

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 1 SHARE CAPITAL	March 31, 2010	March 31, 2009
Authorised		
7,500,000,000 (2009: 3,750,000,000 equity shares of Rs. 2 each) equity shares of Re. 1 each	7,500,000,000	7,500,000,000
	7,500,000,000	7,500,000,000
Issued, Subscribed and Paid up		
3,667,354,392 (2009: 1,820,658,088 equity shares of Rs. 2 each) equity shares of Re. 1 each fully paid	3,667,354,392	3,641,316,176
Notes:		
Of the above,		
(i) 1,057,747,230 (2009: 528,873,615 equity shares of Rs. 2 each) equity shares of Re. 1 each fully paid-up were allotted during the year ended March 31, 2006, by way of bonus shares by capitalising free reserves of the Company.		
(ii) 2,725,850,824 (2009: 1,362,523,238 equity shares of Rs.2 each) equity shares of Re. 1 each fully paid-up are held by the Holding Company GMR Holdings Private Limited.		
	3,667,354,392	3,641,316,176
Less: Calls unpaid - others	2,750	2,750
Total	3,667,351,642	3,641,313,426
Notes:		
(1): Refer Note 13(iii) of Schedule 18 on sub division of one equity share of the Company carrying face value of Rs.2 each into 2 equity shares of Re.1 each during the year ended March 31, 2010		
(2): Refer Note 6 of Schedule 18 for details of additional issue of shares during the year to Infrastructure Development Finance Corporation Limited Infrastructure Fund for consideration other than cash.		

(Amount in Rupees)

Schedule 2 RESERVES AND SURPLUS	March 31, 2010	March 31, 2009
Securities Premium Account		
At the commencement of the year	50,708,036,118	50,708,200,535
Add: Received on issue of shares (Refer Note 6 of Schedule 18)	1,471,159,204	-
Less: Utilised towards Debenture/Share issue expenses	196,240,713	287,782
Less: Utilised towards provision for debenture redemption premium	57,534,246	-
Add: Received against calls unpaid	-	123,365
	(i) 51,925,420,363	50,708,036,118
Debenture Redemption Reserve		
At the commencement of the year	162,500,000	200,000,000
Less: Transfer to Profit and Loss Account on redemption	162,500,000	37,500,000
Add: Transferred from Profit and Loss Account	32,652,013	-
	(ii) 32,652,013	162,500,000
Profit and Loss Account	(iii) 2,774,772,002	2,510,401,792
Total (i)+(ii)+(iii)	54,732,844,378	53,380,937,910

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 3 SECURED LOANS	March 31, 2010	March 31, 2009
Debentures		
Nil (2009: 650) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	-	650,000,000
(These debentures bear interest at the rate of 11.93% per annum (10.40% upto September 30, 2008) and were repayable in 3 equal annual installments of Rs 15 crores each, starting from September 2009 and later 3 equal annual installment of Rs 6.66 crores each. All debentures were redeemed during the year. These debentures were secured by immovable property of the Company and further secured by margin money deposit)		
Bank Overdraft	-	803,010,883
(Secured by pledge of Nil (2009: 5,000,000) fully paid-up equity shares of Rs.10 each of GMR Industries Limited, held by GMR Holdings Private Limited and by way of guarantee issued by GMR Holdings Private Limited)		
Term Loan		
Rupee Loan		
From a Financial Institution - Life Insurance Corporation of India	12,750,000,000	2,750,000,000
a) Secured by pledge of 160,546,832 (2009: 80,273,416 equity shares of Rs. 2 each) fully paid-up equity shares of Re. 1 each of GMR Infrastructure Limited, held by GMR Holdings Private Limited and by way of guarantee issued by GMR Holdings Private Limited.		
b) Rs.10,000,000,000 (2009: Nil) further secured by exclusive charge on Barge mounted power plant of a Subsidiary Company		
Total	12,750,000,000	4,203,010,883

(Amount in Rupees)

Schedule 4 UNSECURED LOANS	March 31, 2010	March 31, 2009
Short Term		
From banks	8,000,000,000	-
Other than Short Term		
Debentures		
5,000 (2009: Nil) 0% Unsecured, Redeemable, Non-Convertible Debentures of Rs. 1,000,000 each	5,000,000,000	-
(These debentures are redeemable at a premium yielding 14% p.a. in 5 annual installments starting from April 2011)		
Total	13,000,000,000	-

Schedules forming part of Balance Sheet as at March 31, 2010
 Schedule 5 - Fixed Assets

(Amount in Rupees)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions	Deletions	As at March 31, 2010	As at April 1, 2009	For the year	Deletions	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Freehold land	835,700	-	-	835,700	-	-	-	-	835,700	835,700
Office equipment	3,947,893	22,568,483	-	26,516,376	1,374,467	1,169,458	-	2,543,925	23,972,451	2,573,426
Computer equipments	4,882,208	57,165,034	185,530	61,861,712	4,361,671	5,730,000	17,625	10,074,046	51,787,666	520,537
Plant and machinery	-	136,251,843	-	136,251,843	-	1,127,493	-	1,127,493	135,124,350	-
Furniture and fixtures	3,503,367	4,204,408	-	7,707,775	1,887,126	349,715	-	2,236,841	5,470,934	1,616,241
Vehicles	3,430,030	18,274,436	-	21,704,466	844,062	986,273	-	1,830,335	19,874,131	2,585,968
Total	16,599,198	238,464,204	185,530	254,877,872	8,467,326	9,362,939	17,625	17,812,640	237,065,232	8,131,872
Previous Year	17,100,604	3,164,530	3,665,936	16,599,198	10,324,611	1,085,519	2,942,804	8,467,326		
Capital work in progress *									84,779,701	-
									321,844,933	8,131,872

* Includes capital advances Rs.49,580,981 (2009: Nil) unsecured and considered good

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 6 INVESTMENTS	March 31, 2010	March 31, 2009
I. Long term - At cost		
Other than Trade - Unquoted		
A. In Equity Shares of Subsidiary Companies fully paid		
- Indian Companies		
GMR Energy Limited @ [703,178,306 (2009: 586,914,708) equity shares of Rs. 10 each]	10,008,414,272	3,962,707,176
GMR Hyderabad International Airport Limited @ [238,139,998 (2009: 238,139,995) equity shares of Rs. 10 each]	2,381,399,980	2,381,399,950
GMR Pochanpalli Expressways Limited (formerly GMR Pochanpalli Expressways Private Limited) @ [57,132,000 (2009: 124,200,000) equity shares of Rs. 10 each]	571,320,000	1,242,000,000
GMR Jadcherla Expressways Private Limited @ [48,779,550 (2009: 106,042,500) equity shares of Rs. 10 each]	487,795,500	1,060,425,000
GMR Ambala Chandigarh Expressways Private Limited @ [23,272,687 (2009: 45,632,720) equity shares of Rs. 10 each]	232,726,870	456,327,200
Delhi International Airport Private Limited @ [420,000,000 (2009: 373,200,000) equity shares of Rs. 10 each]	4,741,697,470	3,732,000,000
GMR Ulundurpet Expressways Private Limited @ [82,282,500 (2009: 178,875,000) equity shares of Rs. 10 each]	822,825,000	1,788,750,000
GMR (Badrinath) Hydro Power Generation Private Limited [4,900 (2009: 4,900) equity shares of Rs. 10 each]	49,000	49,000
GMR Airports Holding Private Limited (formerly GVL Investments Private Limited) [340,869,304 (2009: 10,995,784) equity shares Rs. 10 each]	6,798,260,750	6,798,262,400
GMR Aviation Private Limited [86,440,000 (2009: 86,440,000) equity shares of Rs. 10 each]	864,400,000	864,400,000
Gateways for India Airports Private Limited [8,649 (2009: 3,784) equity shares of Rs. 10 each]	86,490	37,840
GMR Kamalanga Energy Limited [Nil (2009: 100) equity shares of Rs. 10 each]	-	1,000
GMR Krishnagiri SEZ Limited [117,500,000 (2009: 117,500,000) equity shares of Rs. 10 each]	1,175,000,000	1,175,000,000
GMR SEZ & Port Holdings Private Limited (formerly GMR Oil & Natural Gas Private Limited) [49,999 (2009: 9,999) equity shares of Rs. 10 each]	499,990	99,990
GMR Highways Limited (formerly GMR Highways Private Limited) [17,850,000 (2009: 1,975,000) equity shares of Rs. 10 each]	178,500,000	19,750,000
GMR Hyderabad Vijaywada Expressways Private Limited [7,400 (2009: Nil) equity shares of Rs. 10 each]	74,000	-
GMR Corporate Affairs Private Limited [4,999,900 (2009: Nil) equity shares of Rs. 10 each]	49,999,000	-
GMR Chennai Outer Ring Road Private Limited [3,100 (2009: Nil) equity shares of Rs. 10 each]	31,000	-
GMR Energy Trading Limited [42,119,897 (2009: Nil) equity shares of Rs. 10 each]	421,198,970	-
Dhruvi Securities Private Limited [2,849,490 (2009: Nil) equity shares of Rs. 10 each]	141,674,910	-
GMR OSE Hungund Hospet Highways Private Limited [5,100 (2009: Nil) equity shares of Rs. 10 each]	51,000	-

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 6 INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
- Body Corporates		
GMR Energy (Mauritius) Limited [5 (2009: 5) equity share of USD 1 each]	202	202
GMR Infrastructure (Mauritius) Limited [220,550,001 (2009: 156,550,001) equity share of USD 1 each]	10,285,016,500	7,175,661,500
B. In Equity Shares of Joint Venture		
Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım Ve İşletme Anonim Şirketi @ [86,984,800 (2009: 51,108,925) equity shares of YTL 1 each]	2,667,559,592	1,570,061,222
Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri Anonim Şirketi @ [4,300 (2009: 3,502) equity shares of YTL 100 each]	12,743,830	10,317,420
(i)	41,841,324,326	32,237,249,900
C. In Preference Shares of Subsidiary Companies - fully paid		
GMR Energy Limited [386,852,522 (2009: 838,142,971) 1% preference shares of Rs. 10 each]	3,868,525,220	8,381,429,710
GMR Pochanpalli Expressways Limited (formerly GMR Pochanpalli Expressways Private Limited) [4,450,000 (2009: Nil) 8% preference shares of Rs. 100 each]	445,000,000	-
GMR Jadcherla Expressways Private Limited [5,310,000 (2009: Nil) 8% preference shares of Rs. 100 each]	531,000,000	-
GMR Ambala Chandigarh Expressways Private Limited [66,000 (2009: Nil) 8% preference shares of Rs. 100 each]	6,600,000	-
GMR Ulundurpet Expressways Private Limited [10,002,000 (2009: Nil) 8% preference shares of Rs. 100 each]	1,000,200,000	-
GMR Highways Limited (formerly GMR Highways Private Limited) [34,364,000 (2009: Nil) 8% preference shares of Rs. 100 each]	3,436,400,000	-
(ii)	9,287,725,220	8,381,429,710
D. In Debentures of Subsidiary Company		
GMR Krishnagiri SEZ Limited [200 (2009: Nil) 1% Cumulative optionally convertible debentures of Rs. 10,000,000 each]	2,000,000,000	-
(iii)	2,000,000,000	-
E. In Equity Shares of Other Body Corporate - fully paid		
GMR Holding (Malta) Limited @ [58 (2009: 58) equity shares of EUR 1 each]	3,924	3,924
(iv)	3,924	3,924
@ -Refer Note 8 of Schedule 18 for details of investments pledged as security in respect of the loans availed by the company and the investee companies		
II. Current Investment - Lower of Cost and Fair value		
Other than Trade - Unquoted		
A. Investments in Certificate of Deposits (CD)		
CD- Allahabad Bank [5,000 (2009: Nil) Units of Rs. 100,000 each]	487,033,500	-
CD- Canara Bank [2,500 (2009: Nil) Units of Rs. 100,000 each]	235,692,000	-
CD- Canara Bank [7,500 (2009: Nil) Units of Rs. 100,000 each]	731,111,250	-

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 6 INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
CD- Canara Bank [25,000 (2009:Nil) Units of Rs. 100,000 each]	2,395,812,500	-
CD- Central Bank of India [2,500 (2009:Nil) Units of Rs. 100,000 each]	249,704,750	-
CD- Punjab National Bank [2,500 (2009:Nil) Units of Rs. 100,000 each]	235,090,750	-
CD- State Bank of Bikaner & Jaipur [2,500 (2009:Nil) Units of Rs. 100,000 each]	235,583,500	-
CD- State Bank of Bikaner & Jaipur [2,500 (2009:Nil) Units of Rs. 100,000 each]	249,106,750	-
CD- Union Bank of India [1,500 (2009:Nil) Units of Rs. 100,000 each]	141,179,700	-
CD- Corporation Bank [2,000 (2009:Nil) Units of Rs. 100,000 each]	199,657,400	-
	(v) 5,159,972,100	-
B. Investments in Mutual Funds		
ICICI Prudential Flexible Income Plan Premium Growth [6,321,876 (2009:Nil) Units of Rs. 100 each]	1,082,476,079	-
ICICI Prudential Liquid Super Institutional Plan - Growth [11,842,120 (2009:Nil) Units of Rs. 100 each]	1,611,189,063	-
HDFC Cash Management Fund - Treasury Advantage Plan - Growth [4,459,889 (2009:Nil) Units of Rs. 10 each]	90,011,708	-
Birla Sunlife Cash Plus Institutional Premium Growth [98,652,723 (2009:Nil) Units of Rs. 10 each]	1,452,256,863	-
	(vi) 4,235,933,713	-
Total (i)+(ii)+(iii)+(iv)+(v)+(vi)	62,524,959,283	40,618,683,534

(Amount in Rupees)

Schedule 7 INVENTORIES	March 31, 2010	March 31, 2009
Raw material	1,467,462	-
Contract work in progress	125,341,127	-
Total	126,808,589	-

(Amount in Rupees)

Schedule 8 SUNDRY DEBTORS	March 31, 2010	March 31, 2009
(Unsecured, considered good)		
a) Debts outstanding for a period exceeding six months	-	-
b) Other debts	373,515,770	-
Total	373,515,770	-

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 9 CASH AND BANK BALANCES	March 31, 2010	March 31, 2009
Cash on hand	208,157	-
Balances with scheduled banks		
- On current accounts (Note 1)	85,098,388	1,464,084,890
- On deposit accounts (Note 2 and 3)	600,000,000	11,770,497,468
- On margin money accounts (Note 4)	-	84,575,318
Total	685,306,545	13,319,157,676

Notes:

1. Includes share application money pending refund Rs. 526,322 (2009: Rs. 507,055)
2. Includes deposit of Rs. 100,000,000 (2009: Nil) on which charge has been created for working capital facility
3. Includes deposit of Rs. Nil (2009: Rs. 650,000,000) which has been offered as security in favour of debenture holders
4. The Margin money deposits were towards Bank Guarantees issued by the bankers on behalf of the Company

(Amount in Rupees)

Schedule 10 OTHER CURRENT ASSETS	March 31, 2010	March 31, 2009
(Unsecured, considered good)		
Interest accrued but not due		
- On loan to subsidiaries	28,000,155	-
- On fixed deposits with banks	535,767	57,969,224
Total	28,535,922	57,969,224

(Amount in Rupees)

Schedule 11 LOANS AND ADVANCES	March 31, 2010	March 31, 2009
(Unsecured and considered good, unless otherwise stated)		
Loans to subsidiaries	10,000,000,000	-
Advance towards investments in subsidiaries	10,517,330,639	6,848,357,513
Advances recoverable in cash or in kind or for value to be received*		
- Considered good	109,488,783	151,343,818
- Considered doubtful	-	60,000,000
Balances with customs, excise etc.	71,305,245	-
MAT credit entitlements	44,060,630	-
Advance tax (Net of provisions)	130,619,255	43,769,537
Deposits - others	20,291,051	358,605,400
	20,893,095,603	7,462,076,268
Less: Provision for doubtful advance	-	(60,000,000)
Total	20,893,095,603	7,402,076,268

* Includes dues from the Directors Rs. 12,289,000 (2009: Rs. Nil) and maximum amount outstanding during the year Rs.12,289,000 (2009: Rs. Nil), Refer note 19 of Schedule 18

Schedules forming part of Balance Sheet as at March 31, 2010

(Amount in Rupees)

Schedule 12 CURRENT LIABILITIES AND PROVISIONS	March 31, 2010	March 31, 2009
A) Liabilities		
Sundry creditors		
Dues to micro and small enterprises [Refer Note 17 of Schedule 18]	-	-
Dues to other than micro and small enterprises	370,317,760	74,880,154
Share application money pending refund #	526,322	507,055
Advance from customers	156,500,000	-
Interest accrued but not due on loans	150,684,918	79,863,000
Other liabilities	23,553,884	19,225,703
	701,582,884	174,475,912
# There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
B) Provisions		
Provision for employee benefits	45,055,409	8,436,901
Provision for debenture redemption premium	57,534,247	-
	102,589,656	8,436,901
Total	804,172,540	182,912,813

Schedules forming part of Profit and Loss Account for the year ended March 31, 2010

(Amount in Rupees)

Schedule 13 OPERATING INCOME	March 31, 2010	March 31, 2009
Contract revenue	683,611,256	-
Dividend from current investments	-	1,077,343,110
Profit on sale of current investments (net)	170,352,598	-
Income from management technical services	372,740,284	-
Interest income - Gross		
- Deposits and Bonds	300,906,445	508,659,338
- Loans to subsidiaries	165,972,603	6,001,096
[Tax deducted at source Rs.54,428,160 (2009: Rs. 63,698,161)]		
Total	1,693,583,186	1,592,003,544

(Amount in Rupees)

Schedule 14 OTHER INCOME	March 31, 2010	March 31, 2009
Provisions/ Liabilities no longer required, written back [Net of advances written off Rs 56,964,414 (2009: Rs. Nil)]	3,035,586	-
Gain on foreign exchange fluctuations (net)	-	53,374,575
Miscellaneous income	91,169,949	4,807,942
Total	94,205,535	58,182,517

Schedules forming part of Profit and Loss Account for the year ended March 31, 2010

(Amount in Rupees)

Schedule 15 OPERATING EXPENSES	March 31, 2010	March 31, 2009
Construction cost	305,611,341	-
Salaries, allowances and benefits to employees - Contract Expenses	243,137,196	-
	548,748,537	-
Less: Closing contract work in progress	125,341,127	-
Total	423,407,410	-

(Amount in Rupees)

Schedule 16 ADMINISTRATION AND OTHER EXPENDITURE	March 31, 2010	March 31, 2009
Salaries, allowances and benefits to employees	121,477,625	90,314,064
Contribution to provident fund and others	22,448,587	10,904,030
Staff welfare expenses	16,298,599	23,544
Bidding charges	27,367,048	-
Lease rent and hire charges	17,869,727	-
Rates and taxes	41,224,362	17,897,076
Repairs and maintenance - others	35,782,867	293,171
Insurance	1,117,413	586,902
Consultancy and professional charges	119,965,108	74,189,969
Directors' sitting fees	1,450,000	1,080,000
Provision for doubtful advances	-	60,000,000
Travelling and conveyance	39,839,637	31,048,355
Communication expenses	7,408,051	986,088
Loss on foreign exchange fluctuations (net)	11,881,841	-
Loss on sale of current investment (other than trade)	-	36,064,690
Fixed assets written off	-	723,136
Advertisement and business promotion	14,068,910	8,639,099
Printing, stationery, postage and telegram	27,772,238	17,902,077
Meetings and seminars	9,990,289	11,078,784
Donations	6,289,842	6,595,000
Loss on sale of fixed assets	39,978	-
Miscellaneous expenses	5,200,505	2,960,324
Total	527,492,627	371,286,309

(Amount in Rupees)

Schedule 17 FINANCE CHARGES	March 31, 2010	March 31, 2009
Interest on fixed period loans	578,821,917	141,588,016
Interest on debentures	55,008,740	80,380,247
Interest - others	4,251,375	8,634,439
Bank and other finance charges	53,066,947	7,321,659
Total	691,148,979	237,924,361

Notes forming part of Accounts

Schedule 18 | Statement on Significant Accounting Policies and Notes to the Accounts

1. Background

GMR Infrastructure Limited ('GIL' or 'the Company') carries its business in the following verticals:

Engineering Procurement Construction

The Company is engaged in handling Engineering Procurement Construction (EPC) solutions in the infrastructure sector.

Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

2. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company.

3. Significant Accounting Policies

a. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Construction revenue and costs are recognized by reference to the stage of completion of the construction activity at the Balance Sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction costs incurred if it is probable that they will be recoverable. In the case of contracts with defined milestones and assigned price for each milestone, it recognizes revenue on transfer of significant risks and rewards which coincides with achievement of milestone and its acceptance by its customer. Provision is made for all losses incurred to the Balance Sheet date. Any further losses that are foreseen in bringing contracts to completion are also recognised.

Dividend income on investments is accounted for when the right to receive the payment is established by the Balance Sheet

date. Dividends from subsidiaries are recognized even if same are declared after the Balance Sheet date but pertain to period on or before the date of Balance Sheet as per the requirement of schedule VI of the Companies Act, 1956.

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

Interest on investments and bank deposits are recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

c. Fixed Assets

Fixed Assets are stated at cost of acquisition, less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price and freight, duties, levies and all other incidentals attributable to bringing the asset to its working condition for its intended use.

Assets under installation or under construction and the related advances as at the Balance Sheet date are shown as capital work in progress.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till the period such assets are ready to be put to use. A qualifying asset is one that takes substantial period of time to get ready for its intended use or sale. Other borrowing costs not attributable to the acquisition of any capital asset or investments are recognized as expenses in the period in which they are incurred.

d. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

e. Depreciation

Depreciation is provided on straight line method at the rates specified under Schedule XIV to the Act, which is estimated by the management to be the estimated useful lives of the assets. Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

f. Impairment of Assets

All the fixed assets are assessed for any indication of impairment at the end of each financial year based on internal and external factors. On such indication, the impairment (being the excess of

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

carrying value over the recoverable value of the asset) is charged to the profit and loss account in the respective financial year. Recoverable amount is higher of the net selling price of an asset and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

g. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost less provision made to recognize any decline, other than temporary, in the value of such investments. Current investments are valued at cost or fair value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition.

h. Inventories

Inventories of raw materials are valued at lower of cost and net realizable value. Cost of raw materials is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work-in-progress comprising construction costs and other directly attributable overheads are valued at cost.

i. Employee Benefits

a) Defined contribution plans

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund are recognised as expenses during the period in which the employees perform the services that the payments cover.

The Company also has a defined contribution superannuation plan (under a scheme of Life Insurance Corporation of India) covering all its employees and contributions in respect of such scheme are charged during the period in which the employees perform the services that the payments cover.

The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

b) Defined benefit plan

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognized in the Profit and Loss account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation, based on Projected Unit Credit Method at the Balance Sheet date, carried out by an independent actuary. Actuarial gains and losses comprise experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the Profit and Loss account as income or expense.

c) Other long term employee benefits

Compensated absences which are not expected to occur

within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date based on actuarial valuation method of Projected Unit Credit carried out at each Balance Sheet date. Actuarial gains and losses are recognized immediately in the Profit and Loss Account as income or expense.

d) Short term employee benefits

Short term employee benefits including compensated absences as at the Balance Sheet date are recognized as an expense as per the Company's schemes based on the expected obligation on an undiscounted basis.

j. Foreign Currency Transactions

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before 31st March, 2011.

All other monetary assets and liabilities denominated in foreign currency are restated at the closing rates at the year end and all exchange gains/losses arising there from are adjusted to the Profit and Loss account except, those covered by forward contracted rates, where the premium or discount arising at the inception of such forward exchange contract is amortized as expense or income over the life of the contract.

k. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

I. Taxes On Income

Tax expense comprises of current and deferred tax. Current tax is determined based on the amount of tax payable in respect of taxable income for the year in accordance with the Income Tax Act, 1961 enacted in India. Deferred tax is recognized on timing differences, being the difference between the taxable income and the accounting income that originate in one year and are capable of reversal in one or more subsequent years.

Deferred tax assets and liabilities are computed on the timing differences applying the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the

Company will pay normal income tax during the specified period.

m. Segment Reporting Policies

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

n. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

o. Cash and Cash Equivalents

Cash for the purposes of cash flow statement comprise cash in hand and at Bank (including deposits) and cash equivalents comprise of short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p. Shares/ Debentures Issue Expenses and Premium on Redemption

Shares/ Debentures issue expenses incurred are expensed in the year of issue and redemption premium payable on preference shares/ debentures, expensed over the term of preference shares/ debentures. Both are adjusted to the Securities Premium Account as permitted by Section 78(2) of the Companies Act, 1956.

q. Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and to the extent not provided for, are disclosed by way of notes on the accounts.

4. Contingent Liabilities:

Corporate Guarantees issued in respect of borrowings availed by subsidiary companies and others – Rs. 89,766,300,000 (2009: Rs. 71,001,000,000).

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

The Company, through its step-down subsidiary GMR Energy (Global) Limited (G EGL), has entered into arrangements to acquire 50% equity stake in InterGen NV by means of Compulsorily Convertible Debentures (CCDs) in GMR Holding (Malta) Limited ('GHML'), a fellow subsidiary company, aggregating to USD 254 Million. InterGen NV is a global energy company, which operates 8,146 MW capacity across five countries in four continents and is further developing 4,400 MW.

The Company has also given a corporate guarantee up to a maximum of USD 1.38 billion to the lenders on behalf of GHML to enable it to raise debt for financing the aforesaid acquisition. Of such debts in GHML, USD 837 million is due to mature in October 2010. Subsequent to the year end, the Company, through G EGL, has invested additional USD 100 million in the CCDs issued by GHML to facilitate part repayment of the said loan.

GHML's non statutory consolidated financial statements for the period ended December 31, 2009, prepared under International Financial Reporting Standards (IFRSs) as adopted by European Union, show a loss of USD 130.90 million (March 31, 2009 – USD 54.60 million) and its total liabilities exceeded total assets by USD 159.3 million (2009 – USD 62.2 million). This loss was primarily due to the share of losses of the GHML's investment through its subsidiary in associate InterGen N.V. of USD 77.5 million as well as finance costs of USD 51.7 million. Though InterGen incurred a loss for the year ended December 31, 2009, it has generated an operating cash flow of USD 91 million (December 31, 2008 – USD 113 million) and its accounts continue to be prepared on a going concern basis. Further, subsequent to the year end, GHML has implemented new holding company structure to facilitate cash inflows from InterGen NV. Subsequent to the year-end, GHML has received distribution of cash amounting to USD 32.5 million from InterGen NV.

GHML is in advanced stages of negotiation to refinance USD 537 million through a consortium of banks which is expected to be finalised in June 2010 and is also in the process of refinancing the balance of USD 200 million with other lenders. To this end, GMR Holdings Private Limited, the ultimate holding company, has also undertaken to provide the necessary financial guarantees to meet any obligations.

Considering the above and the equity value of InterGen NV, Corporate Guarantee to the lenders on behalf of GHML is considered for disclosure as Contingent Liability as above, the management does not envisage any adverse financial implication on account of the above said corporate guarantee.

5. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances Rs. 83,686,592 (2009: Rs. Nil).

6. During the year, 46,800,000 equity shares of Rs.10 each of Delhi International Airport Private Limited (DIAL) were acquired from Infrastructure Development Finance Corporation Limited Infrastructure Fund - India Development Fund at a consideration

of Rs. 1,497,197,420 which was discharged by allotment of 26,038,216 equity shares of GIL of Re.1 each at issue price of Rs. 57.50 per equity share (including Rs. 56.50 per equity share towards share premium). Consequently, the effective share holding of the Company in DIAL has increased to 53.79%.

7. Employee Benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the Profit and Loss account and the funded status and amounts recognised in the Balance Sheet for gratuity benefit.

Profit and Loss Account

(Amount in Rupees)

Net employee benefit expense	2010	2009
Current service cost	645,961	362,157
Interest cost on benefit obligation	45,514	15,910
Expected return on plan assets	(902,113)	(52,927)
Net actuarial(gain) / loss recognised	(692,721)	(27,164)
Past service cost	349,364	-
Net benefit expense	(553,995)	297,976

(Amount in Rupees)

Actual return on plan assets	1,453,438	62,189
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Balance sheet

(Amount in Rupees)

	2010	2009
Defined benefit obligation	22,179,823	568,931
Fair value of plan assets	22,179,823	723,778
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	-	154,847

Changes in the present value of the defined benefit obligation:

(Amount in Rupees)

	2010	2009
Opening defined benefit obligation	568,931	227,290
Interest cost	45,514	15,910
Current service cost	645,961	362,157
Past service cost	349,364	-
Benefits paid	-	-
Adjusted on transfer	20,711,449	-
Actuarial (gains) / losses on obligation	(141,396)	(36,426)
Closing defined benefit obligation	22,179,823	568,931

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Changes in the fair value of plan assets are as follows:

(Amount in Rupees)

	2010	2009
Opening fair value of plan assets	723,778	661,589
Expected return	902,113	71,451
Contributions by employer	85,625	-
Benefits paid	-	-
Actuarial gains / (losses) on plan assets	551,325	(9,262)
Adjusted on transfer	19,916,982	-
Closing fair value of plan assets	22,179,823	723,778

The Company expects to contribute Rs. 1,000,000 (2009: Rs. 1,000,000) towards gratuity fund in 2010-2011.

The major category of plan assets as a percentage of the fair value of total plan assets are as follows:

	2010	2009
	%	%
Investments with insurer managed funds	100	100

The principal assumptions used in determining gratuity obligation:

	2010	2009
	%	%
Discount rate	8	7
Expected rate of return on assets	8	8
Expected rate of salary increase	6	6
Employee turnover	5	5

Notes :

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

Amounts for the current and prior periods are as follows:

(Amount in Rupees)

	Gratuity		
	2010	2009	2008
Defined benefit obligation	22,179,823	568,931	227,290
Plan assets	22,179,823	723,778	661,589
Surplus / (deficit)	-	154,847	434,299
Experience adjustments on plan liabilities	(141,396)	(36,426)	(25,875)
Experience adjustments on plan assets	551,325	(9,262)	7,869

Liability towards compensated absence is provided based on actuarial valuation amounts to Rs.34,069,068 (2009: Rs. 7,867,970) as at March 31, 2010.

8. The following long term unquoted investments included in Schedule 6 have been pledged/subjected to negative lien/frozen by the Company towards borrowings of the Company or the investee companies:

(Amount in Rupees)

Description	No of shares	Carrying Value as at March 31, 2010
GMR Energy Limited	-	-
(Equity shares of Rs.10 each fully paid up)	(32,607,413)	(220,157,423)
GMR Hyderabad International Airport Limited	164,149,015	1,641,490,150
(Equity shares of Rs.10 each fully paid up)	(151,080,552)	(1,510,805,520)
GMR Pochanpalli Expressways Limited (formerly GMR Pochanpalli Expressways Private Limited)	-	-
(Equity shares of Rs.10 each fully paid up)	(37,260,000)	(372,600,000)
GMR Jadcherla Expressways Private Limited	-	-
(Equity shares of Rs.10 each fully paid up)	(31,812,750)	(318,127,500)
GMR Ambala Chandigarh Expressways Private Limited	23,272,687	232,726,870
(Equity shares of Rs.10 each fully paid up)	(23,272,687)	(232,726,870)
GMR Ulundurpet Expressways Private Limited	-	-
(Equity shares of Rs.10 each fully paid up)	(53,662,500)	(536,625,000)
Delhi International Airport Private Limited	93,166,904	931,669,040
(Equity shares of Rs.10 each fully paid up)	(93,166,904)	(931,669,040)
GMR Holding (Malta) Limited	58	3,924
(Equity shares of EUR 1 each fully paid-up)	(58)	(3,924)
Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi	86,984,800	2,667,559,592
(Equity shares of YTL 1 each fully paid-up)	(40,887,140)	(1,256,048,978)
Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri Anonim Sirketi	4,300	12,743,830
(Equity shares of YTL 100 each fully paid-up)	(3,502)	(10,317,420)

Note: Previous year figures are mentioned in brackets.

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

9. The segment report of the Company has been prepared in accordance with Accounting Standard 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 as amended.

The business segments of the Company comprise of the following:

- EPC – Handling of engineering, procurement and construction solutions in Infrastructure sector.
- Others – Investment activity and corporate support to various infrastructure SPVs

(Amount in Rupees)

Business segments	EPC		Others		Inter Segment		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue								
Revenue	1,013,889,334	-	679,693,852	1,592,003,544	-	-	1,693,583,186	1,592,003,544
Inter Segment revenue	-	-	-	-	-	-	-	-
Total revenue	1,013,889,334	-	679,693,852	1,592,003,544	-	-	1,693,583,186	1,592,003,544
Operating expenses	423,407,410	-	-	-	-	-	423,407,410	-
General and Administrative Expenditure	157,081,926	-	370,410,701	371,286,309	-	-	527,492,627	371,286,309
Depreciation	5,883,847	-	3,479,092	1,085,519	-	-	9,362,939	1,085,519
Segment Operating profit/(loss)	427,516,151	-	305,804,059	1,219,631,716	-	-	733,320,210	1,219,631,716
Interest income/ (expense)-net	(3,326,223)	-	(687,822,756)	(237,924,361)	-	-	(691,148,979)	(237,924,361)
Other income/ (expense) -net	90,436,879	-	3,768,656	58,182,517	-	-	94,205,535	58,182,517
Profit/(loss) before tax	514,626,807	-	(378,250,041)	1,039,889,872	-	-	136,376,766	1,039,889,872
Taxation								
Current Tax	-	-	-	-	-	-	44,060,630	57,500,000
Less: MAT credit entitlement	-	-	-	-	-	-	(44,060,630)	-
Fringe Benefit Tax	-	-	-	-	-	-	-	8,087,723
Deferred tax	-	-	-	-	-	-	1,854,543	(2,431,175)
Other Information								
Segment Assets	751,834,951	-	84,236,845,118	61,408,175,032	(34,311,509)	-	84,954,368,560	61,408,175,032
Capital expenditure	233,184,606	-	90,059,299	3,164,530	-	-	323,243,905	3,164,530
Depreciation/ Amortisation	5,883,847	-	3,479,092	1,085,519	-	-	9,362,939	1,085,519
Segment liabilities	413,507,535	-	26,174,976,514	4,385,923,696	(34,311,509)	-	26,554,172,540	4,385,923,696

The Company operates only in India and hence no other geographical location has been disclosed.

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

10. Related Party Transactions

a) Name of Related Parties and description of relationship:

Description of Relationship	Name of the Related Parties
Holding Company	GMR Holdings Private Limited (GHPL)
Subsidiary Companies	GMR Energy Limited (GEL) GMR Power Corporation Limited (GPCL) (formerly GMR Power Corporation Private Limited) GMR Vemagiri Power Generation Limited (VPGL) (formerly Vemagiri Power Generation Limited) GMR Energy Trading Limited (GETL) GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) Badrinath Hydro Power Generation Private Limited (BHPL) GMR Mining and Energy Private Limited (GMEL) GMR Kamalanga Energy Limited (GKEL) GMR Consulting Services Private Limited (GCSPL) (formerly GMR Consulting Engineers Private Limited) GMR Rajahmundry Energy Limited (GREL) SJK Powergen Limited (SJK) GMR Coastal Energy Private Limited (GCEPL) GMR Bajoli Holi Hydropower Private Limited (GBHPPL) GMR Chhattisgarh Energy Private Limited (GCHEPL) GMR Londa Hydropower Private Limited (GLHPPL) Londa Hydro Power Private Limited (LHPL) EMCO Energy Limited (EMCO) Delhi International Airport Private Limited (DIAL) DIAL Cargo Private Limited (DCPL) Delhi Aerotropolis Private Limited (DAPL) Delhi Aviation Fuel Facility Private Limited (DAFFPL) East Delhi Waste Processing Company Private Limited (EDWPCPL) GMR Hyderabad International Airport Limited (GHIAL) Hyderabad Menzies Air Cargo Private Limited (HMACPL) Hyderabad Airport Security Services Limited (HASSL) GMR Hyderabad Airport Resource Management Limited (GHARML) GMR Hyderabad Aerotropolis Limited (GHAL) GMR Hyderabad Aviation SEZ Limited (GHASL) GMR Hyderabad Multiproduct SEZ Limited (GHMSL) GMR Hotels and Resorts Limited (GHHL) (formerly GMR Airport Handling Services Limited) Gateways for India Airports Private Limited (GFIAPL) GMR Highways Limited (GMRHL) (formerly GMR Highways Private Limited) GMR Tuni Anakapalli Expressways Private Limited (GTAEPL) GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL) GMR Ambala Chandigarh Expressways Private Limited (GACEPL) GMR Jadcherla Expressways Private Limited (GJEPL) GMR Pochanpalli Expressways Limited(GPEL) (formerly GMR Pochanpalli Expressways Private Limited) GMR Ulundurpet Expressways Private Limited (GUEPL) GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL) GMR Chennai Outer Ring Road Private Limited (GCCRPL) (Associate till March 26, 2010) GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL) GMR Krishnagiri SEZ Limited (GKSEZL) Advika Properties Private Limited (APPL) (formerly Advika Real Estate Private Limited) Aklima Properties Private Limited (AKPPL) (formerly Aklima Real Estate Private Limited) Amartya Properties Private Limited (AMPPL) (formerly Amartya Real Estate Private Limited) Baruni Properties Private Limited (BPPL) (formerly Baruni Real Estate Private Limited) Camelia Properties Private Limited (CPPL) (formerly Camelia Real Estate Private Limited) Eila Properties Private Limited (EPPL) (formerly Eila Real Estate Private Limited)

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Description of Relationship	Name of the Related Parties
	Gerbera Properties Private Limited (GPPL) (formerly Gerbera Real Estate Private Limited) Lakshmi Priya Properties Private Limited (LPPPL) (formerly Hiral Real Estates Private Limited) Honeysuckle Properties Private Limited (HPPL) Idika Properties Private Limited (IPPL) (formerly Idika Real Estate Private Limited) Krishnapriya Properties Private Limited (KPPL) (formerly Krishnapriya Real Estate Private Limited) Nadira Properties Private Limited (NPPL) (formerly Nadira Real Estate Private Limited) Prakalpa Properties Private Limited (PPPL) (formerly Prakalpa Real Estate Private Limited) Purnachandra Properties Private Limited (PUPPL) (formerly Purnachandra Real Estate Private Limited) Shreyadita Properties Private Limited (SPPL) (formerly Shreyadita Real Estate Private Limited) Sreepa Properties Private Limited (SRPPL) (formerly Sreepa Real Estate Private Limited) Bougianvile Properties Private Limited (BOPPL) GMR Corporate Center Limited (GCCL) GMR Campus Private Limited (GCPL) GMR Headquarters Private Limited (GHDPL) GMR Airports Holding Limited (GAHL) (formerly GVL Investments Private Limited) GMR Corporate Affairs Private Limited (GCAPL) GMR SEZ and Port Holdings Private Limited (GSPHPL) (formerly GMR Oil and Natural Gas Private Limited) GMR Aviation Private Limited (GAPL) Dhruvi Securities Private Limited (DSPL) Himtal Hydro Power Company Private Limited (HHPCPL) GMR Upper Karnali Hydro Power Limited (GUKHL) GMR Energy (Mauritius) Limited (GEML) GMR Lion Energy Limited (GLEL)
	GMR Energy (Cyprus) Limited (GECL) GMR Energy (Netherlands) BV (GENBV) PT Unsoco (PT) PT Dwikarya Sejati Utama (PTDSU) PT Duta Sarana Internusa (PTDSI) PT Barasentosa Lestari (PTBL) Lion Energy Tuas Pte Limited (LETPL) GMR Infrastructure (Mauritius) Limited (GIML) GMR Infrastructure (Cyprus) Limited (GICL) GMR Infrastructure Overseas Sociedad Limitada (GIOSL) GMR Infrastructure (UK) Limited (GIUL) GMR International (Malta) Limited (GMRIML) GMR Infrastructure (Global) Limited (GIGL) GMR Infrastructure (Singapore) Pte Limited (GISPL) GMR Energy (Global) Limited (GEGL) Island Power Intermediary Pte Limited (IPIPL) Island Power Company Pte Limited (IPCPL) Island Power Supply Pte Limited (IPSPL)
Enterprises where significant influence exists	Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri Anonim Sirketi (SGH) Limak GMR Construction JV (LGCV) Homeland Energy Group Limited (HEGL) MAS GMR Aerospace Engineering Company Private Limited (MGECP) Devyani Food Street Private Limited (DFSPL) Delhi Select Services Hospitality Private Limited (DSSHPL) Delhi Duty Free Services Private Limited (DDFSPL) Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL) Delhi Cargo Service Centre Private Limited (DCSCPL) Wipro Airport IT Services Private Limited (WAITSPL) Delhi Airport Parking Services Private Limited (DAPSPL) LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM)

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Description of Relationship	Name of the Related Parties
Joint Ventures	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Ve Isletme Sirketi (ISG)
Fellow Subsidiaries (Where transactions have taken place)	GMR Industries Limited (GIDL) Raxa Security Services Limited (RSSL) GMR Bannerghatta Properties Private Limited (GBPPL) (formerly GMR Properties Private Limited) GMR Projects Private Limited (GMRPPL) Ideaspace Solutions Limited (ISL) Rajam Enterprises Private Limited (REPL) Grandhi Enterprises Private Limited (GREPL) GMR Holdings (Malta) Limited (GH(M)L)
Key management personnel and their relatives	Mr.G.M.Rao (Executive Chairman) Mrs.G.Varalakshmi (Relative) Mr.G.B.S.Raju (Managing Director) (Resigned w.e.f May 12, 2010) Mr. G. Kiran Kumar (Director) Mr Srinivas Bommidala (Director) (Managing Director w.e.f May 24, 2010) Mr. B. V. NageswaraRao (Director) Mr.O.Bangaru Raju (Director)

Note: The information disclosed based on the names of the parties as identified by the management.

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

(Amount in Rupees)

Nature of Transaction	2010	2009
Interest Income - Gross		
- Subsidiary Companies		
- GEL	136,767,123	-
- GMRHL	25,643,836	-
- GKSEZL	3,561,644	-
Income from management / technical services		
- Subsidiary Companies		
- GEL	4,087,560	-
- GOSEHHPL	142,000,000	-
- GCORRPL	199,453,724	-
- GHVEPL	27,199,000	-
Contract expenses paid		
-Subsidiary Company		
- VPGL	241,384	-
Other Administration expenses		
Fellow subsidiaries		
- RSSL	6,154,846	-
- GIDL	-	22,541,437

Nature of Transaction	2010	2009
Expenses incurred on behalf of GIL		
-Subsidiary Companies		
- GCAPL	30,083,254	-
- HIAL	11,821	-
Fellow subsidiary		
- RSSL	370,749	-
Logo fee paid/payable to		
- Holding Company		
- GHPL	5,247,189	4,776,000
Deposit paid		
- Subsidiary Companies		
- GCCL	15,000,000	787,500,000
- GCAPL	-	107,800,000
- Fellow subsidiaries		
- GBPPL	26,800,000	-
- RSSL	1,750,000	-
Deposit refund received		
- Subsidiary Companies		
- GCCL	295,800,000	792,500,000
- GCAPL	47,800,000	60,000,000
- Fellow Subsidiary		
- GBPPL	17,800,000	-

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Nature of Transaction	2010	2009
Purchase of Fixed Assets		
- Subsidiary Company		
- GCCL	44,255,837	-
- Fellow subsidiary		
- GMRPPL	118,558,050	-
Purchase of long term investments from		
- Holding Company		
- GHPL	104,130	250,000
- Subsidiary Company		
- GAHL	67,498,650	-
- Fellow subsidiaries		
- ISL	39,975,890	-
- REPL	31,499,990	-
- GREPL	31,499,990	-
-Key Management Personnel		
- Mr. Srinivas Bommidala	50,000	-
- Mr. O. Bangaru Raju	24,000	-
Investment in Equity shares		
- Subsidiary Companies (Refer Note (c) below)		
- GAHL	-	2,805,000,000
- GKSEZL	-	1,174,500,000
- GJEPL	-	519,518,250
- GPEL	-	608,580,000
- GUEPL	-	876,487,500
- DIAL	-	1,555,000,000
- GAPL	-	664,400,000
- GIML	3,109,355,000	7,175,661,461
- GSPHPL	400,000	99,990
- GEML	-	202
- GHIAL	-	2,381,030,000
- GMRHL	158,500,000	19,500,000
- GH(M)L	-	3,924
- GCAPL	49,900,000	-
- GEL	1,532,802,606	-
- GETL	251,100,000	-
- DSPL	119,049,910	-
- Joint Venture		
- ISG	1,097,498,370	1,350,440,230

Nature of Transaction	2010	2009
- Enterprises where significant influence exists		
- SGH	2,426,410	10,317,420
Investment in Preference shares of		
- Subsidiary Companies		
- GACEPL	6,600,000	-
- GEL	-	6,259,933,750
- GJEPL	531,000,000	-
- GPEL	445,000,000	-
- GUEPL	1,000,200,000	-
- GMRHL	3,436,400,000	-
Investment in Debentures		
- Subsidiary Company		
- GKSEZL	2,000,000,000	-
Sale of Investments long term		
- Holding Company		
- GHPL	330	-
- Subsidiary Companies		
- GMRHL	2,432,834,830	-
- GEL	1,000	-
-Key Management Personnel and their relatives		
- Mr.Srinivas Bommidala	330	-
- Mr. G.B.S. Raju	330	-
- Mrs. G. Varalakshmi	330	-
- Mr. Kiran Kumar Grandhi	330	-
Loans repaid by		
- Subsidiary Companies		
- GAHL	-	118,895,000
- GTAEPL	-	324,860,000
- DAPL	-	4,000,000
- GTTEPL	-	415,140,000
Equity share application money invested in		
- Subsidiary Companies		
- GACEPL	-	1,055,387,600
- GJEPL	-	569,518,250
- GPEL	-	518,580,000
- GUEPL	-	876,487,500
- DIAL	487,500,000	3,732,000,000

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Nature of Transaction	2010	2009	Nature of Transaction	2010	2009
- GAHL	150,000,000	2,680,000,000	- GIML	1,515,957,500	505,800,000
- GAPL	122,150,000	1,815,250,000	- GHIAL	-	1,531,000
- GKSEZL	1,550,037,000	1,989,660,000	- GKSEZL	182,500,000	-
- GFIAPL	-	400,000	- GSPHPL	10	-
- GSPHPL	400,000	-	- GCAPL	75,300,000	-
- GIML	9,120,162,500	7,640,695,000	- GKEL	7,375,754	-
- GMRHL	-	165,000,000	- DSPL	373,000,090	-
- GEML	-	202	- Joint Venture	-	-
- GH(M)L	-	3,924	- ISG	-	23,071,786
- GHVEPL	63,300,000	-	Refund of preference share application money Subsidiary Company	-	-
- GCORRPL	208,500,000	-	- GPEL	100,000,000	-
- GCAPL	235,466,139	-	Loans given	-	-
- GKEL	7,375,754	-	- Subsidiary Companies	-	-
- DSPL	492,050,000	-	- GEL	8,000,000,000	-
- GETL	251,100,000	-	- DAPL	-	4,000,000
- Joint Venture	-	-	- GMRHL	2,000,000,000	-
- ISG	1,097,498,370	1,373,512,016	Managerial Remuneration to	-	-
- Enterprises where significant influence exists	-	-	- Key management personnel (Refer Note 18)	-	-
- SGH	2,426,410	10,317,420	- Mr. G.M. Rao	7,385,841	51,994,494
Preference share application money invested in	-	-	- Mr. G.B.S. Raju	4,432,000	31,196,696
- Subsidiary Companies	-	-	Balances Payable / (Recoverable)	-	-
- GEL	1,501,000,000	6,269,933,750	- Holding Company	-	-
- GACEPL	6,600,000	-	- GHPL	5,420,184	4,776,000
- GJEPL	531,000,000	-	- Subsidiary Companies	-	-
- GPEL	545,000,000	-	- GEL	7,998,695,053	(510,000,003)
- GUEPL	1,000,200,000	-	- GAHL	-	(27,280,000)
- GMRHL	3,436,400,000	-	- GHIAL	32,569	-
Refund of share application money received	-	-	- GAPL	(627,642,500)	(994,842,500)
- Subsidiary Companies	-	-	- GKSEZL	(640,977,479)	(1,270,235,000)
- GEL	478,197,397	-	- GJEPL	96,900	-
- GACEPL	-	1,126,604,400	- GPEL	352,467	-
- GAPL	489,350,000	555,187,500	- DIAL	(4,374,968,630)	(3,887,500,000)
- GFIAPL	-	425,000	- GMRHL	(2,023,079,452)	(158,500,000)
- GAHL	177,280,000	4,394,720,000	- GIML	(4,494,850,000)	-
- GUEPL	-	100,000,000	- GCCL	-	(280,800,000)
- GJEPL	-	320,000,000	- GCAPL	(78,669,457)	(47,800,000)
- GMRHL	-	1,000,000	- GHVEPL	(85,800,447)	-

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Nature of Transaction	2010	2009
- GCORRPL	(226,497,651)	-
- GSPHPL	-	(10)
- VPGL	(801,724)	-
- Fellow Subsidiaries		
- RSSL	4,546,852	-
- GBPPL	(8,982,000)	-
- GMRPPL	117,576,389	-
-Enterprises where significant influences exists		
- GIOSL	(3,741,768)	-

Nature of Transaction	2010	2009
- Key Management Personnel		
- Mr. G.M.Rao*	(7,761,000)	15,093,265
- Mr. G.B.S. Raju*	(4,528,000)	7,049,145
*(Refer Note on Schedule 11)		

Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain companies.
- The holding company has pledged certain shares held in the Company and other bodies corporate as security towards the borrowings of the Company.
- Includes allotment of equity shares out of Share Application money paid in earlier years.

11. Balances of companies under the same management included in Sundry debtors and Loans and advances.

(i) Sundry debtors

(Amount in Rupees)

Name of the Company	2010		2009	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
VPGL	801,724	27,500,000	-	-
GEL	695,053	1,712,191	-	-
GCORRPL	17,997,651	17,997,651	-	-
GHVEPL	27,000,447	27,000,447	-	-

(ii) Loans and Advances

(Amount in Rupees)

Name of the Company	2010		2009	
	Closing Balance	Maximum Outstanding	Closing Balance	Maximum Outstanding
GCAPL	110,266,139	171,860,000	-	-
GAPL	627,642,500	975,942,500	994,842,500	1,680,880,000
GKSEZL	637,772,000	2,637,772,000	1,270,235,000	2,444,735,000
DIAL	4,375,000,000	4,375,000,000	3,887,500,000	5,442,500,000
GHVEPL	63,300,000	63,300,000	-	-
GCORRPL	208,500,000	208,500,000	-	-
GIML	4,494,850,000	4,678,990,000	-	-
GEL	8,000,000,000	8,136,767,123	510,000,003	5,254,933,753
GSPHPL	-	-	10	199,990
GAHL	-	-	27,280,000	4,432,300,000
GMRHL	2,000,000,000	2,025,643,836	158,500,000	178,250
GIOSL	3,741,768	59,986,040	-	-
GBPPL	9,000,000	9,000,000	-	-

12. The Company has entered into certain operating lease agreements and an amount of Rs. 17,869,727 (2009: Rs. Nil) paid during the year under such agreements has been disclosed as lease rent and hire charges under Schedule 16. These agreements are cancellable in nature.

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

13. Earnings Per Share (EPS)

Calculation of EPS – (Basic and Diluted)

Particulars	Year ended March 31	
	2010	2009
Nominal value of equity shares (Re. per share) [Refer note (iii) below]	1	1
Weighted average number of equity shares outstanding at the end of the year	3,661,715,973	3,641,299,958
Net profit after tax for the purpose of EPS (Rs.)	134,522,223	976,733,324
EPS – Basic and Diluted (Rs.)	0.04	0.27

Note:

- Rs. 2,750 (2009: Rs. 2,750) are receivable towards equity shares and for the computation of weighted average number of equity shares outstanding at the end of the year, these have been considered as partly paid-up shares.
- The Company does not have any dilutive securities.
- Consequent to the approval of the shareholders in their Annual General Meeting held on August 31, 2009, the Board of Directors had fixed record date October 5, 2009 for sub-division of Equity Shares of the Company of Rs. 2 each into 2 Equity Shares of Re. 1 each. Weighted average number of shares used in computing the Earnings Per Share is based on a face value of Re.1 per share.

14. Deferred tax asset (net) comprises of:

(Amount in Rupees)

Sl. No	Particulars	2010		2009	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
1	Depreciation	-	11,606,304	-	874,643
2	Preliminary expenses	-	-	4,082	-
3	Other 43B disallowances	11,908,219	-	3,027,019	-
	Total	11,908,219	11,606,304	3,031,101	874,643
	Deferred tax asset	301,915	-	2,156,458	-

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

The Company's interests in the below mentioned joint ventures are reported as Long Term Investments (Schedule 6) and stated at Cost. However, the Company's share of each of the assets, liabilities, income and expenses etc., related to its interests in these joint ventures, based on the audited financial statements are:

(Amount in Rupees)

Particulars	Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG)	
	(Refer Note (b) below)	
	2010	2009
(1) Share in ownership and voting power of the company	35.00%	35.00%
(2) Country of incorporation	Turkey	Turkey
(3) Contingent liabilities - Company has incurred in relation to Joint Venture	10,004,888,750	22,673,300,000
(4) Company's share of contingent liabilities of joint venture -Claims against the company not acknowledged as debt	10,578,750	-
(5) Company's share of capital commitments of the joint venture	-	1,825,084,394
(6) Aggregate amount of company's share in each of the following:		
(a) Current Assets	2,285,823,885	2,706,561,823
(b) Fixed Assets (including Capital work in progress and pre – operative expenditure, pending allocation)	8,632,578,638	4,834,102,407

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım Ve İşletme Anonim Şirketi (ISG)	
	(Refer Note (b) below)	
	2010	2009
(c) Investments	26,172,910	23,570,764
(d) Deferred Tax Asset /(Liability)	139,835,700	56,845,458
(e) Current Liabilities and Provisions	2,217,387,095	1,519,923,525
(f) Borrowings	7,152,546,352	4,776,778,643
(g) Income		
1. Sales	3,282,555,073	2,350,546,002
2. Other Income	684,313	684,180
(h) Expenses		
1. Operating Expenses	2,418,338,545	1,927,699,956
2. Administration and Other expenses	299,021,184	398,424,195
3. Depreciation	727,410,183	345,138,318
4. Interest and Finance Charges	445,393,375	12,240,117
5. Provision for Taxation (including Deferred Taxation)	(97,644,386)	(53,425,087)

Notes:

- (a) Disclosure of financial data as per Accounting Standard – 27 'Financial Reporting of Interest in the joint venture has been done based on the audited financial statements of ISG for the year ended March 31, 2010.
- (b) The Company directly holds 35% of the equity shares of ISG and 5% of the equity shares through its subsidiary companies.

16. Details of Investments - other than trade purchased and sold during the year ended March 31, 2010

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Mutual Funds, Unquoted				
Birla Sun Life Cash Plus – Institutional Premium - Daily Dividend – Reinvestment	-	-	-	-
	(108,139,129)	(1,083,500,000)	(108,556,696)	(1,087,683,816)
Birla Sunlife Liquid Plus - Institutional - Daily Dividend – Reinvestment	-	-	-	-
	(209,805,573)	(2,099,482,410)	(214,740,437)	(2,148,864,594)
Birla Sunlife Cash Manager Institutional Growth	11,940,884	176,300,000	11,940,884	176,530,459
	-	-	-	-
Birla Sunlife Cash Plus Institutional Premium Growth	757,506,778	10,991,355,998	757,506,778	11,002,394,753
	-	-	-	-
Birla Sun Life Savings Fund - Institutional - Growth	575,466,311	9,908,332,726	575,466,311	9,926,972,586
	-	-	-	-
Birla Sun Life Short Term Fund - Institutional Growth	278,197,650	3,000,000,000	278,197,650	3,001,557,907
	-	-	-	-
DWS Insta Cash Plus Fund Super Institutional Plan Daily Dividend	-	-	-	-
	(79,405,610)	(795,644,215)	(79,916,722)	(800,765,557)
DWS Fixed Term Fund Series 58 – Institutional Dividend	-	-	-	-
	(50,000,000)	(500,000,000)	(50,000,000)	(511,056,289)
DWS Fixed Term Fund Series 51 – Institutional Growth	-	-	-	-
	(25,000,000)	(250,000,000)	(25,000,000)	(249,422,500)

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
G 50 Grindlays – Floating Rate Fund – LT – Institutional Plan B – Daily Dividend	- (105,862,654)	- (1,059,208,784)	- (108,437,182)	- (1,084,968,227)
HDFC Liquid Fund Premium Plan - Dividend - Daily Reinvestment	- (65,775,951)	- (806,400,000)	- (65,790,554)	- (806,579,026)
HDFC Floating Rate Income Fund – Dividend Reinvest – Daily	- (80,010,617)	- (806,579,026)	- (83,996,937)	- (846,764,721)
HDFC Liquid Fund Premium Plan Growth	622,851,769 -	11,324,930,456 -	622,851,769 -	11,341,206,856 -
HDFC Cash Management Fund - Savings Plan - Growth	4,406,287 -	83,000,000 -	4,406,287 -	83,052,168 -
HDFC Cash Management Fund - TRA - Wholesale Plan Growth	544,196,117 -	10,802,262,035 -	544,196,117 -	10,817,638,827 -
HSBC Cash Fund- Institutional Plus - Daily Dividend	- (161,759,415)	- (1,618,500,000)	- (161,788,801)	- (1,618,794,030)
HSBC Liquid Plus - Institutional Plus – Daily Dividend	- (28,818,724)	- (288,550,359)	- (31,236,394)	- (312,757,518)
HSBC Fixed Term Series 53 Institutional Growth	- (35,000,000)	- (350,000,000)	- (35,000,000)	- (350,756,000)
HSBC Floating Rate - LT - Institutional Daily Dividend	- (92,872,899)	- (930,177,810)	- (93,125,810)	- (932,710,858)
HSBC Interval Fund - Plan2 - Institutional Dividend	- (49,999,500)	- (500,000,000)	- (49,999,500)	- (500,809,992)
ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	528,500,639 -	7,009,280,763 -	528,500,639 -	7,040,014,310 -
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend - Reinvestment Dividend	- (700,886,891)	- (7,009,219,358)	- (721,028,067)	- (7,210,641,162)
ICICI Flexible Income Plan Dividend – Daily - Reinvestment Dividend	- (10,876,247)	- (115,000,000)	- (11,176,523)	- (118,174,960)
ICICI Prudential Liquid Super Institutional Plan – Growth	50,918,510 -	6,908,800,000 -	50,918,510 -	6,909,987,743 -
ICICI Prudential Institutional Liquid Plan Super Institutional Growth - FV100	85,772,428 -	11,502,396,602 -	85,772,428 -	11,506,631,915 -
ICICI Prudential Flexible Income Plan Premium – Growth	77,180,407 -	13,083,690,492 -	77,180,407 -	13,140,539,933 -
FRDD ICICI Prudential Floating Rate Plan D -Daily Dividend - Reinvest Dividend	- (671,525,292)	- (6,716,663,128)	- (677,940,656)	- (6,780,830,240)
ICICI Prudential FMP Series 44 - 3Months Plan C Retail Dividend- Pay Dividend	- (48,500,000)	- (485,000,000)	- (48,500,000)	- (493,909,450)

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
ICICI Prudential FMP Series 47 - 3Months Plan B Retail Dividend- Pay Dividend	- (75,000,000)	- (750,000,000)	- (75,000,000)	- (766,462,500)
ICICI Prudential Interval Fund II Quarterly Interval Plan B - Retail Dividend- Reinvest Dividend	- (49,946,058)	- (500,000,000)	- (51,001,777)	- (510,568,586)
ICICI Prudential Interval Fund II Quarterly Interval Plan D - Retail Dividend- Reinvest Dividend	- (77,000,000)	- (770,000,000)	- (78,395,240)	- (784,154,517)
ICICI Prudential FMP Series 47 - Three Months Plan C Retail Dividend- Pay Dividend	- (46,500,000)	- (465,000,000)	- (46,500,000)	- (475,304,400)
IDFC Money Manager Fund Treasury Plan Super Institutional Plan C Growth	244,531,707 -	2,660,666,181 -	244,531,707 -	2,666,770,070 -
IDFC Cash Fund - Super Institutional Plan C-Growth	496,234,664 -	5,544,000,000 -	496,234,664 -	5,545,359,746 -
IDFC Fixed Maturity Plan - Quarterly Series 39 – Dividend	- (125,000,000)	- (1,250,000,000)	- (127,731,550)	- (1,277,762,558)
ING Liquid Fund Super Institutional - Daily Dividend Option	- (176,285,383)	- (1,763,700,000)	- (179,683,588)	- (1,797,698,358)
ING Liquid Plus Fund - Institutional Daily Dividend	- (337,370,226)	- (3,374,815,579)	- (343,239,924)	- (3,433,531,925)
ING Fixed Maturity Fund - 47 Institutional Growth	- (20,000,000)	- (200,000,000)	- (20,000,000)	- (197,400,000)
ING Fixed Maturity Fund - 46 Institutional Dividend	- (20,000,000)	- (200,000,000)	- (20,000,000)	- (203,730,637)
JM High Liquidity Fund - Super Institutional Plan - Daily Dividend (92)	- (100,989,622)	- (1,011,562,545)	- (101,707,900)	- (1,018,814,003)
JM Interval Fund - Quarterly Plan 6 - Institutional Dividend Plan (307)	- (50,000,000)	- (500,000,000)	- (51,114,430)	- (511,261,393)
Kotak - Flexi Debt Scheme - Daily Dividend	- (79,771,983)	- (800,200,741)	- (82,140,003)	- (823,954,584)
Kotak Flexi Debt Scheme Institutional - Daily Dividend	- (183,847,954)	- (1,847,212,312)	- (186,026,769)	- (1,869,103,958)
Kotak Liquid (Institutional Premium) - Daily Dividend	- (76,348,738)	- (933,600,000)	- (76,386,409)	- (934,060,646)
Kotak Quarterly Interval Plan Series 3 – Dividend	- (100,000,000)	- (1,000,000,000)	- (102,226,300)	- (1,022,262,996)
Kotak Quarterly Interval Plan Series 8 – Dividend	- (50,000,000)	- (500,000,000)	- (50,000,000)	- (497,455,000)
LIC MF Interval Fund - Series 1 - Monthly Dividend Plan	- (60,000,000)	- (600,000,000)	- (60,388,880)	- (603,888,799)
Principal Cash Management Fund Liquid Option Institutional Premium Plan - Dividend Reinvestment Daily	- (49,996,500)	- (500,000,000)	- (50,004,838)	- (500,083,388)

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

Particulars	Purchased		Sold	
	No. of Units	Amount (in Rupees)	No. of Units	Amount (in Rupees)
Principal Floating Rate Fund FMP Institutional Option - Dividend Reinvestment Daily	-	-	-	-
	(49,946,904)	(500,083,388)	(52,828,037)	(528,930,146)
Reliance Liquid Fund - Cash Plan - Daily Dividend Option	-	-	-	-
	(4,487,726)	(50,000,000)	(4,500,360)	(50,140,759)
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	-	-	-	-
	(171,696,774)	(1,717,500,000)	(171,756,631)	(1,718,098,750)
Reliance Liquid Plus Fund – Institutional Option - Daily Dividend Plan	-	-	-	-
	(1,627,328)	(1,629,177,777)	(1,665,541)	(1,667,434,483)
Reliance Medium Term Fund - Daily Dividend Plan	-	-	-	-
	(34,969,472)	(597,820,606)	(35,041,256)	(598,519,501)
SBI Debt Fund Series - 180Days- 8- Dividend	-	-	-	-
	(100,000,000)	(1,000,000,000)	(100,000,000)	(1,022,160,000)
Stan Chart Liquidity Manager – Plus - Daily Dividend	-	-	-	-
	(1,058,778)	(1,059,000,000)	(1,058,986)	(1,059,208,784)
TDAD TATA Dynamic Bond Fund Option A – Dividend	-	-	-	-
	(95,478,869)	(1,007,445,291)	(96,059,365)	(1,014,338,866)
TDBD TATA Dynamic Bond Fund Option B – Dividend	-	-	-	-
	(98,910,675)	(1,014,338,866)	(100,066,357)	(1,027,995,748)
TATA Liquid Super High Investment Fund - Daily Dividend	-	-	-	-
	(717,798)	(800,000,000)	(718,154)	(800,397,375)
TATA Floater Fund - Daily Dividend	-	-	-	-
	(206,854,871)	(2,075,912,746)	(213,895,742)	(2,146,572,109)
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	-	-	-	-
	(299,798)	(300,000,000)	(306,716)	(306,922,444)
UTI Treasury Advantage Fund - Institutional Plan - Growth	237,725	291,528,998	237,725	293,156,513
	-	-	-	-
UTI Liquid Cash Plan Institutional - Growth Option	2,027,522	2,985,315,109	2,027,522	2,990,398,173
	-	-	-	-
UTI - Liquid Plus Fund Institutional Plan (Daily Dividend Option) - Reinvestment	-	-	-	-
	(3,264,499)	(3,265,197,390)	(3,285,743)	(3,286,446,029)
UTI Liquid Cash Plan Institutional - Daily Income Option - Reinvestment	-	-	-	-
	(490,463)	(500,000,000)	(537,211)	(547,656,568)
Total		96,271,859,361		96,442,211,959
		(57,896,492,331)		(58,857,808,751)

Notes: Previous year figures are mentioned in brackets.

17. There are no micro and small enterprises, to which the company owes dues, or with which the Company had transactions during the year, based on the information available with the Company, which has been relied upon by the Auditors.

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

18. Managerial Remuneration

(Amount in Rupees)

Particulars		2010	2009
a.	Salaries	9,511,000	56,100,000
b.	Perquisites and other allowances	98,841	460,780
c.	Contributions to provident and other funds	2,208,000	4,488,000
d.	Sitting Fee	1,450,000	1,080,000
e.	Commission	-	22,142,410
	Total	13,267,841	84,271,190

Note: The above figures do not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the Company as a whole.

19. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956

(Amount in Rupees)

Particulars	Year Ended	
	2010	2009
Profit after tax	134,522,223	976,733,324
Add:		
Managerial remuneration	13,267,841	84,271,190
Provision for taxation	1,854,543	63,156,548
Depreciation as per Profit and Loss Account	9,362,939	1,085,519
Less:		
Depreciation as per section 350 of the Companies Act, 1956	9,362,939	1,085,519
Net Profit in accordance with Section 349 of the Companies Act, 1956	149,644,607	1,124,161,062
Total remuneration including commission thereon		
Executive Chairman @ 5%	7,482,230	56,208,053
Managing Director @ 3%	4,483,338	33,724,832
Total remuneration including commission paid to		
Executive Chairman	7,385,841	51,994,494
Managing Director	4,432,000	31,196,696
Commission payable for the year		
Executive Chairman	-	15,093,265
Managing Director	-	7,049,145

Notes: The difference of Rs. 12,289,000, between the amount of managerial remuneration initially paid and the amount finally computed as above u/s 349 of the Companies Act 1956 after finalization of the accounts, is held in trust by the Directors and is shown as recoverable under 'Loans and Advances - Schedule 11'.

20. Disclosure in terms of Accounting Standards 7 - Construction contracts

(Amount in Rupees)

Sl. No.	Particulars	2010	2009
1	Contract revenue recognised during year	683,611,256	-
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date	810,419,845	-
3	Amount of customer advances outstanding for contracts in progress	150,000,000	-
4	Retention money due from customers for contracts in progress	-	-

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

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

a) Remuneration to Auditors*

(Amount in Rupees)

Particulars	2010	2009
Audit fees	2,206,000	1,123,600
Tax Audit	170,965	168,540
Other certification fees	8,021,568	2,941,585
Out of Pocket Expenses	222,234	50,205
Total	10,620,767	4,283,930

* Includes service tax

b) Expenditure in Foreign Currency (on payment basis)

(Amount in Rupees)

Particulars	2010	2009
Travelling expenses	5,209,470	17,100,136
Professional and Consultancy charges	11,062,034	15,134,011
Others	1,491,836	70,041
Total	17,763,340	32,304,188

22. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D of part II of Schedule VI of the Companies Act, 1956 to the extent either Nil or Not Applicable has not been furnished

23. Disclosure as per Clause 32 of the listing agreement

Loans and Advances in the nature of Loans to Subsidiaries.

(Amount in Rupees)

Name of the Subsidiary	Amount Outstanding as at March 31,		Maximum amount outstanding during the year		Investment by loanee in the Company's Share (Nos)
	2010	2009	2010	2009	
-GEL*^	8,000,000,000	-	8,136,767,123	-	Nil
-GMRHL*^	2,025,643,836	-	2,025,643,836	-	Nil
-GKSEZL^	2,003,561,644	-	2,003,561,644	-	Nil
-GAHL**	-	-	-	118,895,000	Nil
-GTAEPL^	-	-	-	327,494,481	Nil
-GTTEPL^	-	-	-	418,506,615	Nil

* Loans bear yearly interest rate of 6%.

** Interest free loan payable on call.

^ Includes interest accrued.

24. Pursuant to the Resolutions passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re.1 each have been allotted to Qualified Institutional Buyers at a premium of Rs.61.20 per share on April 21, 2010 aggregating to Rs.14,000,000,258.

25. Unhedged foreign currency exposure

Particulars	Amount in USD	Amount in INR
Advance towards share application money - Receivable	100,000,000	4,494,850,000
	(-)	(-)

Notes: Previous year figures are mentioned in brackets.

Notes forming part of Accounts

Schedule 18 (contd.) | Statement on Significant Accounting Policies and Notes to the Accounts

26. The financial statements as at and for the year ended March 31, 2009 have been audited by Price Waterhouse. The financial statements as at and for the year ended March 31, 2010 have been audited jointly by S.R. Batliboi & Associates and Price Waterhouse.

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

As per our report of even date

For PRICE WATERHOUSE

Firm Registration Number: 007568S

Chartered Accountants

For and on behalf of the Board of Directors

J Majumdar

Partner

Membership Number: F51912

G.M. Rao

Executive Chairman

Srinivas Bommidala

Managing Director

For S.R. BATLIBOI & ASSOCIATES

Firm Registration Number: 101049W

Chartered Accountants

per Navin Agrawal

Partner

Membership Number: 56102

Subba Rao Amarthaluru

Group CFO

C.P. Sounderarajan

Company Secretary

Place: Bengaluru

Date: May 24, 2010

Place: New Delhi

Date: May 24, 2010