

Schedules forming part of Balance Sheet as at March 31, 2007

(Amount in Rupees)

Schedule 1	March 31, 2007	March 31, 2006
CAPITAL		
Authorised 400,000,000 Equity shares of Rs.10 each	4,000,000,000	4,000,000,000
	4,000,000,000	4,000,000,000
Issued, Subscribed and paid up 331,084,000 (2006: 264,436,814) Equity Shares of Rs.10 each fully paid-up	3,310,840,000	2,644,368,140
Notes: Of the above, (i) 105,774,723 equity shares of Rs.10 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) 266,722,722 (2006 : 264,435,751) Equity Shares of Rs 10 each fully paid-up are held by the holding company, GMR Holdings Private Limited.		
	3,310,840,000	2,644,368,140
Less: Calls unpaid	50,125	-
Total	3,310,789,875	2,644,368,140

(Amount in Rupees)

Schedule 2	March 31, 2007	March 31, 2006
RESERVES AND SURPLUS		
Capital Redemption Reserve		
At the commencement of the year	-	185,000,000
Less : Utilised towards issue of bonus shares	-	185,000,000
(i)	-	-
Share Premium Account		
At the commencement of the year	-	552,993,384
Add: Received/Receivable towards public issue of equity shares (Refer Note 3 and 4 of Schedule 16)	12,725,241,443	-
Less: Utilised towards share issue expenses	706,703,400	-
Less : Calls Unpaid	696,738	-
Less : Utilised towards issue of bonus shares	-	552,993,384
(ii)	12,017,841,305	-
Debenture Redemption Reserve		
At the commencement of the year	437,500,000	400,000,000
Add: Transfer from Profit and Loss Account	-	37,500,000
Less: Transfer to Profit and Loss Account	186,125,000	-
(iii)	251,375,000	437,500,000
Special Reserve (under Section 45 IC of the RBI Act, 1934)		
At the commencement of the year	-	220,441,300
Less : Transfer to General Reserve	-	220,441,300
(iv)	-	-
General Reserve		
At the commencement of the year	-	-
Add: Transfer from Special Reserve	-	220,441,300
Less : Utilised towards issue of bonus shares	-	220,441,300
(v)	-	-
Balance in Profit and Loss Account	817,810,488	602,903,573
(vi)		
Total (i)+(ii)+(iii)+(iv)+(v)+(vi)	13,087,026,793	1,040,403,573

Schedules forming part of Balance Sheet as at March 31, 2007

(Amount in Rupees)

Schedule 3	March 31, 2007	March 31, 2006
SECURED LOANS		
Debentures		
(i) 185,000 (2006: 555,000) Secured Redeemable Non-Convertible Debentures of Rs. 100 each (Out of the above, debentures amounting to Rs.3,250,000 bear interest at the rate of 10% per annum (14% up to March 31, 2004) and debentures amounting to Rs.6,000,000 bear interest at the rate of 10% per annum (14% up to December 31, 2004) These debentures are redeemable in 20 equal quarterly instalments from October 1, 2002).	9,250,000	46,250,000
(ii) 300,000 (2006: 600,000) Secured Redeemable Non-Convertible Debentures of Rs. 100 each (These debentures bear interest at the rate of 10% per annum and are redeemable in 4 equal annual instalments from January 8, 2005).	30,000,000	60,000,000
(iii) 162,500 (2006: 325,000) Secured Redeemable Non-Convertible Debentures of Rs. 100 each (These debentures bear interest at the rate of 10% per annum and are redeemable in 4 equal annual instalments from February 4, 2005). (The above debentures (i) to (iii) are secured, on pari passu basis, by the first charge through hypothecation of all movable and immovable properties of the Company, both present and future, and pledge of equity shares of the Company held by promoter shareholders and their associates.)	16,250,000	32,500,000
(iv) 950 (2006: 1,100) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each (These debentures bear interest at the rate of 9.81% per annum (8.91% up to September 30, 2006).	950,000,000	1,100,000,000
(v) Nil (2006: 220) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each (These debentures bear interest at the rate of 8.71% per annum). (The above debentures (iv) and (v) are secured by immovable property of the Company, pledge of 41,253,000 Shares of the Company held by the promoter shareholders and other third party securities. These debentures are redeemable in 10 annual instalments from September 30, 2005)	-	220,000,000
(vi) Nil (2006: 3,000) Secured Redeemable Non-Convertible Debentures of Rs. 100,000 each (These debentures bear interest at the rate of 9% per annum. These debentures are redeemable in 10 equal semi annual instalments from December 1, 2003). (Secured, by the hypothecation of immovable property of the Company, pledge and by the exclusive first charge on dividends to be declared / received by the company on 48,000,000 (2006 : 48,000,000) equity shares in GMR Energy Limited)	-	300,000,000
Bank Overdraft (Secured by pledge of 2,850,000 fully paid-up equity shares of Rs.10 each of GMR Industries Limited, held by GMR Holdings Private Limited and by way of Guarantee issued by GMR Holdings Private Limited)	766,230,403	-
Others (Secured by hypothecation of vehicle)	-	109,836
Total	1,771,730,403	1,758,859,836

(Amount in Rupees)

Schedule 4	March 31, 2007	March 31, 2006
UNSECURED LOANS		
Short Term		
From Banks	-	549,491,266
Interest Accrued and due	-	74,000
From Other Bodies Corporate	-	518,000,000
Interest Accrued and due	-	66,043
Other than Short Term		
From Banks	200,000,000	-
Total	200,000,000	1,067,631,309

Schedules forming part of Balance Sheet as at March 31, 2007
Schedule 5

FIXED ASSETS

(Amount in Rupees)

Description	Gross Block			Depreciation				Net Block	
	March 31, 2006	Additions	Deletions	March 31, 2007	March 31, 2006	For the year	On Deletions	March 31, 2007	March 31, 2006
Freehold Land	835,700	-	-	835,700	-	-	-	-	835,700
Office Equipment	14,004,987	130,844	5,014,808	9,121,023	7,430,613	1,603,481	3,867,561	5,166,533	6,574,374
Furniture and Fixtures	6,397,090	-	188,260	6,208,830	3,222,627	296,353	163,269	3,355,711	3,174,463
Vehicles	932,075	-	11,575	920,500	428,175	88,317	7,351	509,141	503,900
Total	22,169,852	130,844	5,214,643	17,086,053	11,081,415	1,988,151	4,038,181	9,031,385	11,088,437
Previous Year	23,294,148	321,460	1,445,756	22,169,852	9,614,250	2,176,197	709,032	11,081,415	-

Schedules forming part of Balance Sheet as at March 31, 2007

(Amount in Rupees)

Schedule 6	March 31, 2007	March 31, 2006
INVESTMENTS		
I. Long term - At cost		
Other than Trade - Unquoted		
A. In Equity Shares of Subsidiary Companies		
GMR Energy Limited (326,063,727 [2006: 276,826,898] Equity Shares of Rs.10 each fully paid up)	3,962,707,176	2,962,707,179
GMR Hyderabad International Airport Limited (36,995 Equity Shares of Rs.10 each fully paid up)	369,950	369,950
GMR Pochanpalli Expressways Private Limited (63,342,000 [2006: 5,100] Equity Shares of Rs.10 each fully paid up)	633,420,000	51,000
GMR Jadcherla Expressways Private Limited (54,090,675 [2006: 5,100] Equity Shares of Rs.10 each fully paid up)	540,906,750	51,000
GMR Tuni-Anakapalli Expressways Private Limited (100,000 Equity Shares of Rs.10 each fully paid up)	1,000,000	1,000,000
GMR Tambaram-Tindivanam Expressways Private Limited (1,00,000 Equity Shares of Rs.10 each fully paid up)	1,000,000	1,000,000
GMR Ambala Chandigarh Expressways Private Limited (27,004,900 [2006: 4,800] Equity Shares of Rs.10 each fully paid up)	270,049,000	48,000
Delhi International Airport Private Limited (62,200,000 [2006: Nil] Equity shares of 10 each fully paid up)	622,000,000	-
GMR Ulundurpet Expressways Private Limited (91,226,250 [2006:Nil] Equity shares of 10 each fully paid up)	912,262,500	-
GMR (Badrinath) Hydro Power Generation Private Limited (4,900 [2006:Nil] Equity shares of 10 each fully paid up)	49,000	-
GVL Investments Private Limited (2,495,789 [2006:Nil] Equity shares 10 each fully paid up)	3,993,262,400	-
Gateways for India Airports Private Limited (3,784 equity shares of Rs.10/- each fully paid-up)	37,840	37,840
(i)	10,937,064,616	2,965,264,969
B. In Preference Shares of Subsidiary Companies		
GMR Tuni-Anakapalli Expressways Private Limited 1,100,000 9% Preference Shares of Rs. 100 each fully paid up	128,073,282	128,073,282
4,655,720 9.5% Preference Shares of Rs. 100 each fully paid up	472,492,806	472,492,806
GMR Tambaram-Tindivanam Expressways Private Limited 1,100,000 9% Preference Shares of Rs. 100 each fully paid up	128,071,161	128,071,161
6,746,960 9.5% Preference Shares of Rs. 100 each fully paid up	688,537,611	688,537,611
GMR Energy Limited 73,449,425 [2006: Nil] 1% Preference Shares of Rs. 10 each fully paid up	734,494,250	-
	2,151,669,110	1,417,174,860
Less: Provision for Diminution in Value of Investments	(56,906,860)	-
(ii)	2,094,762,250	1,417,174,860
II. Current Investment at cost or below*		
Other than Trade - Unquoted		
(Balance of unutilised monies raised by way of IPO)		
A. Investments in Bonds**		
7.45% State Bank of India Bonds (100 [2006: Nil] Bonds of face value of Rs. 1,000,000 each)	98,347,123	-
7.1% Power Grid Corporation of India Limited Bonds (50 [2006: Nil] Bonds of face value of Rs. 1,000,000 each)	45,311,250	-
B. Investments in Mutual Funds***		
ING Vysya Liquid Fund Super Institutional - Daily Dividend Option 3,580,472.471 [2006: Nil] Units of Rs.10.0048 per unit	35,821,911	-
UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment 77,507.76 [2006: Nil] Units of Rs.1,019.4457 per unit	79,014,953	-
Reliance Fixed Horizon Fund - I - Annual Plan - Series III - Retail Growth Plan 15,000,000 [2006: Nil] Units of Rs.10.00 per unit	150,000,000	-
(iii)	408,495,237	-
Total (i)+(ii)+(iii)	13,440,322,103	4,382,439,829
* Includes Balance of unutilised monies raised by way of IPO - Rs. 405,771,006 (2006: Rs. Nil)		
** Aggregate market value as at March 31, 2007 - Rs. 143,952,123 (2006: Nil).		
*** Aggregate Net Asset Value as at March 31, 2007 - Rs. 268,799,864 (2006: Rs. Nil).		

Schedules forming part of Balance Sheet as at March 31, 2007

(Amount in Rupees)

Schedule 7	March 31, 2007	March 31, 2006
SUNDRY DEBTORS (Unsecured, considered good)		
a) Over six months old	-	-
b) Other Debts	-	287,894
Total	-	287,894

(Amount in Rupees)

Schedule 8	March 31, 2007	March 31, 2006
CASH AND BANK BALANCES		
Balances with Scheduled Banks		
- On Current Account - Balance of unutilised monies raised by way of IPO	3,038,405	-
- On Current Accounts - Others	6,036,748	18,802,361
- On Deposit Accounts - Balance of unutilised monies raised by way of IPO	2,500,000,000	-
- On Deposit Accounts - others	612,500,000	-
- On Margin Money accounts*	69,621,584	4,049,264
Total	3,191,196,737	22,851,625
* includes Rs. 65,400,000 out of balance of unutilised monies raised by way of IPO.		

(Amount in Rupees)

Schedule 9	March 31, 2007	March 31, 2006
OTHER CURRENT ASSETS (Unsecured, Considered good)		
Interest accrued but not due	45,133,701	52,346
Dividend receivable	2,776,992	521,701,963
Total	47,910,693	521,754,309

(Amount in Rupees)

Schedule 10	March 31, 2007	March 31, 2006
LOANS AND ADVANCES (Unsecured and considered good, unless otherwise stated)		
Loan to a Subsidiary Company	150,495,000	-
Advance towards investments in subsidiary companies	1,453,921,000	1,530,042,000
Advances recoverable in cash or in kind or for value to be received :		
Considered good	23,933,219	59,916,081
Considered doubtful	-	28,676,000
Advance Tax (net of provisions)	20,678,586	8,408,051
Deposits	50,281,738	340,938
	1,699,309,543	1,627,383,070
Less Provision for doubtful advance	-	28,676,000
Total	1,699,309,543	1,598,707,070

(Amount in Rupees)

Schedule 11	March 31, 2007	March 31, 2006
CURRENT LIABILITIES		
A) Liabilities		
Sundry Creditors		
Dues to small scale industrial undertakings	-	-
Dues to other than small scale industrial undertakings	8,673,764	11,851,988
Share Application Money Refunds - Not claimed	795,742	-
Interest accrued but not due	931,500	10,446,722
Other Liabilities	6,169,434	1,132,654
	16,570,440	23,431,364
B) Provisions		
Provision for employee benefits	581,785	636,000
	581,785	636,000
Total	17,152,225	24,067,364

Schedules forming part of Profit and Loss Account for the year ended March 31, 2007

(Amount in Rupees)

Schedule 12	March 31, 2007	March 31, 2006
OPERATING INCOME		
Dividend from Subsidiary Companies	165,808,856	521,701,963
Dividend from others	26,680,818	39,457
Interest income - Gross	141,454,607	9,130,735
[Tax Deducted at source Rs.18,645,702 (2006: Rs. 504,751)]		
Profit on sale of long term investments (net)	-	52,645,090
Total	333,944,281	583,517,245

(Amount in Rupees)

Schedule 13	March 31, 2007	March 31, 2006
OTHER INCOME		
Profit on sale of short term investments (net)	2,344,800	-
Service Income	-	12,500,000
Miscellaneous Income	5,056,143	12,252,839
Total	7,400,943	24,752,839

(Amount in Rupees)

Schedule14	March 31, 2007	March 31, 2006
ADMINISTRATION AND OTHER EXPENSES		
Salaries, Allowances and Benefits to employees	3,289,486	11,733,748
Contribution to provident fund and others	47,769	551,591
Staff welfare expenses	99,890	4,400
Rent	1,407,583	986,377
Rates and Taxes	176,131	14,522,953
Repairs and Maintenance	156,808	50,015
Insurance	489,742	66,751
Consultancy and Professional Charges	8,624,559	11,461,212
Directors' sitting fees	1,230,000	240,000
Provision for Doubtful Advance	-	28,676,000
Provision for Diminution in value of Investments	56,906,860	-
Travelling and Conveyance	2,594,525	3,442,636
Gain/(loss) on foreign exchange fluctuations	35,613	(4,601,063)
Fixed Assets Written off	1,176,462	736,724
Advertisement	8,363,418	531,045
Miscellaneous Expenses	2,487,699	608,417
Total	87,086,545	69,010,806

(Amount in Rupees)

Schedule15	March 31, 2007	March 31, 2006
FINANCE CHARGES		
Interest on Debentures / Fixed Period Loans	137,496,408	169,218,105
Interest - Others	36,495,291	10,835,263
Bank and other finance charges	25,559,138	1,958,966
Total	199,550,837	182,012,334

Notes forming part of the accounts

Schedule 16

Statement on Significant Accounting Policies and Notes to the Accounts

I. Significant Accounting Policies

Accounting Assumptions

These accounts have been prepared under the historical cost convention on the basis of a going concern, with revenues recognised and expenses accounted on their accrual and amounts determined as payable or receivable during the year, except those with significant uncertainties and in accordance with the applicable Accounting Standards as issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

Revenue Recognition

The Company recognizes significant items of income and expenditure on accrual basis except in case of those with significant uncertainties. Dividends declared by subsidiary companies after the Balance Sheet date, are recognised as income in the year to which they relate if they are declared before the approval of the financial statements by the Board of Directors.

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

Fixed Assets

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, duties, levies and all incidentals attributable to bringing the asset to its working condition.

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being the excess of carrying value over the recoverable value of the asset) is charged to the Profit and Loss account in the respective financial year. The impairment loss recognized in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

Depreciation

Depreciation is provided on straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 except for assets of less than Rs. 5,000, which are fully depreciated in the year of acquisition.

Leasehold improvements are amortized over the period of the lease or estimated useful life whichever is shorter

Investments

Long term investments are valued at cost and provision for diminution in value is made for any decline, other than temporary, in the value of such investments for each category. The Current investments are valued at cost or market value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition. Income from investments is recognised in the year in which it is accrued and stated at gross.

Foreign Currency Transactions

Transactions made during the year in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the year end are translated at the exchange rate prevalent at the date of Balance Sheet and the resultant gain/loss is recognised in the financial statements.

Retirement Benefits

Retirement Benefits are accounted for on accrual basis in respect of contribution schemes such as Provident Fund and Superannuation Fund with contributions charged against revenue each year. Liability for gratuity is funded through a scheme administered by an insurer and provision is made based on actuarial valuation carried out as at Balance Sheet date. Provision for leave encashment is made on actual liability basis for the leave outstanding as at the year end.

Earnings Per Share

The earnings considered in ascertaining the company's Earning Per Share (EPS) comprise the net profit after tax less dividend (including dividend distribution tax) on preference shares. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized on timing differences; being the difference between the taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities have been

Notes forming part of the accounts

Schedule 16 (Contd.)

computed on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

II. NOTES TO ACCOUNTS

1. Contingent Liabilities:
 - a) Bank Guarantees outstanding in respect of equity and other commitments in subsidiary companies (other than the guarantees towards which commitment has been disclosed in Note 2 below) and towards public issue of equity shares of the Company - Rs. 2,576,900,000 (2006: Rs. 5,615,600,000).
 - b) Corporate Guarantees issued in respect of borrowings and performance guarantees availed by subsidiary companies - Rs. 4,314,779,323 (2006: Rs. 1,578,200,000).
 - c) Matters relating to Income Tax under dispute – Rs. 4,127,391 (2006: Nil)
2. Capital Commitments

Investment in equity shares of subsidiary companies - Rs. 4,028,400,000 (2006: Rs. 1,023,357,000)
3. Pursuant to the decision of the shareholders of the Company at their Extra Ordinary General Meetings, 28,510,206 equity shares of face value of Rs. 10 each have been allotted as a Pre-IPO preferential allotment, to various parties at an aggregate share premium of Rs. 5,157,374,405.
4. Pursuant to the decision of the shareholders of the Company at the Extra Ordinary General Meeting held on February 28, 2006; 38,136,980 equity shares of face value of Rs. 10 each have been allotted by way of initial public offer (IPO) on August 17, 2006 and August 24, 2006. The details of funds received and their utilisation up to March 31, 2007 are given below:

Particulars	Amount (in Rupees)
Funds received	
Equity Share Capital	381,369,800
Share Premium (Refer Note (i) below)	7,567,867,038
Interest on delayed payment of call money	457,455
Less: Calls unpaid	746,863
Total	7,948,947,430
Utilisation upto March 31, 2007	
Investment in Subsidiary Companies (including Share Application Money, pending allotment) – Refer Note (ii) below	2,206,532,500
Repayment of Unsecured Loans	550,000,000
Payment to GMR Holdings Private Limited and GMR Operations Private Limited for acquisition of equity shares of GVL Investments Private Limited	1,558,564,340
Expenses incurred towards the IPO	629,641,179
Deposit with Securities and Exchange Board of India (SEBI)	30,000,000
Margin Money towards Bank Guarantee issued to SEBI	65,400,000
Total Utilisation	5,040,138,019
Balance of unutilised monies out of IPO, details of which are given below:	2,908,809,411
Investments in Short Term Securities (included in Schedule 6)	405,771,006
Investments in Fixed Deposits (included in Schedule 8)	2,500,000,000
Amount lying in current accounts	3,038,405
Total	2,908,809,411

Notes:

- (i) In case of 5,669,425 equity shares allotted to the retail investors category, a discount of five percent on the issue price was given in accordance with the terms of the Company's prospectus dated August 7, 2006.
- (ii) Represent investment made directly by the company, through its subsidiary companies and by way of repayment of loans taken for the purpose of investment in subsidiary companies.

Notes forming part of the accounts

Schedule 16 (Contd.)

5. 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:

Description	No of shares	Carrying Value as at March 31, 2007 (Amount in Rupees)
GMR Energy Limited (Equity shares of Rs 10 each fully paid up)	185,862,254 (233,862,254)	2,258,226,386 (2,572,484,794)
GMR Hyderabad International Airport Limited (Equity shares of Rs 10 each fully paid up)	25,501 (25,501)	255,010 (255,010)
GMR Pochanpalli Expressways Private Limited (Equity shares of Rs 10 each fully paid up)	19,002,600 (-)	190,026,000 (-)
GMR Jadcherla Expressways Private Limited (Equity shares of Rs 10 each fully paid up)	16,227,202 (-)	162,272,020 (-)
GMR Ambala Chandigarh Expressways Private Limited (Equity shares of Rs 10 each fully paid up)	13,774,800 (-)	137,748,000 (-)
GMR Ulundurpet Expressways Private Limited (Equity shares of Rs 10 each fully paid up)	27,367,875 (-)	273,678,750 (-)
GMR Tuni Anakapalli Expressways Private Limited (9.5% Preference Shares of Rs 100 each fully paid up)	1,944,500 (2,930,000)	194,450,000 (297,355,494)
GMR Tambaram Tindivanam Expressways Private Limited (9.5% Preference Shares of Rs 100 each fully paid up)	2,651,000 (4,005,000)	265,100,000 (408,716,389)

Note: Previous year figures are mentioned in brackets.

6. Since the Company is presenting both the stand-alone financial statements as well as consolidated financial statements as a part of a single financial report, segment information has been presented on the basis of Consolidated Financial Statements as per the requirements of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

Notes forming part of the accounts

Schedule 16 (Contd.)

7. Related Party Transactions

a) Name of Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
Holding Company	GMR Holdings Private Limited (GHPL)
Subsidiary Companies	GMR Energy Limited (GEL) GMR Power Corporation Private Limited (GPCPL) Vemagiri Power Generation Limited (VPGL) GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) GMR Hyderabad International Airport Limited (GHIAL) Delhi International Airport Private Limited (DIAL) Gateways for India Airports Private Limited (GFIL) GMR Tuni - Anakapalli Expressways Private Limited (GTAEPL) GMR Tambaram - Tindivanam Expressways Private Limited (GTTEPL) GMR Jadcherla Expressways Private Limited (GJEPL) GMR Pochanpalli Expressways Private Limited (GPEPL) GMR Ambala - Chandigarh Expressways Private Limited (GACEPL) GMR Ulundurpet Expressways Private Limited (GUEPL) GMR Mining and Energy Private Limited (GMPL) GVL Investments Private Limited (GVL) Hyderabad Menzies Air Cargo Private Limited (HMACPL)
Enterprises where significant influence exists	GMR Varalakshmi Foundation (GVF)
Fellow Subsidiaries	GMR Industries Limited (GIDL) Raxa Security Services Limited (RSSL)
Enterprises where key Management Personnel and their relatives exercise significant influence	Sucharitha Estates Private Limited (SEPL)
Key Management Personnel and their relatives	Mr.G.M.Rao (Chairman) Mr.G.B.S.Raju (Director) Mr. G. Kiran Kumar (Director) Mr Srinivas Bommidala (Director) Mr. B. V. NageswaraRao (Director) Mrs. G. Varalakshmi Mrs. B. Ramadevi

Notes forming part of the accounts

Schedule 16 (Contd.)

b) Summary of transactions with the above related parties is as follows:

(Amount in Rupees)

Nature of Transaction	2007	2006
Dividend received - Subsidiary Company – GEL	163,031,864	521,701,963
Rent Received- Subsidiary Company – GEL	-	71,800
Rent Deposit Given- Enterprises where key Management personnel and their relatives exercise significant influence – SEPL	19,593,600	-
Security Services rendered by- Fellow Subsidiary – RSSL	314,022	719,332
Purchase of equity shares from		
- Holding Company	3,993,264,000	-
- Key management personnel and their relatives		
- G.M Rao	74,200	54,000
- G.B.S Raju	76,200	24,000
- G. Kiran Kumar	200	-
- Srinivas Bommidala	67,200	24,000
Sale of equity shares to		
- Key management personnel and their relatives - G.M Rao	1,600	2,600
- Subsidiary Company	-	1,600
- Fellow Subsidiaries	-	200
Share application money received from		
- Holding Company	-	2,912,550,000
Share application money refunded to		
- Holding Company	-	3,312,550,000
Interest free Unsecured Loans received and repaid to		
- Holding Company	2,980,400,000	1,205,500,000
Issue of Bonus Shares		
- Holding Company	-	1,057,742,600
- Key management personnel and their relatives	-	3,970
Interest free loans given to		
- Subsidiary Company		
- GVL	521,000,000	-
- VPGL	220,000,000	-
Interest free loan recovered from		
- Subsidiary Company		
- GVL	370,505,000	-
- VPGL	220,000,000	-
Share application money invested in		
- Subsidiary Company		
- GHIAL	-	604,238,000
- GVL	-	2,524,913,000
- GACEPL	279,000,000	-
- GJEPL	526,516,750	-
- GPEPL	621,660,000	-
- GUEPL	912,200,000	-
- DIAL	1,122,000,000	-
- Others	400,000	76,521,000
- Fellow Subsidiaries - Others	-	173,089,000

Notes forming part of the accounts

Schedule 16 (Contd.)

b) Summary of transactions with the above related parties is as follows:

(Amount in Rupees)

Nature of Transaction	2007	2006
Refund of share application money by		
- Subsidiary Company		2,525,363,000
- GVL	-	-
- GACEPL	56,750,000	-
- DIAL	500,000,000	-
- Others	157,500	-
Investment in Equity Shares		-
- Subsidiary Company (Refer Note (c) below)		-
- GACEPL	270,000,000	-
- GJEPL	540,816,750	-
- GPEPL	633,330,000	-
- GUEPL	912,172,500	-
- DIAL	622,000,000	-
Investment in Preference shares of		-
- Subsidiary Company - GEL (Refer Note (c) below)	734,494,250	-
Logo license fees paid/payable to		-
- Holding Company	1,000	-
Redemption of preference share		205,100,000
- Subsidiary Company – GVPL	-	205,100,000
Balance Payable/(Recoverable)		
- Holding Company	1000	-
- Subsidiary Company	(150,495,000)	1,432,794,000
- Fellow Subsidiaries	-	97,967,332
- Enterprises where key Management personnel and their relatives exercise significant influence	(19,593,600)	

Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain companies.
 - Certain Key Management Personnel have extended personal guarantees as security towards borrowings of the Company and other bodies corporate. Similarly 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 share out of Share Application money paid in earlier years.
 - Transactions and outstanding balances in the nature of reimbursement of expenses incurred by one company on behalf of the other have not been considered above.
8. The company has entered into certain operating lease agreements and an amount of Rs. 1,407,583 (2006: Rs. 986,377) paid during the year under such agreements has been disclosed as rent under Schedule 14. These agreements are cancelable in nature.

Notes forming part of the accounts

Schedule 16 (Contd.)

9. Earnings Per Share (EPS)

Calculation of EPS – (Basic and Diluted)

(Amount in Rupees)

Particulars	Year ended March 31	
	2007	2006
Nominal Value of Equity Shares (Rs. per Share)	10	10
Total number of Equity Shares outstanding at the beginning of the year	264,436,814	158,662,091
Add: Issue of Equity Shares on preferential basis on various dates [Refer Note 3 above]	28,510,206	-
Add: Issue of Equity Shares through initial public offer (Refer Note 4 above)	38,136,980	-
Add: Bonus Shares issued out of Free Reserves on September 30, 2005 (Refer Note (i) below)	-	105,774,723
Total number of Equity Shares outstanding at the end of the year	331,084,000	264,436,814
Weighted average number of Equity Shares outstanding at the end of the year	314,000,449	264,436,814
Net Profit after tax for the purpose of EPS	28,781,915	355,454,810
EPS – Basic and Diluted (Rs.)	0.09	1.34

Notes:

- During the year ended March 31, 2006, the company had issued 105,774,723 bonus shares to the shareholders in the ratio of two shares for every three shares held by them. Since it is an issue of Equity Shares without consideration, the issue has been treated as if it had occurred prior to the beginning of the year 2006, the earliest period reported.
- As at March 31, 2007, Rs. 50,125 was receivable towards Equity Shares and for the computation of weighted average number of Equity Shares outstanding at the end of the year, these have been considered as partly paid-up shares.
- Since the company did not have any dilutive securities, the basic and diluted earning per share are the same.

10. Deferred tax liability (net) as at March 31, 2007 comprises of:

(Amount in Rupees)

S. No.	Particulars	2007		2006	
		Deferred tax Asset	Deferred tax liability	Deferred tax Asset	Deferred tax liability
1	Depreciation	-	612,867	-	2,223,500
2	Preliminary Expenses	4,081	-	210,480	-
3	Other 43B disallowances	514,338	-	214,078	-
	Total	518,419	612,867	424,558	2,223,500
	Deferred tax liability (net)	-	94,448	-	1,798,942

Note:

In view of the management's assessment that the future income in the form of dividends is tax free, deferred tax asset on carry/brought forward losses have not been recognised by the Company, on the grounds of prudence.

Notes forming part of the accounts

Schedule 16 (Contd.)

11. Information on Joint Ventures as per Accounting Standard – 27

(Amount in Rupees)

Name of the Joint Venture	GMR Hyderabad International Airport Limited (GHIAL)		Delhi International Airport Private Limited (DIAL) (Refer Note (c) below)
	2006-2007	2005-2006	2006-2007
(1) Share in ownership and voting power of the company	63.00%	63.00%	31.10%
(2) Country of incorporation	India	India	India
(3) Contingent Liabilities Company has incurred in relation to Joint Venture	50,000,000	-	3,040,000,000
(4) Company's share of contingent liabilities of joint venture	-	-	1,707,416,435
(5) Company's share of capital commitments of the joint venture	4,078,278,503	5,448,860,985	18,038,954,770
(6) Aggregate amount of company's share in each of the following:			
(a) Current Assets	451,630,567	735,824,659	588,241,883
(b) Fixed Assets (including Capital work in progress and pre – operative expenditure, pending allocation)	7,208,672,403	3,586,246,481	1,377,499,860
(c) Investments	271,798,823	411,216,081	160,986,351
(d) Current Liabilities and Provisions	480,452,959	281,961,012	900,596,599
(e) Borrowings	5,481,956,165	2,577,750,000	467,981,604
(f) Income	-	-	993,350,483
(g) Expenditure	-	-	852,691,403

Notes:

- 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 the entities as on March 31, 2007.
- GHIAL has not started its commercial operations and hence presentation of Company's share in income and expenditure of the venture does not arise.
- The Company directly holds 31.1% of the equity shares of DIAL and 19.00% of the equity shares through its subsidiary companies. Since the shares were acquired during the current year, presentation of previous year figures did not arise.

Notes forming part of the accounts

Schedule 16 (Contd.)

12. Details of Investments purchased and sold during the year

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Bonds				
9.25% Oriental Bank of Commerce 2021	190	190,399,000	190	190,845,500
	(-)	(-)	(-)	(-)
Indian Overseas Bank	250	250,000,000	250	250,687,350
	(-)	(-)	(-)	(-)
9.1% West Bengal Industrial Development Finance Corporation 2016	250	252,500,000	250	253,408,450
	(-)	(-)	(-)	(-)
7.1% Power Grid Corporation of India 2016	50	44,792,500	50	45,095,000
	(-)	(-)	(-)	(-)
8.8% Power Finance Corporation 2016	40	40,600,000	40	40,600,000
	(-)	(-)	(-)	(-)
TOTAL - (A)		778,291,500		780,636,300
		(-)		(-)
Mutual funds				
Standard Chartered Grindlays Cash Fund	-	-	-	-
	(2,750,000)	(275,000,000)	(2,750,000)	(27,500,000)
ABN Amro Floating rate Fund	18,000,000	180,000,000	18,067,446	180,674,461
– Daily Dividend	(-)	(-)	(-)	(-)
Chola Liquid Dividend Reinvestment Plan fund	25,041,120	251,200,000	25,070,861	251,498,345
	(1,198,143)	(12,000,000)	(1,198,143)	(12,000,000)
Can Bank Mutual Fund – Institutional Daily Dividend Reinvestment	93,118,215	935,000,000	93,204,768	935,869,079
	(-)	(-)	(-)	(-)
DWS Insta Cash Plus Fund – Institutional Plan – Daily Dividend	4,990,269	50,000,000	5,007,553	50,173,175
	(-)	(-)	(-)	(-)
HSBC Cash Fund – Institutional Plus – Daily Dividend	29,983,209	300,000,000	30,023,656	300,404,696
	(-)	(-)	(-)	(-)
ING Vysya Institutional Growth fund	-(1,273,946)	-(13,300,000)	-(1,273,946)	-(13,300,000)
ING Vysya Liquid Super Institutional Fund – Daily Dividend Option	212,862,248	2,129,128,089	213,286,689	2,133,384,640
	(-)	(-)	(-)	(-)
ING Vysya Liquid Institutional Fund – Daily Dividend option	4,030,848	40,350,000	4,037,960	40,421,289
	(-)	(-)	(-)	(-)
ICICI Prudential Institutional Liquid Plan	354,500,000	3,545,000,000	355,095,953	3,550,959,533
	(-)	(-)	(-)	(-)
JM Financial Mutual Fund	9,983,527	100,000,000	9,995,033	100,115,248
	(-)	(-)	(-)	(-)
LIC Liquid Fund – Dividend Plan	119,079,061	1,307,500,000	119,791,459	1,315,315,168
	(-)	(-)	(-)	(-)
Principal Cash Management Fund	129,990,901	1,300,000,000	130,165,145	1,301,742,567
	(-)	(-)	(-)	(-)
Reliance Liquidity Fund Daily Reinvestment Option	19,993,802	200,000,000	20,020,589	200,267,959(-)
	(-)	(-)	(-)	(-)
Standard Chartered Liquidity Manager – Plus – Daily Dividend	199,980	200,000,000	200,676	200,696,310
	(-)	(-)	(-)	(-)
UTI Liquid Cash Plan Institutional – Daily Income Option Reinvestment	1,118,254	1,138,485,048	1,120,041	1,141,821,390
	(-)	(-)	(-)	(-)
TOTAL - (B)		11,676,663,137		11,703,343,860
		(52,800,000)		(52,800,000)
TOTAL - (A) + (B)		12,454,954,637		12,483,980,160
		(52,800,000)		(52,800,000)

Notes: Previous year figures are mentioned in brackets.

Notes forming part of the accounts

Schedule 16 (Contd.)

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

a) Remuneration to Auditors

(Amount in Rupees)

Particulars	2007	2006
Audit fees (including Service Tax)	1,123,600	561,200
Other certification fees* (including Service Tax)	6,570,406	2,853,500
Out of Pocket Expenses*	451,329	83,499
Total	8,145,335	3,498,199

* Includes an aggregate of Rs. 6,071,500 incurred in relation to the initial public offer of Equity Shares and accordingly has been adjusted against the share premium included in Schedule 2.

b) Expenditure in Foreign Currency (on payment basis)

(Amount in Rupees)

Particulars	2007	2006
Traveling expenses	2,605,701	2,188,043
Professional and Consultancy charges	56,861,760	7,288,419
Others	-	2,912,955
Total	59,467,461	12,389,417

14. Disclosure as per Clause 32 of the listing agreement

(Amount in Rupees)

Particulars	Name of the Company	As at March 31, 2007	Maximum amount outstanding during the year
Loans and advances to subsidiary company where there is no interest	GVL Investment Private Limited	150,495,000	521,000,000
Loans and advances to subsidiary company where there was no repayment schedule and no interest	Vemagiri Power Generation Limited	-	220,000,000

15. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D to the extent either Nil or Not Applicable has not been furnished.

16. Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.

For and on behalf of the Board of Directors

Sd/- G.M.Rao Chairman & Managing Director	Sd/- G B S Raju Group Director & Group CFO	Sd/- A.S.Chelukupalli Company Secretary
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Place : Bangalore
Date : June 30, 2007