,285,163	-	28,412,656	654,744,138	135,124,350	
Furniture and fixtures	7,707,775	10,062,742	-	17,770,517	2,236,841	3,699,153	-	5,935,994	11,834,523	5,470,934	
Vehicles	21,704,466	20,242,162	898,975	41,047,653	1,830,335	4,066,746	875,827	5,021,254	36,026,399	19,874,131	
Total	254,877,872	630,785,060	1,355,526	884,307,406	17,812,640	49,137,378	907,657	66,042,361	818,265,045	237,065,232	
Previous Year	16,599,198	238,464,204	185,530	254,877,872	8,467,326	9,362,939	17,625	17,812,640	97,487,715	84,779,701	
Capital work in progress *									915,752,760	321,844,933	

\* Includes capital advances Rs.72,715,037 (2010: 49,580,981), unsecured and considered good



## Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 6   INVESTMENTS	March 31, 2011	March 31, 2010
I. LONG TERM - AT COST		
Other than Trade- Unquoted		
A. In equity shares of Subsidiary Companies fully paid		
- Indian Companies		
GMR Energy Limited [Nil (2010: 703,178,306) equity shares of Rs. 10 each]	-	10,008,414,272
GMR Hyderabad International Airport Limited * [238,139,998 (2010: 238,139,998) equity shares of Rs. 10 each]	2,381,399,980	2,381,399,980
GMR Pochanpalli Expressways Limited [57,132,000 (2010: 57,132,000) equity shares of Rs. 10 each]	571,320,000	571,320,000
GMR Jadcherla Expressways Private Limited [48,779,550 (2010: 48,779,550) equity shares of Rs. 10 each]	487,795,500	487,795,500
GMR Ambala Chandigarh Expressways Private Limited * [23,272,687 (2010: 23,272,687) equity shares of Rs. 10 each]	232,726,870	232,726,870
Delhi International Airport Private Limited * [857,500,000 (2010: 420,000,000 ) equity shares of Rs. 10 each]	9,116,697,470	4,741,697,470
GMR Ulundurpet Expressways Private Limited [82,282,500 (2010: 82,282,500) equity shares of Rs. 10 each]	822,825,000	822,825,000
GMR (Badrinath) Hydro Power Generation Private Limited [4,900 (2010: 4,900) equity shares of Rs. 10 each]	49,000	49,000
GMR Airports Holding Private Limited [340,869,304 (2010: 340,869,304) equity shares Rs. 10 each]	6,798,260,750	6,798,260,750
GMR Aviation Private Limited [86,440,000 (2010: 86,440,000) equity shares of Rs. 10 each]	864,400,000	864,400,000
Gateways for India Airports Private Limited [8,649 (2010: 8,649) equity shares of Rs. 10 each]	86,490	86,490
GMR Krishnagiri SEZ Limited [117,500,000 (2010: 117,500,000) equity shares of Rs. 10 each]	1,175,000,000	1,175,000,000
GMR SEZ & Port Holdings Private Limited [47,989,999 (2010: 49,999) equity shares of Rs. 10 each]	479,899,990	499,990
GMR Highways Limited [20,000,000 (2010: 17,850,000) equity shares of Rs. 10 each]	200,000,000	178,500,000
GMR Hyderabad Vijaywada Expressways Private Limited [2,050,000 (2010: 7,400) equity shares of Rs. 10 each]	20,500,000	74,000
GMR Corporate Affairs Private Limited [4,999,900 (2010: 4,999,900) equity shares of Rs. 10 each]	49,999,000	49,999,000
GMR Chennai Outer Ring Road Private Limited * [9,300,000 (2010: 3,100) equity shares of Rs. 10 each]	93,000,000	31,000
GMR Energy Trading Limited [42,119,897 (2010: 42,119,897) equity shares of Rs. 10 each]	421,198,970	421,198,970
Dhruvi Securities Private Limited [80,59,694 (2010: 2,849,490) equity shares of Rs. 10 each]	396,974,906	141,674,910
GMR OSE Hungund Hospet Highways Private Limited * [15,664,692 (2010: 5,100) equity shares of Rs. 10 each]	156,646,920	51,000
GMR Renewal Energy Limited [500,000 (2010: Nil) equity shares of Rs. 10 each]	5,000,000	-
GMR Power Infra Limited [99,940 (2010: Nil) equity shares of Rs. 10 each]	999,400	-
- Body Corporates		
GMR Energy (Mauritius) Limited [5 (2010: 5) equity share of USD 1 each]	202	202

## Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 6   INVESTMENTS	March 31, 2011	March 31, 2010
GMR Infrastructure (Mauritius) Limited [320,550,001 (2010: 220,550,001) equity share of USD 1 each]	14,779,866,500	10,285,016,500
Island Power Company Pte Ltd., [4,059,436 (2010: Nil) equity share of SGD 1 each]	104,137,500	-
<b>B. In equity shares of Joint Venture</b>		
Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım Ve İşletme Anonim Şirketi * [86,984,800 (2010: 86,984,800) equity shares of YTL 1 each]	2,667,559,592	2,667,559,592
Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri Anonim Şirketi * [4,300 (2010: 4,300) equity shares of YTL 100 each]	12,743,830	12,743,830
(i)	<b>41,839,087,870</b>	<b>41,841,324,326</b>
<b>C. In preference shares of Subsidiary Companies - fully paid</b>		
GMR Energy Limited [386,852,522 (2010: 386,852,522) 1% preference shares of Rs. 10 each]	3,868,525,220	3,868,525,220
GMR Pochanpalli Expressways Limited [4,450,000 (2010: 4,450,000) 8% preference shares of Rs. 100 each]	445,000,000	445,000,000
GMR Jadcherla Expressways Private Limited [5,310,000 (2010: 5,310,000) 8% preference shares of Rs. 100 each]	531,000,000	531,000,000
GMR Ambala Chandigarh Expressways Private Limited [66,000 (2010: 66,000) 8% preference shares of Rs. 100 each]	6,600,000	6,600,000
GMR Ulundurpet Expressways Private Limited [10,002,000 (2010: 10,002,000) 8% preference shares of Rs. 100 each]	1,000,200,000	1,000,200,000
GMR Highways Limited [39,100,000 (2010: 34,364,000) 8% preference shares of Rs. 100 each]	3,910,000,000	3,436,400,000
GMR Chennai Outer Ring Road Private Limited [2,192,500 (2010: Nil) preference shares of Rs. 100 each]	219,250,000	-
GMR Corporate Affairs Private Limited [15,000,000 (2010: Nil) preference shares of Rs. 10 each]	150,000,000	-
Dhruvi Securities Private Limited [200,000,000 (2010: Nil) preference shares of Rs. 10 each]	10,000,000,000	-
(ii)	<b>20,130,575,220</b>	<b>9,287,725,220</b>
<b>D. In debentures of Subsidiary Companies</b>		
GMR Krishnagiri SEZ Limited [185 (2010: 200) 1% cumulative optionally convertible debentures of Rs. 10,000,000 each]	1,850,000,000	2,000,000,000
GMR Aviation Private Limited [18,565 (2010: Nil) 2% non-marketable redeemable debentures of Rs. 100,000 each]	1,856,500,000	-
GMR SEZ & Port Holdings Private Limited [100 (2010: Nil) 1% optionally convertible unsecured debentures of Rs. 10,000,000 each]	1,000,000,000	-
GMR Corporate Affairs Private Limited [15,000,000 (2010: Nil) 5% non-convertible redeemable debentures of Rs. 100 each]	1,500,000,000	-
(iii)	<b>6,206,500,000</b>	<b>2,000,000,000</b>
<b>E. In equity shares of other Body Corporates - Fully paid</b>		
GMR Holding Overseas Investments Limited [5 (2010: Nil) equity shares of USD 1 each]	234	-
GMR Holding (Malta) Limited * [58 (2010: 58) equity shares of EUR 1 each]	3,924	3,924
(iv)	<b>4,158</b>	<b>3,924</b>

## Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 6   INVESTMENTS	March 31, 2011	March 31, 2010
* Refer note 5 of Schedule 18(III) for details of investments pledged as security in respect of the loans availed by the company and the investee companies.		
II. Current Investment - Lower of cost and fair value		
Other than trade - unquoted		
A. Investments in certificate of deposits (CD)		
CD- HDFC Bank [2,500 (2010: Nil) units of Rs.100,000 each]	245,081,500	-
CD- Allahabad Bank [Nil (2010: 5,000) units of Rs.100,000 each]	-	487,033,500
CD- Canara Bank [Nil (2010: 2,500) units of Rs.100,000 each]	-	235,692,000
CD- Canara Bank [Nil (2010: 7,500) units of Rs.100,000 each]	-	731,111,250
CD- Canara Bank [Nil (2010: 25,000) units of Rs.100,000 each]	-	2,395,812,500
CD- Central Bank of India [Nil (2010: 2,500) units of Rs.100,000 each]	-	249,704,750
CD- Panjab National Bank [Nil (2010: 2,500) units of Rs.100,000 each]	-	235,090,750
CD- State Bank of Bikaner & Jaipur [Nil (2010: 2,500) units of Rs.100,000 each]	-	235,583,500
CD- State Bank of Bikaner & Jaipur [Nil (2010: 2,500) units of Rs.100,000 each]	-	249,106,750
CD- Union Bank of India [Nil (2010: 1,500) units of Rs.100,000 each]	-	141,179,700
CD- Corporation Bank [Nil (2010: 2,000) units of Rs.100,000 each]	-	199,657,400
(v)	245,081,500	5,159,972,100
B. Investments in mutual funds		
Birla Sunlife Infrastructure Fund - Plan - Dividend - Payout [4,720,000 (2010: Nil) units of Rs. 10 each]	59,000,000	-
ICICI Prudential Flexible Income Plan Premium Growth [Nil (2010: 6,321,876) units of Rs. 100 each]	-	1,082,476,079
ICICI Prudential Liquid Super Institutional Plan - Growth [12,355,982 (2010: 11,842,120) units of Rs. 100 each]	1,788,741,819	1,611,189,063
HDFC Cash Management Fund - Treasury Advantage Plan- Growth [Nil (2010: 4,459,889) units of Rs. 10 each]	-	90,011,708
Birla Sunlife Cash Plus Institutional Premium Growth [3,188,145 (2010: 98,652,723) units of Rs. 10 each]	50,000,000	1,452,256,863
C. Investments in venture capital funds		
Faering Capital India Evolving Fund [15,000 (2010: Nil) units of Rs. 1,000 each]	15,000,000	-
D. Investments in bonds		
7.70 HPCL 2013 [50 (2010: Nil) units of Rs.1,000,000 each]	48,491,900	-
Less: Provision for diminution in the value of investments	(2,285,800)	-
(vi)	1,958,947,919	4,235,933,713
Total (i)+(ii)+(iii)+(iv)+(v)+(vi)	70,380,196,667	62,524,959,283

## Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 7   INVENTORIES	March 31, 2011	March 31, 2010
Raw materials	103,151,676	1,467,462
Contract work in progress	2,536,044	125,341,127
Total	105,687,720	126,808,589

(Amount in Rupees)

Schedule 8   SUNDRY DEBTORS	March 31, 2011	March 31, 2010
(Unsecured, considered good)		
a) Debts outstanding for a period exceeding six months	115,784,035	-
b) Other debts	1,050,395,188	373,515,770
Total	1,166,179,223	373,515,770

Note 1: Refer Note 8 of Schedule 18(III) for details of balances of companies under the same management.

Note 2: Includes retention money of Rs. 332,042,191 (2010: Nil)

(Amount in Rupees)

Schedule 9   CASH AND BANK BALANCES	March 31, 2011	March 31, 2010
Cash on hand	211,242	208,157
Balances with scheduled banks		
- On current accounts (Note 1 & 2)	1,259,660,102	85,098,388
- On deposit accounts (Note 3)	3,481,900,000	600,000,000
Total	4,741,771,344	685,306,545

Notes:

1. Includes share application money pending refund Rs. 526,322 ( 2010: 526,322)
2. Includes cheques on hand of Rs. 290,152,219
3. Includes deposit of Rs. 694,900,000 (2010: 100,000,000) on which charge has been created for working capital facility.

(Amount in Rupees)

Schedule 10   OTHER CURRENT ASSETS	March 31, 2011	March 31, 2010
(Unsecured, considered good)		
Interest accrued but not due		
- On loans to subsidiaries	385,374,956	28,000,155
- On debentures, fixed deposits with banks, certificate of deposits and bonds	177,929,462	535,767
Unbilled revenue	1,130,890,352	-
Total	1,694,194,770	28,535,922

(Amount in Rupees)

Schedule 11   LOANS AND ADVANCES	March 31, 2011	March 31, 2010
(Unsecured and considered good, unless otherwise stated)		
Loans to subsidiaries	13,306,654,000	10,000,000,000
Loans to others (Refer Note 2 below)	1,150,000,000	-
Advance towards investments in subsidiaries	3,908,574,000	10,517,330,639
Advances recoverable in cash or in kind or for value to be received (Refer Note 3 & 4 below)	1,372,313,455	109,488,783
Balances with customs, excise, etc.	90,861,844	71,305,245
MAT credit entitlements	207,617,731	44,060,630
Advance tax (net of provision for tax)	196,095,779	130,619,255

## Schedules forming part of Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 11   LOANS AND ADVANCES	March 31, 2011	March 31, 2010
Deposits - others	84,859,710	20,291,051
Total	20,316,976,519	20,893,095,603

Note 1: Refer Note 8 of Schedule 18(III) for details of balances of companies under the same management.

Note 2: Interest free loan given to Welfare Trust of GMR Infra Employees. Also refer Note 23 of schedule 18(III).

Note 3: Includes dues from the Directors Rs. Nil (2010: Rs. 12,289,000) and maximum amount outstanding during the year Rs. 12,289,000 (2010: Rs. 12,289,000).

Note 4: Includes receivable Rs. 336,943,016 (2010: Rs. 40,637,695) from GMR Male International Airport Private Limited towards reimbursement of expenses.

(Amount in Rupees)

Schedule 12   CURRENT LIABILITIES AND PROVISIONS	March 31, 2011	March 31, 2010
a) Current Liabilities		
Sundry creditors		
Dues to micro and small enterprises [Refer Note 14 of Schedule 18(III)]	-	-
Dues to other than micro and small enterprises	1,717,556,011	370,317,760
Share Application money pending refund #	526,322	526,322
Advance from customers	1,828,226,970	156,500,000
Interest accrued but not due on loans	150,684,918	150,684,918
Other liabilities	24,346,762	23,553,884
	3,721,340,983	701,582,884
# There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
b) Provisions		
Provision for employee benefits	122,664,017	45,055,409
Provision for debenture redemption premium	7,534,245	57,534,247
	130,198,262	102,589,656
Total	3,851,539,245	804,172,540

## Schedules forming part of Profit and Loss Account for the year ended March 31, 2011

(Amount in Rupees)

Schedule 13   OPERATING INCOME	March 31, 2011	March 31, 2010
Contract revenue	5,073,679,426	683,611,256
Profit on sale of current investments (net)	469,547,412	170,352,598
Income from management technical services	352,605,627	372,740,284
Interest income - gross		-
- Deposits, bonds and certificate of deposits	179,518,748	300,906,445
- Debentures issued to subsidiaries	161,148,932	3,561,644
- Loans to subsidiaries	1,037,548,107	162,410,959
[Tax deducted at source Rs. 99,373,047 (2010: Rs. 54,428,160)]		
Total	7,274,048,252	1,693,583,186

(Amount in Rupees)

Schedule 14   OTHER INCOME	March 31, 2011	March 31, 2010
Provisions/ liabilities no longer required, written back	8,112,821	3,035,586
[Net of advances written off Rs. Nil (2010: Rs.56,964,414)]		
Exchange differences (net)	13,337,325	-
Miscellaneous income	33,116,499	91,169,949
Total	54,566,645	94,205,535

(Amount in Rupees)

Schedule 15   OPERATING EXPENSES	March 31, 2011	March 31, 2010
Inventories as at April 1	126,808,589	-
Add: Construction cost	3,595,595,523	307,078,803
Salaries, allowances and benefits to employees	303,819,638	243,137,196
	4,026,223,750	550,215,999
Less: Inventories as at March 31	105,687,720	126,808,589
Total	3,920,536,030	423,407,410

(Amount in Rupees)

Schedule 16   ADMINISTRATION AND OTHER EXPENSES	March 31, 2011	March 31, 2010
Salaries, allowances and benefits to employees	347,908,173	121,477,625
Contribution to provident fund and others	19,842,053	22,448,587
Staff welfare expenses	18,701,713	16,298,599
Bidding charges	5,867,406	27,367,048
Lease rent and hire charges	82,997,598	17,869,727
Rates and taxes	23,674,162	35,977,173
Repairs and maintenance - others	51,300,055	35,782,867
Insurance	4,562,398	1,117,413
Consultancy and professional charges	190,697,005	119,965,108
Directors' sitting fees	1,130,000	1,450,000
Provision for diminution in the value of investments	2,285,800	-
Travelling and conveyance	86,048,545	39,839,637
Communication expenses	9,894,993	7,408,051

## Schedules forming part of Profit and Loss Account for the year ended March 31, 2011

(Amount in Rupees)

Schedule 16   ADMINISTRATION AND OTHER EXPENSES	March 31, 2011	March 31, 2010
Exchange differences (net)	-	11,881,841
Advertisement and business promotion	24,214,213	14,068,910
Printing, stationery, postage and telegram	26,631,373	27,772,238
Meetings and seminars	3,297,052	9,990,289
Donations	10,265,000	6,289,842
Security expenses	20,861,269	2,704,479
Loss on sale/ write off of fixed assets	277,139	39,978
Logo fees	21,822,130	5,247,189
Miscellaneous expenses	5,592,213	2,496,026
<b>Total</b>	<b>957,870,290</b>	<b>527,492,627</b>

(Amount in Rupees)

Schedule 17   FINANCIAL EXPENSES	March 31, 2011	March 31, 2010
Interest on fixed term loans	1,689,361,221	578,821,917
Interest on debentures	-	55,008,740
Interest - others	478,881	4,251,375
Bank and other finance charges	51,584,244	53,066,947
<b>Total</b>	<b>1,741,424,346</b>	<b>691,148,979</b>

# Notes forming part of Accounts

## Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

### I. Background

GMR Infrastructure Limited ('GIL' or 'the Company') carries its business in the following verticals:

#### Engineering Procurement Construction

The Company is engaged in handling Engineering Procurement Construction (EPC) solutions in the infrastructure sector.

#### Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

### II. Statement of Significant Accounting Policies

#### a. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company as in the previous year.

#### b. Use of estimates

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

#### c. Revenue recognition

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

##### (i) Revenue from construction activity

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

further losses that are foreseen in bringing contracts to completion are also recognised. Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue has been reflected under "Current Liabilities" in the balance sheet.

##### (ii) Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirements of schedule VI of the Companies Act, 1956.

##### (iii) Income from management/ technical services

Income from management/technical services is recognized as per the terms of the agreement on the basis of services rendered.

##### (iv) Interest

Interest on investment and bank deposits are recognized on a time proportion basis taking into account the amounts invested and the rate applicable.

##### (v) Income from mutual funds

Profit/ loss on sale of mutual funds are recognized when the title to mutual funds ceases to exist.

#### d. Fixed assets

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

#### e. Depreciation

Depreciation is provided on straight line method at the rates specified under Schedule XIV of the Companies Act, 1956 which is estimated by the management to be the estimated useful lives of the assets. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

#### f. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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 risks specific to the asset.



## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

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

#### g. Leases

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

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

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

#### h. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value computed category wise. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

#### i. Inventories

Inventories of raw materials are valued at lower of cost and net realisable value. Cost of raw materials is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

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

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work-in-progress comprising construction costs and other directly attributable overheads are valued at cost.

#### j. Employee Benefits

##### (i) Defined contribution plan

Contribution paid/payable to defined contribution plans comprising of provident fund and pension fund are recognised as expenses during the period in which the employees perform the services that the payments cover.

The Company also has a defined contribution superannuation plan (under a scheme of Life Insurance Corporation of India) covering all its employees and contributions in respect of such scheme are charged during the period in which the employees perform the service that the payments cover.

The Company makes monthly contributions and has no further obligation under the plan beyond its contribution.

##### (ii) Defined benefit plan

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognized in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the balance sheet date, carried out by an independent actuary. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

##### (iii) Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date based on actuarial valuation method of Projected Unit Credit carried out at each balance sheet date. Actuarial gains and losses are recognized immediately in the Profit and Loss Account as income or expense.

##### (iv) Short term employee benefits

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

#### k. Foreign currency transactions

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

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

#### (iii) Exchange differences

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operating is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognized as income or as expenses.

Exchange differences, in respect of accounting periods commencing on or after 7th December, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2012.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

#### l. Earnings per share

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

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

#### m. Income taxes

Tax expense comprise of 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 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable

income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that 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.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

#### n. Segment reporting policies

Identification of segments:

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

Allocation of common costs:

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

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

#### Unallocated items

Includes general corporate income and expense items which are not allocated to any business segment.

#### Segment policies:

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

#### o. Provisions

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

#### p. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### q. Shares/ debentures issue expenses and premium redemption

Shares/ debentures issue expenses incurred are expensed in the year of issue and redemption premium payable on preference shares/ debentures are expensed over the term of preference shares/ debenture. Both are adjusted to the securities premium account as permitted by Section 78(2) of the Companies Act, 1956.

#### r. Borrowing Costs

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### III. Notes to accounts

#### 1. Contingent liabilities:

- Corporate guarantees issued in respect of borrowings availed by subsidiary companies and others—Rs. 95,941,018,434 (2010: Rs. 89,766,300,000).
- The Company has an investment of Rs. 1,684.84 crore (USD 373.25 million) (including a loan of Rs. 237.88 crore) in its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML'). GIML through its step-down subsidiary, GMR Energy Global Limited (GEGL), had entered into

necessary arrangements to acquire 50% economic stake in InterGen. N.V. and had subscribed Rs.1,874.13 Crore (USD 415.18 million) in Compulsory Convertible Debentures (CCD), issued for this purpose, by GMR Holding (Malta) Limited (GHML), a step down subsidiary of GMR Holdings Private Limited, the Company's Holding Company. GHML had funded the investment in InterGen N.V. through a mix of external borrowings and the balance was funded through CCDs as above. The Company had also given the corporate guarantee up to a maximum of USD 1.13 billion to the lenders on behalf of GHML to enable it to raise debt for financing the aforesaid acquisition.

During the year ended March 31, 2011, GMR Infrastructure (Malta) Limited, a wholly owned subsidiary of GHML, and which, through its step-down subsidiary, held 50% economic stake in InterGen N.V. as stated above, entered into an agreement to sell the investment in InterGen N.V. for USD 1,232 million to Overseas International Inc. Limited, an associate of China Huaneng Group.

In April 2011, the transaction was consummated for the aforesaid consideration after obtaining the necessary regulatory approvals. On consummation of the transaction, GHML has repaid the loans from the banks in full, thereby resulting in expiration of the corporate guarantees of USD 1.13 billion given by the Company and CCDs issued to GEGL in part.

The Company has recorded a loss of Rs 938.91 crores in its consolidated financial statements, which has been disclosed as an exceptional item. Despite the aforementioned loss, based on valuation assessment of GIML and its investments in underlying subsidiaries / joint ventures the management of the Company continues to carry the investment in GIML at cost.

- GMR Energy Limited ('GEL') during the year has issued following fully paid up Compulsorily Convertible Cumulative Preference Shares ('CCCPs'):

(Amount in Rupees)

Investors	No. of CCCPS	Amount
Claymore Investments (Mauritius) Pte Limited	9,300,000	9,300,000,000
IDFC Private Equity Fund III	2,500,000	2,500,000,000
Infrastructure Development Finance Company Limited	500,000	500,000,000
IDFC Investment Advisors Limited	500,000	500,000,000
Ascent Capital Advisors India Private Limited	500,000	500,000,000
Argonaut Ventures	650,000	650,000,000
<b>Total</b>	<b>13,950,000</b>	<b>13,950,000,000</b>

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

The preference shares are convertible upon the occurrence of qualifying initial public offering (QIPO) of GEL at an agreed internal rate of return (IRR). In case of non occurrence of QIPO within 3 years of the closing date, as defined in the terms of agreement between the parties, Investors have the right to require the Company to purchase the CCCPS or if converted, the equity shares in GEL at an agreed upon IRR.

- d. During the year GMR Airports Holding Limited (GAHL) has issued 2,298,940 non-cumulative compulsory convertible participatory preference shares bearing 0.0001% dividend on the face value, of Rs. 1,000 each fully paid up amounting to Rs. 2,298,940,000 along with a premium of Rs. 2,885.27 each amounting to Rs. 6,633,062,614 to SBI Infrastructure Investments 1 Limited, (investor) for funding and consolidation of the airport segment. GIL and GAHL have provided the investors various conversion and exit options at an agreed internal rate of return as per the terms of the Restructuring Options Agreement and Investment Agreement.

#### 2. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. 70,467,800 (2010: Rs. 83,686,592).

3. The Company has an investment of Rs. 2,763,078,800 (including loans of Rs. 597,194,800 and investment in equity / preference shares of Rs. 1,926,557,130 made by subsidiaries of the Company) in GMR Ambala Chandigarh Expressways Private Limited (GACEPL) as at March 31, 2011. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to loss of revenue arising as a result of diversion of partial traffic on parallel roads. Based on a legal opinion the management of GACEPL is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the investment in GACEPL has been carried at cost.

#### 4. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for gratuity benefit.

#### Profit and Loss Account

##### Net employee benefit expense

(Amount in Rupees)

Particulars	2011	2010
Current service cost	8,642,315	645,961
Interest cost on benefit obligation	1,753,114	45,514
Expected return on plan assets	(1,811,484)	(902,113)
Net actuarial (gain) / loss recognized in the year	(516,700)	(692,721)
Past service cost	-	349,364
Net benefit expense	8,067,245	(553,995)
Actual return on plan assets	2,159,837	1,453,438

#### Balance Sheet

(Amount in Rupees)

Particulars	2011	2010
Defined benefit obligation	31,875,109	22,179,823
Fair value of plan assets	25,267,126	22,179,823
Less: Unrecognised past service cost	-	-
Plan asset/ (liability)	(6,607,983)	-

Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rupees)

Particulars	2011	2010
Opening defined benefit obligation	22,179,823	568,931
Interest cost	1,753,114	45,514
Current service cost	8,642,315	645,961
Past service cost	-	349,364
Benefits paid	(531,796)	-
Adjusted on transfer	-	20,711,449
Actuarial (gains)/ losses on obligation	(168,347)	(141,396)
Closing defined benefit obligation	31,875,109	22,179,823

Changes in the fair value of plan assets as follows:

(Amount in Rupees)

Particulars	2011	2010
Opening fair value of plan assets	22,179,823	723,778
Expected return	1,811,484	902,113
Contributions by employer	1,459,262	85,625
Benefits paid	(531,796)	-
Actuarial gains / (losses) on plan assets	348,353	551,325
Adjusted on transfer	-	19,916,982
Closing fair value of plan assets	25,267,126	22,179,823

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

The Company expects to contribute Rs. 2,500,000 (2010: Rs. 1,000,000) towards gratuity in 2011-2012.

The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2011	2010
	%	%
Investments with insurer managed funds	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations are to be settled.

The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	2011	2010
Discount rate	8%	8%
Expected rate of return on assets	8%	8%
Expected rate of salary increase	6%	6%
Employee turnover	5%	5%
Mortality rate	Refer Note 3 below	Refer Note 3 below

Notes :

- The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- As per LIC (94-96) Ultimate Mortality Table.

Amounts for the current and previous three years are as follows:

(Amount in Rupees)

Particulars	2011	2010	2009	2008
Defined benefit obligation	31,875,109	22,179,823	568,931	227,290
Plan assets	25,267,126	22,179,823	723,778	661,589
Surplus/(deficit)	(6,607,983)	-	154,847	434,299
Experience adjustments on plan liabilities	(168,347)	(141,396)	(36,426)	(25,875)
Experience adjustments on plan assets	348,353	551,325	(9,262)	7,869

Liability towards compensated absence is provided based on actuarial valuation amounts to Rs. 45,096,590 (2010: Rs. 34,069,068) as at March 31, 2011.

- The following long term unquoted investments included in Schedule 6 have been pledged/ subjected to negative lien/ frozen by the Company towards borrowings of the Company or the investee companies:

(Amount in Rupees)

Description	No of shares	Carrying Value as at March 31, 2011
GMR Hyderabad International Airport Limited	164,149,015	1,641,490,150
(Equity shares of Rs.10 each fully paid up)	(164,149,015)	(1,641,490,150)
GMR Ambala Chandigarh Expressways Private Limited	23,272,687	232,726,870
(Equity shares of Rs.10 each, fully paid up)	(23,272,687)	(232,726,870)
Delhi International Airport Private Limited	170,270,270	1,810,265,352
(Equity shares of Rs.10 each, fully paid up)	(93,166,904)	(1,051,831,602)
GMR Chennai Outer Ring Road Private Limited	2,418,000	24,180,000
(Equity shares of Rs.10 each, fully paid up)	-	-
GMR OSE Hungund Hospet Highways Private Limited	7,988,993	79,889,930
(Equity shares of Rs.10 each, fully paid up)	-	-
GMR Holding (Malta) Limited	58	3,924
(Equity shares of EUR 1 each, fully paid-up)	(58)	(3,924)
Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi	86,984,800	2,667,559,592
(Equity shares of YTL 1 each, fully paid-up)	(86,984,800)	(2,667,559,592)
Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi	4,300	12,743,830
(Equity shares of YTL 100 each, fully paid-up)	(4,300)	(12,743,830)

Note: Previous year figures are mentioned in brackets.

- The segment report of the Company has been prepared in accordance with Accounting Standard 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 as amended.

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

The business segments of the Company comprise of the following:

- EPC – Handling of engineering, procurement and construction solutions in Infrastructure sector.
- Others – Investment activity and corporate support to various infrastructure SPVs

#### Business segment

Particulars	EPC		Others		Unallocated		Inter Segment		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue										
Revenue	5,073,679,426	1,013,889,334	2,200,368,826	679,693,852	-	-	-	-	7,274,048,252	1,693,583,186
Inter segment revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	5,073,679,426	1,013,889,334	2,200,368,826	679,693,852	-	-	-	-	7,274,048,252	1,693,583,186
Operating expenses	3,920,536,030	423,407,410	-	-	-	-	-	-	3,920,536,030	423,407,410
General and administrative Expenditure	539,648,518	157,081,926	418,221,772	370,410,701	-	-	-	-	957,870,290	527,492,627
Depreciation	35,198,537	5,883,847	13,938,841	3,479,092	-	-	-	-	49,137,378	9,362,939
Segment operating profit/(loss)	578,296,341	427,516,151	1,768,208,213	305,804,059	-	-	-	-	2,346,504,554	733,320,210
Interest expense	-	-	-	-	(1,741,424,346)	(691,148,979)	-	-	(1,741,424,346)	(691,148,979)
Other income	14,207,950	90,436,879	40,358,695	3,768,656	-	-	-	-	54,566,645	94,205,535
Profit/ (loss) before tax	592,504,291	517,953,030	1,808,566,908	309,572,715	(1,741,424,346)	(691,148,979)	-	-	659,646,853	136,376,766
Taxation										
Current tax	-	-	-	-	236,568,812	44,060,630	-	-	236,568,812	44,060,630
Reversal of earlier year	-	-	-	-	(15,195,997)	-	-	-	(15,195,997)	-
Less: MAT credit entitlement	-	-	-	-	(163,557,101)	(44,060,630)	-	-	(163,557,101)	(44,060,630)
Deferred tax	-	-	-	-	13,050,755	1,854,543	-	-	13,050,755	1,854,543
Other information										
Segment assets	4,580,253,959	756,195,350	95,181,015,126	84,057,502,918	403,713,510	174,981,800	(844,223,591)	(34,311,509)	99,320,759,003	84,954,368,560
Capital expenditure	622,599,565	233,184,606	20,893,507	90,059,299	-	-	-	-	643,493,073	323,243,905
Depreciation	35,198,537	5,883,847	13,938,841	3,479,092	-	-	-	-	49,137,378	9,362,939
Segment liabilities	3,548,257,211	413,507,535	989,286,462	216,757,349	23,931,656,358	25,958,219,165	(844,223,591)	(34,311,509)	27,624,976,440	26,554,172,540

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

#### Geographical segment

(Amount in Rupees)

Particulars	Segment revenue	Segment assets	Addition to fixed assets
India	7,274,048,252	79,112,850,206	643,493,073
	(1,693,583,186)	(71,948,406,818)	(323,243,905)
Outside India	-	20,207,908,797	-
	(-)	(13,005,961,742)	(-)

Note: Previous year figures are mentioned in brackets.

#### 7. Related Parties

##### (i) Name of Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
Holding Company	GMR Holdings Private Limited (GHPL)
Subsidiary Companies	GMR Renewable Energy Limited (GRENL) GMR Energy Limited (GEL) GMR Power Corporation Limited (GPCL) GMR Vemagiri Power Generation Limited (GVPGL) GMR Energy Trading Limited (GETL) GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) Badrinath Hydro Power Generation Private Limited (BHPL) GMR Mining and Energy Private Limited (GMEL) GMR Kamalanga Energy Limited (GKEL) GMR Consulting Services Private Limited (GCSPL) GMR Rajahmundry Energy Limited (GREL) SJK Powergen Limited (SJK) GMR Coastal Energy Private Limited (GCEPL) GMR BajoliHoli Hydropower Private Limited (GBHPPL) GMR Chhattisgarh Energy Limited (GCHEL) (formerly called GMR Chhattisgarh Energy Private Limited) GMR Londa Hydropower Private Limited (GLHPPL) GMR Kakinada Energy Private Limited (GKEPL) EMCO Energy Limited (EEL) Delhi International Airport Private Limited (DIAL) Delhi Aerotropolis Private Limited (DAPL) East Delhi Waste Processing Company Private Limited (EDWPCPL) GMR Hyderabad International Airport Limited (GHIAL) Hyderabad Menzies Air Cargo Private Limited (HMACPL) Hyderabad Airport Security Services Limited (HASSL) GMR Hyderabad Airport Resource Management Limited (GHARML) GMR Hyderabad Aerotropolis Limited (GHAL) GMR Hyderabad Aviation SEZ Limited (GHASL) GMR Hyderabad Multiproduct SEZ Limited (GHMSL) GMR Hotels and Resorts Limited (GHHL) Gateways for India Airports Private Limited (GFIAPL) GMR Highways Limited (GMRHL) GMR TuniAnakapalli Expressways Private Limited (GTAEPL) GMR TambaramTindivanam Expressways Private Limited (GTTEPL) GMR Ambala Chandigarh Expressways Private Limited (GACEPL) GMR Jadcherla Expressways Private Limited (GJEPL)

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Description of Relationship	Name of the Related Parties
Subsidiary Companies	GMR Pochanpalli Expressways Limited (GPEL)
	GMR Ulundurpet Expressways Private Limited (GUEPL)
	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
	GMR Chennai Outer Ring Road Private Limited (G CORRPL)
	GMR OSE HungundHospet Highways Private Limited (GOSEHHHPL)
	GMR Krishnagiri SEZ Limited (GKSEZL)
	Advika Properties Private Limited (APPL)
	Aklima Properties Private Limited (AKPPL)
	Amartya Properties Private Limited (AMPPL)
	Baruni Properties Private Limited (BPPL)
	Camelia Properties Private Limited (CPPL)
	Eila Properties Private Limited (EPPL)
	Gerbera Properties Private Limited (GPPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)
	Krishnapriya Properties Private Limited (KPPL)
	Nadira Properties Private Limited (NPPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Properties Private Limited (PUPPL)
	Shreyadita Properties Private Limited (SPPL)
	Sreepa Properties Private Limited (SRPPL)
	Bougianvile Properties Private Limited (BOPPL)
	GMR Corporate Center Limited (GCCL)*
	GMR Gujarat Solar Power Private Limited (GJSPPL) (Formerly GMR Campus Private Limited)
	GMR Headquarters Private Limited (GHDPL)*
	GMR Airports Holding Limited (GAHL)
	GMR Corporate Affairs Private Limited (GCAPL)
	GMR SEZ and Port Holdings Private Limited (GSPHPL)
	GMR Aviation Private Limited (GAPL)
	Dhruvi Securities Private Limited (DSPL)
	Himtal Hydro Power Company Private Limited (HHPCPL)
	GMR Upper Karnali Hydro Power Limited (GUKHL)
	GMR Energy (Mauritius) Limited (GEML)
	GMR Lion Energy Limited (GLEL)
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) BV (GENBV)
	PT Unsoco (PT)
	PT Dwikarya Sejati Utma (PTDSU)
	PT Duta Sarana Internusa (PTDSI)
	PT Barasentosa Lestari (PTBL)
	Lion Energy Tuas Pte Limited (LETPL)****
	GMR Infrastructure (Mauritius) Limited (GIML)
GMR Infrastructure (Cyprus) Limited (GICL)	
GMR Infrastructure Overseas Sociedad Limitada (GIOSL)	
GMR Infrastructure (UK) Limited (GIUL)	
GMR International (Malta) Limited (GMRIML)	
GMR Infrastructure (Global) Limited (GIGL)	
GMR Infrastructure (Singapore) Pte Limited (GISPL)	



## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Description of Relationship	Name of the Related Parties	
Subsidiary Companies	GMR Energy (Global) Limited (GEGL)	
	Island Power Intermediary Pte Limited (IPIPL)	
	Island Power Company Pte Limited (IPCPL)	
	Island Power Supply Pte Limited (IPSPL)	
	Homeland Energy Group limited (HEGL)**	
	Homeland Energy Corp. (HEC)***	
	Homeland Mining & Energy SA (Pty) Limited (HMEP)***	
	Homeland Energy (Swaziland) Pty Limited (HESPL)***	
	Homeland Mining & Energy (Botswana) (Pty) Limited (HMEBPL)***	
	Homeland Coal Mining (Pty) Limited (HCMPL)***	
	Ferret Coal Holdings (Pty) Limited (FCHPL)***	
	Wizard Investments (Pty) Limited (WIPL)***	
	Ferret Coal (Kendal) (Pty) Limited (FCKPL)***	
	Manoka Mining (Pty) Limited (MMPL)***	
	Corpco 331 (Pty) Limited (CPL)***	
	GMR Maharashtra Energy Limited (GMEL)	
	GMR Bundelkhand Energy Private Limited (GBEPL)	
	GMR Uttar Pradesh Energy Private Limited (GUPEPL)	
	GMR Hosur Energy Limited (GHEL)	
	Karnali Transmission Company Private Limited (KTCPL)	
	Marsyangdi Transmission Company Private Limited (MTCPL)	
	GMR Indo-Nepal Energy Links Limited (GIELL)	
	GMR Indo-Nepal Power Corridors Limited (GIPCL)	
	Aravali Transmission Service Company Limited (ATSCPL)	
	Maru Transmission Service Company Limited (MTSCL)	
	GMR Energy Projects (Mauritius) Limited (GEPML) (Formerly GMR Energy Investments (Mauritius) Limited)	
	Hyderabad Duty Free Retail Limited (HDFRL)	
	GMR Airport Developers Limited (GADL)	
	GADL International Limited (formerly GADL (Isle of Man) Limited) (GADL IL)	
	GADL (Mauritius) Limited (GADLML)	
	Deepesh Properties Private Limited (DPPL)	
	Larkspur Properties Private Limited (LPPL)	
	Padmapriya Properties Private Limited (PPPL)	
	Kakinada SEZ Private Limited (KSEZL)	
	GMR Power Infra Limited (GPIL)	
	GMR Male International Airport Private Limited (GMIAPL)	
	GMR Infrastructure Investments (Singapore) Pte Ltd (GIISPL)	
	GMR Airport Handling Services Company Limited (GAHSCL)	
	Enterprises where significant influence exists	Istanbul Sabiha Gocken Uluslararası Havalimani Yer Hizmetleri Anonim Sirketi (SGH)
		Rampia Coal Mine and Energy Private Limited (RCMEPL)
MAS GMR Aerospace Engineering Company Limited (MGAECL)		
TVS GMR Aviation Logistics Limited (TGALL)		
Asia Pacific Flight Training Academy Limited (APFTAL)		
Limak GMR Construction JV (LGCJV)		
Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL)		
Delhi Cargo Service Centre Private Limited (DCSCPL)		
Delhi Aviation Services Private Limited (Formerly DIAL Cargo Private Limited (DCPL))		
Travel Food Services (Delhi T3) Private Limited (TFSDPL)		
Devyani Food Street Private Limited (DFSPL)		

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Description of Relationship	Name of the Related Parties
Enterprises where significant influence exists	Delhi Select Services Hospitality Private Limited (DSSHPL) Wipro Airport IT Services Private Limited (WAISPL) TIM Delhi Airport Advertisement Private Limited (TDAAPL) LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM) Delhi Airport Parking Services Private Limited (DAPSPL) MAS GMR Aero Technique Limited (MGATL) Tshedza Mining Resource (Pty) Limited (TMRPL) *** Nhalalala Mining (Pty) Ltd (NMPL) *** Delhi Duty Free Services Private Limited (DDFSPL) Delhi Aviation Fuel Facility Private Limited (DAFFPL) Welfare Trust of GMR Infra Employees (WTGIE) GMR Varalakshmi Foundation (GVF)
Joint Ventures	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG)
Fellow Subsidiaries (Where transactions have taken place )	Raxa Security Services Limited (RSSL) GMR Bannerghatta Properties Private Limited (GBPPL) GMR Projects Private Limited (GMRPPL) Ideaspace Solutions Limited (ISL) Rajam Enterprises Private Limited (REPL) Grandhi Enterprises Private Limited (GREPL) GMR Holdings (Malta) Limited (GHML) GMR Holdings (Overseas) Limited (GHOL) GMR Holdings Overseas (Investments) Limited (GHOIL)
Key management personnel and their relatives	Mr. G.M.Rao (Chairman) Mrs. G.Varalakshmi Mr. G.B.S.Raju (Managing Director) (Resigned w.e.f May 12, 2010) Mr. Kiran Kumar Grandhi (Director) Mr. Srinivas Bommidala (Director) (Managing Director w.e.f. May 24, 2010) Mr. B.V.Nageswara Rao (Director) Mr. O Bangaru Raju (Director)

\* Ceases to be a subsidiary during the year.

\*\* Became subsidiary during the year.

\*\*\* Consequent to further investments in HEGL during the year.

\*\*\*\* Wound up during the year.

Note: The information disclosed based on the names of the parties as identified by the management.

(ii) Summary of transactions with above related parties are as follows:

Nature of Transaction	(Amount in Rupees)		Nature of Transaction	(Amount in Rupees)	
	2011	2010		2011	2010
Interest Income - Gross			Income from management/ technical services		
Subsidiary companies			Subsidiary companies		
- GEL	786,246,575	136,767,123	- GEL	-	4,087,560
- GMRHL	127,421,918	25,643,836	- GOSEHHHPL	-	142,000,000
- GKSEZL	146,908,219	3,561,644	- GCORRPL	-	199,453,724
- GAPL	9,429,753	-	- GHVEPL	-	27,199,000
- GHIAL	44,349,316	-	Income from contract revenue		
- GIML	72,338,517	-			
- GCAPL	12,002,740	-			

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)		
Nature of Transaction	2011	2010
Subsidiary companies		
- GEL	10,146,467	-
- EEL	891,647,254	-
Contract expenses paid		
Subsidiary company		
- GVPGL	-	241,384
Consultancy services		
Subsidiary companies		
- GCSPL	1,414,400	-
- GCAPL	11,413,237	-
Donation paid to		
Enterprises where significant influence exists		
- GVF	550,000	-
Other administration expenses		
Subsidiary company		
- GAPL	6,132,000	-
Fellow subsidiaries		
- RSSL	28,580,957	6,154,846
Expenses incurred on behalf of GIL		
Subsidiary companies		
- GCAPL	-	30,083,254
- GHIAL	-	11,821
Fellow subsidiary		
- RSSL	-	370,749
Expenses incurred by GIL on behalf of others		
Subsidiary companies		
- GMIAPL	336,943,016	40,637,695
- EEL	34,894,165	-
- GCHEL	226,654,579	-
- GREL	244,786,945	-
- GKEL	1,572,475	-
- ISG	887,945	-
- GRENL	20,470	-
- GPIL	384,020	-
- GIOSL	1,291,992	-
Logo fee paid/payable to Holding company		
-GHPL	21,822,130	5,247,189
Deposit paid		

(Amount in Rupees)		
Nature of Transaction	2011	2010
Subsidiary companies		
- GCCL	-	15,000,000
- GCAPL	27,766,590	-
Fellow subsidiaries		
- GBPPL	-	26,800,000
- RSSL	1,494,834	1,750,000
Deposit refund received		
Subsidiary companies		
- GCCL	-	295,800,000
- GCAPL	-	47,800,000
Fellow subsidiary		
- GBPPL	9,000,000	17,800,000
Purchase of fixed assets		
Subsidiary company		
- GCCL	-	44,255,837
Fellow subsidiary		
- GMRPPL	81,675,882	118,558,050
Purchase of long term investments from Holding company		
- GHPL	-	104,130
Subsidiary company		
- GAHL	-	67,498,650
Fellow subsidiaries		
- ISL	-	39,975,890
- REPL	-	31,499,990
- GREPL	-	31,499,990
Key Management Personnel		
- Mr. Srinivas Bommidala	-	50,000
- Mr. O.Bangaru Raju	-	24,000
Investment in equity shares		
Subsidiary companies (Refer Note (c) below)		
- GCORRPL	92,969,000	-
- GPIL	999,400	-
- GOSEHHHPL	156,595,920	-
- GRENL	5,000,000	-
- GHVEPL	20,426,000	-
- DSPL	255,299,996	-
- DIAL	4,375,000,000	-
- IPCPL	104,137,500	-
- GIML	4,494,850,000	3,109,355,000

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Nature of Transaction	(Amount in Rupees)	
	2011	2010
- GSPHPL	479,400,000	400,000
- GMRHL	21,500,000	158,500,000
- GCAPL	-	49,900,000
- GEL	-	1,532,802,606
- GETL	-	251,100,000
- DSPL	-	119,049,910
Fellow subsidiary		
- GHOIL	234	-
Joint venture		
- ISG	-	1,097,498,370
Enterprises where significant influence exists		
- SGH	-	2,426,410
Investment in preference shares of		
Subsidiary companies		
- GCORRPL	219,250,000	-
- DSPL	10,000,000,000	-
- GCAPL	150,000,000	-
- GACEPL	-	6,600,000
- GJEPL	-	531,000,000
- GPEL	-	445,000,000
- GUEPL	-	1,000,200,000
- GMRHL	473,600,000	3,436,400,000
Investment in debentures		
Subsidiary companies		
- GKSEZL	1,000,000,000	2,000,000,000
- GCAPL	1,500,000,000	-
- GAPL	1,856,500,000	-
- GSPHPL	1,000,000,000	-
Redemption of Debenture of		
Subsidiary Company		
- GKSEZL	1,150,000,000	-
Sale of long term investments		
Holding company		
- GHPL	-	330
Subsidiary companies		
- GMRHL	-	2,432,834,830
- GRENL	10,008,414,272	-
- GEL	-	1,000

Nature of Transaction	(Amount in Rupees)	
	2011	2010
Key management personnel and their relatives		
- Mr. Srinivas Bommidala	-	330
- Mr. G.B.S. Raju	-	330
- Mrs. G.Varalakshmi	-	330
- Mr. Kiran Kumar Grandhi	-	330
Loans repaid by		
Subsidiary companies		
- GHIAL	5,750,000,000	-
- GIML	312,294,000	-
- GAPL	250,000,000	-
Equity share application money invested in		
Subsidiary companies		
- GEL	150,000,000	-
- GMRHL	2,525,500,000	-
- GSPHPL	1,829,700,000	400,000
- GKSEZL	1,067,265,000	1,550,037,000
- GPIL	999,400	-
- GOSEHHHPL	156,700,000	-
- GRENL	5,000,000	-
- IPCPL	104,137,500	-
- DIAL	-	487,500,000
- GAHL	3,000,000	150,000,000
- GAPL	1,125,000,000	122,150,000
- GIML	-	9,120,162,500
- GHVEPL	-	63,300,000
- GCORRPL	14,204,000	208,500,000
- GCAPL	55,000,000	235,466,139
- GKEL	-	7,375,754
- DSPL	2,225,300,000	492,050,000
- GETL	-	251,100,000
Joint venture	-	1,097,498,370
- ISG		
Enterprises where significant influence exists		
- SGH	-	2,426,410
Fellow subsidiary		
- GHOIL	234	-
Preference share application money invested in		
Subsidiary companies		

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)		
Nature of Transaction	2011	2010
- DSPL	10,010,000,000	-
- GCORRPL	89,515,000	-
- GEL	-	1,501,000,000
- GACEPL	-	6,600,000
- GJEPL	-	531,000,000
- GPEL	-	545,000,000
- GUEPL	-	1,000,200,000
- GMRHL	473,600,000	3,436,400,000
- GCAPL	150,000,000	-
Refund of equity share application money received		
Subsidiary companies		
- GOSEHHHPL	104,080	-
- GEL	-	478,197,397
- GAPL	1,752,642,500	489,350,000
- GAHL	3,000,000	177,280,000
- GIML	-	1,515,957,500
- GKSEZL	1,705,037,000	182,500,000
- GSPHPL	-	10
- GCAPL	165,266,139	75,300,000
- GKEL	-	7,375,754
- DSPL	1,970,000,004	373,000,090
- GMRHL	148,600,000	-
Refund of preference share application money		
Subsidiary company		
- GPEL	-	100,000,000
Loans given		
Subsidiary companies		
- GAPL	250,000,000	-
- GHIAL	5,750,000,000	-
- GIML	2,593,909,000	-
- GEL	-	8,000,000,000
- GMRHL	1,000,000,000	2,000,000,000
Enterprises where significant influence exists		
-WTGIE	1,150,000,000	-
Corporate guarantees given to		
Subsidiary companies		
- IPCPL	8,558,115,000	-
- GHVEPL	5,148,500,000	-
- GMIAPL	22,830,400,000	-

(Amount in Rupees)		
Nature of Transaction	2011	2010
- GOSEHHHPL	1,820,000,000	-
- GCORRPL	708,800,000	-
- GAPL	610,000,000	1,473,119,480
- GEL	-	2,250,000,000
- GENBV	-	1,833,911,300
- GHAIL	-	2,000,000,000
- KSEZL	2,150,000,000	2,300,000,000
- GIML	-	3,590,567,322
- LGM	-	411,077,000
Fellow subsidiaries		
- GHOIL	10,280,600,000	-
- GHML	27,025,000,000	-
Joint venture		
- ISG	5,133,648,000	10,004,888,750
Managerial Remuneration to		
Key management personnel		
(Refer Note 16 (d))		
- Mr. G.M. Rao	34,792,315	7,385,841
- Mr. G.B.S. Raju	-	4,432,000
Balances payable / (recoverable)		
Holding company		
- GHPL	19,455,884	5,420,184
Subsidiary companies		
- GCHEL	(58,650,000)	-
- EEL	58,989,250	-
- GEL	(8,376,741,459)	7,998,695,053
- GHIAL	-	32,569
- GAPL	-	(627,642,500)
- GKSEZL	(132,731,222)	(640,977,479)
- GJEPL	-	96,900
- GPEL	-	352,467
- DIAL	-	(4,374,968,630)
- GMRHL	(5,442,027,527)	(2,023,079,452)
- GIML	(2,378,835,704)	(4,494,850,000)
- GCAPL	(37,008,721)	(78,669,457)
- GHVEPL	(42,874,000)	(85,800,447)
- GCORRPL	-	(226,497,651)
- GVPGL	-	(801,724)
- DSPL	(10,000,000)	-
- GSPHPL	(1,350,300,000)	-

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)			(Amount in Rupees)		
Nature of Transaction	2011	2010	Nature of Transaction	2011	2010
- GMIAPL	(336,943,016)	(40,637,695)	Enterprises where significant influence exists		
- GPPL	24,661,660	-	- WTGIE	1,150,000,000	-
- GIOSL	(439,609)	(3,741,768)	Key management personnel		
Fellow subsidiaries			- Mr. G.M. Rao*	-	(7,761,000)
- RSSL	3,866,393	4,546,852	- Mr. G.B.S. Raju*	-	(4,528,000)
- GBPPL	-	(8,982,000)	*(Refer Note on Schedule 11)		
- GMRPPL	-	117,576,389			

#### Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain companies.
- The holding company has pledged certain shares held in the Company and other bodies corporate as security towards the borrowings of the Company.
- Includes allotment of equity shares out of share application money received in earlier years.
- Balances of companies under the same management included in Sundry debtors and Loans and advances.

#### (i) Sundry debtors

(Amount in Rupees)

Name of the Company	2011		2010	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
GVPGL	-	-	801,724	27,500,000
GEL	2,175,706	3,589,399	695,053	1,712,191
EEL	166,760,310	296,540,693	-	-
GCORRPL	-	-	17,997,651	17,997,651
GHVEPL	-	-	27,000,447	27,000,447

#### (ii) Loans and Advances

(Amount in Rupees)

Name of the Company	2011		2010	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
GCAPL	27,766,950	110,266,139	110,266,139	171,860,000
GAPL	-	1,856,517,500	627,642,500	975,942,500
GKSEZL	-	2,024,872,000	637,772,000	2,637,772,000
DIAL	-	4,375,000,000	4,375,000,000	4,375,000,000
GCORRPL	-	230,919,000	208,500,000	208,500,000
GIML	2,306,654,000	4,494,850,000	4,494,850,000	4,678,990,000
GEL	8,150,000,000	8,150,000,000	8,000,000,000	8,000,000,000
GMRHL	5,355,400,000	5,355,400,000	2,000,000,000	2,000,000,000
GHVEPL	42,874,000	63,300,000	63,300,000	63,300,000
GBPPL	-	9,000,000	9,000,000	9,000,000
DSPL	10,000,000	2,225,300,000	-	-
GSPHPL	1,350,300,000	2,337,400,000	-	-
GIOSL	439,609	3,741,768	3,741,768	59,986,040
GMIAPL	336,943,016	346,534,770	-	-

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Name of the Company	2011		2010	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
RSSL	1,494,834	1,494,834	-	-
GCHL	58,650,000	190,000,000	-	-
GREL	-	200,000,000	-	-
EEL	32,090,864	63,974,000	-	-
GHAL	-	4,000,000,000	-	-

9. Office premises and equipments for EPC division of the Company are obtained on operating lease. The lease rent paid during the year is Rs. 82,997,598 (2010: Rs. 17,869,727). Office premises are obtained for a lease term of eleven months and renewable as mutually agreed between the parties. The equipments are taken on hire on need basis. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

#### 10. Earnings per share (EPS)

Calculation of EPS – (Basic and Diluted)

(Amount in Rupees)

Particulars	Year ended March 31	
	2011	2010
Nominal value of equity shares (Re. per share)	1	1
Weighted average number of equity shares outstanding at the end of the year	3,880,098,989	3,661,715,973
Net profit after tax for the purpose of EPS (Rs.)	588,780,384	134,522,223
EPS – Basic and Diluted (Rs.)	0.15	0.04

Notes:

- Rs. 2,250 (2010: Rs. 2,750) are receivable towards equity shares and for the computation of weighted average number of equity shares outstanding at the end of the year, these have been considered as partly paid-up shares.
- The Company does not have any dilutive securities.
- Refer Note (iii) of Schedule 1 of schedules forming part of Balance Sheet as at March 31, 2011.

#### 11. Deferred tax liability/ asset (net) comprises of:

(Amount in Rupees)

Particulars	2011		2010	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Depreciation	-	36,182,058	-	11,606,304
Other 43B disallowances	23,433,219	-	11,908,219	-
Total	23,433,219	36,182,058	11,908,219	11,606,304
Deferred tax asset/ liability		12,748,839	301,915	

#### 12. Information on Joint Ventures as per Accounting Standard – 27

The Company directly holds 35% of the equity shares of Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatırım Yapım Ve İşletme Anonim Şirketi (ISG) and 5% of the equity shares of ISG through its subsidiary company. ISG is incorporated in Turkey and is involved in development of airport infrastructure.

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity basis an equity investment of 40% (including 5% held indirectly through subsidiaries) are as follows at 31st March 2011:

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Particulars	2011	2010
(1) Contingent liabilities – Corporate guarantee given on behalf of the Joint Venture	13,886,627,881	10,004,888,750
(2) Company's share of contingent liabilities of joint venture		
-Claims against the company not acknowledged as debt	-	10,578,750
(3) Company's share of capital commitments of the joint venture	-	-
(4) Aggregate amount of company's share in each of the following:		
(a) Current assets	1,937,461,507	2,285,823,885
(b) Fixed Assets (including capital work in progress and pre – operative expenditure, pending allocation)	8,669,327,888	8,632,578,638
(c) Investments	27,043,419	26,172,910
(d) Deferred tax asset/ (liability)	-	139,835,700
(e) Current liabilities and provisions	1,244,338,450	2,217,387,095
(f) Borrowings	8,460,798,652	7,152,546,352
(g) Income		
1. Sales	5,344,225,047	3,282,555,073
2. Other income	-	684,313
(h) Expenses		
1. Operating expenses	3,805,352,880	2,418,338,545
2. Administration and other expenses	370,115,466	299,021,184
3. Depreciation	1,089,930,324	727,410,183
4. Interest and finance charges	757,512,588	445,393,375
5. Provision for taxation (including deferred taxation)	139,947,528	(97,644,386)

#### Note:

Disclosure of financial data as per Accounting Standard – 27 'Financial Reporting of Interest in the Joint venture has been done based on the audited financial statements of ISG for the year ended March 31, 2011.

#### 13. Details of Investments – other than trade, purchased and sold during the year ended March 31, 2011

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
<b>A. Mutual fund</b>				
Axis liquid fund - Institutional growth	918,059	976,200,000	918,059	978,524,178
	(-)	(-)	(-)	(-)
Birla sun life savings fund Institutional – growth	347,420,699	6,093,474,542	347,420,699	6,135,235,032
	(575,466,311)	(9,908,332,726)	(575,466,311)	(9,926,972,586)
Birla sunlife cash plus Institutional Premium-growth	1,097,854,191	16,369,633,206	1,097,854,191	16,415,846,006
	(-)	(-)	(-)	(-)
Birla sunlife cash manager Institutional growth	-	-	-	-
	(11,940,884)	(176,300,000)	(11,940,884)	(176,530,459)
Birla sunlife cash plus Institutional premium – growth	-	-	-	-
	(757,506,778)	(10,991,355,998)	(757,506,778)	(11,002,394,753)



## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Birla sun life short term fund-Institutional growth	-	-	-	-
	(278,197,650)	(3,000,000,000)	(278,197,650)	(3,001,557,907)
DSP black rock liquidity fund - Institutional plan – growth	2,713,426	3,670,200,000	2,713,426	3,676,555,307
	(-)	(-)	(-)	(-)
HDFC cash management fund - Treasury advantage plan-Wholesale growth	98,911,043	2,000,082,674	98,911,043	2,011,222,792
	(-)	(-)	(-)	(-)
HDFC liquid fund premium plan growth	242,168,449	4,512,089,000	242,168,449	4,519,421,781
	(-)	(-)	(-)	(-)
HDFC liquid fund premium plan growth	-	-	-	-
	(622,851,769)	(11,324,930,456)	(622,851,769)	(11,341,206,856)
HDFC cash management fund - savings plan – growth	-	-	-	-
	(4,406,287)	(83,000,000)	(4,406,287)	(83,052,168)
HDFC cash management - Treasury - Wholesale plan growth	-	-	-	-
	(544,196,117)	(10,802,262,035)	(544,196,117)	(10,817,638,827)
ICICI prudential Institutional liquid plan super Institutional growth	3,043,757	440,000,000	3,043,757	440,808,997
	(85,772,428)	(11,502,396,602)	(85,772,428)	(11,506,631,915)
ICICI prudential flexible income plan premium - growth	54,794,626	9,409,375,724	54,794,626	9,492,348,146
	(77,180,407)	(13,083,690,492)	(77,180,407)	(13,140,539,933)
ICICI prudential liquid super Institutional plan - growth	175,159,180	24,125,419,575	175,159,180	24,268,827,138
	(-)	(-)	(-)	(-)
ICICI prudential liquid super Institutional plan - growth	-	-	-	-
	(50,918,510)	(6,908,800,000)	(50,918,510)	(6,909,987,743)
ICICI prudential Institutional liquid plan super Institutional growth	-	-	-	-
	(528,500,639)	(7,009,280,763)	(528,500,639)	(7,040,014,310)
IDFC cash fund - Super Institutional plan C – growth	606,891,967	6,866,438,546	606,891,967	6,891,641,044
	(496,234,664)	(5,544,000,000)	(496,234,664)	(5,545,359,746)
IDFC money manager fund - Treasury plan - Super Institutional plan C – growth	214,501,281	2,349,176,363	214,501,281	2,367,288,942
	(244,531,707)	(2,660,666,181)	(244,531,707)	(2,666,770,070)
Kotak liquid Institutional premium – growth	84,298,878	1,636,000,000	84,298,878	1,640,691,241
	(-)	(-)	(-)	(-)
L & T liquid super Institutional plan Cumulative	11,199,081	150,000,000	11,199,081	150,442,701
	(-)	(-)	(-)	(-)
LICMF liquid fund growth plan	73,881,577	1,265,800,000	73,881,577	1,267,890,153
	(-)	(-)	(-)	(-)
Reliance liquidity fund growth option	149,841,799	2,142,900,000	149,841,799	2,149,880,053
	(-)	(-)	(-)	(-)
SBI - Magnum Institutional cash fund - Cash option	190,915,657	3,957,332,747	190,915,657	3,966,460,028
	(-)	(-)	(-)	(-)

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
SBI SHF ultra short term fund Institutional plan growth	112,153,310	1,350,413,407	112,153,310	1,360,632,747
	(-)	(-)	(-)	(-)
TATA liquid super high Investment fund	626,279	1,100,000,000	626,279	1,102,680,967
	(-)	(-)	(-)	(-)
Templeton India treasury management account super Institutional plan – growth	1,347,279	1,907,000,000	1,347,279	1,910,691,514
	(-)	(-)	(-)	(-)
UTI liquid cash plan Institutional - growth option	3,525,110	5,391,694,228	3,525,110	5,406,319,725
	(2,027,522)	(2,985,315,109)	(2,027,522)	(2,990,398,173)
UTI treasury advantage fund - Institutional plan – growth	1,773,223	2,200,917,405	1,773,223	2,214,836,272
	(237,725)	(291,528,998)	(237,725)	(293,156,513)
Total		97,914,147,417		98,368,244,764
		(96,271,859,361)		(96,442,211,959)
<b>B. Bonds</b>				
0% ZCB HDFC	110	108,644,470	110	110,000,000
	(-)	(-)	(-)	(-)
0% LIC Housing finance NCD	250	244,470,250	250	250,000,000
	(-)	(-)	(-)	(-)
5.55% Exim Bonds	250	248,213,750	250	250,000,000
	(-)	(-)	(-)	(-)
7.70% HPCL	50	49,641,700	50	48,469,400
	(-)	(-)	(-)	(-)
Total		650,970,170		658,469,400
		(-)		(-)
<b>C. Commercial papers</b>				
Raymond Limited	500	245,884,750	500	246,332,750
	(-)	(-)	(-)	(-)
Tata Motors Limited	500	243,643,000	500	244,087,000
	(-)	(-)	(-)	(-)
HDFC	500	248,035,750	500	248,487,750
	(-)	(-)	(-)	(-)
Birla Global Finance	500	247,441,500	500	247,892,500
	(-)	(-)	(-)	(-)
JM Financial Products Limited	500	249,426,000	500	250,000,000
	(-)	(-)	(-)	(-)
JM Financial Products Limited	500	249,414,000	500	250,000,000
	(-)	(-)	(-)	(-)

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Reliance Capital Limited	500	240,895,000	500	248,519,000
	(-)	(-)	(-)	(-)
<b>Total</b>		<b>1,724,740,000</b>		<b>1,735,319,000</b>
		(-)		(-)
<b>D. Certificate of deposits</b>				
Central Bank of India	10,000	985,887,000	10,000	990,749,000
	(-)	(-)	(-)	(-)
Punjab National Bank	2,500	246,755,000	2,500	247,882,250
	(-)	(-)	(-)	(-)
State Bank of Patiala	2,500	246,879,500	2,500	248,007,250
	(-)	(-)	(-)	(-)
United Bank of India	2,500	245,877,500	2,500	248,830,250
	(-)	(-)	(-)	(-)
United Bank of India	2,500	245,871,500	2,500	248,836,500
	(-)	(-)	(-)	(-)
State Bank of Patiala	1,000	97,567,400	1,000	100,000,000
	(-)	(-)	(-)	(-)
State Bank of Patiala	1,500	146,348,100	1,500	150,000,000
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	245,913,500	2,500	250,000,000
	(-)	(-)	(-)	(-)
State Bank of Mysore	2,500	244,375,500	2,500	247,724,750
	(-)	(-)	(-)	(-)
Oriental Bank of Commerce	2,500	243,050,000	2,500	246,334,250
	(-)	(-)	(-)	(-)
Punjab National Bank	2,500	242,963,250	2,500	246,232,750
	(-)	(-)	(-)	(-)
ING Vysya Bank	2,500	245,644,250	2,500	250,000,000
	(-)	(-)	(-)	(-)
State Bank of Hyderabad	2,500	244,986,750	2,500	247,724,750
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	246,741,250	2,500	250,000,000
	(-)	(-)	(-)	(-)
IDBI Bank	5,000	493,246,000	5,000	494,011,500
	(-)	(-)	(-)	(-)
Canara Bank	2,500	249,653,000	2,500	250,000,000
	(-)	(-)	(-)	(-)

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Punjab National Bank	2,500	249,653,000	2,500	250,000,000
	(-)	(-)	(-)	(-)
Allahabad Bank	2,500	245,594,000	2,500	246,334,250
	(-)	(-)	(-)	(-)
Oriental Bank of Commerce	2,500	245,689,250	2,500	246,316,750
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	248,101,250	2,500	250,000,000
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	249,120,750	2,500	250,000,000
	(-)	(-)	(-)	(-)
HDFC Bank	2,500	239,897,250	2,500	248,213,500
	(-)	(-)	(-)	(-)
Canara Bank	2,500	247,985,750	2,500	250,000,000
	(-)	(-)	(-)	(-)
Central Bank of India	2,500	244,908,500	2,500	248,397,250
	(-)	(-)	(-)	(-)
State Bank of Travancore	2,500	243,614,500	2,500	246,406,000
	(-)	(-)	(-)	(-)
Total		6,886,323,750		6,952,001,000
		(-)		(-)

Note:

- (i) Purchases and sales exclude those held at year end.
- (ii) The sales realization excludes dividend, if any, received from Mutual funds.
- (iii) Previous year figures are mentioned in brackets.

14. Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under 'The Micro, Small and Medium Enterprises Development Act, 2006' as at March 31, 2011, which has been relied upon by the auditors.

15. Disclosure in terms of Accounting Standards 7 - Construction contracts

(Amount in Rupees)

Particulars	2011	2010
1. Contract revenue recognised during year	5,073,679,426	683,611,256
2. Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date for contracts in progress	5,832,978,401	810,419,845
3. Amount of customer advances outstanding	1,828,226,970	150,000,000
4. Retention money due from customers for contracts in progress	332,042,191	-
5. Gross amount due from customers for contract works as an asset	1,130,890,352	-

16. Additional information pursuant to paragraph 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

#### a. Remuneration to Auditors\*

(Amount in Rupees)

Particulars	2011	2010
(a) as auditor	6,397,400	2,206,000
(b) as adviser, or in any other capacity, in respect of		
(i) tax audit;	369,781	170,965
(ii) company law matters;	-	-
(iii) management services; and	-	-
(c) in any other manner		
(i) audit services in connection with QIP	12,093,671	-
(ii) audit services pertain to interim financial statements	661,800	-
(iii) other services	3,298,911	8,243,802
<b>Total</b>	<b>22,821,563**</b>	<b>10,620,767**</b>

\*Includes service tax

\*\* Includes Rs. 7,184,721 (2010: Rs. 9,517,767) paid to erstwhile joint auditors.

#### b. Expenditure in foreign currency (on payment basis)

(Amount in Rupees)

Particulars	2011	2010
Professional and consultancy charges	161,370,071	11,062,034
Meetings and seminars	2,226,226	-
Rates and taxes	1,304,000	-
Travelling expenses	339,978	5,209,470
Others	1,694,213	1,491,836
<b>Total</b>	<b>166,934,488</b>	<b>17,763,340</b>

#### c. CIF Value of imports

(Amount in Rupees)

Particulars	2011	2010
Capital goods	126,772,723	-
<b>Total</b>	<b>126,772,723</b>	<b>-</b>

#### d. Managerial Remuneration

(Amount in Rupees)

Particulars	2011	2010
a. Salaries	11,763,618	9,511,000
b. Perquisites and other allowances	23,028,697	98,841
c. Contributions to provident and other funds	-	2,208,000
d. Sitting fees	1,130,000	1,450,000
<b>Total</b>	<b>35,922,315</b>	<b>13,267,841</b>

Note: The above figures do not include provision for gratuity, superannuation, leave encashment and premium for personal accidental policy, as the same are determined for the Company as a whole.

Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)

Particulars	Year Ended	
	2011	2010
Profit after tax	588,780,384	134,522,223
Add:		
Provision for taxation	70,866,469	1,854,543
Depreciation as per Profit and Loss Account	49,137,378	9,362,939
Loss/(Profit) on sale of fixed assets	277,139	-
Less:		
Depreciation as per Section 350 of the Companies Act, 1956	49,137,378	9,362,939
Net Profit in accordance with Section 349 of the Companies Act, 1956	659,923,992	136,376,766
Add:		
Managerial remuneration	34,792,315	11,817,841
Sitting fees	1,130,000	1,450,000
Profit as per Section 198 of the Companies Act, 1956	695,846,307	149,644,607
Executive Chairman @ 5%	34,792,315	7,482,230
Managing Director @ 3%	-	4,483,338
Total remuneration including commission paid to:		
Executive Chairman	34,792,315	7,385,841
Managing Director	-	4,432,000
Commission payable for the year		
Executive Chairman	-	-
Managing Director	-	-

Note: In 2009-10, the difference of Rs. 12,289,000, between the amount of managerial remuneration initially paid and the amount finally computed as above u/s 349 of the Companies Act, 1956 after finalization of the accounts, was held in trust by the Directors and was shown as recoverable under 'Loans and Advances – Schedule 11'.

e. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 to the extent either Nil or Not Applicable has not been furnished.

#### 17. Disclosure as per Clause 32 of the listing agreement

Loans given/ debentures issued to/by subsidiaries.

(Amount in Rupees)

Name of the Subsidiary	Amount Outstanding as at March 31,		Maximum amount outstanding during the year		Investment by loanee in the Company's Share (Nos)
	2011	2010	2011	2010	
- GEL*^	8,226,565,758	8,000,000,000	8,634,301,370	8,136,767,123	-
- GMRHL***^	3,086,627,528	2,025,643,836	3,095,897,939	2,025,643,836	-
- GKSEZL#^	1,982,731,222	2,003,561,644	3,146,908,219	2,003,561,644	-
- GAPL##^	1,856,500,000	-	1,858,737,973	-	-
- GHIAL****^	-	-	4,023,013,699	-	-
- GSPHPL**	1,000,000,000	-	1,000,000,000	-	-
- WTGIE****	1,150,000,000	-	1,150,000,000	-	-

\* Loans bear yearly interest rate of 6% till July 31, 2010 and 11.75% w.e.f August 01, 2010.

\*\* Loans bear yearly interest rate of 6%.

\*\*\* Loan was given at yearly interest rate of 8.75% to 10%.

\*\*\*\* Loan is given at nil rate of interest.

# Outstanding balance of debentures as on March 31, 2011 bear yearly interest rate of 12%.

## Debentures bear yearly interest rate of 2%.

^ Includes interest accrued.

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

#### 18. Unhedged foreign currency exposure

(Amount in Rupees)

Particulars	Amount
Loans and Advances	Rs. 2,644,924,570 (USD 58,593,810) [2010: Rs. 4,494,850,000 (USD 100,000,000)]
Investments	<ul style="list-style-type: none"> <li>• Rs. 14,779,866,936 (USD 320,550,011) [2010: Rs. 10,285,016,702 (USD 220,550,006)]</li> <li>• Rs. 104,137,500 (SGD 3,000,000) [2010: Rs Nil]</li> <li>• Rs. 2,680,303,422 (YTL 87,414,800) [2010: Rs. 2,680,303,422 (YTL 87,414,800)]</li> <li>• Rs. 3,924 (EURO 58) [2010: Rs. 3,924 (EURO 58)]</li> </ul>

Notes: Previous year figures are mentioned in brackets.

19. Pursuant to a restructuring, to facilitate expansion of the energy business both in India as well as globally, the Company has transferred its entire shareholding in GMR Energy Limited ('GEL') to GMR Renewable Energy Limited, a subsidiary of the Company, at cost.

20. The investment by GEL in equity shares / preference shares of the following subsidiary Companies has been funded by the Company against an agreement to pass on any benefits or losses out of investments by GEL to the Company and has approved by Board of Directors of both the Companies.

(Amount in Rupees)

Name of the subsidiaries	2011	2010
<b>Equity Shares</b>		
GMR Jadcherla Expressways Private Limited [5,419,949 (March 31, 2010: 5,419,949) equity shares of Rs 10 each fully paid-up]	54,199,490	54,199,490
GMR Pochanpalli Expressways Private Limited [6,348,000 (March 31, 2010: 6,348,000) equity shares of Rs 10 each fully paid-up]	63,480,000	63,480,000
Delhi International Airport Private Limited [245,000,000 (March 31, 2010: 120,000,000) equity shares of Rs 10 each fully paid-up]	2,450,000,000	1,200,000,000
GMR Ulunderpet Expressways Private Limited [9,142,500 (March 31, 2010: 9,142,500) equity shares of Rs 10 each fully paid-up]	91,425,000	91,425,000
East Delhi Waste Processing Private Limited [Nil (March 31, 2010: 5,840) equity shares of Rs 10 each fully paid-up]	-	58,400
GMR Chennai Outer Ring Road Private Limited [3,000,000 (March 31, 2010: 1,000) equity shares of Rs 10 each fully paid-up]	30,000,000	10,000
GMR Ambala - Chandigarh Expressways Private Limited [24,222,593 (March 31, 2010: 24,222,593) equity shares of Rs 10 each fully paid-up]	242,225,930	242,225,930
<b>Preference Shares</b>		
GMR Chennai Outer Ring Road Private Limited [1,200,000 (March 31, 2010: Nil) preference shares of Rs 100 each fully paid-up]	120,000,000	-

21. Pursuant to the resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re.1 each have been allotted to Qualified Institutional Buyers at a premium of Rs.61.20 per share on April 21, 2010 aggregating to Rs.14,000,000,258.

22. Consequent to the approval of the shareholders in their Annual General Meeting held on August 31, 2009, the Board of Directors had fixed record date October 5, 2009 for sub-division of equity shares of the Company of Rs. 2 each into 2 equity shares of Re. 1 each.

23. The Company has given an interest free loan of Rs. 1,150,000,000 (2010: Nil) to Welfare Trust of GMR Infra Employees. Based on the audited financial statements as at March 31, 2011, the trust has utilised the proceeds of the loan received from the Company in the following manner:

## Notes forming part of Accounts

### Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

(Amount in Rupees)	
Particulars	Amount
Equity shares of GIL	980,464,803
Equity shares of GAHL	112,800,000
Investment in mutual funds	56,735,197
<b>Total</b>	<b>1,150,000,000</b>

24. The financial statements as at and for the year ended March 31, 2010 have been audited jointly by S.R.Batliboi & Associates and Price Waterhouse. The financial statements as at and for the year ended March 31, 2011 have been audited by S.R. Batliboi & Associates.

25. Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date.

For S. R. Batliboi & Associates  
Firm registration number: 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar  
Partner  
Membership No.: 35141

G.M. Rao                      Srinivas Bommidala      Subba Rao Amarthaluru      C.P. Sounderarajan  
Executive Chairman      Managing Director      Group CFO                      Company Secretary

Place : Bengaluru  
Date : May 30, 2011

Place : Bengaluru  
Date : May 30, 2011



## Cash flow statement for the year ended March 31, 2011

(Amount in Rupees)

Sl. No.	Particulars	March 31, 2011	March 31, 2010
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net profit before tax	659,646,853	136,376,766
	Adjustments for :		
	Depreciation	49,137,378	9,362,939
	Provision for diminution in the value of investments	2,285,800	-
	Provisions/ liabilities no longer required, written back	(8,112,821)	(3,035,586)
	(Profit)/Loss on sale of investments (net)	(469,547,412)	(170,352,598)
	Loss / (Gain) on sale of fixed assets	277,139	39,978
	Unrealised exchange differences (net)	(7,896,246)	11,881,841
	Interest income	(1,378,215,787)	(466,879,048)
	Finance charges	1,741,424,346	691,148,979
	Operating profit before working capital changes	588,999,250	208,543,271
	Adjustments for :		
	(Increase) / decrease in inventories	21,120,869	(126,808,589)
	(Increase) / decrease in loans and advances	(2,469,944,037)	308,864,139
	(Increase) / decrease in sundry debtors	(792,663,453)	(373,515,770)
	Increase / (decrease) in current liabilities and provisions	3,016,434,777	461,702,429
	Cash generated from operations	363,947,406	478,785,480
	Direct taxes paid (net)	(286,849,339)	(130,910,347)
	Net cash from operating activities	77,098,067	347,875,133
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets	(554,448,323)	(289,007,185)
	Proceeds from sale of fixed assets	170,730	127,927
	Purchase of long term investments (including share application money)	(25,341,421,134)	(20,513,943,874)
	Proceeds from sale of long term investments (including refund of share application money)	16,903,063,995	5,819,916,391
	Purchase of investments - short term	(109,987,399,053)	(105,667,765,174)
	Proceeds from sale of investments - short term	117,041,637,059	97,076,768,010
	Loan given to subsidiary companies	(9,618,120,000)	(10,000,000,000)
	Loan repaid by subsidiary companies	6,311,466,000	-
	Loan given to others	(1,150,000,000)	-
	Interest income received	843,447,292	496,312,350
	Net cash used in investing activities	(5,551,603,436)	(33,077,591,555)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from secured loans	-	10,000,000,000
	Repayment of secured loans	-	(650,000,000)
	Proceeds from unsecured loans	5,000,000,000	13,000,000,000
	Repayment of unsecured loans	(8,000,000,000)	-
	Proceeds/(repayment) from/of working capital loan	1,010,688,357	(803,010,883)
	Proceeds from shares allotted to Qualified Institutional Buyers	14,000,000,258	-
	Share issue expenses	(404,601,549)	-
	Payment of debenture redemption premium	(750,000,002)	-

## Cash flow statement for the year ended March 31, 2011

(Amount in Rupees)

Sl. No.	Particulars	March 31, 2011	March 31, 2010
	Received against calls unpaid	7,450	-
	Debenture issue expenses	(188,600,000)	(196,240,713)
	Financial charges paid	(1,741,424,346)	(620,327,062)
	Net cash from financing activities	8,926,070,168	20,730,421,342
	Net increase/(decrease) in cash and cash equivalents	3,451,564,799	(11,999,295,080)
	Cash and cash equivalents at the beginning of the year	584,780,223	12,584,075,303
	Cash and cash equivalents at the end of the year	4,036,345,022	584,780,223
	<b>Components of cash and cash equivalents</b>		
	Cash on hand	211,242	208,157
	Balances with scheduled banks		
	- On current accounts	1,259,660,102	85,098,388
	- On deposit accounts	3,481,900,000	600,000,000
		4,741,771,344	685,306,545
	Less: amount not considered as cash and cash equivalents		
	- On current accounts	526,322	526,322
	- On deposit accounts	704,900,000	100,000,000
		705,426,322	100,526,322
	Components of cash and cash equivalents in cash flow statement	4,036,345,022	584,780,223

### Note:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements as referred to in scheme 211 (3C) of the Companies Act, 1956
2. Previous year figures have been regrouped and reclassified to conform to those of the current year.
3. The above cash flow statement has been compiled from and is based on the Balance sheet as at March 31, 2011 and the related Profit and loss account for the year ended on that date.

As per our report of even date.

For S. R. Batliboi & Associates  
Firm registration number: 101049W  
Chartered Accountants

For and on behalf of the Board of Directors

per Sunil Bhumralkar  
Partner  
Membership No.: 35141

G.M. Rao                      Srinivas Bommidala      Subba Rao Amarthaluru      C.P. Sounderarajan  
Executive Chairman      Managing Director      Group CFO                      Company Secretary

Place : Bengaluru  
Date : May 30, 2011

Place : Bengaluru  
Date : May 30, 2011

# Balance Sheet Abstract

Information pursuant to the Provisions of Part IV of Schedule VI to the Companies Act, 1956  
Balance Sheet Abstract and company's General Business Profile

## I. Registration Details

Registration No.			0	3	4	8	0	5	State Code							0	8
Balance Sheet Date	3	1	0	3	2	0	1	1	Date	Month	Year						

## II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue						N	I	L	Rights Issue							N	I	L
Bonus Issue						N	I	L	Private Placement			2	2	5	0	8	0	

## III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	9	5	4	6	9	2	2	0	Total Assets	9	5	4	6	9	2	2	0
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### Sources of Funds

Paid-up capital		3	8	9	2	4	3	3	Reserves & Surplus	6	7	8	0	3	3	5	0
Secured Loans	1	3	7	6	0	6	8	8	Unsecured Loans	1	0	0	0	0	0	0	0
Deferred Tax Liabilities				1	2	7	4	9									

### Application of Funds

Net Fixed Assets			9	1	5	7	5	3	Investments	7	0	3	8	0	1	9	7	
Net Current Assets	2	4	1	7	3	2	7	0	Misc. Expenditure						N	I	L	
Accumulated Losses							N	I	L	Deferred Tax Asset						N	I	L

## IV. Performance of company (Amount in Rs. Thousands)

Gross Income		7	3	2	8	6	1	5	Total Expenditure	6	6	6	8	9	6	8	
Profit/Loss Before Tax			6	5	9	6	4	7	Profit/(Loss) After Tax		5	8	8	7	8	0	
Earnings Per Share in Rs.					0	.	1	5	Dividend Rate (%)						N	I	L

## V. Generic Names of Three Principal Products / Services of Company (as per Monetary terms)

Infrastructure Development & Contract Business.

Item Code No. (ITC Code)							N	A
Product Description							N	A