

Report on Corporate Governance

Company's Philosophy on Corporate Governance

'Attainment of the right results through right means' summarises GMR's way of Corporate governance. For us Corporate governance is not destination, but a journey, a journey wherein we seek to perpetually improve the conscience of the well balanced interests of all the stakeholders as we walk the miles, spend the years, do more projects and spread our presence through continents to touch more and more lives. Balancing the interests of all the stakeholders is a challenge that we constantly face in this marathon.

While we go beyond the legal provisions of Corporate governance, the statutory compliances in this regard are set forth below.

1. Board of Directors

a. Composition of the Board

As on March 31, 2009, the Board consists of twelve directors, including one Executive Chairman and one Managing Director. 10 Directors are Non-Executive Directors; out of them 6 are Independent Directors. The Independent Directors are professionals with high credentials, who actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

The Board comprises of the following Directors:

Sl. No.	Name of the Director	Director Identification Number (DIN)	Category	Number of other Directorships held in other Public Limited Companies as on 31-03-2009 [#]		Number of committee Chairmanships / memberships held in other Public Limited Companies as on 31-03-2009 [#]	
				Chairman	Director	Chairman	Member
1	Mr. G.M. Rao	00574243	Executive Chairman	4	1	–	–
2	Mr. G.B.S. Raju	00061686	Managing Director	–	5	–	1
3	Mr. Srinivas Bommidala	00061464	NEPD	9	4	1	5
4	Mr. Kiran Kumar Grandhi	00061669	NEPD	–	6	1	–
5	Mr. B.V. Nageswara Rao	00051167	NED	6	7	1	5
6	Mr. K. Balasubramanian**	00009132	NED	NA	NA	NA	NA
7	Mr. O. Bangaru Raju	00082228	NED	–	8	–	6
8	Mr. Arun K. Thiagarajan	00292757	NEID	–	11	1	5
9	Mr. K.R. Ramamoorthy	00058467	NEID	1	9	2	6
10	Dr. Prakash G. Apte	00045798	NEID	–	5	–	5
11	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	1	5	3	2
12	Mr. Udaya Holla	00245641	NEID	–	3	–	–
13	Mr. Uday M. Chitale	00043268	NEID	–	5	3	1
14	Mr. T.R. Prasad**	00084175	NEID	NA	NA	NA	NA

NEPD – Non-Executive Promoter Director, NED – Non- Executive Director, NEID – Non-Executive Independent Director,

[#] Other companies do not include alternate directorships, directorships of private limited company, Section 25 companies and companies incorporated outside India.

* Committee means Audit Committee and Shareholders' Transfer & Grievance Committee.

** Directors resigned during the year

Relationship between Directors inter-se.

Name of the Director	Relationship
Mr. G. M. Rao	Father of Mr. G. B. S. Raju and Mr. Kiran Kumar Grandhi, father-in-law of Mr. Srinivas Bommidala
Mr. G. B. S. Raju	Son of Mr. G. M. Rao, brother of Mr. Kiran Kumar Grandhi, brother-in-law of Mr. Srinivas Bommidala
Mr. Srinivas Bommidala	Son-in-law of Mr. G. M. Rao, brother-in-law of Mr. G. B. S. Raju and Mr. Kiran Kumar Grandhi
Mr. Kiran Kumar Grandhi	Son of Mr. G. M. Rao, brother of Mr. G.B.S Raju, brother-in-law of Mr. Srinivas Bommidala

b. Board Meetings:

Five Board Meetings were held during the financial year ended March 31, 2009. These meetings were held on May 20, 2008, July 29, 2008, October 27, 2008, January 29, 2009 and March 24, 2009. The maximum gap between two meetings was 93 days.

c. Directors' Attendance Record:

The attendance of Directors at the Board meetings held during the financial year ended March 31, 2009 and at the previous General Meetings was as under.

Name of the Director	Board Meetings during the period April 01, 2008 to March 31, 2009		Whether present at the AGM held on August 19, 2008	Whether present at the EGM held on June 9, 2009
	Held	Attended [#]		
Mr. G. M. Rao	5	5	Yes	Yes
Mr. G. B. S. Raju	5	5	Yes	No
Mr. Srinivas Bommidala	5	3	No	Yes
Mr. Kiran Kumar Grandhi	5	4	Yes	No
Mr. B. V. Nageswara Rao	5	4	No	Yes
Mr. K. Balasubramanian*	3	2	Yes	NA
Mr. O. Bangaru Raju	5	5	Yes	No
Mr. Arun K. Thiagarajan	5	4	Yes	No
Mr. K. R. Ramamoorthy	5	5	Yes	Yes
Dr. Prakash G Apte	5	4	No	No
Mr. R.S.S.L.N. Bhaskarudu	5	3	Yes	Yes
Mr. Udaya Holla	5	2	No	No
Mr. Uday M. Chitale	5	5	Yes	Yes
Mr. T.R. Prasad*	3	2	Yes	NA

+Resigned as Director with effect from January 23, 2009

*Resigned as Director with effect from January 13, 2009

[#]Attendance include participation through video conference

d. Profile of Directors being appointed in the ensuing Annual General Meeting to be held on August 31, 2009.

i) **Mr. Uday M Chitale** 59, Independent Director, has been on Company's Board since September, 2005. He is also a director on the Board of VPGL, a subsidiary of the Company. Mr. Chitale is a Chartered Accountant of over 35 years' standing in the profession and is the Senior Partner of M.P. Chitale & Co, Mumbai. He is / has been director of some prominent companies including ICICI Bank Limited, ICICI Securities Limited, JSW Steel Limited and National Commodity & Derivatives Exchange. He is currently a member of the global board of directors and Vice President – Asia Pacific of DFK International, a worldwide association of independent professional firms. Mr. Chitale has served on several expert committees set up by government and regulatory organizations including RBI, SEBI, IRDA and professional bodies such as the Institute of Chartered Accountants of India, Bombay Chartered Accountants Society and Indian Banks' Association. Apart from being a respected senior professional accountant and auditor, Mr. Chitale is acknowledged as a management and business advisor. His special interests include international business negotiations and commercial dispute resolution; he has received accreditation as 'Certified Mediator' from the Centre for Effective

Dispute Resolution (CEDR), UK. Mr. Chitale is one of the pioneers who has contributed to the development of Alternative Dispute Resolution in India and is the founder Director of Indian Council for Dispute Resolution.

He holds 15000 equity shares of the Company under joint names as on March 31, 2009.

Details of Mr. Uday M Chitale's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Audit Committee, Corporate Governance Committee
DFK Consulting Services (India) Private Limited	–
DFK International (Incorporated in Netherlands)	–
Vemagiri Power Generation Limited	Member – Audit Committee
Indian Council for Dispute Resolution	–
ICICI Securities Limited	Chairman – Audit Committee
JSW Steel Limited	Chairman – Audit Committee
ICICI Brokerage Services Limited	–
GMR Industries Limited	Chairman – Audit Committee
	Member – Remuneration Committee
Janalakshmi Financial Services Private Limited	–
Del Val Flow Controls Private Limited	–

ii) **Mr. Udaya Holla** 58, Independent Director, has been on the Company's Board since September 2005. He is also a director on the Boards of some subsidiaries of the Company. He is a lawyer by profession and was previously the Advocate General of the State of Karnataka. His main areas of specialization include corporate laws, mergers and acquisitions, foreign collaborations and joint ventures, FEMA and other legal matters. He has been practising law for more than 36 years. Mr. Udaya Holla has been associated with GMR Group since 2003.

He holds nil equity shares of the Company as on March 31, 2009.

Details of Mr. Udaya Holla's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Chairman – Shareholders' Transfer and Grievance Committee Member – Remuneration Committee
Vemagiri Power Generation Limited	–
GMR Tambaram Tindivanam Expressways Private Limited	–
GMR Tuni Anakapalli Expressways Private Limited	–

iii) **Mr. Srinivas Bommidala** 46, Group Director, is the son-in-law of Mr. G. M. Rao and has been on the Company's Board since 1996. He has over twenty five years of experience in the infrastructure, agriculture, fast moving consumer goods and services sectors. Currently, he is the Business Chairman – Urban Infrastructure & Highways, a portfolio comprising of several businesses including Highways, Commercial Property developments at Delhi and Hyderabad Airports, development of world-class Aerotropolis, Construction & SEZ, Raxa Security and Aviation businesses.

Prior to this, Mr. Srinivas Bommidala headed the Delhi International Airport Pvt Ltd project (a Joint Venture of GMR Group, Airports Authority of India, Fraport, MANSB and IDF), the largest Public Private Partnership initiative till date in India and also led the Group's foray into the power sector with setting up of 200 MW power plant at Chennai and the gas based power project at Vemagiri in Andhra Pradesh.

He holds 225830 equity shares of the Company as on March 31, 2009.

Details of Mr. Srinivas Bommidala's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Management Committee, Debenture Allotment Committee
GMR Varalakshmi Foundation	–
GMR Tambaram Tindivanam Expressways Private Limited	Member – Audit Committee
GMR Tuni Anakapalli Expressways Private Limited	Member – Audit Committee
GMR Ambala Chandigarh Expressways Private Limited	Chairman – Management Committee
GMR Jadcherla Expressways Private Limited	Member – Project Management Committee, Chairman – Remuneration Committee, Management Committee
GMR Pochanpalli Expressways Private Limited	Member – Audit Committee, Project Management Committee, Chairman – Remuneration Committee, Management Committee.
GMR Ulundurpet Expressways Private Limited	Member – Project Management Committee, Chairman – Remuneration Committee, Management Committee
GMR Highways Private Limited	–
GMR Holdings Private Limited	–
Delhi International Airport Private Limited	Member – Share Allotment, Transfer and Grievance Committee
GMR Hyderabad International Airport Limited	Member – Shares Allotment and Shares transfer committee, Audit Committee
Delhi Aerotropolis Private Limited	–
GMR Hyderabad Aerotropolis Limited.	–
GMR Krishnagiri SEZ Limited.	–
BSR Infrastructure Private Limited	–
Bommidala Tobacco Exporters Private Limited	–
Bommidala Exports Private Limited	–
GMR Sports Private Limited	–
GMR League Games Private Limited	–
Kakinada Refinery and Petrochemicals Private Limited	–
Raxa Security Services Limited	Chairman – Audit Committee, Remuneration Committee.
BSR Holdings Private Limited	–
Hotel Shivam International Private Limited	–
Bommidala Exim Private Limited	–

iv) Mr. Kiran Kumar Grandhi, 34, Group Director, is the younger son of Mr. G.M. Rao and has been on the Company's Board since 1999. He completed his bachelors' degree in commerce from Badruka College, Osmania University, Hyderabad in 1996. He led the Company's foray into airport business and currently is the Managing Director of GHIAL and DIAL. He had spearheaded the implementation of the airport project at Hyderabad. He is also responsible for the development of new business in the airports sector. Before taking over the reins of GHIAL, he headed the Group's finance function and the shared services. Currently, he is the Business Chairman of the Airport sector.

He holds 225830 equity shares of the Company as on March 31, 2009.

Details of Mr. Kiran Kumar Grandhi's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Management Committee
Ideaspace Solutions Limited	–
GMR Tambaram Tindivanam Expressways Private Limited	Member – Share allotment and Transfer Committee
GMR Tuni Anakapalli Expressways Private Limited	Member – Share allotment and Transfer Committee
GMR Hyderabad International Airport Limited	Chairman – Share allotment and Transfer Committee
GMR Varalakshmi Foundation	–
Gateways for India Airports Private Limited	–
Delhi International Airport Private Limited	Chairman – Share Allotment, Transfer and Grievance Committee
GMR Holdings Private Limited	–
Istanbul Sabiha Gökçen Uluslararası Havalimanı Yatırım Yapım ve İşletme Anonim Şirketi (Sabiha Gokcen International Airport)	–
GKR Holdings Private Limited	–

e. Code of Conduct

As per requirement of Clause 49 of the Listing Agreement with the stock exchanges, the Board has laid down a code of conduct for all Board members, senior management personnel and designated employees of the Company. The code of conduct is posted on the website of GMR Group (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. G. B. S. Raju, Managing Director, is attached to this report.

A Code of business conduct and ethics applicable to all the employees of the group has been communicated which are to be followed in day to day work life which will enable the employees to maintain highest standards of values in their conduct to achieve organisational objectives.

f. Whistleblower Policy

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 formulated a whistle blower policy applicable to the Company and its subsidiaries.

This mechanism has been communicated to all concerned and posted on the Groups intranet.

g. Risk Management

In a dynamic industry such as infrastructure, risk is an inherent aspect of business. The risk management function therefore is integral to the Company and its objectives include ensuring that the critical risks are identified continuously, monitored and managed effectively in order to protect the Company's businesses.

A comprehensive and integrated risk management framework forms the basis of all the de-risking efforts of the Company. The framework includes risk bulletins for various sectors of businesses. Prudential norms at limiting exposures are an integral part of this framework. Formal reporting and control mechanisms ensure timely information availability and facilitate proactive risk management. These mechanisms are designed to cascade down to the level of line managers so that the risks at the transactional level are identified and steps are taken towards mitigation in a decentralized fashion.

At the enterprise level, de-risking of the Company's business risk is sought to be achieved by a policy of undertaking diversified projects in different segments, geographies and revenue models. The Board of Directors is responsible for monitoring risk levels on various parameters and ensures implementation of mitigation measures, wherever required. The risk management framework is designed to address what the management believes can be largely quantified and mitigated. The framework classifies these risks as follows:

Business Risks: Client concentration, Contracts, Regulatory, Technological obsolescence

Financial Risks: Interest rates, Foreign exchange fluctuations, Liquidity management

Legal and Statutory Risks: Contractual liabilities, Statutory compliance, Fixed asset, Employee insurance

Organisational and Management Risks: Leadership development, Human resource management, Process maturity, Internal control systems

Political Risks

A process is set up to inform the Board/Audit Committee members about the risk assessment and minimisation procedures. These procedures are subjected to a periodical review to ensure that the management controls the risk through means of a properly defined framework.

A detailed note on risks and concerns affecting the businesses of the Company is provided in Management Discussion and Analysis.

h. Subsidiary Companies

The Company monitors 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 subsidiary companies are placed before the Board of the Company periodically.

2. Audit Committee

a. Constitution of Audit Committee:

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

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. Arun K. Thiagarajan	Member
Mr. Udaya Holla*	Member
Mr. Uday M. Chitale	Member
Mr. R S S L N Bhaskarudu**	Member

* Resigned as member with effect from January 29, 2009

** Inducted as a member on January 29, 2009.

- ii. Previous Annual General Meeting of the Company was held on August 19, 2008.

Mr. K.R. Ramamoorthy, Chairman of the Audit Committee has attended the meeting. The composition of the Audit Committee, consisting only Independent Directors', meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the stock exchanges.

During the year, Mr. Udaya Holla had expressed his desire to step down as a member of the Audit Committee and his request was accepted by the Board at its Meeting held on January 29, 2009. At the same meeting, Mr. R.S.S.L.N. Bhaskarudu was inducted as a member of the Audit Committee.

Mr. C P Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Audit Committee.

b. Meetings and attendance during the year:

During the financial year ended on March 31, 2009, seven Audit Committee meetings were held on April 11, 2008, May 20, 2008, July 29, 2008, September 22, 2008, October 27, 2008, January 29, 2009 and March 24, 2009. The attendance of the Audit Committee members was as under:

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	7	7
Mr. Arun K. Thiagarajan	7	6
Mr. Udaya Holla*	6	2
Mr. Uday M. Chitale	7	7
Mr. R S S L N Bhaskarudu**	1	1

* Ceased to be a member with effect from January 29, 2009.

** Inducted as a member on January 29, 2009.

A special meeting of the Committee was held on April 11, 2008 exclusively to consider the issues relating to adequacy of internal control processes, performance of Auditors, Accounting Policies etc. The Committee at their meeting held on September 22, 2008

had also reviewed ERM initiatives at GMR group, benefits achieved through the four main outputs viz., Risk Policy, Risk Management Process, Risk Management Group and Risk Bulletin.

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

- i. Oversight of 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. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- iii. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by the management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with listing and other legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- iv. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- v. Reviewing the adequacy of internal audit function, 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.
- vi. Discussion with internal auditors any significant findings and follow-up there on.
- vii. 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.
- viii. Discussion with external auditors before the audit commences, nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- ix. Reviewing the Company's financial and risk management policies.
- x. 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.
- xi. Reviewing, with the management, the statement of uses/ application funds raised through an issue (public issue, right's issues, preferential issue etc.), the statement of funds utilised for the purpose other than those stated in the offer document /prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendation to the Board to take up steps in this matter.

3. Remuneration Committee

a. Constitution of Remuneration Committee:

The Remuneration Committee comprises of the following Directors as members:

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. G.M.Rao	Member
Mr. K. Balasubramanian*	Member
Dr. Prakash G. Apte	Member
Mr. Udaya Holla	Member

* Ceased to be a member with effect from January 23, 2009.

Mr. C P Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Remuneration Committee.

b. Attendance during the year:

During the financial year ended March 31, 2009, no meeting of the Committee was held.

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

- Meetings of the Committee shall be held whenever matters pertaining to the remuneration payable, including any revision in remuneration payable to Executive / Non-Executive Directors are to be made.
- Payment of remuneration shall be approved by a resolution passed by the Remuneration Committee.
- All information about the Directors /Managing Directors / Wholtime Directors i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders.
- The committee shall take into consideration and ensure the compliance of provisions under Schedule XIII of the

Companies Act, 1956 for appointing and fixing remuneration of Managing Directors / Wholtime Directors.

- 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.
- The Committee shall be in position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders.
- Following disclosures on the remuneration of Directors shall be made in the section on the Corporate governance of the Annual Report:
 - All elements of remuneration package of all the Directors i.e. salary, benefits, bonus, stock options, pension etc.
 - Details of fixed component and performance linked incentives, along with the performance criteria.
 - Service contracts, notice period, severance fees.
 - Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

d. Remuneration Policy

Remuneration of the Executive Chairman, Managing Director or Executive Director is determined periodically by the Remuneration Committee within the permissible limits under the applicable provisions of law and as approved by shareholders. Non-Executive Directors are paid sitting fees within the limits prescribed under law.

e. Details of remuneration paid during the financial year ended March 31, 2009 to the Directors are furnished here under.

Name	Salary & Commission (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	No. of shares held
Mr. G. M. Rao	51,705,265	289,229	–	51,994,494	126,665
Mr. G. B. S. Raju	31,025,145	171,551	–	31,196,696	225,830
Mr. Srinivas Bommidala	–	–	–	–	225,830
Mr. Kiran Kumar Grandhi	–	–	–	–	225,830
Mr. B. V. Nageswara Rao	–	–	–	–	75,000
Mr. K. Balasubramanian *	–	–	–	–	NA
Mr. O.Bangaru Raju	–	–	–	–	20,000
Mr. Arun K. Thiagarajan	–	–	210,000	210,000	18,000
Mr. K. R. Ramamoorthy	–	–	290,000	290,000	NIL
Dr. Prakash G Apte	–	–	90,000	90,000	15,000
Mr. R.S.S.L.N. Bhaskarudu	–	–	90,000	90,000	NIL
Mr. Udaya Holla	–	–	100,000	100,000	NIL
Mr. Uday M. Chitale	–	–	250,000	250,000	15,000
Mr. T. R. Prasad **	–	–	40,000	40,000	NA

*Resigned as director with effect from January 23, 2009

**Resigned as director with effect from January 13, 2009

Note: The remuneration paid to Executive Chairman and Managing Director do not include provision for gratuity, super annuation 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).

4. Shareholders' Transfer and Grievance Committee

a. Constitution of the Committee:

The Shareholders' Transfer and Grievance Committee comprises of the following Directors as members:

Names	Designation
Mr. Udaya Holla	Chairman
Mr. K. R. Ramamoorthy	Member
Mr. G.B.S.Raju	Member
Mr. B.V.Nageswara Rao	Member

The composition of the committee meets the requirement of Clause 49 of the Listing Agreement with the stock exchanges.

Mr. C. P. Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Shareholders' Transfers and Grievance Committee.

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2009, four meetings were held on May 20, 2008, July 29, 2008, October 27, 2008 and January 29, 2009. The attendance of the Shareholders' Transfer and Grievance Committee members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. Udaya Holla	4	2
Mr. K. R. Ramamoorthy	4	4
Mr. G.B.S.Raju	4	3
Mr. B.V.Nageswara Rao	4	3

c. The terms of reference of the Shareholders' Transfer and Grievance 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 or other securities.
- Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Reports, etc.
- Investigate into other investor's complaints and take necessary steps for redressal thereof.
- To perform all functions relating to the interests of shareholders / investors of the Company as may be required by the provisions of the Companies Act, 1956, Listing Agreements with stock exchanges and guidelines issued by SEBI or any other regulatory authority.
- Authorise Company Secretary or other persons to take necessary action on the above matters.
- Appointment and fixation of remuneration of the Registrar and Share transfer Agent and Depositories and to review their performance.

The details of the complaints received during the financial year 2008-09 and the status of the same are as below:

Particulars	No. of Complaints received	No. of Complaints resolved	Pending Complaints
Non-Receipt of Annual Reports	11	11	0
Non-Receipt of Refund Orders	10	10	0
Non-Receipt of Electronic Credit	23	23	0
Non-Receipt of Share Certificates	11	11	0
Non-receipt of Dividend warrants	23	23	0
Total	78	78	0

5. Management Committee

a. Constitution of Management Committee:

The Management Committee comprises of the following Directors as members:

Names	Designation
Mr. G.M.Rao	Chairman
Mr. G.B.S. Raju	Member
Mr. Srinivas Bommidala	Member
Mr. Kiran Kumar Grandhi	Member
Mr. B.V.Nageswara Rao	Member
Mr. K. Balasubramanian*	Member

*Ceased to be a member of the Committee with effect from January 23, 2009.

Mr. C P Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Management Committee.

b. Meetings and Attendance during the year:

During the financial year ended on March 31, 2009, five meetings of the Committee were held on June 13, 2008, July 11, 2008, July 21, 2008, December 22,2008 and March 13, 2009 and the attendance of members are as follows:

Names	No. of the Meetings	
	Held	Attended
Mr. G.M.Rao	5	5
Mr. Srinivas Bommidala	5	1
Mr. G.B.S. Raju	5	2
Mr. Kiran Kumar Grandhi	5	1
Mr. B.V.Nageswara Rao	5	3
Mr. K. Balasubramanian *	4	3

*Ceased to be a member of the Committee with effect from January 23, 2009.

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

- Decision-making relating to operational matters like investments in new projects, financial matters, 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 IPO 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 also delegate specific powers to the Management Committee.

6. Debentures Allotment Committee

a. Constitution of Debentures Allotment Committee:

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

Names	Designation
Mr. Srinivas Bommidala	Member
Mr. G.B.S. Raju	Member
Mr. B.V.Nageswara Rao	Member
Mr. K. Balasubramanian *	Member

*Ceased to be a member of the Committee with effect from January 23, 2009.

Mr. C P Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Debentures Allotment Committee.

b. Meetings and Attendance during the year:

No meeting of Debentures Allotment Committee was held during the financial year 2008-09.

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.

7. Treasury Committee

a. Constitution of Treasury Committee:

The Board has constituted the Treasury Committee vide resolution dated January 9, 2008 and the committee comprises of the following members:

Names	Designation
Mr. K. R. Ramamoorthy	Chairman
Mr. G.B.S.Raju	Member
Mr. K. Balasubramanian*	Member
Mr. A.Subba Rao	Member
Mr. R. Ram Mohan	Member
Dr. Prakash G Apte	Member

*Ceased to be a member of the Committee with effect from January 23, 2009.

b. Meetings and Attendance during the year:

During the financial year ended on March 31 2009, one Committee meeting was held on April 18, 2008 and the attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. K. R. Ramamoorthy	1	1
Mr. G.B.S.Raju	1	0
Mr. K. Balasubramanian*	1	0
Mr. A. Subba Rao	1	1
Mr. R. Ram Mohan	1	1
Dr Prakash G Apte	1	1

*Ceased to be a member of the Committee with effect from January 23, 2009.

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

Formulate the policy for short-term deployment of funds, decide the type of instruments, manner and structure of investments or placement of funds.

The Board of Directors in their meeting held on March 24, 2009 dissolved the Treasury Committee.

8. Corporate Governance Committee

a. Constitution of Corporate Governance Committee:

The Board has constituted the Corporate governance Committee on January 29, 2009 comprising of the following members:

Names	Designation
Mr. Arun K Thiagarajan	Chairman
Dr. Prakash G Apte	Member
Mr. R S S L N Bhaskarudu	Member
Mr. Uday M Chitale	Member

Mr. C P Sounderarajan, Company Secretary and Compliance Officer, acts as Secretary to the Corporate Governance Committee.

b. Meetings and Attendance during the year:

During the financial year ended on March 31 2009, one Committee meeting was held on March 24, 2009 and the attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. Arun K Thiagarajan	1	1
Dr. Prakash G Apte	1	0
Mr. R S S L N Bhaskarudu	1	1
Mr. Uday M Chitale	1	1

c. The terms of reference of the Corporate Governance Committee are as follows:

- To review and recommend best Corporate governance practices including Board processes, disclosure practices, policy on ethics / code of conduct etc.
- To continuously review and reinforce the Corporate governance practices within the Company.
- To lay down process for induction of directors after due diligence.
- Any other matter as the Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

9. General Body Meetings

a. Annual General Meetings

Venue, date and time of the Annual General Meetings held during the preceeding three years and the Special Resolutions passed there at are as under:

Year	Venue	Date & Time	Special Resolutions passed
2007-08	Jnana Jyothi Auditorium, Central College Campus, Bangalore – 560 001	August 19, 2008, 2.30 p.m.	No Special Resolution was passed.
2006-07	Convention Centre, NIMHANS, Hosur Road, Bangalore – 560 029	August 30, 2007 10.30 a.m.	1. Under Section 163 of the Companies Act, 1956, approval for keeping of register of members etc. at the office of Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company, within the city of Bangalore. 2. Under Section 31 of the Companies Act, 1956, alteration of Article 82 of Articles of Association pertaining to the powers of the Board with regard to borrowing. 3. Under Section 81(1A) of the Companies Act, 1956, approval for issue of equity shares / convertible securities to any person. 4. Under Section 61 of the Companies Act, 1956, approval for variation in utilization of IPO proceeds.
2005-06	Chancery Hall, Taj West End Hotel, M G Road, Bangalore - 560 001	August 07, 2006 3.30 p.m.	No Special Resolution was passed.

b. Extraordinary General Meetings

Venue, date and time of the Extraordinary General Meetings held during the preceeding three years and the Special Resolutions passed there at are as follows:

Year	Venue	Date & Time	Special Resolutions Passed
2007-08	Dr. Ambedkar Bhavan, Millers Road, Vasanth Nagar, Bangalore – 560 052.	November 26, 2007 11:00 a.m.	Under Section 81 (1A) of the Companies Act, 1956, issue of securities through Qualified Institutional Placements (QIP)
2006-07	25/1, Skip House, Museum Road, Bangalore – 560 025	May 20, 2006 11:00 a.m.	No Special Resolution was passed.
	The Parliament Room, Hotel Taj Mahal, Mansingh Road, New Delhi - 110 001	April 25, 2006 12:00 Noon	1. Approval for preferential issue of equity shares to the ICICI Trusteeship Services Limited (ICICI Emerging Sectors Fund). 2. Under Section 31 of the Companies Act, 1956, replacing with new set of Articles of Association of the Company.
	25/1, Skip House, Museum Road, Bangalore – 560 025	April 19, 2006 11:00 a.m.	Approval for preferential issue of equity shares to the India Development Fund (IDF).
2005-06	25/1, Skip House, Museum Road, Bangalore – 560 025	February 28, 2006 11:00 a.m.	1. Under Sections 16 and 94 of the Companies Act, 1956, increase of authorized share capital of the Company and consequently alteration of Memorandum of Association. 2. Under Section 81(1A) of the Companies Act, 1956 approval for issue of equity shares or convertible securities or any other securities.
	25/1, Skip House, Museum Road, Bangalore – 560 025	September 29, 2005 11:00 a.m.	1. Under Sections 16 and 94 of the Companies Act, 1956, reclassifying preference shares to equity shares. Increase of authorized share capital of the Company and consequently alteration of Memorandum of Association. 2. Under Section 31 of the Companies Act, 1956, alteration of Article 95 of the Articles of Association pertaining to number of directors. 3. Issue of Bonus shares.

Note: During the year 2008-09, no Extraordinary General Meeting was held.

c. Special Resolutions passed through postal ballot:

No special resolution was passed during the last year through postal ballot.

10. 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.

The transactions with related parties are mentioned at page no. 123 may be verified in the Annual Report. None of the transactions with related parties were in conflict with the interests of the Company at large.

- b. Details of non-compliance by the Company, penalties, 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 hence no penalties or strictures have been imposed by the stock exchange or SEBI or any statutory authority.

11. Means of Communication

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

The quarterly / annual results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with stock exchanges are generally published in the 'Business Standard' and 'Samyukta Karnataka' (a regional daily in Kannada language). The Company also publishes its consolidated financial statements in Economic Times, Business Line and Financial Express. Quarterly and Annual Financial Statements, along with segment report and Quarterly shareholding pattern are posted on the GMR Group website (www.gmrgroup.in), BSE website (www.bseindia.com) and NSE website (www.nseindia.com). The presentations made to analysts and others are also posted on the GMR Group website.

12. Management Discussion and Analysis Report (MDA)

MDA forms part of the Directors' Report and the same is attached separately in this Annual Report.

13. General Shareholder Information

- a. Date, time and venue of the 13th AGM:

Monday, August 31, 2009 at 2.30 p.m. at Convention Centre, NIMHANS, Hosur Road, Bangalore - 560 029, Karnataka, India.

- b. Financial Calendar:

The Financial year is 1st April to 31st March and financial results are proposed to be declared as per the following tentative schedule.

Particulars	Tentative Schedule
Financial reporting for the quarter ending June 30, 2009	second fortnight of July 2009
Financial reporting for the quarter / half year ending September 30, 2009	second fortnight of October 2009
Financial reporting for the quarter / nine months ending December 31, 2009	second fortnight of January 2010
Financial reporting for the quarter / year ending March 31, 2010	second fortnight of May 2010
Annual General Meeting for the year ending March 31, 2010	August / September 2010

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Monday, August 24, 2009 to Monday, August 31, 2009 (both days inclusive) for the purpose of the 13th Annual General Meeting.

d. Dividend Payment Date:

In order to conserve funds for projects which are in development, expansion and implementation stages, the Board has not recommended any dividend for the financial year 2008-09.

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
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532754

Annual listing fees for the year 2009-10 has been paid by the Company to both the Stock Exchanges.

(ii) Privately Placed Debt Instruments:

The Company's privately placed debt instruments are listed on the Bombay Stock Exchange Limited. The stock code is 934728, 934729, 934730 and 934751.

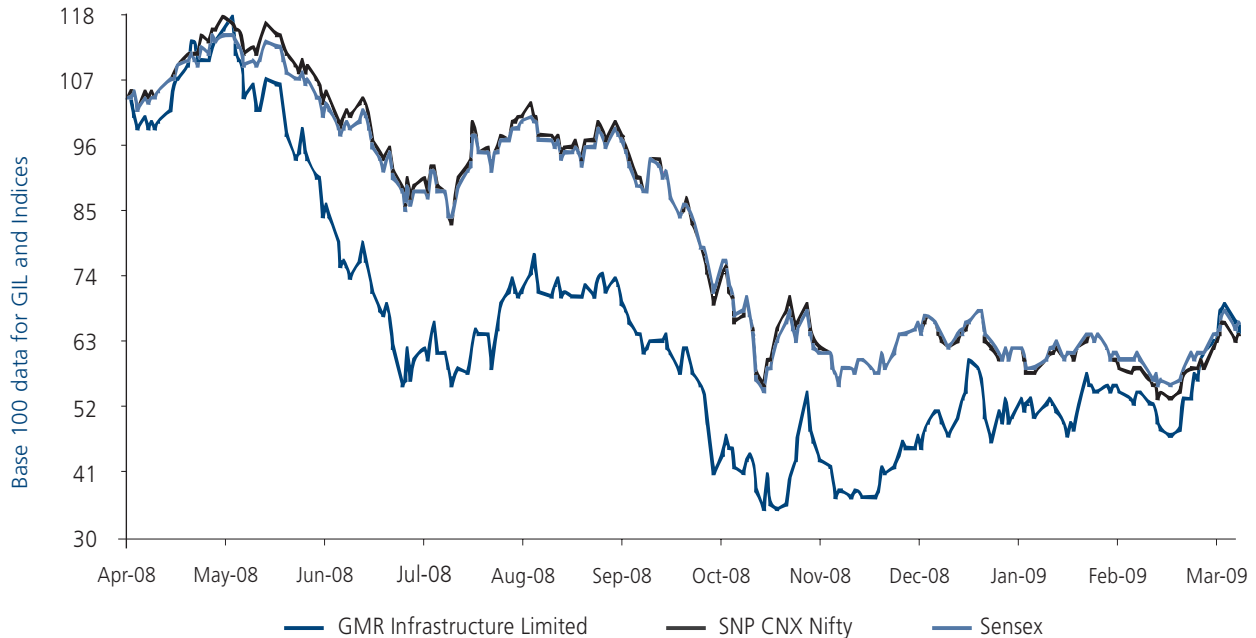
Annual listing fees for the year 2009-10 has been paid by the Company.

f. Stock Market Data relating to Shares Listed

(Amount in Rs.)

Month	NSE		BSE	
	High	Low	High	Low
April 2008	164.70	139.00	164.80	138.60
May 2008	169.90	132.00	169.90	132.00
June 2008	135.80	79.00	135.25	78.80
July 2008	96.70	76.40	96.80	76.50
August 2008	120.00	88.50	112.15	90.70
September 2008	109.00	77.60	107.95	77.00
October 2008	91.80	45.50	91.75	45.60
November 2008	79.05	49.30	79.90	49.00
December 2008	78.00	51.10	78.00	50.50
January 2009	86.95	62.10	86.95	62.00
February 2009	84.80	68.20	85.15	68.05
March 2009	102.80	67.00	103.10	67.10

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



g. Registrar & Share Transfer Agent (RTA)

Main Office:

Karvy Computershare Private Limited

Unit: GMR Infrastructure Limited, Plot no. 17 to 24,
Vittal Rao Nagar, Madhapur, Hyderabad - 500 081
Tel. : 040 2342 0819 to 24
Fax No. 040 2342 0814
Email : einward.ris@karvy.com

Branch Office:

Karvy Computershare Private Limited

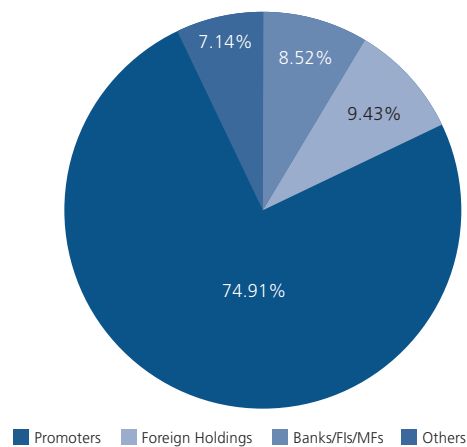
No. 51/2, TKN Complex, Vani Vilas Road, Opp. National College,
Basavanagudi, Bangalore - 560 004.
Tel. : 080 4120 4350
Fax : 080 2662 1169
Email : bangalore@karvy.com

h. Share Transfer procedure:

The share transfers which are received in physical form are processed 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 Shareholder's Transfer and Grievance Committee. The committee has authorised each member of the committee to approve the transfer of shares up to 20000 shares per transfer deed and Company Secretary and other specified executives of the Company to approve the transfer of shares up to 10000 shares per transfer deed. A summary of the transfer, transmissions/ dematerialisation request/rematerialisation requests approved by the Committee/Executives is placed before the Committee. The Company obtains half-yearly certificates from a Company Secretary in Practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47 (c) of the Listing Agreement.

i. Distribution of Shareholding as on March 31, 2009

Distribution by category



Distribution by Category

Description	No. of Shareholders	Total Shares	% Equity
Banks	40	81,165,599	4.46
Clearing Members	390	2,208,299	0.12
Foreign Institutional Investors	173	167,916,521	9.22
Indian Financial Institutions	16	62,982,034	3.46
Bodies Corporates	3,080	26,060,878	1.43
Mutual Funds	21	10,916,420	0.60
Non Resident Indians	4,198	3,769,976	0.21
Promoters Individuals	11	1,320,549	0.07
Promoters	5	1,362,523,238	74.84
Resident Individuals	452,598	101,630,901	5.58
Trusts	15	163,673	0.01
Total	460,547	1,820,658,088	100.00

Distribution by size

Range of equity shares held	March 31, 2009				March 31, 2008			
	No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1 – 500	426,682	92.65	50,393,009	2.77	394,487	92.28	45,962,224	2.53
501 – 1000	20,006	4.34	15,904,160	0.87	18,642	4.36	14,993,076	0.82
1001 – 2000	8,389	1.82	12,948,478	0.71	8,152	1.91	12,722,569	0.70
2001 – 3000	2,132	0.46	5,422,191	0.30	2,257	0.53	5,753,290	0.32
3001 – 4000	820	0.18	2,976,888	0.16	864	0.20	3,116,402	0.17
4001 – 5000	669	0.15	3,189,652	0.18	816	0.19	3,896,859	0.21
5001 – 10000	874	0.19	6,509,500	0.36	1,016	0.24	7,602,649	0.42
10001 and above	975	0.21	1,723,314,210	94.65	1,243	0.29	1,726,611,019	94.83
Total	460,547	100.00	1,820,658,088	100.00	427,477	100.00	1,820,658,088	100.00

j. Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialization in both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.86 % of shares have been dematerialized as on March 31, 2009.

ISIN: INE776C01021 (Fully Paid Shares)
INS9776C01029 (Partly Paid Shares)

Description	No. of Shareholders	No. of Shares	% Equity
PHYSICAL	439	2,514,907	0.14
NSDL	316,455	1,790,237,932	98.33
CDSL	143,653	27,905,249	1.53
Total	460,547	1,820,658,088	100.00

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

Not Applicable

l. Investor correspondence:

Registered office address

Skip House, 25/1, Museum Road, Bangalore - 560 025
Telephone No. +91 80 40534000 Fax No. +91 80 22279353
Website: www.gmrgroup.in

Company Secretary and Compliance Officer

Mr. C. P. Sounderarajan
Skip House, 25/1, Museum Road, Bangalore - 560 025
Telephone No. +91 80 4053 4281 Fax No. +91 80 22279353
E-mail: sounderarajan.cp@gmrgroup.in

Associate Company Secretary

Mr. Narendra Singh
Skip House, 25/1, Museum Road, Bangalore - 560 025
Telephone No. +91 80 40534126 Fax No. +91 80 22279353
E-mail: narendra.singh@gmrgroup.in

m. Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares.

n. Secretarial Audit for Reconciliation of Capital:

As stipulated by SEBI, a qualified practicing company secretary carries out the secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report there on is submitted to the stock exchanges, NSDL and CDSL and is placed before the Shareholders' Transfer and Grievance 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.

o. Corporate Identity Number (CIN)

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L45203KA1996PLC034805.

p. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. Price Waterhouse, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereinafter.

q. Unclaimed Shares

As per the provisions of Clause 5A(a) of Listing Agreement, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. As on March 31, 2009, there are 15 allottees pertaining to 13250 unclaimed equity shares of the Company and the same are lying in the escrow account.

In accordance with the said Clause 5A(a) of the Listing Agreement, the Company has sent one reminder to all the persons concerned vide letter dated June 23, 2009.

r. Adoption of non-mandatory requirements of Clause 49

1. The Company has constituted a Remuneration Committee, Corporate Governance Committee, Management Committee and Debenture Allotment Committee of the Board, notes on which are given elsewhere in this report.
2. The Company is in the regime of unqualified, audit report, financial statements.
3. Whistle blower policy is in place.

To

The Members of GMR Infrastructure Limited

Sub: Declaration by the CEO under Clause 49 (I) (D) (II) of the Listing Agreement

I, G.B.S. Raju, 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 have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2009.

Place: Singapore

Date : June 04, 2009

Sd/-

G. B. S. Raju

Managing Director

CEO / CFO Certification

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, 2009 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 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:
 - i. Significant changes in internal control 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; 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
- e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

For GMR Infrastructure Limited For GMR Infrastructure Limited

Sd/-
G. B. S. Raju
Managing Director
(Place: Singapore)

Place: Bangalore
Date : June 04, 2009

Auditors' Certificate regarding Compliance of conditions of Corporate Governance

To the Members of GMR Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by GMR Infrastructure Limited ('the Company'), for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of the Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Thomas Mathew
Partner
Membership Number 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: Bangalore
Date : July 08, 2009

Sd/-
A. Subba Rao
Group CFO