

Auditors' Report on the Consolidated Financial Statements of GMR Infrastructure Limited

The Board of Directors of GMR Infrastructure Limited

1. We, S.R. Batliboi & Associates and Price Waterhouse have audited the attached consolidated Balance Sheet of GMR Infrastructure Limited (the "Company") and its subsidiaries, its jointly controlled entities and associate companies [collectively hereinafter referred to as 'the Group' and individually as 'components' (refer Note [2] on Schedule [19] to the attached consolidated financial statements)] as at March 31, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto ('consolidated Financial Statements'), which we have signed under reference to this report. These consolidated Financial Statements are the responsibility of the Company's management and have been approved by the board of directors of the Company. Our responsibility is to express an opinion on these consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - a) Price Waterhouse did not audit the financial statements and other financial information of (i) 3 subsidiaries whose financial statements reflect total assets of Rs. 15,077.42 Crore as at March 31, 2010, total revenue (including other income) of Rs. 1,119.74 Crore, total losses of Rs. 79.31 Crore and net cash inflows amounting to Rs. 21.59 Crore for the year then ended (before adjustments on consolidation) and (ii) 1 jointly controlled entity whose financial statements include the Group's share of total assets of Rs. 17.74 Crore as at March 31, 2010, total revenue (including other income) of Rs. 0.09 Crore, total losses of Rs. 0.34 Crore and net cash inflows amounting to Rs. 0.38 Crore for the year then ended (before adjustments on consolidation), that have been audited either singly or jointly by S.R. Batliboi & Associates and on whose reports Price Waterhouse has placed reliance for the purpose of this report.
 - b) S.R. Batliboi & Associates did not audit financial statements and other financial information of 5 subsidiaries, whose financial statements reflect total assets of Rs. 7,624.35 Crore as at March 31, 2010, total revenue (including other income) of Rs. 2,100.01 Crore, total profits of Rs. 275.48 Crore and net cash outflows amounting to Rs. 150.98 Crore for the year then ended (before adjustments on consolidation), that have been audited either singly or jointly by Price Waterhouse and on whose reports S.R. Batliboi & Associates has placed reliance for the purpose of this report.
 - c) Price Waterhouse and S.R. Batliboi & Associates did not audit the financial statements and other financial information of (i) 76 subsidiaries whose financial statements reflect total assets of Rs. 13,731.67 Crore as at March 31, 2010, total revenue (including other income) of Rs. 1,074.85 Crore, total profits of Rs. 35.11 Crore and net cash inflows amounting to Rs. 541.81 Crore for the year then ended (before adjustments on consolidation); (ii) 4 jointly controlled entities whose financial statements include the Group's share of total assets of Rs. 1,590.01 Crore as at March 31, 2010, total revenue (including other income) of Rs. 983.79 Crore, total profit of Rs. 52.75 Crore and net cash inflows amounting to Rs. 35.35 Crore for the year then ended (before adjustments on consolidation) and (iii) an associate for the period June 5, 2009 to December 31, 2009 and another associate for the period from November 8, 2009 to March 31, 2010, included in the consolidated Financial Statements for the year ended March 31, 2010 whose financial statements include Group's share of total losses of Rs. 22.81 Crore for the year then ended. These financial statements and other financial information have been audited by other auditors, whose reports have been furnished to us, and our opinion on the consolidated Financial Statements, is based solely on the report of such other auditors.
 - d) Price Waterhouse and S.R. Batliboi & Associates did not audit the financial statements and other financial information of (i) 4 subsidiaries whose financial statements reflect total assets of Rs. 24.48 Crore as at March 31, 2010, total revenue (including other income) of Rs. 0.17 Crore, total losses of Rs. 0.14 Crore and net cash outflows amounting to Rs. 2.52 Crore for the year then ended (before adjustments on consolidation); (ii) 5 jointly controlled entities whose financial statements include the Group's share of total assets of Rs. 254.11 Crore as at March 31, 2010, total revenue (including

other income) of Rs. Nil Crore, total losses of Rs. 1.28 Crore and net cash inflows amounting to Rs. 33.48 Crore for the year then ended (before adjustments on consolidation) and (iii) 1 associate company whose financial statements include the Group's share of total profits of Rs. 1.23 Crore for the period ended March 31, 2010. These financial statements and other financial information have been incorporated in the consolidated Financial Statements of the Group based on un-audited financial statements as provided by the management of respective component entities as audited financial statements of such component entities as at and for the year/period ended March 31, 2010 are not available.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, AS 23 - Accounting for Investments in Associates in Consolidated Financial Statements, and AS 27 - Financial Reporting of

Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956 of India.

5. Based on our audit, consideration of reports of other auditors and certification by management on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W
Chartered Accountants

For Price Waterhouse

Firm registration number: 007568S
Chartered Accountants

per Navin Agrawal

Partner
Membership No.:56102

J Majumdar

Partner
Membership No.:F51912

Place: Bengaluru
Date: May 24, 2010

Place: Bengaluru
Date: May 24, 2010