

# 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 report on statutory compliances in this regard are set forth below.

## 1. Board of Directors

### a. Composition of the Board

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 31-03-2010*		Number of committee Chairmanships / memberships held in other Public Limited Companies as on 31-03-2010*	
				Chairman	Director	Chairman	Member
1	Mr. G.M. Rao	00574243	Executive Chairman	4	1	–	–
2	Mr. Srinivas Bommidala®	00061464	Managing Director	3	10	–	4
3	Mr. G.B.S. Raju®	00061686	NEPD	–	5	–	1
4	Mr. Kiran Kumar Grandhi	00061669	NEPD	–	5	–	–
5	Mr. B.V. Nageswara Rao	00051167	NED	3	7	–	1
6	Mr. O. Bangaru Raju	00082228	NED	–	10	–	7
7	Mr. Arun K. Thiagarajan	00292757	NEID	–	9	1	6
8	Mr. K.R. Ramamoorthy	00058467	NEID	1	9	2	6
9	Dr. Prakash G. Apte	00045798	NEID	–	3	–	3
10	Mr. R.S.S.L.N. Bhaskarudu	00058527	NEID	1	4	3	2
11	Mr. Udaya Holla	00245641	NEID	–	3	–	1
12	Mr. Uday M. Chitale	00043268	NEID	–	6	3	1

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.

® Mr. G.B.S. Raju ceased to be the Managing Director on May 12, 2010 and Mr. Srinivas Bommidala has been appointed as the Managing Director with effect from May 24, 2010.

## 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. 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. G. B. S. Raju	Son of Mr. G. M. Rao, brother of Mr. Kiran Kumar Grandhi, brother-in-law of Mr. Srinivas Bommidala
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:

Eight Board Meetings were held during the financial year ended March 31, 2010. These meetings were held on May 9, 2009, June 4, 2009, June 9, 2009, July 30, 2009 (adjourned to July 31, 2009), August 31, 2009, October 26, 2009, December 5, 2009 and January 28, 2010. The maximum gap between two meetings was 55 days.

## c. Directors' Attendance Record:

The attendance of Directors at the Board meetings held during the financial year ended March 31, 2010 and at the previous General Meetings was as under.

Name of the Director	Board Meetings during the period April 01, 2009 to March 31, 2010		Whether present at the previous AGM held on August 31, 2009
	Held	Attended*	
Mr. G. M. Rao	8	7	Yes
Mr. Srinivas Bommidala	8	6	Yes
Mr. G. B. S. Raju	8	3	Yes
Mr. Kiran Kumar Grandhi	8	5	Yes
Mr. B. V. Nageswara Rao	8	7	Yes
Mr. O. Bangaru Raju	8	5	Yes
Mr. Arun K. Thiagarajan	8	5	Yes
Mr. K. R. Ramamoorthy	8	8	Yes
Dr. Prakash G Apte	8	6	No
Mr. R.S.S.L.N. Bhaskarudu	8	8	Yes
Mr. Udaya Holla	8	4	No
Mr. Uday M. Chitale	8	8	Yes

\*Attendance includes participation through video conference

Note: Mr. Kiran Kumar Grandhi, Mr. B.V. Nageswara Rao, Mr. K.R. Ramamoorthy and Mr. Udaya Holla attended the adjourned Board Meeting on July 31, 2009 and their attendance is also taken for the above record.

## d. Profile of Directors being appointed in the ensuing Annual General Meeting to be held on August 27, 2010.

(i) **Mr. G.B.S. Raju**, 36, Group Director, is the elder son of Mr. G.M. Rao and has been on the Company's Board since 1999. He completed his bachelor's degree in commerce from Vivekananda College, University of Madras, Chennai, in 1995. He began his career as the Managing Director of GMR Energy Limited and was responsible for setting up the 220 MW barge-mounted power plant. He led the Company's involvement in the roads sector and is currently actively involved in the Company's foray into international business. He also heads various corporate services such as human resources, finance, legal, corporate communications, central procurement and information technology.

He holds 4,76,660 equity shares of the Company as on March 31, 2010.

Details of Mr. G.B.S. Raju's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Shareholders' Transfer & Grievance Committee, Management Committee and Debenture Allotment Committee
GMR Holdings Private Limited	–
GMR Hyderabad International Airport Limited*	–
Delhi Aerotropolis Private Limited	–
GMR Varalakshmi Foundation	–
Delhi International Airport Private Limited	Member – Audit Committee
Kakinada Refinery and Petrochemicals Private Limited	–
GMR Infrastructure (UK) Limited	–
Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapim ve Isletme Anonim Sirketi (Sabiha Gokcen International Airport)	–
Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri A. S (Ground Handling Company)	–
LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi	–
InterGen N.V.	–
GMR Coastal Energy Private Limited	–
GMR Energy Ltd	–
GBS Holdings Private Limited	–
GMR Infrastructure (Singapore) Pte. Limited	–
GMR Aviation Private Limited	–
Island Power Intermediary Pte. Ltd.	–
Island Power Company Pte. Ltd.	–
Island Power Supply Pte. Ltd.	–
GMR Infrastructure (Netherlands) B.V	–

\* Alternate Director

(ii) **Mr. B. V. Nageswara Rao, 56**, Group Director, has been associated with the Group since 1990 and is one of the first Directors of the Company. He is a graduate in mechanical engineering from Andhra University. He has held various senior responsibilities in the Group. Currently, he heads the energy sector business. He is the managing director of GMR Energy Limited and is a director on the board of several Subsidiaries of the Company. In addition, he holds charge of the corporate relationship functions at the Group level. During his tenure with Andhra Bank before joining the Group, he gained extensive experience in the banking sector with specific focus in industrial finance.

He holds 1,50,000 equity shares of the Company as on March 31, 2010.

Details of Mr. B. V. Nageswara Rao's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Shareholders' Transfer & Grievance Committee, Management Committee and Debenture Allotment Committee
GMR Kamalanga Energy Limited	Member- Securities Allotment Committee
GMR Power Corporation Ltd	–
GMR Energy Limited	Member - Securities Allotment Committee, IPO Committee and Management Committee
GMR Vemagiri Power Generation Limited	–
GMR Hyderabad International Airport Limited	Member – Audit Committee, Remuneration Committee and Shares Allotment and Shares Transfer Committee
GMR Bajoli Holi Hydropower Private Limited	–
GMR Chhattisgarh Energy Private Limited	–
EMCO Energy Limited	–
SJK Powergen Limited	–
GMR Rajahmundry Energy Limited	–
GMR Varalakshmi Foundation	Member – Audit Committee
GMR Holdings Private Limited	–
Himtal Hydropower Company Private Limited.	–
GMR Energy (Mauritius) Limited,	–
GMR Lion Energy Limited,	–
GMR Upper Karnali Hydropower Public Limited.	–
Kakinada Refinery and Petrochemicals Pvt Ltd	–
GMR Energy (Cyprus) Limited	–
GMR Energy (Netherlands) BV	–
Homeland Energy Group Ltd.	–

(iii) **Mr. Arun K Thiagarajan, 65**, Independent Director, has been on the Company's Board since September, 2005. He completed his masters in electrical engineering from the Royal Institute of Technology, Sweden. He also secured a management degree from Sweden and completed an advanced management program from the Harvard Business School, USA. He held several senior positions in various global companies including as the President and Country General Manager - Hewlett-Packard India Limited, the Vice Chairman - Wipro limited and the Managing Director - ABB Limited. He is also on the board of directors of several other companies.

He holds 36,000 equity shares of the Company as on March 31, 2010.

Details of Mr. Arun K. Thiagarajan's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Member – Audit Committee Chairman – Corporate Governance Committee
ING Vysya Bank Limited	Chairman - Audit Committee Member - Investors Committee and Corporate Governance Committee
Alstom Projects India Limited	Member - Audit Committee
ADC India Communications Limited	Member - Audit Committee
Aditya Birla Minacs IT Services Limited	Member - Audit Committee
GMR Energy Limited	-
Aditya Birla Minacs Worldwide Limited	-
Idea Cellular Ltd	Member - Audit Committee
TTK Prestige Ltd	-
Gokaldas Exports Limited	Member - Audit Committee
Westrup A/S	-
CITEC Engineering India Private Limited	-
CITEC Information India Private Limited	-
Techset Composition India Private Limited	-

(iv) **Mr. K. R. Ramamoorthy, 70**, Independent Director, has been on the Company's Board since September, 2005. He is a graduate in arts (economics) and also holds a bachelor's degree in law and is a fellow member of Institute of Company Secretaries of India. He is also on the board of directors of some of the Company's subsidiaries. He is a senior banker, with over four decades of commercial and banking experience in India. He served as the chairman and managing director of Corporation Bank and Vysya Bank. He is currently the non-executive chairman of ING Vysya Bank. He has been providing consultancy services to commercial banks in India and other developing countries. He also provides services to the World Bank, International Monetary Fund and International Finance Corporation. Presently, he is also on the board of directors of several other companies.

He does not hold any equity shares of the Company as on March 31, 2010.

Details of Mr. K. R. Ramamoorthy's directorships and committee memberships are as follows:

Name of the Company (Directorship)	Committee Chairmanship / Memberships
GMR Infrastructure Limited	Chairman – Audit Committee and Remuneration Committee Member – Shareholders Transfer and Grievance Committee
ING Vysya Bank Limited	Member – Audit Committee and Corporate Governance Committee
The Clearing Corporation of India Limited	Member – Audit Committee
Subros Limited	Member – Audit Committee
Nilkamal Plastics Limited	Chairman – Audit Committee
FIL Trustee Company Private Limited	Member – Audit Committee
Amrit Crop Limited	
GMR Power Corporation Limited	Member – Audit Committee
Clear Corp Dealing System Limited	-
Ujjivan Financial Services Private Limited	-
IFCI Factors Limited	Member – Audit Committee
ABC Paper Limited	Member – Audit Committee
GMR Ambala Chandigarh Expressways Private Limited	Chairman – Audit Committee Member – Remuneration Committee

(v) Mr. Srinivas Bommidala, 47, Managing Director, son-in-law of Mr. G. M. Rao and is one of the first directors of the Company. He has been a member of the Board since 1996. He is a graduate in commerce and entered his family tobacco export business in 1982 and subsequently led the diversification into new businesses such as Agri, aerated water bottling plants, etc. and was also in charge of international marketing and management of the organization. Subsequently, he led the team as the Managing Director of GMR Power Corporation for setting up the first Independent Power Project. This 200 MW project with slow speed diesel technology is the world's largest diesel engine power plant under one roof situated at Chennai in southern part of India. He was also instrumental in implementing the 388 MW combined cycle gas turbine power project in Andhra Pradesh. At present the combined generation capacity of the Group is 808 MW and also developing and implementing additional capacity of 7648 MW. When the Government of India decided to modernise and restructure New Delhi airport under a Public Private Partnership scheme in 2006, Mr. Srinivas Bommidala became the first Managing Director of this venture and successfully handled the most challenging job of managing the transition process from a public owned entity to a Public Private Partnership enterprise.

Currently, he is the Managing Director of the Company and as the

Chairman for Urban Infrastructure and Highways business, he is spearheading new initiatives for commercial Property development/ Aerotropolis at New Delhi and Hyderabad airports. His portfolio also includes Highways (where GMR Group is one of the largest toll operators in the country), Construction, Special Economic Zones and the Delhi Daredevils, cricket franchise of Indian Premier League for the city of New Delhi.

He holds 4,51,660 equity shares of the Company as on March 31, 2010.

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 and Debenture Allotment Committee
GMR Highways Limited	Chairman – Remuneration Committee Member – Audit Committee
GMR Hyderabad International Airport Limited	Member – Shares Allotment and Shares Transfer Committee
GMR Hyderabad Aerotropolis Limited	-
GMR Varalakshmi Foundation	-
GMR Krishnagiri SEZ Limited	-
GMR Sports Private Limited	-
GMR League Games Private Limited	-
GMR Holdings Private Limited	-
Delhi International Airport Private Limited	Member – Share Allotment Committee
GMR Tuni - Anakapalli Expressways Private Limited	Member – Audit Committee
GMR Tambaram - Tindivanam Expressways Private Limited	Member – Audit Committee
GMR Ambala - Chandigarh Expressways Private Limited	-
Kakinada Refinery & Petrochemicals Private Limited	-
BSR Infrastructure Pvt. Ltd.	-
Bommidala Tobacco Exporters Pvt. Ltd.	-
Bommidala Exports Pvt. Ltd	-
BSR Holdings Private Ltd	-
Hotel Shivam International Pvt Ltd	-
Bommidala Exims Private Ltd	-
GMR Hyderabad Vijayawada Expressways Pvt Ltd	-
GMR Chennai Outer Ring Road Private Limited	-
Bommidala Tobacco Threshers Pvt Ltd	-
GMR SEZ & Port Holdings Private Limited	-

#### e. Code of Conduct

As per the 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](http://www.gmrgroup.in)). All Board members and senior management personnel affirm compliance with the code on an annual basis and the declaration to that effect by Mr. Srinivas Bommidala, 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.

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate and to take necessary penal action for any act of sexual harassment, which includes unwelcome sexually determined behaviour. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment by displaying posters at all the prominent places in the Offices of the Company.

#### 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 Group's 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 material subsidiary companies are placed periodically before the Board of the Company.

## 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. Uday M. Chitale	Member
Mr. R S S L N Bhaskarudu	Member

- ii. Previous Annual General Meeting of the Company was held on August 31, 2009.

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

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

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

During the financial year ended on March 31, 2010, seven Audit Committee meetings were held on April 16, 2009, June 4, 2009, July 29, 2009, September 26, 2009, October 26, 2009, January 28, 2010 and March 29, 2010.

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	5
Mr. Uday M. Chitale	7	7
Mr. R S S L N Bhaskarudu	7	7

# Attendance includes participation through video conference

Special meetings of the Committee were held on September 26, 2009 and March 29, 2010 exclusively to review the matters relating to adequacy of internal control, Enterprise Risk Management (ERM) update, Accounting policies and Major interim audit findings.

**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 statutory auditors, fixation of audit fees 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, statutory and internal auditors, the adequacy of internal control systems
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- vi. 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
- vii. Discussion with internal auditors any significant findings and follow-up there on

- viii. 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
- ix. Discussion with the external auditors before the audit commences, nature and scope of audit as well as post-audit discussions to ascertain any area of concern
- x. Reviewing the Company's financial and risk management policies
- xi. 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
- xii. Reviewing, with the management, the statement of uses/ application funds raised through an issue (public issue, rights 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 rights issue and making appropriate recommendations to the Board to take up steps in this matter
- xiii. Reviewing whistle blower mechanism
- xiv. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate

### 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
Dr. Prakash G. Apte	Member
Mr. Udaya Holla	Member

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

**b. Attendance during the year:**

During the financial year ended March 31, 2010, no meeting of the Committee was held.

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

- i. 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.
- ii. Payment of remuneration shall be approved by a resolution passed by the Remuneration Committee.
- iii. All information about the Directors /Managing Directors / Wholetime Directors i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders.



- iv. The Committee shall take into consideration and ensure the compliance of provisions of Schedule XIII of the Companies Act, 1956 for appointing and fixing remuneration of Managing Directors / Whole time Directors.
- v. 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.
- vi. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders.
- vii. 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, 2010 to the Directors are furnished hereunder.

Name	Salary & Commission (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)	No. of shares held
Mr. G. M. Rao	7,287,000	98,841	–	7,385,841	253,330
Mr. Srinivas Bommidala	–	–	–	–	451,660
Mr. G. B. S. Raju	4,432,000	–	–	4,432,000	476,660
Mr. Kiran Kumar Grandhi	–	–	–	–	451,660
Mr. B. V. Nageswara Rao	–	–	–	–	150,000
Mr. O. Bangaru Raju	–	–	–	–	40,000
Mr. Arun K. Thiagarajan	–	–	220,000	220,000	36,000
Mr. K. R. Ramamoorthy	–	–	340,000	340,000	NIL
Dr. Prakash G Apte	–	–	140,000	140,000	30,000
Mr. R.S.S.L.N. Bhaskarudu	–	–	320,000	320,000	NIL
Mr. Udaya Holla	–	–	110,000	110,000	NIL
Mr. Uday M. Chitale	–	–	320,000	320,000	30,000

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

The Company does not have any stock option plan or performance-linked incentive for the Director(s).

## 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 the Secretary to the Shareholders' Transfers and Grievance Committee.

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

During the financial year ended on March 31, 2010, four meetings were held on June 4, 2009, July 29, 2009, October 26, 2009 and January 28, 2010. . The attendance of the Shareholders' Transfer and Grievance Committee members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. Udaya Holla	4	3
Mr. K. R. Ramamoorthy	4	4
Mr. G.B.S. Raju	4	1
Mr. B.V. Nageswara Rao	4	2

### c. The terms of reference of the Shareholders' Transfer and Grievance Committee are as under:

- i. Allotment of all types of securities to be issued by the Company.

- ii. Transfer, transposition and transmission of securities.
- iii. Issuance of duplicate shares or other securities.
- iv. Dealing with complaints about non-receipt of declared dividend, non-receipt of Annual Reports, etc.
- v. Investigate into other investors' complaints and take necessary steps for redressal thereof.
- vi. 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 the stock exchanges and guidelines issued by the SEBI or any other regulatory authority.
- vii. Authorise Company Secretary or other persons to take necessary action on the above matters.
- viii. 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 2009-10 and the status of the same are as below:

Nature of Complaints	No. of Complaints received	No. of Complaints resolved	Pending Complaints
Non-Receipt of Electronic Credit	17	17	0
Non-Receipt of Allotment/Call Notice	1	1	0
Non-Receipt of Dividend Warrants	30	30	0
Non-Receipt of Share Certificates	23	23	0
Non-Receipt of Annual Reports	10	10	0
SEBI Complaints	1	1	0
Stock Exchange Complaints	1	1	0
<b>Total</b>	<b>83</b>	<b>83</b>	<b>0</b>

## 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. Srinivas Bommidala	Member
Mr. G.B.S. Raju	Member
Mr. Kiran Kumar Grandhi	Member
Mr. B.V. Nageswara Rao	Member

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

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

During the financial year ended on March 31, 2010, ten meetings of the Committee were held on April 10, 2009, May 19, 2009,

June 19, 2009, July 22, 2009, November 19, 2009, December 21, 2009, December 30, 2009, March 6, 2010, March 11, 2010 and March 26, 2010 and the attendance of members is as under:

Names	No. of the Meetings	
	Held	Attended#
Mr. G.M. Rao	10	6
Mr. Srinivas Bommidala	10	4
Mr. G.B.S. Raju	10	8
Mr. Kiran Kumar Grandhi	10	4
Mr. B.V. Nageswara Rao	10	8

# Attendance includes participation through video conference

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

- i. Decision-making relating to operational matters such as investments in new projects, financial matters, borrowings, capital expenditure, purchases and contracts – non-capital (including services), sales and marketing, long-term contracts, stores, HR related matters, establishment and administration, writing-off of assets, etc.
- ii. Decision-making relating to private placements/ QIP/ 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. C P Sounderarajan, Company Secretary and Compliance Officer, acts as the Secretary to the Debentures Allotment Committee.

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

During the financial year ended on March 31, 2010, one meeting of the Committee was held on March 2, 2010 and the attendance of the members is as under:

Names	No. of the Meetings	
	Held	Attended
Mr. Srinivas Bommidala	1	1
Mr. G.B.S. Raju	1	1
Mr. B.V. Nageswara Rao	1	1

### 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. Corporate Governance Committee

### a. Constitution of Corporate Governance Committee:

The Corporate Governance Committee comprises of the following Directors as 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 the Secretary to the Corporate Governance Committee.

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

During the financial year ended on March 31 2010, two Committee meetings were held on September 26, 2009 and March 29, 2010 and the attendance of the members is as under:

Names	No. of the Meetings	
	Held	Attended#
Mr. Arun K Thiagarajan	2	2
Dr. Prakash G Apte	2	2
Mr. R S S L N Bhaskarudu	2	2
Mr. Uday M Chitale	2	2

# Attendance includes participation through video conference

### 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.

## 8. General Body Meetings

### a. Annual General Meetings

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

Year	Venue	Date & Time	Special Resolutions passed
2008-09	Convention Centre, NIMHANS Hosur Road, Bengaluru – 560 029	August 31, 2009, 2.30 p.m	No Special Resolution was passed.
2007-08	Jnana Jyothi Auditorium, Central College Campus, Bengaluru – 560 001	August 19, 2008, 2.30 p.m.	No Special Resolution was passed.
2006-07	Convention Centre, NIMHANS Hosur Road, Bengaluru – 560 029	August 30, 2007, 10.30 a.m	<ol style="list-style-type: none"> <li>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 Bengaluru.</li> <li>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.</li> <li>Under Section 81(1A) of the Companies Act, 1956, approval for issue of equity shares / convertible securities to any person.</li> <li>Under Section 61 of the Companies Act, 1956, approval for variation in utilization of IPO proceeds.</li> </ol>

### b. Extraordinary General Meetings

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

Year	Venue	Date & Time	Special Resolutions Passed
2009-10	Convention Centre, NIMHANS Hosur Road, Bengaluru – 560 029	June 9, 2009 4.45 p.m.	<ol style="list-style-type: none"> <li>Under Section 81 (1A) of the Companies Act, 1956 - issue of securities for an aggregate amount not exceeding Rs. 5000 crore through QIPs, FCCBs, GDRs etc.</li> <li>Approval under Section 81 (1A) of the Companies Act, 1956 for issue of securities to IDFC Infrastructure Fund - India Development Fund ('IDFC') for consideration other than cash.</li> </ol>

Year	Venue	Date & Time	Special Resolutions Passed
2007-08	Dr. Ambedkar Bhavan, Millers Road, Vasanth Nagar, Bengaluru – 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, Bengaluru – 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, Bengaluru – 560 025	April 19, 2006 11:00 a.m.	Approval for preferential issue of equity shares to the India Development Fund (IDF).

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.

### 9. 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 on page no.147, 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 and strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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

### 10. Means of Communication

The Company has been sending Annual Reports, notices and other communications to each shareholder 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 Line', 'Financial Express' and 'Samyukta Karnataka' (a regional daily in Kannada language). Quarterly and Annual Financial Statements, along with the 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.

### 11. Management Discussion and Analysis Report (MDA)

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

### 12. General Shareholder Information

#### a. Date, time and venue of the 14th AGM:

Friday, August 27, 2010 at 2.30 p.m. at Jnana Jyothi Auditorium, Central College Campus, Palace Road, Bengaluru – 560 001.

#### 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, 2010	first fortnight of August 2010
Financial reporting for the quarter / half year ending September 30, 2010	first fortnight of November 2010
Financial reporting for the quarter / nine months ending December 31, 2010	first fortnight of February 2011
Financial reporting for the quarter / year ending March 31, 2011	second fortnight of May 2011
Annual General Meeting for the year ending March 31, 2011	September 2011

#### c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Friday, August 20, 2010 to Friday, August 27, 2010 (both days inclusive) for the purpose of the 14th 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 2009-10.

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 2010-11 has been paid by the Company to both the Stock Exchanges.

(ii) Privately Placed Debt Instruments:

The Company's privately placed debt instruments which were listed on The Bombay Stock Exchange Limited were redeemed fully in January 2010. The stock code of the securities was 934728, 934729, 934730 and 934751.

The Company has made a fresh allotment of Unsecured Non-Convertible Debentures (NCDs) which are listed on the National Stock Exchange of India Ltd. The stock code of NCDs is GMRI15.

Listing fees for the debt securities for the year 2010-11 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 2009	123.75	94.00	123.70	94.05
May 2009	173.65	105.60	175.30	105.35
June 2009	183.50	133.25	183.50	133.50
July 2009	149.50	119.70	149.90	119.50
August 2009	145.40	126.50	145.90	126.60
September 2009	145.85	123.70	146.00	133.35
October 2009	76.90	59.60	76.80	60.00
November 2009	71.00	58.10	71.50	58.00
December 2009	73.90	65.55	74.00	65.60
January 2010	70.60	58.15	70.60	58.15
February 2010	61.95	50.50	61.80	50.60
March 2010	63.40	54.50	63.40	54.65

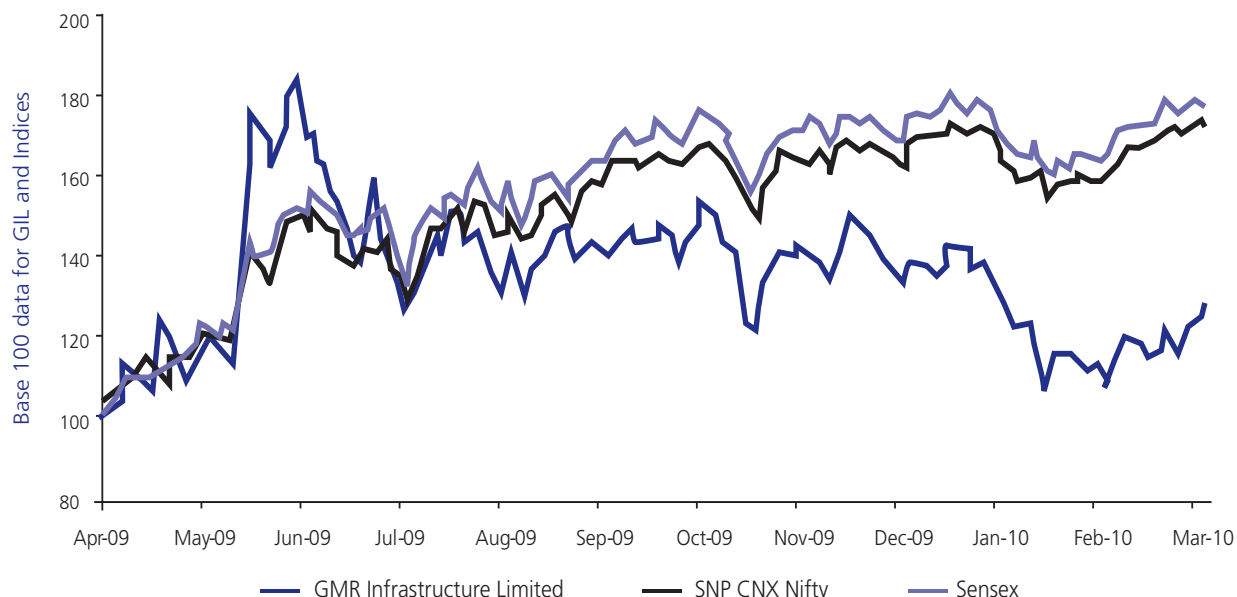
The Equity Shares of Rs.2/- each have been split into Re.1/- each based on the record date of October 5, 2010.

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

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



Branch Office:  
Karvy Computershare Private Limited

No. 51/2, TKN Complex, Vani Vilas Road, Opp. National College,  
Basavanagudi, Bengaluru - 560 004.

Tel. : 080 4120 4350

Fax : 080 2662 1169

Email : bangalore@karvy.com

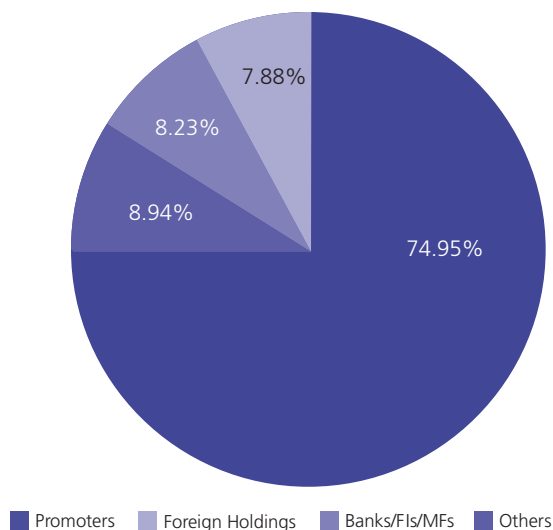
#### h. Share Transfer procedure:

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 20,000 shares per transfer deed and Company Secretary and other specified executives of the Company to approve the transfer of shares up to 10,000 shares per transfer deed. A summary of the transfer, transmissions/dematerialisation request/rematerialisation requests approved by the Committee/Executives is placed before the Committee. The Company obtains half-yearly certificates from 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, 2010

Distribution by category



#### Distribution by Category

Description	No. of Cases	Total Shares	% Equity
Banks	35	129,025,338	3.52
Clearing Members	465	2,423,637	0.07
Foreign Institutional Investors	177	327,896,282	8.94
Indian Financial Institutions	18	157,290,036	4.29
Bodies Corporates	3,204	56,500,874	1.54
Mutual Funds	11	15,511,381	0.42
Non Resident Indians	4,540	6,742,888	0.18
Promoters	32	2,748,535,794	74.95
Resident Individuals	456,260	197,054,600	5.37
Trusts	20	26,373,562	0.72
<b>Total</b>	<b>464,762</b>	<b>3,667,354,392</b>	<b>100.00</b>

The Equity Shares of Rs.2/- each have been split into Re.1/- each based on record date of October 5, 2009. Consequently, number of issued equity shares increased from 183,36,77,196 equity shares to 366,73,54,392 equity shares.

#### Distribution by size

Range of equity shares held	March 31, 2010				March 31, 2009			
	No. of share holders	%	No. of shares	%	No. of share holders	%	No. of shares	%
1 – 500	386,184	83.09	64,386,239	1.76	426,682	92.65	50,393,009	2.77
501 – 1000	45,394	9.77	35,914,867	0.98	20,006	4.34	15,904,160	0.87
1001 – 2000	19,713	4.24	31,119,925	0.85	8,389	1.82	12,948,478	0.71
2001 – 3000	4,882	1.05	12,611,947	0.34	2,132	0.46	5,422,191	0.30
3001 – 4000	3,175	0.68	11,969,198	0.32	820	0.18	2,976,888	0.16
4001 – 5000	1,381	0.30	6,492,344	0.18	669	0.15	3,189,652	0.18
5001 – 10000	2,204	0.48	16,392,618	0.45	874	0.19	6,509,500	0.36
10001 and above	1,829	0.39	3,488,467,254	95.12	975	0.21	1,723,314,210	94.65
<b>Total</b>	<b>464,762</b>	<b>100.00</b>	<b>3,667,354,392</b>	<b>100.00</b>	<b>460,547</b>	<b>100.00</b>	<b>1,820,658,088</b>	<b>100.00</b>

The Equity Shares of Rs.2/- each have been split into Re.1/- each based on the record date of October 5, 2010. Consequently, number of issued equity shares increased from 183,36,77,196 equity shares to 366,73,54,392 equity shares.

#### 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, 2010.

ISIN: INE776C01039 (Fully Paid Shares)

IN9776C01037 (Partly Paid shares)

Description	No. of Shareholders	No. of Shares	% Equity
PHYSICAL	369	1,704,512	0.05
NSDL	311,449	3,603,409,335	98.25
CDSL	152,944	62,240,545	1.70
<b>Total</b>	<b>464,762</b>	<b>3,667,354,392</b>	<b>100.00</b>

#### 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, Bengaluru - 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, Bengaluru - 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, Bengaluru - 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. S. R. Batliboi & Co., 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 the 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, 2010, 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 three reminders to all the persons concerned vide letters dated June 23, 2009, August 25, 2009 and January 15, 2010. The process of transferring these unclaimed shares into a demat suspense account is in progress.

#### 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.

The Ministry of Corporate Affairs has issued Corporate Governance Voluntary Guidelines 2009 and Corporate Social Responsibility Voluntary Guidelines 2009 for voluntary adoption of the same by the Companies, which are in addition to the mandatory requirements of clause 49 of the listing agreement. The Company is in compliance of the guidelines to the extent where they are mandatory in nature.

To

The Members of GMR Infrastructure Limited

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

I, Srinivas Bommidala, 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, 2010.

Place: New Delhi  
Date : May 24, 2010

Sd/-  
Srinivas Bommidala  
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, 2010 and to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

- i. Significant changes in internal controls over financial reporting during the year;
- ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; wherever applicable and
- iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

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/-  
Srinivas Bommidala  
Managing Director

Sd/-  
Subba Rao Amarthaluru  
Group CFO

Place: New Delhi

Date : May 24, 2010

## 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, 2010, 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.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W

Chartered Accountants

Per Navin Agrawal

Partner

Membership number: 56102

Place: Bengaluru

Date: May 24, 2010