

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 15th Annual Report together with the audited accounts of your Company for the year ended March 31, 2011.

Financial Results

You are aware that your Company has a unique business model. Your Company, as a holding company, operates in four different business sectors - Energy, Airports, Highways and Urban Infrastructure through various subsidiaries and associate companies. Your Company in the previous year commenced the Engineering, Procurement and Construction (EPC) business as a separate operating division which mainly caters to the requirements for implementing the projects undertaken by the subsidiaries. During the year, your Company through its subsidiaries took over the Male International Airport in Maldives and has started the operations and development of the Airport.

The Company's revenue, expenditure and results of operations are presented through consolidated financial statements and the details given below show both the consolidated and standalone financial results.

Presented below are the consolidated financial results of your Company:

| | (Rs. in Crore) | |
|--|----------------|----------------|
| Particulars | March 31, 2011 | March 31, 2010 |
| Gross revenue | 6,425.04 | 5,123.42 |
| Fee paid to Airports Authority of India | 651.26 | 556.91 |
| Net Revenue | 5,773.78 | 4,566.51 |
| Operating and administrative expenditure | 4,218.29 | 3,202.20 |
| EBITDA | 1,555.49 | 1,364.31 |
| Other Income | 311.30 | 291.34 |
| Interest and Finance Charges | 1,230.06 | 850.28 |
| Depreciation / Amortisation | 860.92 | 612.24 |
| Exceptional Items : | | |
| Provision for diminution of investment | (938.91) | - |
| Amounts written off in earlier years written back | 140.33 | - |
| Provisions for taxation (including deferred tax and MAT Credit entitlement) | 23.90 | (32.21) |
| (Loss)/Profit after tax and before minority interest and share of Profits / (Losses) of associates (PAT) | (1,046.67) | 225.34 |
| Share of Profit / (Losses) of Associates | (3.46) | (21.58) |
| Minority Interest – (Profits) / Losses | 120.49 | (45.36) |
| (Loss)/Profit after tax after Minority interest and share of profit / (loss) of associates | (929.64) | 158.40 |

(Rs. in Crore)

| Particulars | March 31, 2011 | March 31, 2010 |
|---|----------------|----------------|
| Surplus brought forward from previous year | 914.12 | 778.36 |
| Profit / (Loss) available for appropriation | (15.52) | 936.76 |
| Appropriations / Adjustments | (43.29) | 22.64 |
| Available (Deficit)/Surplus carried to balance sheet | (58.81) | 914.12 |
| Earnings per share (Rs.) (Face value of Re. 1/- each) - Basic and Diluted | (2.40) | 0.43 |

Consolidated gross revenue grew by 25.41 % from Rs. 5,123.42 Crore to Rs. 6,425.04 Crore and net revenue by 26.44 % from Rs. 4,566.51 Crore to Rs. 5,773.78 Crore. Airport, Energy, Highways, EPC and other segments contributed Rs. 3,021.52 Crore (47.03 %), Rs. 2,185.84 Crore (34.02 %), Rs. 390.25 Crore (6.07 %), Rs. 515.26 Crore (8.02 %) and Rs. 312.17 Crore (4.86 %) respectively to the gross revenue.

EBITDA has grown by 14.01 % as compared to the previous year from Rs. 1,364.31 Crore to Rs. 1,555.49 Crore. PAT has gone down from Rs. 225.34 Crore to a negative PAT of Rs. (1,046.67) Crore mainly due to provision for diminution of investment, higher depreciation and interest charges. Most of the projects are in their initial phase of operations wherein the capacity costs tend to be higher and revenue optimization is yet to accrue.

The negative PAT for the year was primarily on account of exceptional, one time and non-recurring loss of Rs. 938.91 Crore from the divestment of InterGen N.V. Of this loss, Rs.366 Crore was due to the reversal of incomes (success fee, interest on debentures invested for the acquisition of InterGen N.V., asset management fee) earlier accounted.

Presented below are the standalone financial results of your Company:

| | (Rs. in Crore) | |
|---|----------------|----------------|
| Particulars | March 31, 2011 | March 31, 2010 |
| Gross revenue | 727.40 | 169.36 |
| Operating and administrative expenditure | 487.84 | 95.09 |
| EBITDA | 239.56 | 74.27 |
| Other Income | 5.46 | 9.42 |
| Interest and finance charges | 174.14 | 69.11 |
| Depreciation | 4.91 | 0.94 |
| Profit before tax | 65.97 | 13.64 |
| Provisions for taxation (including deferred tax and fringe benefit tax) | 7.09 | 0.19 |
| Profit after tax | 58.88 | 13.45 |
| Surplus brought forward from previous year | 277.48 | 251.04 |
| Amount available for appropriation | 336.36 | 264.49 |
| Appropriations | | |
| Debenture redemption reserve | 37.73 | (12.99) |
| Surplus carried to balance sheet | 298.63 | 277.48 |
| Earnings per share (Rs.) - Basic and Diluted | 0.15 | 0.04 |

The gross revenue of your Company on standalone basis has gone up by 329.50 % from Rs. 169.36 Crore to Rs. 727.40 Crore primarily due to increased revenue from EPC segment of Rs. 439.01 Crore. The increase in operating and administrative expenditure from Rs. 95.09 Crore to Rs. 487.84 Crore is mainly due to operating expenses of construction division. Increase in interest expenditure from Rs. 69.11 Crore to Rs.174.14 Crore is on account of interest on borrowings made during the year to meet the increased requirement of funds for investments.

Dividend

Your Company's strength lies in identification, planning, execution and successful implementation of the projects in the infrastructure space. To strengthen the long-term prospects and ensuring sustainable growth in assets and revenue, it is important for your Company to evaluate various opportunities in the different business verticals in which your Company operates. Your Company currently has several projects under implementation and continues to explore newer opportunities, both domestic and international.

Your Board of Directors considers this to be in the strategic interest of the Company and believes that this will greatly enhance the long term shareholders' value. In order to fund these projects in their development, expansion and implementation stages, conservation of funds is of vital importance. Therefore, your Directors have not recommended any dividend for the financial year 2010-11.

Subsidiary companies

As a purposeful strategy, your Company carries its business operations through several subsidiary and associate companies which are formed either directly or as step-down subsidiaries or in certain cases by acquisition of a majority stake in existing enterprises, mainly due to the requirement of concession agreements. As on March 31, 2011, your Company had 121 subsidiary companies apart from other joint ventures / associate companies. The complete list of subsidiary companies as on March 31, 2011 is provided as Annexure 'A' to this report.

Review of Operations/Projects of Subsidiary Companies

The detailed review of operations of each subsidiary's business is presented in the respective company's Directors' Report; a brief overview of the major developments thereof is presented below. Further, the Management Discussion and Analysis, forming part of the Report, also brings out a brief review of the business operations of various subsidiaries and associates.

Airport Sector

Airports business of your Company consists of two operating airports in India at New Delhi and Hyderabad and two airports abroad at Istanbul in Turkey and Male in Maldives. Significant developments in these assets during the year are briefly presented below:

Delhi International Airport Private Limited (DIAL)

DIAL, a Joint Venture (JV) between GMR Group (54%), Airports Authority of India (AAI) (26%), Fraport AG Frankfurt Airport Services Worldwide (Fraport) (10%) and Malaysia Airports Holdings Berhad (MAHB) (10%) has entered into a

long-term agreement to operate, manage and develop the Indira Gandhi International Airport (IGIA), New Delhi.

DIAL achieved an important milestone of successful delivery of new integrated terminal, T3 at IGIA, New Delhi in time for the Commonwealth Games as per schedule and commencement of T3 commercial operation without any major glitches.

The other significant developments during the current year are:

- Opened Transit Hotel with 40 rooms for domestic and 60 rooms for international passengers;
- On the Airlines marketing front, 5 new airlines have started operations during 2010-11.

DIAL recorded passenger traffic of 29.94 million in 2010-11, which is an overall growth of 14.7 % over the previous year. Cargo volume has touched 600,000 tonnes (MT) for the year 2010-11, an overall growth of 20 % over the previous year.

Indira Gandhi International Airport in the year 2010 has been conferred with the following accolades:

- Rated for the second consecutive year as the 4th Best Airport in the World in the category of airports handling 15-25 million passenger per annum;
- T3 of Indira Gandhi International Airport is the first airport in the world to be awarded the Leadership in Energy and Environmental Design (LEED) NC Gold rating;
- "Best International Project" by British Construction Industry Award (BCIA) for the best International Project among 180 International Projects;
- "Best Infrastructure Award" and "PPP Project of the Year" - KPMG Infrastructure Awards 2010.

GMR Hyderabad International Airport Limited (GHIAL)

GMR Hyderabad International Airport Limited (GHIAL) is a joint venture company promoted by the GMR Group (63%) in partnership with the Airports Authority of India (AAI) (13%), Government of Andhra Pradesh (13%) and Malaysia Airports Holdings Berhad (MAHB) (11%). GHIAL has set up India's first Greenfield Airport, Rajiv Gandhi International Airport (RGIA) at Shamsabad, Hyderabad.

The key highlights for the current year are:

- RGIA was declared world's no.1 airport for the second consecutive year in the 5-15 million passenger category by Airport Council International (ACI) with Airport Service Quality overall score of 4.51 on a scale of 1 - 5. It also won 'Best Airport in India' National Tourism Award 2009-10 by Ministry of Tourism, Government of India;
- Approval received in November, 2010 for hike in User Development Fee (UDF);
- Airline Marketing's efforts aimed at establishing Hyderabad Airport as South and Central India's gateway and hub of choice have resulted in additional routes and schedules. An agreement has been signed with Spice Jet to improve and strengthen regional connectivity out of Hyderabad. Similarly, MOU was signed with Lufthansa Cargo AG (LCAG) for making Hyderabad as Pharma Hub for LCAG and joint marketing of the facility;
- MAS-GMR MRO (Maintenance, Repair and Overhauling) achieved Financial Closure during the year;

- Hyderabad Duty-Free (fully owned subsidiary of GHIAL) operations started during July, 2010. Pharma Zone operations at the Cargo terminal commenced from January 1, 2011.

In the Financial Year 2010-11, GHIAL recorded a passenger traffic of 7.63 million, a growth of 17.6% over the previous year, with international traffic growing by 11% and domestic traffic growing by 20%. Similarly cargo traffic grew by about 22.89% over the previous year reaching a volume of 80,777 tonnes (MT).

Istanbul Sabiha Gokcen International Airport (ISGIA)

Your Company owns 40 % of Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım ve İşletme A.Ş., the company which is operating ISGIA through a BOT agreement for 20 years (extended by an additional 2 years). Other shareholders of ISGIA are Limak Holdings of Turkey with 40 % and Malaysia Airports Holdings Berhad (MAHB) with 20 % stake. The Consortium took over the operations as of May 2008 and has successfully inaugurated the new integrated passenger terminal with a capacity of 25 million passengers on October 31, 2009.

Important highlights for the year are:

- ISGIA was selected as the Best Airport at the World Low Cost Airlines Awards on September 29, 2010 in London. The award was given post nomination and voting by 38 international airlines;
- The declared airside capacity of ISGIA has increased to 32 Air Traffic Movement (ATM)/ hour from the previous 28 ATM/ hour by building a perimeter road around the airport to reduce runway crossings;
- 16 new airlines started flights out of ISGIA during the year;
- The prestigious journal called Risk Management Monitor named ISGIA to be amongst the 5 safest places on earth with its unique earthquake ready infrastructure;
- ISGIA closed the Calendar Year 2010 with 11.6 million passengers, which corresponds to a 75 % growth compared to the previous year. It continues to rank among the fastest growing airports in the world.

GMR Male International Airport Private Limited (GMIAL)

GMIAL is a Brownfield airport in Male, capital city of Maldives through a partnership between GMR Group (77 %) and Malaysia Airports Holdings Berhad (MAHB) (23 %). The bid was won through an international bid process run by International Finance Corporation (IFC) amidst stiff competition.

The Concession agreement was signed on June 28, 2010 by the Company. The key highlights are:

- Took over the operations of airport on November 25, 2010 - 4 months ahead of schedule;
- Traffic has grown over 10 % in the months of operation compared to same months last year;
- Rolled out Terminal improvement plan and service quality improvement initiatives to improve service levels.

Energy Sector

The year under review was a significant year for the Energy Sector of your Company which now has 3 operating assets

and 13 projects under different stages of construction or development.

New Initiatives

- Your Company has made a foray into transmission sector winning two projects in Rajasthan;
- Your Company has also made a foray into renewable energy undertaking a 25 MW solar project in Gujarat which is expected to be completed in the Financial Year 2011-12; and
- A 2.1 MW Wind Turbine is being set up in Gujarat which is likely to be commissioned by July 2011.

Operating Assets update

- Successfully commissioned GMR Energy Limited barge on combined cycle at Kakinada;
- GMR Vemagiri power plant won the prestigious National Energy Conservation award on December 14, 2010 in recognition of its energy conservation measures;
- Social Accountability - 8000 system was implemented, with initial audit conducted by Det Norske Veritas (DNV) and certification was obtained for the Chennai Power Plant;
- GMR Power Corporation Limited (GPCL) also obtained favorable decision from Appellate Tribunal on commercial issues with Tamil Nadu Electricity Board (TNEB).

Projects update

- The construction activities are in advanced stages in 3 thermal projects (Rajahmundry, Kamalanga and EMCO), which are due to start commercial operations in the calendar year 2012;
- Achieved financial closure of the 768 MW Rajahmundry and 1370 MW Chhattisgarh Energy Projects;
- Approval of the Kamalanga Project expansion by one unit of 350 MW; EPC contract has been awarded for the same;
- Significant progress in development of the coal mines in Indonesia which is expected to start production during Financial Year 2011-12;
- EPC contract placed on consortium of Siemens – Samsung for Island Power Plant at Singapore;
- Environmental Clearance obtained and Implementation Agreement signed with Government of Himachal Pradesh for Bajoli Holi Project;
- Your Company increased its investment to a majority stake in Homeland Energy Group (HEG) towards its long term strategy for fuel security. The management team of HEG has been strengthened to ensure profitable operations.

Your Company is on track to implement several other projects which are under different stages of construction and development. These projects are coal based 1370 MW SJK Powergen project and the hydroelectric power projects - (i) 300 MW Alaknanda power project on the Alaknanda River in the State of Uttarakhand, (ii) 160 MW Talong power project in East Kameng district in the State of Arunachal Pradesh, (iii) 600 MW Upper Marsyangdi power project in Nepal; and (iv) 900 MW Upper Karnali power project in Nepal.

Highways

Your Company operates the following six highways across India measuring a total length of around 1684 lane kms:

Three Annuity based highways:

- Tuni - Anakapalli;
- Tambaram - Tindivanam;
- Adloor Yellareddy - Gundla Pochanpalli.

Three Toll based highways:

- Ambala - Chandigarh;
- Thondapalli – Jadcherla;
- Tindivanam - Ulundurpet.

During the financial year under review, your Company has been successful in achieving financial closure of the three new projects in the Highways Sector and has made significant progress in the execution of these projects. These are:

- The 1090 lane km Hyderabad - Vijayawada toll project;
- The 178 lane km Chennai Outer Ring Road annuity project;
- The 376 lane km Hungund – Hospet toll project.

Urban Infrastructure

Your Company is developing SEZs in Krishnagiri and Kakinada and two Aerotropolis around the Delhi and Hyderabad Airports as part of this sector. The major developments are:

Krishnagiri and Kakinada SEZ

Pursuant to a memorandum of understanding entered into with the State of Tamil Nadu, SEZ is being developed in Krishnagiri district in the State of Tamil Nadu, through a joint venture with Tamil Nadu Industrial Development Corporation. The Krishnagiri SEZ is expected to cater to biotechnology, information technology, traditional electronics and engineering sectors.

The Krishnagiri SEZ is planned to be spread over 3,000 acres, major portion of which has already been acquired. Commercial operation of this SEZ is expected to commence in 2014.

Your Company has acquired a majority stake in Kakinada SEZ Private Limited and is developing the area as a Special Investment Region. Conceptual Master plans have been developed through reputed international consultants.

Aerotropolis Development

Your Company is developing airport cities around the Delhi and Hyderabad Airports to match world class standards. The Delhi Airport Aerocity is in its first phase of development, which may ultimately cover up to 5% of the 5,100 acres of the land area of Delhi Airport. The hospitality district is envisaged to be developed in the first phase of property development to bring in leading national and international brands of hotels. A total of 45 acres of land divided into 14 asset areas has been leased out. 7 asset areas (21.8 acres) were awarded to successful bidders in 2008-09 during the first round of bidding and the remaining 7 assets were successfully awarded during 2009-10. The second phase development is expected to start in Financial Year 2011-12. Delhi Airport Express Metro services commenced operations during the year under review. Infrastructure development activities for the hospitality district will be completed and

some of the hotels will start functioning during Financial Year 2011-12.

The Hyderabad Aerotropolis is envisaged on 1,000 acres of commercial land around the Hyderabad Airport. Your Company has plans to develop the Hyderabad Aerotropolis on a theme based development. The Company employed reputed international consultants and has completed the Master planning of the Aerotropolis development. Several themes have been identified and feasibility established for some of them and these are in advanced stage of planning. Financial closure and construction is likely to happen during Financial Year 2011-12. The airport based hotel, Hyderabad Airport Novotel has improved its operations substantially as compared to the previous years.

Aviation Business

The Group's Corporate Aviation business consists of chartering business jets both to the Group companies as well as to third parties. It is presently focusing on external charter growth to reduce dependence on the group for its financing needs. The Company's wholly owned subsidiary, GMR Aviation Private Limited (GAPL) has a young fleet comprising of short-haul and long-haul planes and helicopters with experienced crew and operational staff. The fleet includes Falcon and Hawker aircraft and Bell helicopter. During the year, GAPL has procured one Bell 412 twin engine helicopter and the same is being actively utilized for external charters.

InterGen N.V.

Your Company, through its step-down subsidiary, GMR Energy Global Limited (GEG), had entered into necessary arrangements to acquire 50% economic stake in InterGen N.V. In this regard it had subscribed to the Compulsory Convertible Debentures (CCDs) issued for this purpose, by a fellow subsidiary, GMR Holding (Malta) Limited (GHML), a step down subsidiary of GMR Holdings Private Limited, the Company's Holding Company. The said fellow subsidiary, GHML, had acquired the 50% stake in InterGen N.V. through its step down subsidiary GMR Infrastructure (Malta) Limited (GIML) for USD 1,135 million through a mix of external borrowings of USD 1,107 million (under the guarantees extended by your Company) and the balance was funded through CCDs as above. Your Company has extended further funding support to GHML by subscribing to additional CCDs to meet the interest, transaction / carrying costs.

Due to the changed economic environment in overseas markets and the group's intention of renewed focus in developing large energy assets within India for which opportunities are opening up due to sustained economic growth of India fuelling huge demand for power, during the year ended March 31, 2011, GIML was advised to sell the investment in InterGen N.V. Accordingly, GIML entered into an agreement with Overseas International Inc. Limited, an associate of China Huaneng Group to sell the investment in InterGen N.V. for USD 1,232 million.

On consummation of the transaction during April 2011, after due regulatory approvals, GHML has repaid the loans availed from the banks in full but could repay the CCDs in part only after meeting the interest, transaction / carrying costs. Thus GEG has recorded a one time loss of Rs. 938.91 Crore, which is disclosed as an exceptional item in the consolidated financial results.

Though the divestment of InterGen N.V. has resulted in a one time and non-recurring loss of Rs. 938.91 Crore, it has released an equity capital of Rs.958 Crore that would enable the Company to reinforce its focus and deploy resources on more profitable Assets.

Risk Management

As an enterprise with presence in different segments of Infrastructure industry, your Company is exposed to a number of risks, having potential to impact the businesses in varying measures. Your Company realizes that it is imperative to identify and address these risks and leverage opportunities in order to achieve the objectives that it has set for itself.

During the year, your Company revised the risk management framework in line with ISO 31000 in order to bring it in line with current Enterprise Risk Management (ERM) best practices and effectively address the emerging challenges in a dynamic business environment.

Significant developments during the year include:

- Revised ERM Framework deployed across all Key Business Sectors;
- Top risks at the Group, Sector and Business Unit level are being profiled for treatment and regular monitoring of risks;
- Awareness of risks among employees being improved through Risk Newsletters, regular updates on risks and training programmes;
- Development of a Bid / Opportunity screening framework with detailed parameters;
- Extended the scope of ERM to build resilience through Business Continuity Planning (BCP) and Disaster Recovery Planning (DRP).

The output of ERM process in the form of identified top risks served as a critical input for the Company's Strategic / Annual Operating planning exercise.

The ERM Team presents to the Management and the Audit Committee of the Board, the risk assessment and minimization procedures adopted to assess the reliability of the risk management structure and efficiency of the process.

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

Developments in Human Resources and Organisation Development

Your Company has robust process of human resources development which is described in detail in Management Discussion and Analysis under the heading "Developments in Human Resources and Organisation Development at GMR Group".

Consolidated financial statements

As per Section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss account of its subsidiary companies to its Annual Report. The Ministry of Corporate Affairs (MCA), Government of India vide its Circular No.2 / 2011 dated February 8, 2011 has provided an exemption to the companies from complying with section 212,

provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2010-11 does not contain the reports and other statements of the subsidiary companies. The annual audited accounts and related detailed information of the subsidiary companies will be available to the investors of the Company upon request. These documents will also be available for inspection during business hours at the registered office of the Company.

The statement pursuant to the aforesaid circular of the MCA about financial information of each subsidiary containing details of (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in the subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend are provided as Annexure 'B' to this report. However, the financial statements of GMR Corporate Centre Limited (GCCL) are not consolidated, since GCCL is a guarantee company having no share capital and commercial operations.

As required by Accounting Standard - 21 and Listing Agreement with the Stock Exchanges, the audited consolidated financial statements of your Company and its subsidiaries are attached.

Changes in Share capital

As you are aware, during the year under review your Company completed issue of 225,080,390 equity shares of Re.1 each at a price of Rs.62.20 per equity share, including premium of Rs.61.20 per equity share, aggregating to Rs.1,400 Crore to Qualified Institutional Buyers (QIBs) as per Chapter VIII of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009, through the Qualified Institutional Placement (QIP). The QIP opened for subscription to QIBs on April 15, 2010 and closed on April 19, 2010. The entire money amounting to Rs.1,400 Crore was received and allotment of shares was made on April 21, 2010. Consequent to this allotment, the listed equity share capital has increased from Rs. 3,667,354,392 to Rs. 3,892,434,782.

The Company has paid the listing fees payable to the BSE and the NSE for the Financial Year 2011-12.

Directors

Mr. O. Bangaru Raju, Mr. R. S. S. L. N. Bhaskarudu, Dr. Prakash G Apte and Mr. Kiran Kumar Grandhi, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment for your approval. The profiles of the above Directors are given under the section "Board of Directors" in the Report of Corporate Governance attached to the Annual Report.

Group

Pursuant to intimation from the Promoters, the names of the Promoters and entities comprising 'Group' are disclosed in the Annual Report for the purpose of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Directors' responsibility statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

1. That in the preparation of the annual accounts for the year ended March 31, 2011, the applicable Accounting Standards have been followed and proper explanations were provided for material departures, if any;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year;
3. That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the accounts for the financial year ended March 31, 2011, on a going concern basis.

Corporate Governance

Your Company continuously works at improving its governance practices and processes. Your Company strives to ensure that the best practices are identified, adopted and followed and has also developed a framework for corporate governance and a roadmap for forward thinking corporate governance practices.

A detailed report on Corporate Governance practices followed by your Company, in terms of Clause 49 (VI) of the Listing agreement with Stock Exchanges, is provided separately in this Annual Report.

Secretarial Audit

As per SEBI requirement, Reconciliation of Share Capital Audit is being carried out at specific periodicity by a Practicing Company Secretary. The findings of the audit have been satisfactory.

In addition, Secretarial audit was carried out voluntarily for ensuring transparent, ethical and responsible governance processes and also proper compliance mechanisms in the Company. M/s. V. Sreedharan & Associates, Company Secretaries, conducted Secretarial Audit of the Company and a Secretarial Audit Report for the Financial Year ended March 31, 2011, is provided in the Annual Report.

Awards and Recognitions

During the period under review, your Company and its subsidiaries / associates have received the following awards / recognitions:

- Indira Gandhi International Airport (IGIA), New Delhi has been ranked 12th out of 154 participant Airports in overall category based on Airport Service Quality (ASQ) score and selected for Airport Council International (ACI) Director General's Recognition Award;
- Award for "Airport with Most New 'Non - Regional' Routes" for IGIA;
- Greentech Gold Award for Environmental Excellence in Infrastructure Sector for the year 2010 for IGIA; and
- Rajiv Gandhi International Airport (RGIA), Hyderabad was adjudged world's no.1 airport for second consecutive year in 5 -15 million passenger category by ACI.

Management Discussion and Analysis (MDA)

The MDA, forming part of this report, as required under Clause 49(IV)(F) of the Listing Agreement with the stock exchanges is attached separately in this Annual Report.

Auditors and Auditors' Report

M/s. S.R. Batliboi & Associates, Chartered Accountants, the statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. They have offered themselves for re-appointment as statutory auditors and have confirmed that their appointment, if made, will be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

The Notes to Accounts forming part of the financial statements are self-explanatory and need no further explanation. There are no qualifications or adverse remarks in the auditors' report which require any clarification or explanation.

Corporate Social Responsibility (CSR)

With a belief that corporates have a special and continuing responsibility towards social development, GMR Group is undertaking CSR activities on a significant scale through GMR Varalakshmi Foundation (GMRVF). The Vision of GMR Group's CSR activities is to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. Towards this, GMRVF works with the communities neighbouring GMR Group's businesses for their economic and social development thus making them to grow along with the business. Currently, Foundation is working in about 190 villages / urban communities across 22 locations including two in Nepal. The locations in India are spread across different states namely Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, New Delhi, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu and Uttarakhand. The activities of GMRVF under its various thrust areas are covered elsewhere in the Annual Report.

Environmental Protection and Sustainability

Your Company believes in integrating strong Environmental Management practices into its industrial enterprises across all processes. Several unique schemes have been implemented to prevent pollution and conserve natural resources to achieve sustainable development.

All the operating units are in compliance with environmental regulations. Hazardous wastes are being disposed through Pollution Control Board authorized agencies. Continuous Ambient Monitoring systems have been set up at appropriate locations in and around the plants and the Environmental performance indicators like Stack emissions, ambient air quality, etc are maintained well within the stipulated norms.

Vemagiri and Chennai units are certified with OHSAS 18001, ISO 14001 and ISO 9001. At Chennai plant, fully integrated Sewage Water Treatment Plant (STP) has been set up including Reverse Osmosis (RO) process for treating 10% of Chennai plant's total sewage saving fresh water intake of 5400 m³ per day, which is equivalent to the water use by 100000 people. The treated STP water is used for

cooling operations and green belt development. Waste Heat Recovery Boilers generate steam for use in indirect heating of fuel storage tanks and pipelines. Solar energy is used to lighten the boundary fence.

At Vemagiri Plant, the Gas Turbine uses the advanced Dry Low NOx (DLN 2.0 +) burner system to reduce NOx emissions at source. Waste heat from Gas Turbine is used for power production in Steam Turbine through Heat Recovery Steam Generator (HRSG). Reuse of Steam Condensate and HRSG is designed for zero make up.

At GHIAL, special environmental friendly design features have been incorporated for power savings by using natural sun light. The Lighting per square foot in the passenger terminal block uses only 0.9 watts of energy as against the minimum of 1.3 watts prescribed by the American Society of Heating, Refrigerating and Air-Conditioning Engineers. Process has been put in place for effective waste management system and for reduction of carbon footprint.

DIAL has won Greentech Gold Award for Environmental Excellence in Infrastructure Sector for the year 2010. The Greentech award is presented to company in recognition of outstanding achievements in the field of environment protection on the basis of evaluation of performance every year. T3 of Indira Gandhi International Airport is the first amongst the world's airports to be awarded the Leadership in Energy and Environmental Design (LEED) NC Gold rating. DIAL is certified for its implemented Environmental Management System ISO 14001:2004. At DIAL, an integrated Aircraft Noise Monitoring System (ANMS) has been put in place in conjunction with the airlines and other airport stakeholders such as AAI, Directorate General of Civil Aviation and Air Traffic Control which will help DIAL to monitor and measure the aircraft noise.

DIAL has undertaken the following pollution abatement steps during the reporting period:

- Sewage Treatment Plant operational with advanced tertiary treatment viz. ultra filtration and RO technique and latest water treatment equipment to achieve zero water discharge plan. The entire treated water is being utilized for air-condition cooling i.e. Heating Ventilating and Air Conditioning (HVAC) and horticulture activities;
- Advanced stage of issuance of Certified Emission Reduction (CER) for energy reduction measure taken at T3 terminal by United Nations Framework Convention on Climate Change (UNFCCC) - Clean Development Mechanism (CDM); and

- In new T3 terminal, DIAL has incorporated capability for segregation of waste at source using twin bin system i.e. food and recyclables by passengers, concessionaires and all service providers.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The Particulars as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure "C" included in this report.

Particulars of employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, the names and other particulars of employees are set out in the Annexure 'D'. However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Fixed Deposits

During the year under review, the Company has not accepted any deposits from the public.

Acknowledgments

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from customers, investors, lenders, business associates, banks, financial institutions, shareholders, various statutory authorities and society at large. Your Directors also place on record, their appreciation for the contribution, commitment and dedication of the employees of the Company and its subsidiaries at all levels.

For and on behalf of the Board

Sd/-

G. M. Rao

Executive Chairman

Place: Bengaluru

Date : May 30, 2011

Annexure 'A' to the Directors' Report GMR Infrastructure Limited - Subsidiaries

| Sector | | Direct Subsidiaries | | Subsidiaries to Subsidiaries | | | | | |
|----------|--|--|--|--|---------------------------------------|--------------------------------------|---|--|---|
| Airports | Delhi International Airport Pvt. Ltd. (DIAL) | Subsidiaries of DIAL | | East Delhi Waste Processing Company Pvt Ltd. | Delhi Aerotropolis Pvt Ltd. | | | | |
| | | Subsidiaries of GHIAL | | Subsidiary of GADL | Subsidiary of GADLML | | | | |
| | | GMR Airport Developers Ltd. (GADL) | GADL (Mauritius) Ltd. (GADLML) | GADL International Ltd. | | | | | |
| | | Subsidiaries of GHIAL | | Hyderabad Airport Security Services Ltd. | Hyderabad Menzies Air Cargo Pvt. Ltd. | | | | |
| | GMR Hyderabad International Airport Ltd. (GHIAL) | GMR Hyderabad Aerotropolis Ltd. | GMR Hyderabad Airport Resource Management Ltd. | GMR Hyderabad Aviation SEZ Ltd. | GMR Hyderabad Multiproduct SEZ Ltd. | GMR Hotels and Resorts Ltd. | | | |
| | | Subsidiaries of GHIAL | | | | | | | |
| | Gateways for India Airports Pvt. Ltd. | GMR Airport Handling Services Company Ltd. | Hyderabad Duty Free Retail Ltd. | | | | | | |
| | | Subsidiary of GREL | | | | | | | |
| | GMR Renewable Energy Ltd. (GREL) | GMR Energy Ltd. (GEL) | GMR Vemagiri Power Generation Ltd. | GMR Mining & Energy Pvt. Ltd. | SJK Powergen Ltd. | GMR Kamalanga Energy Ltd. | GMR Consulting Services Pvt.Ltd. | GMR Rajahmundry Energy Ltd. | |
| | | GMR Energy Trading Ltd. (GETL) | GMR Power Corporation Ltd. | GMR Indo-Nepal Power Corridors Ltd. | GMR Indo-Nepal Energy Links Ltd. | GMR Chhattisgarh Energy Ltd. | GMR Bajoli Holi Hydropower Pvt. Ltd. | GMR Londa Hydropower Pvt. Ltd. | GMR Kakinada Energy Pvt. Ltd. |
| Energy | GMR Power Infra Ltd. | | Emco Energy Ltd. | Badrinath Hydro Power Generation Pvt. Ltd. | GMR Gujarat Solar Power Pvt. Ltd. | Himtal Hydro Power Company Pvt. Ltd. | GMR Maharashtra Energy Ltd. | GMR Bundelkhand Energy Pvt. Ltd. | GMR (Badrinath) Hydro Power Generation Pvt. Ltd. |
| | | Subsidiaries of GEMIL | | Aravali Transmission Service Company Ltd. | GMR Hosur Energy Ltd. | GMR Coastal Energy Pvt Ltd. | GMR Uttar Pradesh Energy Pvt. Ltd. | GMR Energy (Mauritius) Ltd. (GEML) | Homeland Energy Group Ltd. (HEGL) |
| | Subsidiary of GEMIL | | GMR Lion Energy Ltd. (GLEL) | Subsidiary of GEMIL | Subsidiary of GECL | Subsidiary of GEN | Subsidiary of PTDSU | Subsidiary of PTDSI | Subsidiary of GEN |
| | Subsidiary of GEMIL | | Karnali Transmission Company Pvt. Ltd. | Marsyangdi Transmission Company Pvt. Ltd. | GMR Energy (Netherlands) BV (GEN) | PT Dwikarya Sejati Utama (PTDSU) | Subsidiary of HEC | PT Barasentosa Lestari | PT Unsoco |
| | Subsidiary of GEMIL | | GMR Lion Energy Ltd. (GLEL) | Subsidiary of GEMIL | Subsidiary of GLEL | Subsidiary of HEC | Subsidiary of HEC | Homeland Energy (Swaziland) (Pty) Ltd. | Subsidiary of HEC |
| | Subsidiary of GEMIL | | Karnali Transmission Company Pvt. Ltd. | Marsyangdi Transmission Company Pvt. Ltd. | GMR Upper Karnali Hydropower Ltd. | Homeland Energy Corp. (HEC) | Homeland Mining & Energy SA (Pty) Ltd. (HMEL) | Homeland Energy (Swaziland) (Pty) Ltd. | Homeland Coal Mining (Pty) Ltd. |
| | Subsidiary of GEMIL | | GMR Lion Energy Ltd. (GLEL) | Subsidiary of GEMIL | Subsidiary of GLEL | Subsidiary of HEC | Subsidiary of HEC | Subsidiary of HEC | Subsidiary of HEC |
| | Subsidiary of GEMIL | | GMR Lion Energy Ltd. (GLEL) | Subsidiary of GEMIL | Subsidiary of GLEL | Subsidiary of HEC | Subsidiary of HEC | Subsidiary of HEC | Subsidiary of HEC |
| | Subsidiary of GEMIL | | GMR Lion Energy Ltd. (GLEL) | Subsidiary of GEMIL | Subsidiary of GLEL | Subsidiary of HEC | Subsidiary of HEC | Subsidiary of HEC | Subsidiary of HEC |

Annexure 'A' to the Directors' Report GMR Infrastructure Limited - Subsidiaries

| Sector | Direct Subsidiaries | | Subsidiaries to Subsidiaries | | | | | |
|------------------------------------|---|--------------------------------------|---|---|---|--|--|--|
| | Subsidiary of HEC | Subsidiary of HMBL | Subsidiary of HMBL | Subsidiary of HMECL | Subsidiary of FCHL | Subsidiary of FCHL | | |
| Highways | Homeland Mining and Energy (Botswana) (Pty) Ltd. (HMBL) | Wizard Investments (Pty) Ltd. | Corpclo331 (Pty) Ltd. | Ferret Coal Holdings (Pty) Ltd. (FCHL) | Ferret Coal (Kendal) (Pty) Ltd. | Manoka Mining (Pty) Ltd. | | |
| | Subsidiaries of GHIL | | | | | | | |
| | GMR Pochanpalli Expressways Ltd. | GMR Jadhcherla Expressways Pvt. Ltd. | GMR Ulundurpet Expressways Pvt. Ltd. | | | | | |
| | GMR Ambala-Chandigarh Expressways Pvt. Ltd. GMR Tambaram – Tindivanam Expressways Pvt. Ltd. GMR Tunj – Anakapalli Expressways Pvt. Ltd. GMR Hyderabad Vijayawada Expressways Pvt. Ltd. GMR Chennai Outer Ring Road Pvt. Ltd. GMR OSE Hungund Hospet Highways Pvt. Ltd. | | | | | | | |
| | GMR SEZ & Port Holdings Pvt. Ltd. (GSPHPL) | | | | | | | |
| Urban Infrastructure | Advika Properties Pvt. Ltd. | Bougainvillea Properties Pvt. Ltd. | Aklima Properties Pvt. Ltd. | Amartya Properties Pvt. Ltd. | Baruni Properties Pvt. Ltd. | Camelia Properties Pvt. Ltd. | | |
| | Gerbera Properties Pvt. Ltd. | Lakshmi Priya Properties Pvt. Ltd. | Honeysuckle Properties Pvt. Ltd. | Idika Properties Pvt. Ltd. | Krishnapriya Properties Pvt. Ltd. | Nadira Properties Pvt. Ltd. | | |
| | Purnachandra Properties Pvt. Ltd. | Shreyadita Properties Pvt. Ltd. | Sreepa Properties Pvt. Ltd. | Subsidiaries of GSPHPL | Padmapriya Properties Pvt. Ltd. | Kakinada SEZ Pvt. Ltd. | | |
| | GMR Male International Airport Pvt. Ltd. | GMR Infrastructure (UK) Ltd. | GMR Infrastructure (Singapore) PTE. Ltd. (GISL) | GMR Infrastructure (Cyprus) Ltd. (GICL) | GMR Infrastructure Overseas Sociedad Limitada | GMR International (Malta) Ltd. (GIMAL) | GMR Infrastructure Investments (Singapore) PTE. Ltd. | |
| Corporate & International Business | Subsidiary of GICL | Subsidiary of GIGL | Subsidiary of GEGL | Subsidiary of GISL | Subsidiary of GISL | Subsidiary of GIMAL | | |
| | GMR Infrastructure (Global) Ltd. (GIGL) | GMR Energy (Global) Ltd. (GEGL) | GMR Energy Projects (Mauritius) Ltd. | Island Power Intermediary PTE. Ltd. | GMR Energy (Singapore) PTE. Ltd. (GESPL) | GMR Supply (Singapore) PTE. Ltd. | | |
| | GMR Infrastructure (Mauritius) Ltd. (GIML) | | | | | | | |
| | GMR Corporate Centre Ltd. Dhruvi Securities Pvt. Ltd. GMR Aviation Pvt Ltd. | | | | | | | |

Annexure 'B' to the Directors' Report: Statement pursuant to General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively of Ministry of Corporate Affairs, Government of India granting general exemption from compliance with Section 212 of the Companies Act, 1956.

| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|------|---|---------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| 1 | GMR Airports Holding Limited | 580.76 | 691.71 | 1,285.39 | 12.92 | 896.50 | 12.21 | 10.12 | 1.97 | 8.15 | - |
| 2 | GMR Krishnagiri SEZ Limited | 117.50 | (2.75) | 317.26 | 202.50 | 12.80 | - | (0.33) | 0.03 | (0.36) | - |
| 3 | GMR Aviation Private Limited | 86.44 | (16.02) | 398.45 | 328.02 | - | 76.09 | 0.40 | 0.16 | 0.24 | - |
| 4 | GMR SEZ & Port Holdings Private Limited | 47.99 | (0.34) | 282.68 | 235.03 | 100.00 | - | (0.33) | - | (0.33) | - |
| 5 | Advika Properties Private Limited | 0.01 | (0.00) | 7.01 | 7.01 | - | - | 0.00 | 0.00 | 0.00 | - |
| 6 | Aklima Properties Private Limited | 0.01 | 0.00 | 4.10 | 4.09 | - | - | 0.01 | 0.00 | 0.01 | - |
| 7 | Amartya Properties Private Limited | 0.01 | (0.01) | 8.25 | 8.24 | - | - | (0.00) | - | (0.00) | - |
| 8 | Baruni Properties Private Limited | 0.01 | (0.00) | 6.12 | 6.11 | - | - | (0.00) | - | (0.00) | - |
| 9 | Bougainvillea Properties Private Limited | 0.01 | 0.63 | 27.24 | 26.60 | 0.44 | - | 0.90 | 0.28 | 0.62 | - |
| 10 | Camelia Properties Private Limited | 0.01 | (0.02) | 5.98 | 6.00 | - | - | (0.02) | - | (0.02) | - |
| 11 | Deepesh Properties Private Limited | 0.01 | 1.35 | 50.11 | 48.75 | - | - | 2.05 | 0.70 | 1.35 | - |
| 12 | Eila Properties Private Limited | 0.01 | (0.00) | 7.45 | 7.45 | - | - | (0.00) | - | (0.00) | - |
| 13 | Gerbera Properties Private Limited | 0.01 | 0.02 | 6.53 | 6.50 | - | - | 0.03 | 0.01 | 0.02 | - |
| 14 | Lakshmi Priya Properties Private Limited | 0.01 | (0.00) | 7.26 | 7.26 | - | - | (0.00) | - | (0.00) | - |
| 15 | Honeysuckle Properties Private Limited | 0.01 | 0.15 | 16.84 | 16.68 | - | - | 0.22 | 0.07 | 0.15 | - |
| 16 | Idika Properties Private Limited | 0.01 | (0.00) | 6.37 | 6.36 | - | - | (0.00) | - | (0.00) | - |
| 17 | Krishnapriya Properties Private Limited | 0.01 | (0.00) | 5.96 | 5.95 | - | - | (0.00) | - | (0.00) | - |
| 18 | Larkspur Properties Private Limited | 0.01 | (0.01) | 0.41 | 0.40 | - | - | (0.00) | - | (0.00) | - |
| 19 | Nadira Properties Private Limited | 0.01 | (0.00) | 6.73 | 6.73 | - | - | (0.00) | - | (0.00) | - |
| 20 | Padmapriya Properties Private Limited | 0.01 | 0.32 | 49.68 | 49.35 | - | - | 0.46 | 0.14 | 0.32 | - |
| 21 | Prakalpa Properties Private Limited | 0.01 | (0.00) | 6.77 | 6.77 | - | - | (0.00) | - | (0.00) | - |
| 22 | Purnachandra Properties Private Limited | 0.01 | 0.01 | 6.85 | 6.83 | - | - | 0.01 | - | 0.01 | - |
| 23 | Shreyadita Properties Private Limited | 0.01 | 0.03 | 5.75 | 5.71 | - | - | 0.05 | 0.02 | 0.03 | - |
| 24 | Sreepa Properties Private Limited | 0.01 | 0.00 | 5.53 | 5.52 | - | - | 0.01 | 0.00 | 0.01 | - |
| 25 | GMR Corporate Affairs Private Limited | 20.00 | 0.47 | 181.53 | 161.05 | 1.00 | 2.00 | 0.11 | 0.11 | 0.00 | - |
| 26 | GMR Hotels and Resorts Limited | 109.66 | (43.90) | 231.91 | 166.15 | 0.35 | 40.78 | (21.12) | - | (21.12) | - |
| 27 | Kakinada SEZ Private Limited | 93.99 | (1.14) | 764.61 | 671.76 | - | - | (0.10) | - | (0.10) | - |
| 28 | GMR Power Infra Limited | 0.10 | (0.04) | 0.10 | 0.04 | - | - | (0.04) | - | (0.04) | - |
| 29 | Dhruvi Securities Private Limited | 208.06 | 832.33 | 1,041.39 | 1.01 | 27.38 | 6.87 | 1.77 | 0.82 | 0.95 | - |
| 30 | GMR Hyderabad International Airport Limited | 378.00 | (57.09) | 2,895.46 | 2,574.56 | - | 495.01 | 0.25 | (103.74) | 103.99 | - |

(Rs. in Crore)

Annexure 'B' to the Directors' Report: Statement pursuant to General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively of Ministry of Corporate Affairs, Government of India granting general exemption from compliance with Section 212 of the Companies Act, 1956 .(contd.)

(Rs. in Crore)

| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|------|--|----------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| 31 | Hyderabad Airport Security Services Limited | 12.50 | (0.49) | 91.80 | 79.79 | 1.00 | - | 0.13 | 0.02 | 0.11 | - |
| 32 | GMR Hyderabad Airport Resource Management Limited | 0.05 | 0.57 | 4.58 | 3.96 | - | 21.12 | 0.26 | 0.08 | 0.18 | - |
| 33 | GMR Hyderabad Aeropolis Limited | 2.18 | (0.15) | 7.50 | 5.47 | - | - | (0.06) | - | (0.06) | - |
| 34 | Hyderabad Menzies Air Cargo Private Limited | 19.04 | 14.62 | 54.81 | 21.15 | - | 53.72 | 17.18 | 3.49 | 13.69 | 6.23 |
| 35 | GMR Hyderabad Multi Product SEZ Limited | 0.05 | (0.02) | 0.03 | 0.00 | - | - | (0.00) | - | (0.00) | - |
| 36 | GMR Hyderabad Aviation SEZ Limited | 1.90 | 0.63 | 18.31 | 15.78 | - | 2.75 | 0.83 | - | 0.83 | - |
| 37 | Gateways For India Airports Private Limited | 0.01 | 1.48 | 2.44 | 0.95 | 2.10 | - | 2.26 | 0.82 | 1.44 | - |
| 38 | Delhi International Airport Private Limited | 2,450.00 | (367.81) | 12,542.77 | 10,460.58 | 145.65 | 665.88 | (477.76) | (27.56) | (450.20) | - |
| 39 | Delhi Aeropolis Private Limited | 0.10 | (0.07) | 1.17 | 1.14 | - | - | (0.07) | - | (0.07) | - |
| 40 | GMR Male International Airport Private Limited | 135.65 | 46.70 | 842.58 | 650.17 | - | 343.50 | 47.68 | - | 47.68 | - |
| 41 | Hyderabad Duty Free Retail Limited | 2.00 | (1.98) | 17.34 | 15.82 | - | 8.23 | (1.98) | - | (1.98) | - |
| 42 | GMR Airport Developers Limited | 5.10 | 7.76 | 53.66 | 40.80 | 8.23 | 20.09 | (1.61) | (0.47) | (1.14) | - |
| 43 | GMR Airport Handling Services Company Limited | 0.05 | (0.01) | 0.04 | 0.00 | - | - | (0.01) | - | (0.01) | - |
| 44 | GMR Energy Limited | 2,690.05 | 887.42 | 5,547.88 | 1,970.42 | 154.17 | 351.76 | 83.69 | 17.98 | 65.71 | 1.11 |
| 45 | GMR Vemagiri Power Generation Limited | 274.50 | (83.72) | 1,016.18 | 825.41 | 16.63 | 743.97 | 88.66 | 44.25 | 44.41 | - |
| 46 | GMR Power Corporation Limited | 247.50 | 365.58 | 1,081.87 | 468.79 | 187.93 | 760.87 | 96.67 | 18.89 | 77.78 | - |
| 47 | GMR Lion Energy Limited | 13.28 | (0.30) | 28.04 | 15.06 | - | - | (0.07) | - | (0.07) | - |
| 48 | GMR Mining & Energy Private Limited | 0.05 | (0.55) | 5.02 | 5.53 | - | - | (0.50) | - | (0.50) | - |
| 49 | GMR Consulting Services Private Limited | 0.01 | 0.18 | 41.43 | 41.24 | - | 44.12 | 2.07 | 1.98 | 0.09 | - |
| 50 | GMR Energy Trading Limited | 52.00 | 4.49 | 159.31 | 102.82 | 9.37 | 621.12 | 6.57 | 0.96 | 5.61 | - |
| 51 | GMR Kamalanga Energy Limited | 354.68 | (9.63) | 1,702.12 | 1,357.06 | 42.75 | - | (0.60) | (0.50) | (0.10) | - |
| 52 | GMR (Badrinath) Hydro Power Generation Private Limited | 5.00 | (9.25) | 286.92 | 291.17 | - | - | (2.01) | - | (2.01) | - |
| 53 | Badrinath Hydro Power Generation Private Limited | 0.01 | (0.01) | 0.00 | 0.00 | - | - | (0.01) | - | (0.01) | - |
| 54 | GMR Coastal Energy Private Limited | 0.01 | (0.04) | 1.45 | 1.48 | - | - | (0.00) | - | (0.00) | - |
| 55 | GMR Bajoli Holi Hydro Power Private Limited | 0.01 | (0.17) | 218.13 | 218.29 | - | - | (0.12) | - | (0.12) | - |

Annexure 'B' to the Directors' Report: Statement pursuant to General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively of Ministry of Corporate Affairs, Government of India granting general exemption from compliance with Section 212 of the Companies Act, 1956. (contd.)

| (Rs. in Crore) | | | | | | | | | | | |
|----------------|--|----------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
| 56 | EMCO Energy Limited | 313.40 | (4.25) | 833.87 | 524.72 | 1.01 | - | (1.20) | - | (1.20) | - |
| 57 | GMR Londa Hydro Power Private Limited | 0.01 | (0.27) | 49.92 | 50.18 | - | - | (0.05) | - | (0.05) | - |
| 58 | GMR Kakinada Energy Private Limited | 0.01 | (0.01) | 4.44 | 4.44 | - | - | (0.01) | - | (0.01) | - |
| 59 | GMR Chhattisgarh Energy Limited | 2.00 | (2.57) | 1,235.12 | 1,235.68 | 6.81 | - | (1.82) | (0.01) | (1.81) | - |
| 60 | SJK Powergen Limited | 0.50 | 4.11 | 628.97 | 624.36 | 11.55 | - | (0.04) | - | (0.04) | - |
| 61 | GMR Maharashtra Energy Limited | 0.05 | (0.00) | 1.98 | 1.94 | - | - | (0.00) | - | (0.00) | - |
| 62 | GMR Hosur Energy Limited | 0.05 | (0.00) | 19.09 | 19.04 | - | - | (0.00) | - | (0.00) | - |
| 63 | GMR Uttar Pradesh Energy Private Limited | 0.01 | (0.00) | 0.13 | 0.12 | - | - | (0.00) | - | (0.00) | - |
| 64 | GMR Bundelkhand Energy Private Limited | 0.01 | (0.00) | 2.70 | 2.69 | - | - | (0.00) | - | (0.00) | - |
| 65 | GMR Gujarat Solar Power Private Limited | 0.01 | (0.01) | 12.22 | 12.22 | - | - | (0.00) | - | (0.00) | - |
| 66 | East Delhi Waste Processing Company Private Limited | 0.02 | (0.53) | 19.95 | 20.46 | - | - | (0.49) | - | (0.49) | - |
| 67 | GMR Renewable Energy Limited | 1,004.44 | (1.02) | 1,003.44 | 0.02 | - | - | (2.55) | - | (2.55) | - |
| 68 | GMR Indo Nepal Energy Links Limited | 0.05 | (0.00) | 0.15 | 0.10 | - | - | (0.00) | - | (0.00) | - |
| 69 | Maru Transmission Service Company Limited | 0.05 | (0.89) | 3.47 | 4.31 | - | - | (0.01) | - | (0.01) | - |
| 70 | Aravali Transmission Service Company Limited | 0.05 | (0.49) | 1.46 | 1.90 | - | - | (0.01) | - | (0.01) | - |
| 71 | GMR Indo Nepal Power Corridors Limited | 0.05 | (0.00) | 0.20 | 0.15 | - | - | (0.00) | - | (0.00) | - |
| 72 | GMR Rajahmundry Energy Limited | 493.50 | (2.80) | 2,311.73 | 1,821.03 | 13.31 | - | (2.29) | - | (2.29) | - |
| 73 | GMR Ulundurpet Expressways Private Limited | 344.17 | (53.19) | 978.68 | 687.70 | 5.48 | 69.01 | (20.43) | 0.01 | (20.44) | - |
| 74 | GMR Pochanpalli Expressways Limited | 182.50 | 10.61 | 829.89 | 636.78 | 4.88 | 108.36 | 6.24 | 1.26 | 4.98 | - |
| 75 | GMR Jadcherla Expressways Private Limited | 197.00 | (25.99) | 497.60 | 326.59 | 13.54 | 51.19 | (3.06) | - | (3.06) | - |
| 76 | GMR Ambala Chandigarh Expressways Private Limited | 216.59 | (81.80) | 577.74 | 442.95 | 0.73 | 21.71 | (27.19) | 0.00 | (27.19) | - |
| 77 | GMR Tuni-Anakapalli Expressways Private Limited | 1.00 | 70.05 | 384.20 | 313.15 | 1.39 | 58.97 | 9.48 | 1.97 | 7.51 | - |
| 78 | GMR Tambaram Tindivanam Expressways Private Limited | 1.00 | 127.04 | 536.69 | 408.65 | 2.22 | 81.00 | 20.19 | 4.06 | 16.13 | - |
| 79 | GMR Hyderabad Vijayawada Expressways Private Limited | 205.00 | (2.48) | 1,018.41 | 815.89 | 11.21 | - | (2.37) | 0.11 | (2.48) | - |
| 80 | GMR Chennai Outer Ring Road Private Limited | 150.00 | 27.59 | 305.88 | 128.29 | - | - | (0.76) | 0.09 | (0.85) | - |
| 81 | GMR OSE Hungund Hospet Highways Private Limited | 230.00 | (1.27) | 491.42 | 262.70 | 62.59 | - | (1.26) | 0.01 | (1.27) | - |

Annexure 'B' to the Directors' Report: Statement pursuant to General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively of Ministry of Corporate Affairs, Government of India granting general exemption from compliance with Section 212 of the Companies Act, 1956. (contd.)

(Rs. in Crore)

| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|------|---|----------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| 82 | GMR Highways Limited | 411.00 | (14.09) | 967.86 | 570.45 | 15.70 | 11.27 | (10.82) | 0.61 | (11.43) | - |
| 83 | Himtal Hydro Power Company Private Limited (a) | 2.83 | 0.17 | 19.53 | 16.54 | - | - | (0.08) | 0.02 | (0.10) | - |
| 84 | GMR Upper Karnali Hydro Power Limited (a) | 0.94 | (0.32) | 30.59 | 29.97 | - | - | (0.22) | 0.01 | (0.23) | - |
| 85 | Karnali Transmission Company Private Limited (a) | 0.21 | (0.02) | 0.57 | 0.39 | - | - | (0.02) | - | (0.02) | - |
| 86 | Marsyangdi Transmission Company Private Limited (a) | 0.21 | (0.02) | 0.58 | 0.39 | - | - | (0.02) | - | (0.02) | - |
| 87 | GADL International Limited (b) | 0.11 | (3.06) | 5.07 | 8.01 | - | - | (3.12) | - | (3.12) | - |
| 88 | GMR Infrastructure (Mauritius) Limited (b) | 1,446.96 | (4.45) | 2,043.95 | 601.43 | - | 46.09 | 9.10 | - | 9.10 | - |
| 89 | GMR Infrastructure (Cyprus) Limited (b) | 0.03 | 44.97 | 1,712.06 | 1,667.05 | - | - | (1.02) | 0.19 | (1.21) | - |
| 90 | GMR International (Malta) Limited (b) | 0.01 | (0.45) | 1.04 | 0.34 | - | - | (0.29) | - | (0.29) | - |
| 91 | GMR Infrastructure (Global) Limited (b) | 1,505.83 | (0.95) | 1,505.20 | 0.32 | - | 0.46 | (0.53) | - | (0.53) | - |
| 92 | GMR Energy (Global) Limited (b) | 1,504.41 | (659.03) | 971.31 | 125.93 | 935.22 | 64.10 | (875.10) | - | (875.10) | - |
| 93 | GMR Energy Projects (Mauritius) Limited (b) | 0.05 | (0.11) | 4.59 | 4.65 | - | - | (0.11) | - | (0.11) | - |
| 94 | GADL (Mauritius) Limited (b) | 0.23 | (0.11) | 0.18 | 0.06 | - | - | (0.11) | - | (0.11) | - |
| 95 | GMR Energy (Mauritius) Limited (b) | 190.94 | (8.32) | 231.94 | 49.32 | - | - | (0.31) | 0.02 | (0.33) | - |
| 96 | GMR Energy (Cyprus) Limited (b) | 0.02 | 46.85 | 200.69 | 153.82 | - | - | (0.13) | - | (0.13) | - |
| 97 | GMR Energy (Netherlands) B.V. (b) | 0.11 | 62.09 | 307.20 | 245.00 | - | - | (11.00) | - | (11.00) | - |
| 98 | PT Dwikarya Sejati Utama (b) | 0.49 | (10.44) | 121.94 | 131.89 | - | - | (1.32) | 0.08 | (1.25) | - |
| 99 | PT Duta Sarana Internusa (b) | 2.15 | (12.25) | 120.80 | 130.90 | - | - | (2.74) | 0.08 | (2.67) | - |
| 100 | PT Barasentosa Lestari (b) | 5.18 | (5.70) | 119.47 | 119.99 | - | - | (1.46) | 0.08 | (1.39) | - |
| 101 | PT Unsoco (c) | 0.51 | 0.00 | 0.51 | - | - | - | 0.01 | - | 0.01 | - |
| 102 | GMR Holdings Overseas Spain SLU (d) | 0.50 | (0.50) | 0.92 | 0.92 | - | 0.75 | (0.12) | - | (0.12) | - |
| 103 | GMR Infrastructure Overseas Sociedad Limitada (d) | 0.02 | 169.04 | 172.44 | 3.39 | - | 255.35 | 248.94 | 58.64 | 190.31 | - |
| 104 | GMR Infrastructure (UK) Limited (e) | 36.51 | (36.52) | 57.26 | 57.27 | - | 53.17 | (8.73) | - | (8.73) | - |
| 105 | GMR Infrastructure (Singapore) PTE. Limited (f) | 247.48 | (4.26) | 351.85 | 108.62 | - | - | (3.09) | - | (3.09) | - |
| 106 | Island Power Intermediary PTE. Limited (f) | 52.12 | - | 52.12 | - | - | - | - | - | - | - |
| 107 | GMR Energy (Singapore) PTE. Limited (f) | 398.78 | 31.64 | 453.22 | 22.80 | - | 180.50 | 165.52 | - | 165.52 | - |
| 108 | GMR Supply (Singapore) PTE. Limited (f) | 0.00 | 0.00 | - | - | - | - | - | - | - | - |

Annexure 'B' to the Directors' Report: Statement pursuant to General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively of Ministry of Corporate Affairs, Government of India granting general exemption from compliance with Section 212 of the Companies Act, 1956. (contd.)

(Rs. in Crore)

| S.No | Subsidiary | Capital | Reserves | Total Assets | Total Liabilities | Investments* | Turnover | Profit before Taxation | Provision for Taxation | Profit after Taxation | Proposed Dividend |
|------|---|---------|----------|--------------|-------------------|--------------|----------|------------------------|------------------------|-----------------------|-------------------|
| 109 | GMR Infrastructure Investments (Singapore) PTE. Limited (f) | 0.00 | 0.00 | 0.00 | 0.00 | - | - | 0.00 | 0.00 | 0.00 | - |
| 110 | Homeland Mining and Energy Botswana@ (g) | 0.00 | (2.75) | 1.75 | 4.50 | 0.00 | - | (0.83) | - | (0.83) | - |
| 111 | Homeland Mining & Energy SA (Pty) Limited@ (h) | 0.00 | 5.64 | 280.73 | 275.09 | 10.22 | 1.59 | 14.26 | 4.75 | 9.51 | - |
| 112 | Homeland Coal Mining (Pty) Limited@ (h) | 0.00 | 11.42 | 62.62 | 51.20 | 0.00 | - | 2.58 | 0.32 | 2.26 | - |
| 113 | Corpco 331 (Pty) Limited@ (h) | 0.00 | (3.59) | 2.29 | 5.88 | - | - | (0.41) | 0.10 | (0.51) | - |
| 114 | Ferret Coal Holdings (Pty) Limited@ (h) | 0.00 | 0.00 | 0.00 | - | 0.00 | - | - | - | - | - |
| 115 | Ferret Coal (Kendal) (Pty) Limited@ (h) | 0.00 | (71.56) | 215.21 | 286.77 | - | 143.33 | (43.30) | 11.24 | (54.54) | - |
| 116 | Wizard Investments (Pty) Limited @ | 0.00 | 0.00 | 0.00 | 0.00 | - | - | 0.00 | 0.00 | 0.00 | - |
| 117 | Homeland Energy (Swaziland) (Pty) Limited@ | 0.00 | 0.00 | 0.00 | 0.00 | - | - | 0.00 | 0.00 | 0.00 | - |
| 118 | Manoka Mining (Pty) Limited@ (h) | 0.00 | (0.00) | - | - | - | - | - | - | - | - |
| 119 | Homeland Energy Group Limited @ (i) | 437.91 | (71.62) | 499.69 | 133.40 | - | - | (6.95) | - | (6.95) | - |
| 120 | Homeland Energy Corp@ (i) | 196.31 | (133.60) | 198.69 | 135.98 | - | - | 3.93 | - | 3.93 | - |

Notes:

- The annual accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the Company and the subsidiary companies seeking such information at any point of time.
The annual accounts of the subsidiary companies will also be kept for inspection by any member in the registerd office and that of the subsidiary companies concerned.
- * Investments except investment in Subsidiaries.
- @These companies financial statements are for the period ended on and as at December 31, 2010.
- The Ministry of Corporate Affairs, Government of India vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance of Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the Circulars. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.
- Wizard Investments (Pty) Limited and Homeland Energy (Swaziland) (Pty) Limited are under liquidation.
- Details of reporting currency and the rate used in the preparation of consolidated financial statements.

| Reporting Currency Reference | For Conversion | | |
|------------------------------|----------------|-----------------------|-----------------------|
| | Currency | Average Rate (in Rs.) | Closing Rate (in Rs.) |
| a | NPR | 1.60 | 1.60 |
| b | USD | 46.09 | 45.14 |
| c | IDR | 0.0896 | 0.505 |
| d | Euro | 60.51 | 62.62 |
| e | GBP | 70.65 | 72.87 |
| f | SGD | 33.99 | 35.79 |
| g | BWP | 6.63 | 6.68 |
| h | ZAR | 6.32 | 6.57 |
| i | CAD | 44.63 | 45.87 |

Annexure 'C' to the Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, as amended and forming part of the Directors' Report for the year ended March 31, 2011.

1. Conservation of energy and technology absorption:

Since the Company is not engaged in any manufacturing activity, the particulars are not applicable.

2. Foreign exchange earnings and outgo in foreign exchange during the period:

The particulars relating to foreign exchange earnings and outgo during the period are:

i. The Foreign Exchange earnings during the year:

(Amount in Rupees)

| Particulars | 2011 | 2010 |
|-----------------|------------|------|
| Interest income | 72,338,517 | - |

ii. The details of Foreign Exchange outgo are as shown below:

(Amount in Rupees)

| Particulars | Year ending March 31, 2011 | Year ending March 31, 2010 |
|--------------------------------------|----------------------------|----------------------------|
| Professional and Consultancy charges | 161,370,071 | 11,062,034 |
| Meetings & Seminars | 2,226,226 | - |
| Rates & Taxes | 1,304,000 | - |
| Traveling expenses | 339,978 | 5,209,470 |
| Others | 1,694,213 | 1,491,836 |
| Total | 166,934,488 | 17,763,340 |

Place: Bengaluru
Date : May 30, 2011

For and on behalf of the Board
Sd/-
G. M. Rao
Executive Chairman