

# Report on Corporate Governance

## I. Company's Philosophy on Code of Governance

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

### Ethics / Governance Policies

The Company endeavors to conduct its businesses and strengthen relationships in a manner that is dignified, distinctive and responsible. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, the Company has adopted various codes and policies to carry out its duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Board Members
- Code of Conduct for Senior Management
- Code of Conduct for Prohibition of Insider Trading
- Policy on Whistle Blower
- Policy on Related Party Transactions
- Nomination and Remuneration Policy
- Corporate Social Responsibility Policy
- Risk Management Policy
- Code of Business Conduct and Ethics applicable to employees
- Policy on Preservation of Documents and Archival of documents
- Policy on disclosure of material events and information
- Policy on Material Subsidiaries

Report on Corporate Governance and statutory compliances is given below:

## II. Board of Directors

### a. Board composition and category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors are as follows:

Category	Name of the Directors
Promoter Directors	Mr. G. M. Rao (Executive Chairman) Mr. Grandhi Kiran Kumar (Managing Director) Mr. Srinivas Bommidala Mr. G.B.S. Raju
Executive Directors	NIL
Non-Executive Directors	Mr. B.V. N. Rao Mr. Jayesh Desai
Independent Non-Executive Directors	Mr. N. C. Sarabeswaran Dr. Prakash G. Apte Mr. R. S. S. L. N. Bhaskarudu Mr. S. Sandilya Mr. S. Rajagopal Mr. C. R. Muralidharan Mr. V. Santhanaraman Mrs. Vissa Siva Kameswari
Nominee Directors	NIL

Mr. G. M. Rao is the father of Mr. G. B. S. Raju and Mr. Grandhi Kiran Kumar and father-in-law of Mr. Srinivas Bommidala. None of the other directors are related to any other director on the Board.

### b. Selection of Independent Directors

Taking the requirement of skill sets on the Board into consideration, eminent persons having independent standing in their respective field or profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection of directors and determining directors' independence. The Board considers the Committee's recommendation, takes appropriate decision and recommends to the shareholders for the appointment of the Independent Directors.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under the Companies Act, 2013.

### c. Familiarization programmes for Board Members

The Board members are provided with necessary documents, viz., Company's corporate profile, its Mission, Vision, Values and Beliefs, Organisation Structure, the Company's history and milestones, Annual Reports, a brief background on the business of the Company, Institutional Building and highlights of its performance, major policies of the Company, Code of Conduct, fund raising history etc. Periodic presentations are made to the Board on business and performance updates of the Company, global business environment, risk management, company policies, subsidiary information and changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates and other relevant issues. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://investor.gmrgroup.in/pdf/Familiarisation.pdf>.

### d. Meetings of Independent Directors

The Independent Directors of the Company meet at least once every year without the presence of Executive Directors or management personnel. Such meetings enable Independent Directors to discuss matters pertaining to the Company's affairs and matters mentioned in Schedule IV to the Companies Act, 2013. The Independent Directors take appropriate steps to present their views to the Chairman. One meeting of the Independent Directors was held during the year.

### e. Code of Conduct

As per requirement of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR"), the Board has laid down a Code of Conduct ("the Code") for all Board members and Senior Management Personnel of the Company. The Code is posted on the website of the Company ([www.gmrgroup.in](http://www.gmrgroup.in)). All Board members and Senior Management Personnel affirm compliance with the Code on an annual basis and the declaration to that effect by Mr. Grandhi Kiran Kumar, Managing Director, is attached to this report.

A Code of Business Conduct and Ethics applicable to all the employees of the Group is communicated and affirmed by them on an annual basis, which is to be followed in day to day work life and which enables the employees to maintain highest standards of values in their conduct to achieve organizational objectives.

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work

with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate and to take necessary penal action for any act of sexual harassment, which includes unwelcomed sexually determined behavior. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment by displaying posters at all the prominent places in the Offices of the Company and organising awareness sessions.

**f. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various Companies and shareholding in GMR Infrastructure Limited:**

Sl. No.	Name of Director	DIN <sup>^</sup>	Category <sup>@</sup>	Number of other Directorships held in other Public Limited Companies as on March 31, 2016 <sup>#</sup>		Number of committee Chairmanships / memberships held in other Public Limited Companies as on March 31, 2016 <sup>*</sup>		Board Meetings during the period April 01, 2015 to March 31, 2016		Whether present at the Previous AGM held on September 23, 2015	No. of shares held
				Chairman	Director	Chairman	Member	Held	Attended <sup>§</sup>		
1.	Mr. G. M. Rao	00574243	EC	3	2	-	-	6	4	Yes	1731330
2.	Mr. Grandhi Kiran Kumar	00061669	MD	-	3	-	1	6	6	Yes	872160
3.	Mr. Srinivas Bommidala	00061464	NEPD	2	6	-	1	6	2	Yes	451660
4.	Mr. G. B. S. Raju	00061686	NEPD	1	6	-	6	6	6	Yes	544160
5.	Mr. B. V. N. Rao	00051167	NENID	1	7	1	2	6	6	Yes	182142
6.	Mr. O. Bangaru Raju**	00082228	NENID	NA	NA	NA	NA	6	4	Yes	NA
7.	Mr. K. V. V. Rao**	01165942	NENID	NA	NA	NA	NA	6	2	Yes	NA
8.	Mr. N. C. Sarabeswaran	00167868	NEID	-	9	4	5	6	6	Yes	24285
9.	Mr. Jayesh Desai <sup>€</sup>	00038123	NENID	-	-	-	-	6	1	NA	NIL
10.	Dr. Prakash G. Apte	00045798	NEID	-	6	-	6	6	5	No	30000
11.	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	-	7	3	4	6	6	Yes	NIL
12.	Mr. S. Sandilya	00037542	NEID	2	2	3	2	6	6	Yes	7000
13.	Mr. S. Rajagopal	00022609	NEID	1	8	5	4	6	6	Yes	26714
14.	Mr. C. R. Muralidharan	02443277	NEID	-	2	-	1	6	4	Yes	NIL
15.	Mr. V. Santhanaraman	00212334	NEID	-	8	-	5	6	6	Yes	NIL
16.	Mrs. Vissa Siva Kameswari	02336249	NEID	-	6	1	4	6	6	Yes	NIL

<sup>^</sup> DIN - Director Identification Number

<sup>@</sup> EC - Executive Chairman, MD - Managing Director, NEPD - Non-Executive Promoter Director, NENID - Non-Executive Non-Independent Director, NEID - Non-Executive Independent Director.

<sup>#</sup> Other companies do not include directorships of private limited companies, Section 8 companies and foreign companies.

<sup>\*</sup> Committee, for this purpose means Audit Committee and Stakeholders' Relationship Committee.

<sup>\*\*</sup> Mr. O. Bangaru Raju and Mr. K. V. V. Rao have resigned and retired respectively from the directorship of the Company effective from September 23, 2015. Therefore, information pertaining to other Directorship and Membership in other public limited company(ies), as on March 31, 2016, is not available.

<sup>€</sup> Mr. Jayesh Desai was appointed as Additional Director with effect from November 13, 2015.

<sup>§</sup> Attendance includes participation through video conference.

Six Board Meetings were held during the Financial Year (FY) ended March 31, 2016, i.e., on May 29, 2015, August 13, 2015, August 21, 2015, September 23, 2015, November 13, 2015 and February 10, 2016. The maximum gap between any two consecutive board meetings was 89 days.

### III. Audit Committee

#### a. Composition of Audit Committee:

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

Name	Designation
Mr. N. C. Sarabeswaran (Independent Director)	Chairman
Mr. S. Rajagopal (Independent Director)	Member
Mr. R. S. S. L. N. Bhaskarudu (Independent Director)	Member
Mrs. Vissa Siva Kameswari (Independent Director) <sup>1</sup>	Member

<sup>1</sup> Re-constituted the Audit Committee by inducting Mrs. Vissa Siva Kameswari, Independent Director, as member of the Committee at the Board Meeting held on February 10, 2016.

Mr. A.S. Cherukupalli, Company Secretary and Compliance Officer, acts as Secretary to the Audit Committee.

- ii. Mr. N. C. Sarabeswaran, Chairman of the Audit Committee, had attended the last Annual General Meeting held on September 23, 2015.

#### b. Meetings and attendance during the year:

During the FY ended March 31, 2016, Six Audit Committee meetings were held i.e., on May 26, 2015, May 28, 2015, August 11, 2015, November 09, 2015, January 05, 2016 and February 09, 2016.

The attendance of the Audit Committee members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. N. C. Sarabeswaran	6	6
Mr. S. Rajagopal	6	6
Mr. R. S. S. L. N. Bhaskarudu	6	6
Mrs. Vissa Siva Kameswari	NA	NA <sup>*</sup>

<sup>\*</sup> During the year, no meeting of the Audit Committee was held after the appointment of Mrs. Vissa Siva Kameswari as member of the Audit Committee.

Special meetings of the Audit Committee were held on May 26, 2015 and January 05, 2016 exclusively for considering the matters other than those considered by the Committee on quarterly basis.

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

- i. Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; and
  - (g) Qualifications in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- xiv. Discussion with internal auditors of any significant findings and follow up thereon;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc., of the candidate.

**IV. Nomination and Remuneration Committee**

**a. Composition of Nomination and Remuneration Committee:**

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

Name	Designation
Mr. R. S. S. L. N. Bhaskarudu (Independent Director)	Chairman
Mr. B. V. N. Rao (Non-Executive Non-Independent Director)	Member
Dr. Prakash G. Apte (Independent Director)	Member
Mr. N. C. Sarabeswaran (Independent Director)	Member

Mr. A. S. Cherukupalli, Company Secretary and Compliance Officer, acts as the Secretary to the Nomination and Remuneration Committee.

Mr. R. S. S. L. N. Bhaskarudu, Chairman of the Nomination and Remuneration Committee, had attended the last Annual General Meeting held on September 23, 2015.

**b. Meetings and Attendance during the year:**

During the FY ended March 31, 2016, two meetings of the Nomination and Remuneration Committee were held i.e. on May 28, 2015 and November 13, 2015.

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

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

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

- i. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director's performance;
- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- iii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iv. Devising a policy on Board diversity;
- v. Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- vi. All information about the Directors / Managing Directors / Whole time Directors / Key Managerial Personnel i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders, where required;
- vii. The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole time Directors;
- viii. While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- ix. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders.

**d. Performance evaluation criteria for Independent Directors and Board**

The Nomination and Remuneration Committee coordinates and oversees the annual self-evaluation of the Board including committees thereof and of individual directors. It reviews and discusses all matters pertaining to performance of all directors including independent directors, periodically as may be necessary on the basis of the detailed performance parameters set forth. The Committee may also regularly evaluate the usefulness of such performance parameters and make necessary amendments.

The Nomination and Remuneration Committee has laid down the criteria/questionnaires for performance evaluation of Board, Committees and Directors (including Independent Directors) which is based inter-alia on the following parameters:

- i. Frequency of meetings and attendance of Directors.
- ii. Timeliness of circulating Agenda for meetings.
- iii. Quality, quantity and timeliness of flow of information to the Board.
- iv. Promptness with which Minutes of the meetings are drawn and circulated.
- v. Opportunity to discuss matters of critical importance, before decisions are made.

- vi. Familiarity with the objects, operations and other functions of the Company.
- vii. Level of monitoring of Corporate Governance Regulations and compliance.
- viii. Involvement of Board in Strategy evolution and monitoring.
- ix. Performance of the Chairperson of the Company including leadership qualities.
- x. Director's contribution for enhancing the governance, regulatory, legal, financial, fiduciary and ethical obligations of the Board.
- xi. Director's adherence to high standards of integrity, confidentiality and ethics.
- xii. Overall performance and contribution of directors at meetings.
- xiii. Overall performance of the Board/ Committees.

**e. Nomination and Remuneration Policy**

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of Directors. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management. In line with this requirement, the Board had adopted the Nomination and Remuneration Policy. The Policy is annexed as Annexure 'C' to the Board's Report.

**V. Details of remuneration paid during the FY ended March 31, 2016 to the Directors are furnished hereunder:**

- a. There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the FY 2015-2016.
- b. Criteria for making payments to Non-Executive Directors: - The Sitting fee as decided by the Board is reasonable and sufficient to attract, retain and motivate Independent Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives). Further, the Non- Executive Independent Director may receive remuneration by way of fees for attending meetings of Board or Committees thereof. However, it is ensured that the amount of such fees does not exceed the amount prescribed by the Central Government from time to time.

**c. Details of Remuneration to Directors:**

Name	Category @	Salary, Commission and allowance(s) (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)
Mr. G. M. Rao	EC	81,97,000	-	-	<b>81,97,000</b>
Mr. Grandhi Kiran Kumar	MD	95,08,000	-	-	<b>95,08,000</b>
Mr. Srinivas Bommidala	NEPD	-	-	-	-
Mr. G. B. S. Raju	NEPD	-	-	-	-
Mr. B. V. N. Rao	NENID	-	-	-	-
Mr. O. Bangaru Raju*	NENID	-	-	-	-
Mr. K. V. V. Rao <sup>§</sup>	NENID	-	-	-	-
Mr. N. C. Sarabeswaran	NEID	-	-	7,20,000	<b>7,20,000</b>
Dr. Prakash G. Apte	NEID	-	-	3,40,000	<b>3,40,000</b>
Mr. R. S. S. L. N. Bhaskarudu	NEID	-	-	8,60,000	<b>8,60,000</b>
Mr. S. Sandilya	NEID	-	-	3,40,000	<b>3,40,000</b>
Mr. S. Rajagopal	NEID	-	-	6,60,000	<b>6,60,000</b>
Mr. C. R. Muralidharan	NEID	-	-	2,20,000	<b>2,20,000</b>
Mr. V. Santhanaraman	NEID	-	-	3,40,000	<b>3,40,000</b>
Mrs. Vissa Siva Kameswari	NEID	-	-	3,40,000	<b>3,40,000</b>
Mr. Jayesh Desai <sup>^</sup>	NENID	-	-	-	-

@ EC - Executive Chairman, MD - Managing Director, NEPD - Non-Executive Promoter Director, NENID - Non-Executive Non-Independent Director, NEID - Non-Executive Independent Director

\* Resigned from the Directorship with effect from September 23, 2015

§ Retired from the Directorship with effect from September 23, 2015

^ Appointed as Additional Director on the Board at its meeting held on November 13, 2015

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

The Company does not have any stock option plan or performance-linked incentive for the Director(s). The Chairman and Managing Director are appointed for a period of five year commencing from November 18, 2012 and July 28, 2013 respectively. Further, no service contracts, notice period and severance fees are applicable.

## VI. Stakeholders' Relationship Committee

### a. Composition of the Committee:

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

Name	Designation
Mr. R. S. S. L. N. Bhaskarudu (Non-Executive Independent Director)	Chairman
Mr. B. V. N. Rao (Non-Executive Non-Independent Director)	Member
Mr. G. B. S. Raju (Non-Executive Promoter Director)	Member

Mr. A. S. Cherukupalli, Company Secretary and Compliance Officer acts as Secretary to the Stakeholders' Relationship Committee.

Mr. R. S. S. L. N. Bhaskarudu, Chairman of the Stakeholders' Relationship Committee, had attended the last Annual General Meeting held on September 23, 2015.

### b. Meetings and Attendance during the year:

During the FY ended March 31, 2016, four meetings of the Stakeholders' Relationship Committee were held i.e., on May 29, 2015, August 12, 2015, November 13, 2015 and February 10, 2016. The attendance of the Stakeholders' Relationship Committee members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. R. S. S. L. N. Bhaskarudu	4	4
Mr. B. V. N. Rao	4	3
Mr. G. B. S. Raju	4	1
Mr. K. V. V. Rao <sup>^</sup>	2	2

<sup>^</sup> Mr. K.V.V. Rao was eligible to participate in 2 meetings of the Committee as he retired from the directorship with effect from September 23, 2015.

### c. The terms of reference of the Stakeholders' Relationship Committee are as under:

- Allotment of all types of securities to be issued by the Company;
- Transfer, transposition and transmission of securities;
- Issuance of duplicate shares Certificates or other securities;
- Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Reports etc.;
- Investigate into security holders/ other investors' complaints and take necessary steps for redressal thereof;
- To perform all functions relating to the interests of shareholders / security holders/ investors of the Company as may be required by the provisions of the Companies Act, 2013, Listing Agreements with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority;
- Authorize Company Secretary or other persons to take necessary action;
- Appointment and fixation of remuneration of the Registrar and Share transfer Agent and Depositories and to review their performance.

### d. The details of the complaints received during the FY 2015-16 and the status of the same are as below:

- Number of shareholder complaints received : 228
- Number of complaints resolved : 228
- Number of complaints not resolved to the satisfaction of shareholders : NIL
- Number of complaints pending as on March 31, 2016 : NIL

## VII. Other Committees :

### 1. Management Committee

#### a. Composition of Management Committee:

The Management Committee comprises of the following Directors as members:

Name	Designation
Mr. G. M. Rao (Executive Chairman)	Chairman
Mr. Grandhi Kiran Kumar (Managing Director)	Member
Mr. Srinivas Bommidala (Non-Executive Promoter Director)	Member
Mr. G. B. S. Raju (Non-Executive Promoter Director)	Member
Mr. B. V. N. Rao (Non-Executive Non-Independent Director)	Member

Mr. A. S. Cherukupalli, Company Secretary and Compliance Officer, acts as Secretary to the Management Committee.

#### b. Meetings and Attendance during the year:

During the FY ended March 31, 2016, twenty three meetings of the Management Committee were held i.e., on April 01, 2015, April 18, 2015, April 27, 2015, May 05, 2015, June 03, 2015, June 23, 2015, July 14, 2015, July 30, 2015, August 18, 2015, August 26, 2015, September 08, 2015, September 10, 2015, September 26, 2015, October 21, 2015, November 05, 2015, November 24, 2015, December 04, 2015, December 10, 2015, December 19, 2015, January 18, 2016, February 12, 2016, February 26, 2016 and March 18, 2016.

The attendance of Management Committee members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. G. M. Rao	23	14
Mr. Grandhi Kiran Kumar	23	16
Mr. Srinivas Bommidala	23	8
Mr. G. B. S. Raju	23	5
Mr. B. V. N. Rao	23	14

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

- Decision-making relating to operational matters such as investments in new projects, financial matters, borrowings, capital expenditure, purchases and contracts-non-capital (including services), sales and marketing, long-term contracts, stores, HR related matters, establishment and administration, writing-off of assets, etc.
- Decision-making relating to private placements/QIP/IPO/Rights issue matters like quantum of issue, issue price, appointment of lead managers and other intermediaries, registrars to the issue, bankers to the issue, listing of shares, execution of all the documents pertaining to IPO, etc.

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

### 2. Debentures Allotment Committee

#### a. Composition of Debentures Allotment Committee:

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

Name	Designation
Mr. B.V. N. Rao (Non-Executive Non-Independent Director)	Member
Mr. Srinivas Bommidala (Non-Executive Promoter Director)	Member
Mr. G.B.S. Raju (Non-Executive Promoter Director)	Member

Mr. A. S. Cherukupalli, Company Secretary and Compliance Officer, acts as Secretary to the Debentures Allotment Committee.

#### b. Meetings and Attendance during the year:

No Meeting of the Debentures Allotment Committee was held during the FY ended March 31, 2016.

#### c. The terms of reference of the Debentures Allotment Committee are as under:

Issuance and allotment of debentures on such terms and conditions as may be prescribed from time to time in this regard.

### 3. Corporate Social Responsibility (CSR) Committee

#### a. Composition of CSR Committee:

The CSR Committee comprises of the following Directors as members:

Name	Designation
Mr. R. S. S. L. N. Bhaskarudu (Independent Director)	Chairman
Mr. B. V. N. Rao (Non-Executive Non-Independent Director)	Member
Mr. G. B. S. Raju (Non-Executive Promoter Director) <sup>@</sup>	Member

Mr. A. S. Cherukupalli Company Secretary and Compliance Officer, acts as Secretary to the CSR Committee.

#### b. Meetings and Attendance during the year:

During the FY ended March 31, 2016, one meeting of the CSR Committee was held on May 29, 2015. The attendance of the CSR Committee members is as under:

Name	No. of the Meetings	
	Held	Attended
Mr. R. S. S. L. N. Bhaskarudu	1	1
Mr. B. V. N. Rao	1	0
Mr. O. B. Raju <sup>@</sup>	1	1

<sup>@</sup> Mr. G.B.S. Raju has been inducted, with effect from September 23, 2015, in place of Mr. O. B. Raju.

#### c. The terms of reference of the CSR Committee are as follows:

- Preparation of Corporate Social Responsibility Policy for the Company and to recommend the Board for its approval;
- Recommendation of projects or programmes relating to activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend on CSR activities to be undertaken by the Company on its own or in collaboration with any registered trust / society or a company established under Section 25 of the Companies Act, 1956 or under Section 8 of the Companies Act, 2013;
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company or trust / society / company mentioned in point no.3;
- To report periodically on the CSR activities of the Company to the Board and in the Board's report;

- vi. To seek expert advice on CSR activities of the Company that may be appropriate to discharge its responsibilities; and
- vii. To take up any other roles and responsibilities delegated by the Board from time to time.

## VIII. General Body Meetings

### a. Annual General Meetings

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

Year	Venue	Date and Time	Special Resolutions passed
2014-15	MLR Convention Centre, Brigade Millennium Campus, 7 <sup>th</sup> phase, J. P. Nagar, Bangalore - 560 078	September 23, 2015 at 3.00 p.m.	<ol style="list-style-type: none"> <li>Issue and allotment of Securities, for an amount up to ₹ 2,500 Crore in one or more tranches.</li> <li>Approval of the revised terms and conditions of the employee welfare scheme implemented through Welfare Trust of GMR Infra Employees.</li> <li>Re-classification of the Authorized Share Capital of the Company.</li> </ol>
2013-14	MLR Convention Centre, Brigade Millennium Campus, 7 <sup>th</sup> phase, J. P. Nagar, Bangalore - 560 078	September 18, 2014 at 3.00 p.m.	<ol style="list-style-type: none"> <li>Increase in the number of directors of the Company from the existing maximum permissible limit of 15 (fifteen) to 16 (sixteen).</li> <li>Issue of securities for an aggregate amount not exceeding ₹ 2,500 Crore.</li> </ol>
2012-13	Convention Centre, NIMHANS, Hosur Road, Bangalore - 560 029	September 17, 2013 at 2.30 p.m.	<ol style="list-style-type: none"> <li>Re-appointment of Mr. G. M. Rao as Executive Chairman and fixing his remuneration.</li> <li>Appointment of Mr. Grandhi Kiran Kumar as Managing Director and fixing his remuneration.</li> </ol>

### b. Extraordinary General Meetings

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

Year	Venue	Date and Time	Special Resolutions passed
2013-14	Convention Centre, NIMHANS, Hosur Road, Bangalore - 560 029	March 20, 2014 at 11.00 a.m.	<ol style="list-style-type: none"> <li>Preferential allotment of Compulsorily Convertible Preference Shares (CCPS).</li> <li>Issue of Securities up to ₹ 2,500 Crore or equivalent thereof.</li> </ol>

### c. Special Resolution passed through postal ballot

During the year, the members of the Company have approved the following agenda item by passing a Special Resolution through postal ballot, effective from November 05, 2015:

'Shifting of the Registered Office of the Company from the State of Karnataka (Bengaluru) to the State of Maharashtra (Mumbai).'

The details of the voting pattern in respect of the Special Resolution passed for the above mentioned agenda item are as under:

Promoter / Public	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	3683427113	3683427113	100.00	3683427113	0	100.00	0.00
Public - Institutional holders	963401558	555923699	57.70	555923699	0	100.00	0.00
Public-Others	648971718	845371	0.13	681833	163538	80.65	19.35
<b>Total</b>	<b>5295800389</b>	<b>4240196183</b>	<b>80.07</b>	<b>4240032645</b>	<b>163538</b>	<b>100.00</b>	<b>0.00</b>

d. **Mr. V. Sreedharan, Practicing Company Secretary, Partner, M/s V. Sreedharan & Associates, Bengaluru, acted as a Scrutinizer and conducted the postal ballot voting process.**

e. **None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.**

### f. Procedure for postal ballot

In compliance with sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility to all its

members. The Company engages the service of Karvy Computershare Private Limited for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholdings). The Company also publishes a notice in the

newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny and the consolidated result of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the Company's website, www.gmrgroup.in, besides being communicated to the stock exchanges, depositories and registrar and share transfer agent. In the event, the resolution is assented to by the requisite majority of members by means of postal ballot, the date of declaration of postal ballot results shall be deemed to be the date of passing of the resolution.

## IX. Means of Communication

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

The quarterly / annual results of the Company as per the requirement of SEBI LODR, are generally published in the 'Business Line' and / or 'Financial Express' and 'Samyukta Karnataka' (a regional daily in Kannada language). However, due to shifting of registered office to State of Maharashtra, publication of quarterly/annual financial results are now being made in 'Nav Shakti' (regional daily in Marathi language). Quarterly and Annual Financial Statements, along with segment report and Quarterly shareholding pattern are posted on the Company's website (www.gmrgroup.in), BSE website (www.bseindia.com) and NSE website (www.nseindia.com). The presentations made to analysts and others including official news release are also posted on the Company's website. The Shareholding Pattern, Reconciliation of Share Capital Audit Report and Corporate Governance disclosures as per the SEBI LODR are filed electronically through Corporate Filing and Dissemination System (CFDS), NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance & Listing Centre (BSE Listing Centre) and investor complaints are redressed through SEBI Complaints Redress System (SCORES). Further, all other price sensitive information, press releases and other information is sent to the stock exchange where shares of the Company are listed and updated on Company's website.

## X. General Shareholder Information

### a. Annual General Meeting to be held for the FY 2015-16

Day : Wednesday  
 Date : September 14, 2016  
 Time : 3.00 p.m.  
 Venue : Rangsharda Auditorium, Hotel Rangsharda, Near Lilavati Hospital, K C Marg, Bandra Reclamation Flyover, Bandra (West), Mumbai - 400050, Maharashtra.

### b. Financial Calendar

The Financial year is 1<sup>st</sup> April to 31<sup>st</sup> March every year and for the FY 2016-17, the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Schedule
Financial reporting for the quarter ending June 30, 2016	First fortnight of September 2016
Financial reporting for the quarter / half year ending September 30, 2016	Second fortnight of November 2016
Financial reporting for the quarter / nine months ending December 31, 2016	First fortnight of February 2017
Financial reporting for the quarter / year ending March 31, 2017	Second fortnight of May 2017
Annual General Meeting for the year ending March 31, 2017	August / September 2017

### c. Book Closure Date

The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 07, 2016 to Wednesday, September 14, 2016 (both days inclusive) for the purpose of the 20<sup>th</sup> Annual General Meeting.

### d. Dividend Payment Date

Your Directors have not recommended any dividend for the FY 2015-16.

### e. Listing on Stock Exchanges

#### (i) Equity Shares:

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

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

The Company paid Annual listing fees for the FY 2016-17 to both Stock Exchanges.

#### (ii) Privately placed Debt instruments:

During 2011-12 and 2012-13, 10,000 Secured Non-Convertible Debentures of ₹ 10 lakh each aggregating to ₹ 1,000 Crore were issued to ICICI Bank Limited on a private placement basis, in various tranches. Secured Non-Convertible Debentures were listed on National Stock Exchange of India Limited and were partially redeemed and will be fully redeemed on March 25, 2021. The face value of Secured Non-Convertible Debentures was reduced to ₹ 8,30,000/- from ₹ 8,67,500/- for each debenture. The stock codes of Secured Non-Convertible Debentures are GMRI21, GMRI21A, GMRI21B and GMRI21C.

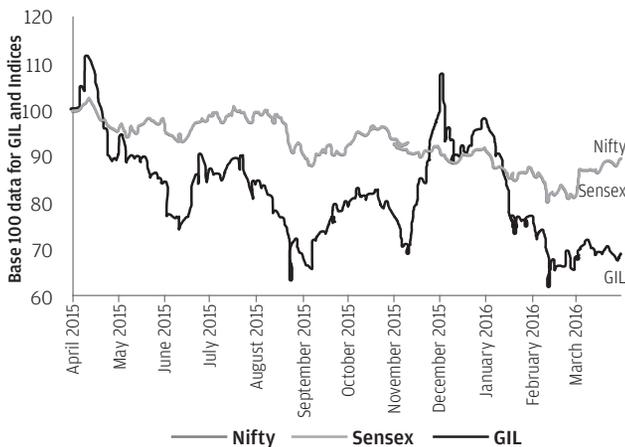
The Company paid Annual listing fees to the Stock Exchange in respect of the listed debt securities for the above said debentures for the year 2016-17.

**f. Stock Market Price Data relating to Shares Listed**

(Amount in ₹)

Month	NSE		BSE	
	High	Low	High	Low
Apr-15	19.25	14.65	19.25	14.65
May-15	16.00	14.05	15.99	14.10
Jun-15	15.50	10.90	15.50	10.91
Jul-15	15.50	13.25	15.49	13.28
Aug-15	14.65	9.80	14.65	9.82
Sep-15	13.85	9.80	13.79	9.58
Oct-15	14.75	12.95	14.74	12.98
Nov-15	16.85	11.20	16.85	11.22
Dec-15	18.55	14.65	18.60	14.70
Jan-16	16.75	12.20	16.70	12.20
Feb-16	13.50	9.75	13.50	9.84
Mar-16	12.25	10.95	12.28	11.00

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



**g. Registrar and Share Transfer Agent (RTA)**

Karvy Computershare Private Limited  
 Unit: GMR Infrastructure Limited  
 Karvy Selenium Tower B,  
 Plot 31-32, Gachibowli,  
 Financial District, Nanakramguda,  
 Hyderabad - 500 032  
 Phone : +91 40 6716 1500  
 Fax : +91 40 23001153  
 Email ID: einward.ris@karvy.com

**h. Share Transfer System**

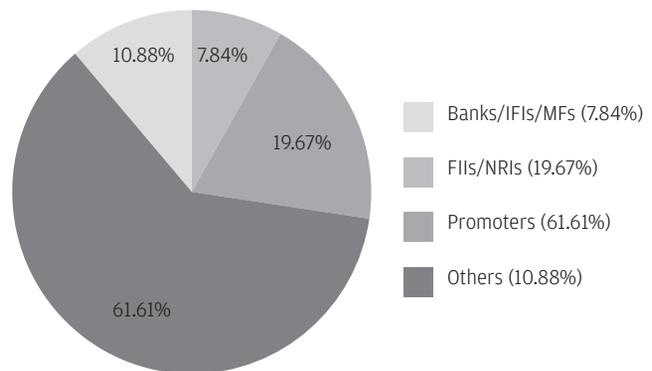
The share transfer requests that are received in physical form are

processed by the RTA and the share certificates are returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of Directors of the Company has delegated powers of approving transfers and transmission of securities to the Stakeholders Relationship Committee. The Committee has authorized each member of the Committee to approve the transfer of shares up to 20,000 shares per transfer deed and the Company Secretary and other specified executives of the Company to approve the transfer of shares up to 10,000 shares per transfer deed. A summary of the transfer, transmissions / de-materialization request / re-materialization requests approved by the Committee / Executives is placed before the Committee. The Company obtains certificate from a practicing Company Secretary in terms of Regulation 40(9) of the SEBI LODR certifying that all the certificates have been issued within 30 days of the date of lodgment for transfer, and thereafter submit the same to the stock exchanges.

**i. Distribution of equity shareholding as on March 31, 2016**

**Distribution by category**

Description	No. of Cases	Total Shares	% Equity
Banks	23	128451601	2.13
Clearing Members	183	6153097	0.10
Foreign Institutional Investors	97	1167221603	19.34
HUF	7486	14988202	0.25
Indian Financial Institutions	25	210741119	3.49
Bodies Corporate	2599	179618661	2.98
Mutual Funds	12	134219140	2.22
NBFC	14	838978	0.01
Non-Resident Indians	4351	19713735	0.33
Promoters	35	3718777113	61.61
Resident Individuals	438505	455198806	7.54
Trusts	12	23220	0.00
<b>Total</b>	<b>453342</b>	<b>6035945275</b>	<b>100.00</b>



**Distribution by size**

Sl. No	Range of equity shares held	March 31, 2016				March 31, 2015			
		No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1	1 - 500	327319	72.20	59006059	0.98	339900	74.42	61113367	1.40
2	501 - 1000	58245	12.85	48121937	0.80	56965	12.47	46929516	1.08
3	1001 - 2000	32520	7.17	51259681	0.85	30207	6.61	47722074	1.09
4	2001 - 3000	11448	2.53	29843923	0.49	9912	2.17	25833280	0.59
5	3001 - 4000	5878	1.30	21594068	0.36	5278	1.16	19509295	0.45
6	4001 -5000	4600	1.01	21956860	0.36	3914	0.86	18675471	0.43
7	5001 - 10000	7182	1.58	54130720	0.90	5874	1.29	44170857	1.01
8	10001 and above	6150	1.36	5750032027	95.26	4654	1.02	4097293519	93.95
	<b>Total</b>	<b>453342</b>	<b>100.00</b>	<b>6035945275</b>	<b>100.00</b>	<b>456704</b>	<b>100.00</b>	<b>4361247379</b>	<b>100.00</b>

**j. De-materialization of Shares and Liquidity**

The Company's shares are available for dematerialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.98% of shares have been dematerialized as on March 31, 2016.

ISIN: INE776C01039 (Fully Paid Shares)

Description	No. of Shareholders	No. of Shares	% Equity
Physical	298	975771	0.02
NSDL	297739	5792016705	95.95
CDSL	155305	242952799	4.03
<b>Total</b>	<b>453342</b>	<b>6035945275</b>	<b>100.00</b>

The Company's shares are regularly traded on BSE Limited and the National Stock Exchange of India Limited and were never suspended from trading.

**k. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity**
**GDRs / ADRs:**

The Company has not issued any GDRs / ADRs in the past and hence as on March 31, 2016, the Company does not have any outstanding GDRs / ADRs.

**Warrant:**

Company had issued 18,00,00,000 Warrants convertible into 18,00,00,000 Equity Shares to GMR Infra Ventures LLP at an issue price of ₹ 31.50 per equity share on August 26, 2014. These warrants were convertible into equity shares within 18 months from the date of their allotment. Your Company has received the requisite proceeds from GMR Infra Ventures LLP on August 26, 2014 amounting to ₹ 141.75 Crore, being 25% of the consideration amount for allotment of the said warrants, as per the requirement of Regulation 77 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "SEBI ICDR").

During the year under review, GMR Infra Ventures LLP, upon the warrants falling due for conversion, decided not to exercise the right to subscribe to the equity shares against the said warrants in terms of Regulation 76 of the SEBI ICDR.

Accordingly, the amount of ₹ 141.75 Crore, being 25% of the consideration amount received at the time of allotment of the said warrants from GMR Infra Ventures LLP in terms of Regulation 77 of the SEBI ICDR was forfeited.

**Compulsorily Convertible Preference Shares (CCPS):**

The Company had during March 2014, issued and allotted 56,83,351 and 56,83,353 Compulsorily Convertible Preference Shares (Series A and B CCPS) convertible into equity shares at the expiration of 17 and 18 months respectively from the date of issuance in accordance with Regulation 76(1) of Chapter VII of the SEBI ICDR.

Accordingly, after the expiry of said 17 months and 18 months from the date of allotment of CCPS (March 26, 2014), the shareholders of Series A CCPS and Series B CCPS applied for equity shares on August 26, 2015

and September 26, 2015 respectively and equity shares were allotted at the price determined under Regulation 76(1) of the SEBI ICDR.

**Foreign Currency Convertible Bonds (FCCBs):**

During the year under review, the Company had issued 6 (Six) Foreign Currency Convertible Bonds to Kuwait Investment Authority ("Subscriber") with the terms and conditions which, inter-alia, include as under:-

Number of Bonds issued	: 6
Nominal Value of each Bond	: US\$ 50,000,000
Total value of the issue	: US\$ 300,000,000
Conversion	: The bonds are convertible into Equity Shares of the Company
Conversion Price	: ₹ 18 per Equity Share.
Tenor	: 60 years
Coupon Rate	: 7.5%
Yield to maturity	: 7.5%

The Company has not issued any other convertible instrument, during the year under review, except the FCCBs as mentioned above, which are likely to have an impact on equity.

**l. Commodity Price Risk/ Foreign Exchange Risk and Hedging activities**

The details of foreign currency exposure and hedging are disclosed in note no. 37 to the standalone financial statements.

**m. Plant locations**

In view of the nature of the Company's business viz. providing infrastructure facilities, the Company through its subsidiaries / associates operates from various offices in India and abroad.

The international locations where the Company operates through its subsidiaries / associates are Indonesia, Singapore, Nepal, Philippines (Cebu) and national locations (States) where the Company operates by itself and through its subsidiaries, JVs, Associates in India are Delhi, Karnataka, Telangana, Maharashtra, Odisha, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Andhra Pradesh, Himachal Pradesh, Gujarat, Uttarakhand, Rajasthan, Chandigarh etc.,

**n. Address for correspondence**

GMR Infrastructure Limited  
 Company Secretary and Compliance Officer  
 (Corporate Secretarial Department)  
 New Udaan Bhawan,  
 Project Office, Wing 'A',  
 Opp. Terminal 3, IGI Airport  
 New Delhi-110037  
 T +91 11 46084237  
 F +91 11 46084210  
 E-mail: Gil.Cosecy@gmrgroup.in

**o. Prevention of Insider Trading**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading and Code of practices and procedures for fair Disclosure of unpublished price sensitive information in the Company's shares.

**p. Reconciliation of Share Capital Audit**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, NSDL and CDSL and is placed before the Stakeholders Relationship Committee of the Board of Directors of the Company. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

**q. Corporate Identity Number (CIN)**

The revised Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India, post shifting of the Registered office of the Company from the State of Karnataka to the State of Maharashtra is L45203MH1996PLC281138.

**r. Compliance Certificate**

Certificate from M/s. V. Sreedharan & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V read with Regulation 34(3) and 53(f) of the SEBI LODR, is annexed hereinafter.

**s. Equity Shares in Suspense Account**

As per Schedule V read with Schedule VI, Regulation 34(3), 53(f) and 39(4) of the SEBI LODR, the details in respect of equity shares lying in the suspense / escrow account are as under:

Particulars	No. of share holders	No. of equity shares held
Aggregate number of shareholders and the outstanding shares in the suspense /escrow account (maintained with CDSL and NSDL) lying as on April 01, 2015	38	39872
Number of shareholders who approached the Company for transfer of shares from suspense /escrow account (maintained with NSDL) during the year	25	21948
Number of shareholders to whom shares were transferred from the suspense / escrow account (maintained with NSDL) during the year	25	21948
Aggregate Number of shareholders and the outstanding shares in the suspense account (maintained with CDSL and NSDL lying as on March 31, 2016	13	17924

The voting rights on the shares outstanding in the aforesaid suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares. There were no unclaimed equity shares issued in physical form.

**XI. Risk Management**

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

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

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

The ERM inputs are considered by Sectors / Businesses during formulation of their Strategy / Annual Operating Plan.

The internal audit function (Management Assurance Group) takes into account the inputs from ERM function for preparing Annual Audit Plan.

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

The Board of Directors of the Company and its subsidiaries are regularly informed on the status of key risks, their assessment and mitigation measures that have been planned, thus ensuring the effectiveness of the frameworks and monitoring mechanism.

**XII. Subsidiary Companies**

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

- i. The financial statements, in particular the investments made by subsidiary companies, are reviewed by the Audit Committee of the Company periodically;
- ii. The minutes of the Board / Audit Committee Meetings of the subsidiary companies are noted at the Board / Audit Committee Meetings respectively of the Company;
- iii. The details of significant transactions and arrangements entered into by the material subsidiary companies are placed periodically before the Board of the Company.

### XIII. Disclosures

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

None of the transactions with related parties were in conflict with the interests of the Company at large. The transactions with related parties are mentioned in note no. 32 of the financial statements and the Board's Report.

- b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalties or strictures have been imposed by the Stock Exchanges or SEBI or any statutory authority.

- c. Whistle Blower Policy/Vigil Mechanism:**

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

This mechanism has been communicated to all concerned and posted on the Company's website <http://investor.gmrgroup.in/investors/GIL-Policies.html>.

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

- d. The Company has complied with the mandatory requirements of listing regulations. Further, the Company has also put its best endeavor to comply non mandatory requirement(s).**
- e. The Company has framed a Material Subsidiary Policy and the same is placed on the Company's website and the web link for the same is <http://investor.gmrgroup.in/investors/GIL-Policies.html>**
- f. The Company has framed Related Party Transaction Policy, and the same is placed on the Company's website and the web link for the same is <http://investor.gmrgroup.in/investors/GIL-Policies.html>**
- g. During the FY ended March 31, 2016 the Company did not engage in commodity price risk and commodity hedging activity.**

XIV. There has been no instance of non-compliance of any requirement of Corporate Governance Report as prescribed under SEBI LODR.

### XV. Adoption of Non-Mandatory Requirements as stipulated in Part E of Schedule II of SEBI LODR.

- a. The Board**

Since the Company does not have a Non-Executive Chairman, it does not maintain such office.

- b. Shareholder Rights**

Half yearly financial results are forwarded to the Stock Exchanges, published in newspapers and uploaded on the website of the Company like quarterly results.

- c. Modified opinion(s) in audit report**

The modified opinion of statutory auditor forms part of auditors report on financial statements and the management's response thereon is furnished in Board's report.

- d. Separate posts of Chairman and Chief Executive Officer.**

The Company has appointed separate persons to the post of Chairperson and Managing Director.

- e. Reporting of Internal Auditor**

The Head, Management Assurance Group, Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meetings for reporting their findings of the internal audit to the Audit Committee Members.

### XVI. The Company has fully complied with the applicable requirements specified in regulation 17 to 27 and clause B to clause I of sub-regulation 2 of regulation 46 of the SEBI LODR.

#### Certificate on Corporate Governance:

Pursuant to Schedule V of the SEBI LODR, the Certificate from Practicing Company Secretary on Corporate Governance is annexed hereinafter.

#### Declaration on compliance with Code of Conduct

To,

The Members of GMR Infrastructure Limited

Sub: Declaration by the Managing Director under Para D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Grandhi Kiran Kumar, Managing Director of GMR Infrastructure Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2016.

Sd/-

Place : New Delhi

Grandhi Kiran Kumar

Date : August 06, 2016

Managing Director

## Managing Director and CFO certification

Pursuant to Regulation 17(8) read with Part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

**The Board of Directors**

**GMR Infrastructure Limited**

**We hereby certify that:**

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2016 and to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee (wherever applicable):
  - i. significant changes in internal controls over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, wherever applicable; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For GMR Infrastructure Limited For GMR Infrastructure Limited**

Sd/-  
**Grandhi Kiran Kumar**  
Managing Director

Sd/-  
**Madhva Bhimacharya Terdal**  
Group CFO

**Place : Bengaluru**  
**Date : May 21, 2016**

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L45203MH1996PLC281138

Nominal Capital : ₹ 1950 Crores

**To the Members of**

**GMR INFRASTRUCTURE LIMITED**

We have examined all the relevant records of GMR Infrastructure Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the period from April 01, 2015 to November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 01, 2015 up to March 31, 2016. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

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

**For V. Sreedharan and Associates**  
**Company Secretaries**

Sd/-

**V. SREEDHARAN**  
Partner  
**FCS.2347; CP.No.833**

**Place: Bengaluru**  
**Date: July 15, 2016**