

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

(Rs. in crore)

Schedule 1 SHARE CAPITAL	March 31, 2010	March 31, 2009
Authorised		
7,500,000,000 (2009: 3,750,000,000 shares of Rs. 2 each) equity shares of Re. 1 each	750.00	750.00
	750.00	750.00
Issued, Subscribed and Paid up		
3,667,354,392 (2009: 1,820,658,088 shares of Rs. 2 each) equity shares of Re. 1 each fully paid-up	366.74	364.13
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 shares of Rs. 2 each) equity shares of Re. 1 each fully paid-up are held by the Holding Company, GMR Holdings Private Limited.		
	366.74	364.13
Less: Calls unpaid - others Rs. 2,750 (2009: Rs. 2,750)	-	-
Total	366.74	364.13
Notes:		
(1): Refer Note 4 (iii) (a) of schedule 19 for details of additional issue of shares during the year to IDFC Infrastructure Fund - India Development Fund for consideration other than cash.		
(2): Refer Note 4 (iii) (b) of schedule 19 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.		

(Rs. in crore)

Schedule 2 RESERVES AND SURPLUS	March 31, 2010	March 31, 2009
Capital Reserve on Consolidation		
As at the commencement of the year	70.47	70.45
Add: Additions for the year	42.87	0.02
[Refer Note 4(v)(b) of Schedule 19]	113.34	70.47
Capital Reserve on Acquisition	3.41	3.41
[Refer Note 4(v)(c) of Schedule 19]		
Capital Reserve (Government Grant)	67.41	67.41
[Refer Note 4(v)(a) of Schedule 19]		
Securities Premium Account		
At the commencement of the year	5,070.80	5,070.82
Add: Received towards allotment of equity / preference shares	309.10	-
Less: Transferred to capital reserve	42.87	-
Less: Utilised towards debenture/ share issue expenses/ redemption premium	168.33	0.03
Less: Transferred to minority interest	0.40	
Add: Received against calls unpaid	-	0.01
	5,168.30	5,070.80
Debenture Redemption Reserve		
At the commencement of the year	26.91	20.00
Transfer to Profit and Loss Account on redemption	(16.25)	(3.75)
Transfer from Profit and Loss Account	24.41	10.66
	35.07	26.91
Foreign Currency Translation Reserve	89.64	0.18
Add: Movement during the year	(90.97)	89.46
	(1.33)	89.64
Balance in Profit and Loss Account	914.12	778.36
Total	6,300.32	6,107.00

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(Rs. in crore)

Schedule 3 SECURED LOANS	March 31, 2010	March 31, 2009
Debentures		
(i) 4,250 (2009: 4,250) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	425.00	425.00
[These debentures bear an overall interest cost at the rate of 17% (2009: 15.20%) per annum till September 29, 2011 and 19% (2009: 17%) per annum thereafter till October 6, 2013 (including coupon rate of 6%, redemption premium and processing fees) and are redeemable on October 6, 2013.]		
[Secured by a subservient charge on all the movable assets of GMR Energy Limited (GEL) both present and future. Additionally secured by a subservient charge by way of equitable mortgage by constructive delivery of title deeds of GEL's immovable properties.]		
(ii) 6,500 (2009: Nil) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	650.00	-
[These debentures bear an interest of 9.38% per annum and are secured by way of pari passu first charge over GMR Pochanpalli Expressways Private Limited's (GPEPL) movable properties, both present and future, including plant and machinery. Further, it is secured by the rights, title, interest, benefit, claims, of GPEPL in respect of the project agreements executed/ to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of GPEPL in respect of monies lying to the credit of trust and retention account and other accounts. These debentures are redeemable half yearly in 34 unequal installments starting from April 15, 2010 to October 15, 2026.]		
(iii) Nil (2009: 650) Secured Redeemable Non-Convertible Debentures of Rs. 1,000,000 each	-	65.00
[These debentures bear interest at the rate of 11.93% per annum (10.40% upto September 2008) and were repayable in 3 equal annual installments of Rs. 15 crores starting from September 2009 and later 3 equal annual installments of Rs. 6.66 crores each. These debentures were redeemed during the year. These debentures are secured by immovable property of the Company and further secured by margin money deposit.]		
Term Loans		
Rupee Loans		
From financial institutions	2,666.44	1,384.07
From banks	9,925.38	6,847.26
From others	167.10	111.99
Foreign Currency Loans		
From financial institutions	68.37	77.18
From banks	2,012.13	1,481.16
Suppliers' credit	107.31	-
Out of the above:		
a. Rupee term loans from financial institutions amounting to Rs. 1,275 crore (2009: Rs. 275 crore) are 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, of which Rs. 1,000 crore (2009: Rs. Nil) are further, secured by exclusive charge on barge mounted power plant of GEL.		
b. Rupee term loans of subsidiary companies under roads segment amounting to Rs. 1,835.02 crore (2009: Rs. 2,490.20 crore) are secured by way of pari passu first charge over the respective companies moveable properties, both present and future, including plant and machinery. Further secured by the rights, title, interest, benefit, claims, of the respective companies in respect of the project agreements executed/ to be executed, insurance policies both present and future, and all rights, title, interest, benefit, claims, demands of the respective companies in respect of monies lying to the credit of trust and retention account and other accounts. These loans are further secured by pledge of 142,467,781 (2009: 184,880,055) equity shares of the respective subsidiary companies held by their holding companies.		

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

(Rs. in crore)

Schedule 3 SECURED LOANS (contd.)	March 31, 2010	March 31, 2009
c. Rupee term loans from financial institutions amounting to Rs. 240 crore (2009: Rs. Nil) are secured by an exclusive pledge of mutual fund units of equivalent amount and a demand promissory note.		
d. Rupee and Foreign currency term loans of certain subsidiary companies under power segment amounting to Rs. 1,363.26 crore (2009: Rs. 940.14 crore) are secured by way of joint equitable mortgage by deposit of the title deeds of the leasehold land of GMR Power Corporation Limited (GPCL) and by way of pari passu first charge over freehold land of GMR Vemagiri Power Generation Limited (VPGL). Further secured by pari-passu first charge on the respective subsidiary companies movable assets, immovable assets and other assets, both present and future. Further secured by right, title, interest, benefits, claims and demands of the respective companies in respect of the project agreements, executed / to be executed, insurance policies both present and future and all right, title, interest, benefits, claims and demands of the respective subsidiary companies in respect of monies lying to the credit of Trust and Retention Account and other accounts. These loans are further secured by pledge of 240,015,000 (2009: 202,890,000) equity shares of the respective subsidiary companies held by their holding companies.		
e. Foreign currency term loan from banks amounting to Rs. 182.32 crore (2009: Rs. 164.67 crore) of GMR Energy (Netherlands) B.V. (GENBV) are secured by pledge of shares held in the subsidiary company by GENBV. Further the facility is additionally secured by corporate guarantee of the Company. In the previous year, this loan was granted out of a deposit placed by GENBV with the bank as a participation amount, which has been withdrawn during current year.		
f. Rupee term loan from banks amounting to Rs. 40.53 crore (2009: Rs. 39.85 crore) relating to GEL is secured by way of an equitable mortgage of the immovable property comprising of land and building both present and future acquired with the loan proceeds. Further, the same is secured by the corporate guarantee of GEL.		
g. Rupee term loan from financial institutions amounting to Rs. Nil (2009: Rs. 1.50 crore) relating to GEL is secured by second charge on all the intangibles, and cash flows, both present and future, in the form of dividends and management/ consultancy fees from subsidiary companies and a joint mortgage of the immovable properties ranking pari passu. Further, it was secured by second charge on the movable properties, both present and future, rights, title, interests, benefits, claims and demands in the operating cash flows, treasury income, revenues/receivables and by way of pledge of 27,225,000 equity shares held in a subsidiary company and 32,607,413 equity shares of GEL held by the Company.		
h. Term loans of subsidiaries under airport segment amounting to Rs. 7,058.90 crore (2009: Rs. 5,014.12 crore) are secured by mortgage of Leasehold right, title, interest and benefit in respect of leasehold land and first charge on all movable and immovable assets, operating cash flows, book debts, receivables, intangibles and revenues, both present and future, as well as assignment of all right, title, interest, benefits, claims and demands available under the concession agreement and other project documents, security interest in the Trust and Retention Account, Debt Service Reserve Account and further secured by the pledge of equity shares of such subsidiaries held by the holding company along with its subsidiaries and certain other share holders.		
i. Rupee term loans from banks of Delhi International Airport Private Limited amounting to Rs. 1,386.44 crore (2009: Rs. 250 crore) are secured against Development Funds Receipts.		
j. Foreign currency loans from banks amounting Rs. 775.24 crore (2009: Rs. 545.86 crore) relating to Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Ve Isletme Sirketi (ISG) are secured against present and future receivables, rights, income, claims, interest, benefits, in to and under its receivables and all kinds of receivables arising out of or in connection with other agreements.		

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

(Rs. in crore)

Schedule 3 SECURED LOANS (contd.)	March 31, 2010	March 31, 2009
k. Foreign currency loans from banks amounting Rs.41.78 crore (2009: Rs. Nil) relating to LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi (LGM) are secured by corporate guarantee given by the Company and further secured by pledge of shares of borrowed company held by its holding companies.		
l. Rupee term loans from banks under airport segment amounting Rs. 137.45 crore (2009: Rs. Nil) are secured by way of an exclusive first charge on cash flows through escrow account.		
m. Term loans of subsidiaries under others segment amounting to Rs. 281.92 crore (2009: Rs. 180.32 crore) are secured by way of hypothecation of aircraft and guarantees issued by the subsidiary companies.		
n. Foreign currency loans from banks amounting to Rs. 328.87 crore (2009: Rs. Nil) relating to GMR Infrastructure (Mauritius) Limited is secured by way of pledge of 69,148,900 shares of GMR Infrastructure (Singapore) Pte. Ltd and further secured by way of corporate guarantee given by the Company.		
Short Term Loans		
Cash Credit, Demand Loans and Working Capital Loans from Banks	39.61	104.77
[Short term loans of subsidiaries under airport segment amounting to Rs. 26.55 crore (2009: Rs. 96.38 crore) are secured by way of first pari passu charge by way of hypothecation of the stocks, consumable stores and spares, other movables including book debts, bills, outstanding monies receivable, both present and future and whole of the moveable properties including moveable plant and machinery, machinery spares, tools and accessories, whether stored or not or in the course of transit or on high seas or on order of delivery, but not limited to documents of title to goods.]		
[Short term loans of GPCL amounting to Rs. 9.97 crore (2009: Rs. 5.58 crore) are secured by hypothecation of stocks and book debt, both present and future, and further secured by creation of a joint mortgage by deposit of title deeds in respect of immovable properties together with all plant and machinery attached to the earth.]]		
[Short term loans of subsidiaries under others segment amounting to Rs. 3.09 crore (2009: Rs. 2.81 crore) are secured by way of hypothecation of aircraft, charge over receivables and guarantee issued by the holding company.]		
Bills Discounted	164.86	83.45
[Bills discounted by subsidiaries under power segment amounting to Rs. 164.86 crore (2009: Rs. 83.45 crore) are secured against letters of credit issued by IDBI Bank Limited.]		
Finance lease obligation	3.20	4.22
[Secured by underlying assets taken on finance lease arrangement.]		
Bank Overdraft	-	80.30
[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.]		
Total	16,229.40	10,664.40

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

(Rs. in crore)

Schedule 4 UNSECURED LOANS	March 31, 2010	March 31, 2009
Short Term		
From banks	2,090.97	930.21
Other than Short Term		
From banks [Repayable within 1 year Rs. Nil (2009: Rs. 0.06 crore)]	-	0.06
From Government of Andhra Pradesh (interest free) [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]	315.05	315.05
From financial institutions [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]	52.00	-
From others [Repayable within 1 year Rs. 0.10 crore (2009: Rs. 0.10 crore)]	27.40	26.00
Debentures	500.00	-
[These debentures are redeemable at a premium yielding 14% p.a. in 5 annual installments starting from April 2011] [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]		
Deferred obligation - Deposit from Concessionaires [Repayable within 1 year Rs. 99 crore (2009: Rs. 128.93 crore)]	1,526.79	196.68
Deferred obligation - Concession fee payable [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]	34.74	16.76
Suppliers' credit [Repayable within 1 year Rs. Nil (2009: Rs. Nil)]	61.00	61.00
Total	4,607.95	1,545.76

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

(Rs. in crore)

Description	Gross Block					Depreciation			Net Block		
	As at April 01, 2009	Additions	Additions on inclusion of subsidiaries	Withdrawals/ adjustments	As at March 31, 2010	As at April 01, 2009	For the year	On account of inclusion of subsidiaries	On withdrawals/ adjustments	As at March 31, 2010	As at March 31, 2009
Tangible Assets											
Freehold land	106.82	19.96	19.88	-	146.66	-	-	-	-	146.66	106.82
Leasehold land	-	64.88	8.27	-	73.15	-	-	-	-	73.15	-
Runways and others	1,524.08	7.85	-	48.85	1,483.08	34.79	37.90	-	-	1,410.39	1,489.29
Buildings	1,850.61	1,725.62	-	146.27	3,429.96	108.11	118.47	-	2.81	2,23.77	1,742.50
Plant and machinery	3,579.49	143.12	-	101.09	3,621.52	1,324.31	148.72	-	0.44	1,472.59	2,255.18
Office equipment	499.13	77.91	0.08	15.90	561.22	53.43	63.11	0.01	1.17	115.38	455.70
Leasehold improvements	102.08	27.92	-	1.95	128.05	2.06	3.64	-	0.18	5.52	100.02
Furniture and fixtures	125.04	19.79	0.10	5.18	139.75	15.14	13.24	0.01	1.12	27.27	109.90
Vehicles	313.58	141.60	-	3.46	451.72	21.71	22.82	-	0.82	43.71	291.87
Intangible Assets											
Goodwill on consolidation	584.64	234.54	-	(22.25)	841.43	-	-	-	-	841.43	584.64
Capitalised software	29.26	1.53	-	0.04	30.75	5.26	4.69	-	0.03	9.92	24.00
Carriage ways	2,509.09	1,007.44	-	-	3,516.53	203.95	143.87	-	-	347.82	2,305.14
Airport concessionaire rights	200.93	257.96	-	0.98	457.91	10.61	8.97	-	0.23	19.35	190.32
Sub Total	11,424.75	3,730.12	28.33	301.47	14,881.73	1,779.37	565.43	0.02	6.80	2,338.02	9,645.38
Assets Taken on Lease											
Office equipment	5.39	-	-	-	5.39	1.59	1.47	-	-	3.06	3.80
Vehicles	-	0.06	-	-	0.06	-	-	-	-	-	-
Plant and machinery	2.46	-	-	-	2.46	0.01	0.49	-	-	0.50	2.45
Sub Total	7.85	0.06	-	-	7.91	1.60	1.96	-	-	3.56	6.25
Grand Total	11,432.60	3,730.18	28.33	301.47	14,889.64	1,780.97	567.39	0.02	6.80	2,341.58	9,651.63
Previous year	6,691.72	4,717.94	23.71	0.77	11,432.60	1,421.81	359.53	0.01	0.38	1,780.97	9,651.63

Notes:

- Buildings with a gross book value of Rs. 2,240 crore (2009 : Rs. 1,720 crore) and runways are on leasehold land.
- Gross block withdrawals/ adjustments include:
 - Foreign exchange gain of Rs. 120.87 crore (2009 : Rs. Nil) on account of the effect of translation of assets held by foreign subsidiaries which are consolidated as non integral foreign operations in terms of Accounting Standard 11.
 - Foreign exchange gain of Rs. 22.25 crore (2009 : Rs. Nil) on account of the effect of translation of goodwill arising out of consolidation of foreign subsidiaries which are consolidated as non integral foreign operations in terms of Accounting Standard 11.
 - Rs. 69.09 crore (2009 : Rs. Nil) on account of refund of custom duty granted to GMR Vemagiri Power Generation Limited on import of plant and machinery.
 - Foreign exchange gain of Rs.90.12 crore (2009: additions include Loss of Rs. 180.53 crore) in respect of exchange differences arising on foreign currency monetary items relating to the acquisition of depreciable assets. Refer Note 4(vi) of Schedule 19.
- Depreciation for the year includes Rs. 9.32 crore (2009 : Rs. 6.84 crore) relating to certain consolidated entities in the project stage which is included in Schedule 6.
- Depreciation for the year is net off refund of custom duty granted to GMR Vemagiri Power Generation Limited on import of plant and machinery amounting to Rs. 11.19 crore charged from the date of capitalisation till the date of grant of such refund.
- Depreciation withdrawals/ adjustments include Rs. 4.11 crore (2009 : Rs. Nil) on account of the effect of translation of assets held by foreign subsidiaries which are consolidated as non integral foreign operations in terms of Accounting Standard 11.

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

(Rs. in crore)

Schedule 6 CAPITAL WORK IN PROGRESS INCLUDING CAPITAL ADVANCES	March 31, 2010	March 31, 2009
Capital expenditure including land, buildings, roads, plant and machinery, computing equipment, electrical equipment, furniture and fixtures and capital advances [includes Negative Grant of Rs. 250.51 crore (2009: Rs. 507.96 crore)]	9,720.93	6,373.80
Salaries, allowances and benefits to employees	279.29	191.02
Contribution to provident and other funds	4.12	5.31
Staff welfare expenses	16.29	8.42
Rent	56.17	37.69
Repairs and maintenance		
Buildings	0.39	0.24
Others	29.64	17.78
Rates and taxes	15.31	13.53
Insurance	27.78	19.27
Consultancy and other professional charges	545.97	376.23
Travelling and conveyance	138.29	61.08
Communication expenses	6.82	6.38
Depreciation/ amortisation	12.25	8.14
Interest on term loans	901.12	628.51
Interest on debentures	15.41	-
Interest - others	32.54	21.47
Bank and other finance charges	394.30	112.43
Operations and maintenance	9.55	0.04
Printing and stationery	2.11	0.01
Loss on account of foreign exchange fluctuations (net)	0.88	0.91
Miscellaneous expenses	133.70	132.60
	(i)	
	12,342.86	8,014.86
Less: Other Income		
Interest income (gross)	1.48	13.75
Income from current investments-other than trade (gross)	56.45	18.24
Miscellaneous income	0.78	0.64
Provisions no longer required, written back	0.74	-
	(ii)	
	59.45	32.63
Total - (iii) = (i) - (ii)	12,283.41	7,982.23
Less: Apportioned over the cost of fixed assets	1,353.04	1,141.02
Less: Charged to profit and loss account	21.76	15.16
Less: Development fund	525.74	35.12
	(iv)	
	1,900.54	1,191.30
Total - (v) = (iii) - (iv)	10,382.87	6,790.93

Refer Note 4(vii) of schedule 19

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

(Rs. in crore)

Schedule 7 INVESTMENTS	March 31, 2010	March 31, 2009
LONG TERM - AT COST		
Unquoted		
A. In Equity shares of Companies - Trade		
Rampia Coal Mine and Energy Private Limited [10,434,864 (2009 : 5,217,430) equity shares of Re. 1 each, fully paid up]	1.04	0.50
Vemagiri Power Services Limited [5,000 (2009 : 5,000) equity shares of Rs. 10 each, fully paid up]	0.01	0.01
Power Exchange India Limited [2,500,000 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	2.50	-
GMR Chhattisgarh Energy Private Limited# [Nil (2009 : 4,500) equity shares of Rs. 10 each, fully paid up]	-	0.01
B. In Equity shares of Associate Companies/Body Corporates - Trade		
Celebi Delhi Cargo Terminal Management Private Limited at cost@ [18,720,000 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	18.72	
Add: Share of profit during the year	1.23	19.95
Delhi Cargo Service Centre Private Limited at cost@ [98,000 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.01	
Add: Share of profit during the year	0.13	0.14
Limak GMR Construction JV@@ [Nil (2009 : 2,575) equity shares of Turkish Lira 1 each, fully paid up]		-
C. In Debentures of Companies - Trade		
Kakinada Infrastructure Holdings Private Limited [100 (2009 : Nil) 0.1% cumulative optionally convertible Debentures of Rs. 10,000,000 each]	100.00	-
D. In Debentures of Body Corporates - Trade		
GMR Holding (Malta) Limited [254,419,001 (2009 : 164,248,904) compulsory convertible debentures of USD 1 each]	1,159.64	845.06
E. In Preference shares of Companies - Other than trade		
Rushil Constructions (India) Private Limited [3,841,000 (2009 : 2,599,600) preference share of Rs. 100 each, fully paid up]	38.41	26.00
F. In Equity shares of Companies - Other than trade		
Business India Publications Limited [5,000 (2009 : 5,000) equity shares of Rs. 10 each, fully paid up]	0.06	0.06
Ujjivan Financial Services Private Limited [5,000 (2009 : 5,000) equity shares of Rs. 10 each, fully paid up]	0.05	0.05
Sold during the year		
GMR Ferro Alloys & Industries Limited [Nil (2009 : 407,329) equity shares of Rs. 10 each, fully paid up]	-	0.37

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

(Rs. in crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
Quoted		
A. In Equity shares of Associate Companies/Body Corporates - Trade		
Homeland Energy Group Limited at cost@ [103,257,095 (2009 : 75,792,027) Non - Assessable Common shares representing 33.47% ownership interest] [Includes goodwill on acquisition of Rs.77.31 crore]	132.23	
Less: Share of loss during the year	(22.94)	123.77
(i)	1,431.09	995.84
CURRENT		
Other than trade, Quoted		
A. Investment In Equity shares of Companies		
Federal Bank Limited## [218,009 (2009 : 218,959) equity shares of Rs. 10 each, fully paid up]	5.64	5.03
ING Vysya Bank Limited## [384,910 (2009 : 384,910) equity shares of Rs. 10 each, fully paid up]	10.76	4.81
Karur Vysya Bank Limited## [80,000 (2009 : 80,000) equity shares of Rs. 10 each, fully paid up]	3.56	1.24
Brigade Enterprises Limited## [274,744 (2009 : 274,746) equity shares of Rs. 10 each, fully paid up]	3.87	4.66
Gokaldas Exports Limited## [50,000 (2009 : 50,000) equity shares of Rs. 5 each, fully paid up]	0.76	0.91
Kalyani Steels Limited## [25,000 (2009 : 25,000) equity shares of Rs. 10 each, fully paid up]	0.57	0.55
Noida Toll Bridge## [250,000 (2009 : 250,000) equity shares of Rs. 10 each, fully paid up]	0.87	1.03
Reliance Communications Limited## [75,000 (2009 : 75,000) equity shares of Rs. 5 each, fully paid up]	1.20	3.75
Siemens Limited## [27,546 (2009 : 27,546) equity shares of Rs. 2 each, fully paid up]	2.03	1.16
Sterilite Industries (India) Limited## [22,776 (2009 : 22,776) equity shares of Rs. 2 each, fully paid up]	1.89	1.47
UTV Software Communications Limited## [10,000 (2009 : 10,000) equity shares of Rs. 10 each, fully paid up]	0.47	0.77
NTPC Limited## [98,000 (2009 : 98,000) equity shares of Rs. 10 each, fully paid up]	1.97	1.64
Purchased during the year		
Aditya Birla Nuvo Limited [1,057 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.09	-
Bank Of Baroda [2,663 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.17	-
Esab India Limited [2,575 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.15	-
Fulford India Limited [109 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.01	-

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Schedule 7 INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
HDFC Bank Limited [1,335 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.26	-
HDFC Limited [1,817 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.49	-
HEG Limited [7,960 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.27	-
Hindustan Petroleum Corporation Limited [8,402 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.27	-
Indian Oil Corporation Limited [6,206 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.19	-
KEC International Limited [5,425 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.32	-
Oil India Limited [1,177 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.13	-
ONGC Limited [2,188 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.24	-
REC Limited [13,952 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.35	-
Reliance Industries Limited [2,156 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.24	-
Zensar Technologies Limited [10,465 (2009 : Nil) equity shares of Rs. 10 each, fully paid up]	0.30	-
Bharti Tele Venture Limited [6,371 (2009 : Nil) equity shares of Rs. 5 each, fully paid up]	0.20	-
Cadila Healthcare Limited [4,730 (2009 : Nil) equity shares of Rs. 5 each, fully paid up]	0.39	-
Infosys Technologies Limited [173 (2009 : Nil) equity shares of Rs. 5 each, fully paid up]	0.05	-
Amara Raja Batteries Limited [4,521 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]	0.07	-
Financial Technologies (India) Limited [959 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]	0.16	-
Ipca Laboratories Limited [21,455 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]	0.58	-
Jagran Prakashan Limited [14,280 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]	0.17	-
United Phosphorous Limited [13,979 (2009 : Nil) equity shares of Rs. 2 each, fully paid up]	0.21	-
Dabur India Limited [10,850 (2009 : Nil) equity shares of Re. 1 each, fully paid up]	0.18	-
ITC Limited [11,477 (2009 : Nil) equity shares of Re. 1 each, fully paid up]	0.31	-

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

(Rs. in crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
TCS Limited [3,279 (2009 : Nil) equity shares of Re. 1 each, fully paid up]	0.27	-
Sold during the year		
Kasturi Foods Limited [Nil (2009 : 15,000) equity shares of Rs. 10 each, fully paid up]	-	0.02
Oil & Natural Gas Corporation Limited [Nil (2009 : 4,431) equity shares of Rs. 10 each, fully paid up]	-	0.30
Hindustan Petroleum Corporation Limited [Nil (2009 : 7,676) equity shares of Rs. 10 each, fully paid up]	-	0.20
ITC Limited [Nil (2009 : 7,751) equity shares of Re. 1 each, fully paid up]	-	0.13
HDFC Bank Limited [Nil (2009 : 1,335) equity shares of Rs. 10 each, fully paid up]	-	0.12
Housing Development Finance Corporation Limited [Nil (2009 : 1,817) equity shares of Rs. 10 each, fully paid up]	-	0.28
KEC International Limited [Nil (2009 : 5,425) equity shares of Rs. 10 each, fully paid up]	-	0.10
Rural Electrification Corporation Limited [Nil (2009 : 13,952) equity shares of Rs. 10 each, fully paid up]	-	0.10
Mcleod Russel India Limited [Nil (2009 : 18,019) equity shares of Rs. 5 each, fully paid up]	-	0.09
Bharati Airtel Limited [Nil (2009 : 1,417) equity shares of Rs. 10 each, fully paid up]	-	0.08
United Phosphorous Limited [Nil (2009 : 7,199) equity shares of Rs. 2 each, fully paid up]	-	0.08
Mphasis BFL Limited [Nil (2009 : 1,577) equity shares of Rs. 10 each, fully paid up]	-	0.04
Reliance Industries Limited [Nil (2009 : 2,898) equity shares of Rs. 10 each, fully paid up]	-	0.37
Transformers & Rectifiers Limited [Nil (2009 : 500) equity shares of Rs. 10 each, fully paid up]	-	0.02
Less: Provision for diminution in value of investments	(0.07)	(6.57)
(ii)	39.59	22.38
Other than trade, unquoted		
A. Investment in Mutual Funds		
BSL Infrastructure Fund - Dividend Payout [4,723,347 (2009 : 4,723,346) units of Rs. 10 each]	3.50	3.50
Reliance Liquid Fund - Weekly Dividend [694,114 (2009 : 996,783) units of Rs. 10 each]	1.06	1.53
Purchased during the year		
UTI Treasury Advantage Fund -Institutional Plan- Daily Dividend Scheme [350,017 (2009 : Nil) units of Rs. 1,000 each]	35.01	-

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

(Rs. in crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
AXIS Liquid Fund Institutional - Growth Scheme [245,311 (2009 : Nil) units of Rs. 1,000 each]	25.00	-
Birla Sun Life Cash Plus - Institutional Premium Growth [327,093,619 (2009 : Nil) units of Rs. 10 each]	572.64	-
Birla Sun Life Saving Fund Institutional - Growth [8,333,809 (2009 : Nil) units of Rs. 10 each]	14.56	-
Birla Sun life Savings Fund Institutional -Daily Dividend [14,868,353 (2009 : Nil) units of Rs. 10 each]	14.88	-
Birla Sunlife Cash Plus Institutional - Daily Dividend [299,731 (2009 : Nil) units of Rs. 10 each]	0.30	-
BSL Savings Fund Institutional - Growth [25,526,525 (2009 : Nil) units of Rs. 10 each]	44.60	-
HDFC Cash Management Fund - Treasury Advantage Plan-Growth [4,459,889 (2009 : Nil) units of Rs. 10 each]	9.00	-
HDFC Liquid Fund - Premium Plan - Growth [113,892,875 (2009 : Nil) units of Rs. 10 each]	223.01	-
ICICI Liquid Super Institutional Plan-Growth option [8,759,985 (2009 : Nil) units of Rs. 100 each]	150.03	-
ICICI Prudential - Super Institutional Growth Fund [21,785,567 (2009 : Nil) units of Rs. 100 each]	296.24	-
ICICI Prudential Flexible Income Plan premium -Daily Dividend [740,913 (2009 : Nil) units of Rs. 100 each]	7.83	-
ICICI Prudential Flexible Income Plan Premium - Growth [12,599,989 (2009 : Nil) units of Rs. 100 each]	215.73	-
ICICI Prudential Instl. Liquid Plan - Super Instl. Growth [3,675,436 (2009 : Nil) units of Rs. 100 each]	50.00	-
ICICI Prudential - Ultra Short Term Super Premium Growth [209,269,177 (2009 : Nil) units of Rs. 10 each]	216.03	-
ICICI Prudential - Short Term Plan Institutional Growth [12,414,778 (2009 : Nil) units of Rs. 10 each]	24.00	-
IDFC Money Manager Fund - Treasury Plan Super Institutional Plan-Growth [249,808,847 (2009 : Nil) units of Rs. 10 each]	272.75	-
IDFC Cash Fund Super Institutional Plan-Growth [51,086,077 (2009 : Nil) units of Rs. 10 each]	57.18	-
IDFC Cash Fund-Super Institutional Plan-Daily Dividend [3,381,759 (2009 : Nil) units of Rs. 10 each]	3.38	-
IDFC Money Manager Fund - Treasury Plan - Institutional Plan - Growth [63,245,289 (2009 : Nil) units of Rs. 10 each]	69.03	-
UTI Fixed Income Interval Fund - Monthly Interval Plan II - Growth [25,000,000 (2009 : Nil) units of Rs. 10 each]	25.00	-
UTI Treasury Advantage Fund - Institutional Plan - Growth [251,734 (2009 : Nil) units of Rs. 1000 each]	31.13	-

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

(Rs. in crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
Sold during the year		
ICICI Prudential Institutional Liquid Plan - Super Institutional - Daily Dividend [Nil (2009 : 12,322,669) units of Rs. 10 each]	-	16.00
UTI - Liquid Cash Plan Institutional - Daily Income/Dividend Option [Nil (2009 : 194,482) units of Rs. 1,000 each]	-	19.82
UTI - Liquid Cash Plan Institutional - Growth Option [Nil (2009 : 16,530,046) units of Rs. 10 each]	-	40.65
UTI Money Market Fund-Growth Plan [Nil (2009 : 27,666,334) units of Rs. 10 each]	-	68.09
SBI Insta Cash Fund Growth Option [Nil (2009 : 28,207,337) units of Rs. 10 each]	-	55.36
B. Investment in Government Securities		
6.35% Government of India 2020 [1,500,000 (2009 : 1,500,000) units of Rs. 100 each]	13.49	14.10
6.05% Government of India 2019 [500,000 (2009 : 500,000) units of Rs. 100 each]	4.40	4.64
Sold during the year		
5.59% Government of India 2016 [Nil (2009 : 1) unit of Rs. 10.00 crore each]	-	8.83
7.38% Government of India 2015 [Nil (2009 : 1) unit of Rs. 10.00 crore each]	-	10.45
7.46% Government of India 2017 [Nil (2009 : 1) unit of Rs. 1.00 crore each]	-	1.04
C. Investment in Non-Government Securities		
Purchased during the year		
8.40 % ONGC Videsh Limited [150 (2009 : Nil) units of Rs. 100 each]	14.92	-
8.90% Power Grid Corporation Limited [40 (2009 : Nil) units of Rs. 100 each]	5.04	-
D. Investment in Certificate of Deposits		
Purchased during the year		
Allahabad Bank [5,000 (2009 : Nil) units of Rs. 1 lakh each]	48.70	-
Canara Bank [35,000 (2009 : Nil) units of Rs. 1 lakh each]	336.26	-
Central Bank of India [2,500 (2009 : Nil) units of Rs. 1 lakh each]	24.97	-
Punjab National Bank [2,500 (2009 : Nil) units of Rs. 1 lakh each]	23.51	-
State Bank of Bikaner and Jaipur [2,500 (2009 : Nil) units of Rs. 1 lakh each]	23.56	-

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

(Rs. in crore)

Schedule 7 INVESTMENTS (contd.)	March 31, 2010	March 31, 2009
State Bank of Bikaner and Jaipur [2,500 (2009 : Nil) units of Rs. 1 lakh each]	24.91	-
Union Bank of India [1,500 (2009 : Nil) units of Rs. 1 lakh each]	14.12	-
Corporation Bank [2,000 (2009 : Nil) units of Rs. 1 lakh each]	19.97	-
Bank of India [2,500 (2009 : Nil) units of Rs. 100 each]	24.89	-
Dena Bank [10,000 (2009 : Nil) units of Rs. 100 each]	97.39	-
Central Bank of India [2,500 (2009 : Nil) Bonds of Rs. 1 lakh each]	24.84	-
HDFC Bank Limited [10,000 (2009 : Nil) Bonds of Rs. 1 lakh each]	97.35	-
State Bank of Travancore [1,000 (2009 : Nil) Bonds of Rs. 1 lakh each]	9.77	-
Sold during the year		
State Bank of India [Nil (2009 : 5,000) units of Rs. 1 lakh each]	-	48.27
(iii)	3,168.98	292.28
Other than Trade, unquoted		
A. Investment In Equity shares of Companies		
Sai Rayalaseema Paper Mills Limited [323,210 (2009: 323,210) equity shares of Rs. 10 each, fully paid up]	0.39	0.39
(iv)	0.39	0.39
Total (i)+(ii)+(iii)+(iv)	4,641.05	1,310.89

#Considered as a subsidiary company during the year.

@Considered as an associate company during the year.

@@Considered as a joint venture during the year.

The shares existing as on 31st March 2009 have been sold and new shares have been purchased from the open market.

Notes:-

Aggregate market value of quoted investments - Rs. 71.51 crore (2009 : Rs. 98.03 crore)

Aggregate amount of quoted investments - Rs. 39.59 crore (2009 : Rs. 22.38 crore)

Aggregate amount of unquoted investments - Rs. 4,601.46 crore (2009 : Rs. 1,288.51 crore)

(Rs. in crore)

Schedule 8 INVENTORIES	March 31, 2010	March 31, 2009
(at lower of cost and net realisable value)		
Stores and spares	35.00	33.35
Raw materials	56.50	89.48
Contract work in progress	12.53	-
Finished goods - traded fuel stock	11.89	9.05
Total	115.92	131.88

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

(Rs. in crore)

Schedule 9 SUNDRY DEBTORS	March 31, 2010	March 31, 2009
(Unsecured and considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months:		
Considered good	162.86	83.73
Considered doubtful	0.54	44.07
Less: Provision for doubtful debts	(0.54)	(44.07)
	162.86	83.73
Other debts:		
Considered good*	702.07	577.18
Considered doubtful	0.69	3.83
Less: Provision for doubtful debts	(0.69)	(3.83)
	702.07	577.18
Total	864.93	660.91

* Includes unbilled revenue amounting to Rs. 327.98 crore (2009: Rs. 206.39 crore)

[Debtors include Rs. Nil (2009: Rs. 27.61 crore) on account of PSF (Security Component) balances]

(Rs. in crore)

Schedule 10 CASH AND BANK BALANCES	March 31, 2010	March 31, 2009
Cash and cheques on hand	7.61	1.08
Balances with scheduled banks		
On current accounts - others*	231.44	239.92
On deposit accounts **	506.82	1,882.50
On unpaid dividend accounts ***	-	3.66
On margin money deposit accounts ****	42.45	85.22
Balances with banks other than scheduled banks		
On current accounts	874.88	235.68
On deposit accounts	19.42	18.46
Total	1,682.62	2,466.52

* 1. Balances in current accounts with schedule banks include Rs. Nil (2009: Rs. 1.22 crore) on account of PSF (Security Component) balances.

2. Includes share application money pending refund Rs. 0.05 crore (2009: Rs. 0.05 crore)

** 1. Balance in deposit accounts with schedule banks include Rs. Nil (2009: Rs. 78.14 crore) on account of PSF (Security Component) balances.

2. Balance in deposit accounts includes deposit of Rs. 10 crore (2009: Rs. Nil) on which charge has been created for working capital facility.

3. Balance in deposit accounts includes deposit of Rs. Nil (2009: Rs. 65 crore) pledged in favour of debenture holders of the Company.

*** There is no amount due and outstanding to be credit to Investor Education and Protection Fund.

**** The margin money are towards letters of credit and bank guarantees issued by the bankers on behalf of the Company.

(Rs. in crore)

Schedule 11 OTHER CURRENT ASSETS	March 31, 2010	March 31, 2009
(Unsecured and considered good)		
Interest accrued on deposits	9.67	16.84
Interest accrued on investments	89.98	-
Claims recoverable	61.96	0.87
Grant receivable from authorities	0.04	0.04
Total	161.65	17.75

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

(Rs. in crore)

Schedule 12 LOANS AND ADVANCES	March 31, 2010	March 31, 2009
(Unsecured and considered good, unless otherwise stated)		
Loans to employees	4.49	1.44
Advance towards share application money	-	28.62
Loans to others	137.61	181.98
Advances recoverable in cash or in kind or for value to be received		
Considered good	677.63	435.04
Considered doubtful	-	6.43
Less: Provision for doubtful advances	-	(6.43)
Deposit with government authorities	114.98	113.23
Deposits with others*	71.14	313.30
Balances with customs, excise, etc.,	200.52	107.77
Advance tax (net of provision)	90.92	70.98
MAT credit entitlement	18.34	13.91
Total	1,315.63	1,266.27

* [Includes Rs. Nil (2009: Rs. 164.67 crore) deposited with a bank towards security by way of participation amount against a loan granted to a subsidiary company.]

(Rs. in crore)

Schedule 13 CURRENT LIABILITIES AND PROVISIONS	March 31, 2010	March 31, 2009
a) Liabilities		
Sundry Creditors		
Dues to micro and small enterprises [Refer Note 4 (xi)(a) of schedule 19]	-	-
Dues to other than micro and small enterprises	855.22	784.39
	855.22	784.39
Book overdraft	3.34	9.62
Share application money refunds - not claimed*	0.05	0.05
Advances/ Deposits from customers/ concessionaires	440.05	251.75
Retention money	69.89	161.59
Other liabilities	138.32	190.08
Interest accrued but not due on loans	75.27	12.43
	1,582.14	1,409.91
b) Provisions		
Provision for preference dividend	1.04	-
Provision for dividend distribution tax	0.26	-
Provision for voluntary retirement compensation [Refer Note 4 (xvii)(c) of schedule 19]	170.88	-
Provision for wealth tax	0.06	0.07
Provision for taxation (net of advance tax)	44.65	5.03
Provision for employee benefits	29.44	7.64
Provision for debenture redemption premium	106.96	23.82
Provision for preference shares redemption premium	14.38	-
Provision for operations and maintenance (net of advances) [Refer Note 4 (xvii) of schedule 19]	15.44	46.69
	383.11	83.25
Total	1,965.25	1,493.16

[Liabilities includes Rs. Nil (2009: Rs. 106.97 crore) pertaining to PSF (Security Component) balances]

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

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

(Rs. in crore)

Schedule 14 SALES AND OPERATING INCOME	March 31, 2010	March 31, 2009
Power		
Income from sale of electrical energy*	2,083.41	2,012.87
Less: prompt payment rebate	45.85	46.97
Income from management and other services	-	169.31
	2,037.56	2,135.21
Roads		
Annuity income from expressways	248.19	141.38
Toll income from expressways	97.88	10.52
	346.07	151.90
Airports		
Aeronautical	702.58	581.34
Non - Aeronautical**	1,080.51	828.42
Cargo operations	215.67	253.45
Income from commercial property development	46.38	-
	2,045.14	1,663.21
EPC		
Construction revenue	409.85	304.17
	409.85	304.17
Others		
Income from management and other services	125.28	46.09
Interest income (gross)	126.71	61.22
[Tax deducted at source - Rs.6.63 crore (2009: Rs. 8.79 crore)]		
Dividend income on current investments (other than trade) (gross)	1.58	109.26
Profit on sale of current investments (other than trade)	31.23	5.13
	284.80	221.70
Total	5,123.42	4,476.19

* Includes Rs. 168.78 crore (2009: Rs. 138.60 crore) from energy trading operations.

** Includes Rs. 258.16 crore (2009: Rs. 209.08 crore) from fuel trading operations.

(Rs. in crore)

Schedule 15 OTHER INCOME	March 31, 2010	March 31, 2009
Provision for claims recoverable/doubtful debts written back	30.32	-
Provisions no longer required, written back	42.45	1.79
Profit on sale of current investments (other than trade)	37.33	14.13
Lease income	0.74	0.72
Miscellaneous income	52.55	4.73
Total	163.39	21.37

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

(Rs. in crore)

Schedule 16 GENERATION AND OPERATING EXPENSES	March 31, 2010	March 31, 2009
Consumption of fuel and lubricants	1,386.92	1,353.27
Purchase of traded goods		
Cost of power purchased for re-sale	161.83	129.88
Cost of jet fuel purchased for re-sale	242.41	209.38
Operations and maintenance	242.28	143.71
Airport operator fee	30.81	27.29
Construction cost [net of closing contract work in progress of Rs. 12.53 crore (2009: Rs. Nil)]	253.83	204.61
Cargo handling charges	14.68	17.56
Insurance	16.82	9.24
Technical consultancy fee	9.26	11.48
Salaries, allowances and benefits to employees	27.31	24.34
Contribution to provident fund and others	0.86	0.13
Electricity and water charges	60.14	56.35
Repairs and maintenance		
Plant and machinery	48.16	35.32
Buildings	31.38	26.89
Others	39.94	30.35
Lease rentals [net of sub-lease rentals - Rs. 0.28 crore (2009: Rs. 0.28 crore) and includes landlease rentals of Rs. 4.99 crore (2009: Rs. 4.69 crore)]	10.90	6.49
Others	1.90	5.35
	2,579.43	2,291.64
Stock as at April 1, of traded fuel	9.05	-
Less: Stock as at March 31, of traded fuel	11.89	9.05
(Increase) / Decrease in stock in trade	(2.84)	(9.05)
Total	2,576.59	2,282.59

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

(Rs. in crore)

Schedule 17 ADMINISTRATION AND OTHER EXPENSES	March 31, 2010	March 31, 2009
Salaries, allowances and benefits to employees	243.79	189.57
Contribution to provident and other funds	12.27	9.89
Staff welfare	26.72	25.68
Operation support cost paid to Airports Authority of India	10.38	115.34
Rent	39.74	32.73
Repairs and maintenance		
Buildings	0.06	0.04
Others	4.92	1.87
Rates and taxes	31.34	13.92
Insurance	6.90	8.10
Consultancy and other professional charges	108.93	122.85
Directors' sitting fee	0.63	0.51
Electricity charges	1.86	1.41
Advertisement	22.90	13.53
Travelling and conveyance	15.99	24.67
Communication	9.46	9.00
Printing and stationery	6.61	4.76
Provision for doubtful advances and debtors	0.79	17.83
Provision for diminution in value of investments	0.07	5.98
Donations	14.99	6.62
Loss on account of foreign exchange fluctuations (net)	0.01	0.20
Loss on sale of fixed assets	3.85	0.08
Bad debts written off (net of provisions no longer required written back of Rs. 17.94 crore)	11.45	-
Miscellaneous expenses	51.95	65.26
Total	625.61	669.84

(Rs. in crore)

Schedule 18 INTEREST AND FINANCE CHARGES (NET)	March 31, 2010	March 31, 2009
Interest on term loans	757.94	436.40
Interest on debentures	32.17	8.04
Interest - others	9.01	5.29
Mark to market losses on derivative instruments	25.93	-
Bank and other finance charges	25.23	15.14
Less: Interest income on deposits (gross)	(127.95)	(96.67)
[Tax deducted at source - Rs. 13.89 crore (2009: Rs. 17.78 crore)]		
Total	722.33	368.20

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

1. Description of Business

GMR Infrastructure Limited ('GIL' or 'the Company') and its consolidated subsidiaries, associates and joint ventures (hereinafter collectively referred to as 'the Group') are mainly engaged in generation of power, development of highways, infrastructure development such as development and maintenance of airports and special economic zones, construction business including EPC contracting activities and operation of special economic zones.

Energy Sector

Certain entities of the Group are involved in the generation of power. These are separate special purpose vehicles formed which have entered into Power Purchase Agreements with the electricity distribution companies of the respective state governments either on the basis of Memorandum of Understanding or through a bid process or on the basis of short term power supply agreements to generate and sell power directly to consumers as a merchant plant. Group is also involved in energy trading activities through one of its subsidiaries and mining and exploration activities through its subsidiaries and associates.

Infrastructure Business (Airport)

Certain entities of the Group are engaged in development of airport infrastructure such as greenfield international airport at Hyderabad and modernization of international airports at Delhi and Istanbul on build, own, operate and transfer basis.

Development of highways

Certain entities of the Group are engaged in development of highways on build, operate and transfer model on annuity or toll basis. These are special purpose vehicles which have entered into concessionaire agreements with National Highways Authority of India for carrying out these projects.

Construction Business

Certain entities of the Group are in the business of construction including as an EPC contractor. These entities are engaged in handling of engineering, procurement and construction solution in the infrastructure sector.

Others

Certain entities of the Group cover all residual activities of the Group that includes urban infrastructure, investment activities and management / technical consultancy.

2. Principles of Consolidation

The consolidated financial statements include accounts of the Group. Subsidiary undertakings are those companies in which GIL, directly or indirectly, has an interest of more than one half of voting power or otherwise controls the composition of the Board/Governing Body so as to obtain economic benefits from its activities. Subsidiaries are consolidated from the date on which effective control is transferred to the Group till the date such control ceases. The consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended). The consolidated 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 Group.

The consolidated financial statements of the Group have been prepared based on a line-by-line consolidation of the Balance Sheet, Profit and Loss account and Cash Flow Statement of GIL and its subsidiary companies. All inter-company transactions, balances and unrealized surpluses and deficits on transactions between group companies are eliminated unless cost cannot be recovered. The excess of the cost to the Company of its investments in subsidiaries, over its proportionate share in equity of the investee company as at the date of acquisition is recognised in the consolidated financial statements as Goodwill and disclosed under Intangible Assets. In case the cost of investment in subsidiary companies is less than the proportionate share in equity of the investee company as on the date of investment, the difference is treated as Capital Reserve and shown under Reserves and Surplus.

The gains or losses arising from the dilution of interest on issue of additional shares to third parties is recorded as Capital Reserve/ Goodwill. Gains or losses arising on the direct sale by the Company of its investment in its subsidiaries or associated companies to third parties are transferred to the Profit and Loss account. Such gains or losses are the difference between the sale proceeds and the net carrying values of the investments.

The Consolidated Financial Statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

Investments in the Associates have been accounted in these consolidated financial statements as per Accounting Standards (AS) 23 on Accounting for Investments in Associates in consolidated financial statements. Investments in associate companies, which have been made for temporary purposes, have not been considered for consolidation.

Investments in the Joint Ventures have been accounted using proportionate consolidation method whereby the Group includes its share of the assets, liabilities, income and expenses of the joint venture in its consolidated financial statements as per AS 27 on Financial Reporting of Interests in Joint Ventures.

The companies considered in the consolidated financial statements in each of the years are listed below:

No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
1	GMR Energy Limited (GEL)	India	Subsidiary ¹	97.91%	100.00%	97.91%	100.00%
2	GMR Power Corporation Limited (GPCL) (formerly GMR Power Corporation Private Limited)	India	Subsidiary ²	49.93%	51.00%	51.00%	51.00%
3	GMR Vemagiri Power Generation Limited (VPGL) (formerly Vemagiri Power Generation Limited)	India	Subsidiary ²	97.91%	100.00%	100.00%	100.00%
4	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	India	Subsidiary ²	97.91%	100.00%	99.90%	100.00%
5	Badrinath Hydro Power Generation Private Limited (BHPL)	India	Subsidiary ²	96.93%	99.00%	99.00%	99.00%
6	GMR Mining & Energy Private Limited (GMEL)	India	Subsidiary ²	87.14%	89.00%	89.00%	89.00%
7	GMR Kamalanga Energy Limited (GKEL)	India	Subsidiary ^{2&8}	78.33%	100.00%	80.00%	100.00%
8	EMCO Energy Limited (EMCO)	India	Subsidiary ^{2&3}	97.91%	-	100.00%	-
9	GMR Chhattisgarh Energy Private Limited (GCHEPL)	India	Subsidiary ^{2&12}	97.91%	45.00%	100.00%	45.00%
10	GMR Rajahmundry Energy Limited (GREL)	India	Subsidiary ^{2&4}	97.91%	-	100.00%	-
11	SJK Powergen Limited (SJK)	India	Subsidiary ^{2&3}	68.54%	-	70.00%	-
12	GMR Coastal Energy Private Limited (GCEPL)	India	Subsidiary ²	97.91%	100.00%	100.00%	100.00%
13	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	India	Subsidiary ²	97.91%	100.00%	100.00%	100.00%
14	GMR Londa Hydropower Private Limited (GLHPPPL)	India	Subsidiary ²	97.91%	100.00%	100.00%	100.00%
15	Londa Hydropower Private Limited (LHPL)	India	Subsidiary ²	96.93%	99.00%	99.00%	99.00%
16	GMR Energy Trading Limited(GETL)	India	Subsidiary ^{2,5&10}	99.60%	51.00%	100.00%	51.00%

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

No.	Name of the Company	Country of Incorporation	Relationship	Percentage of effective ownership interest held (directly or indirectly) as on		Percentage of voting rights held (directly or indirectly) as on	
				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
17	GMR Consulting Services Private Limited (GCSPL) (formerly GMR Consulting Engineers Private Limited)	India	Subsidiary ²	96.93%	99.00%	99.00%	99.00%
18	GMR Highways Limited (GMRHL) (formerly GMR Highways Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
19	GMR Tambaram Tindivanam Expressways Private Limited (GTTEPL)	India	Subsidiary ²	60.48%	60.77%	74.00%	74.00%
20	GMR Tuni Anapalli Expressways Private Limited (GTAEPL)	India	Subsidiary ²	60.48%	60.77%	74.00%	74.00%
21	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	India	Subsidiary ²	99.46%	100.00%	100.00%	100.00%
22	GMR Jadcherla Expressways Private Limited (GJEPL)	India	Subsidiary ²	99.90%	100.00%	100.00%	100.00%
23	GMR Pochanpalli Expressways Limited (GPEL) (formerly GMR Pochanpalli Expressways Private Limited)	India	Subsidiary ²	99.90%	100.00%	100.00%	100.00%
24	GMR Ulundurpet Expressways Private Limited (GUEPL)	India	Subsidiary ²	99.90%	100.00%	100.00%	100.00%
25	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	India	Subsidiary ³	74.00%	-	74.00%	-
26	GMR Chennai Outer Ring Road Private Limited (GCRORPL)	India	Subsidiary ³	89.79%	-	90.00%	-
27	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)	India	Subsidiary ³	51.00%	-	51.00%	-
28	GMR Airports Holding Limited (GAHL) (formerly GVL Investments Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
29	GMR Hyderabad International Airport Limited (GHIAL)	India	Subsidiary	63.00%	63.00%	63.00%	63.00%
30	Hyderabad Menzies Air Cargo Private Limited (HMACPL)	India	Subsidiary	32.13%	32.13%	51.00%	51.00%
31	Hyderabad Airport Security Services Limited (HASSL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
32	GMR Hyderabad Airport Resource Management Limited (GHARML)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
33	GMR Hyderabad Aerotropolis Limited (GHAL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%

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				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
34	GMR Hyderabad Aviation SEZ Limited (GHASL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
35	GMR Hyderabad Multiproduct SEZ Limited (GHMSL)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
36	GMR Hotels and Resorts Limited (GHHL) (formerly GMR Airport Handling Services Limited)	India	Subsidiary	63.00%	63.00%	100.00%	100.00%
37	MAS GMR Aerospace Engineering Company Private Limited (MGECP)	India	Joint Venture ⁶	31.50%	-	50.00%	-
38	Delhi International Airport Private Limited (DIAL)	India	Subsidiary ^{2&5}	53.79%	50.10%	54.00%	50.10%
39	DIAL Cargo Private Limited(DCPL)	India	Subsidiary ¹¹	53.79%	50.10%	100.00%	100.00%
40	Delhi Aerotropolis Private Limited(DAPL)	India	Subsidiary ¹¹	53.79%	50.10%	100.00%	100.00%
41	East Delhi Waste Processing Company Private Limited (EDWPCPL)	India	Subsidiary ¹¹	63.17%	40.08%	87.50%	80.00%
42	Delhi Aviation Fuel Facility Private Limited (DAFFPL)	India	Subsidiary ⁴	33.89%	-	63.00%	-
43	Devyani Food Street Private Limited(DFSPL)	India	Joint Venture ⁶	21.52%	-	40.00%	-
44	Delhi Select Services Hospitality Private Limited (DSSHPL)	India	Joint Venture ⁶	21.52%	-	40.00%	-
45	Delhi Duty Free Services Private Limited (DDFSPL)	India	Joint Venture ⁶	26.84%	-	49.90%	-
46	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL)	India	Associate ⁷	13.99%	-	26.00%	-
47	Wipro Airport IT Services Private Limited (WAITSP)	India	Joint Venture ⁶	13.99%	-	26.00%	-
48	Delhi Cargo Service Centre Private Limited (DCSCPL)	India	Associate ⁷	13.99%	-	26.00%	-
49	Delhi Airport Parking Services Private Limited (DAPSPL)	India	Joint Venture ⁶	26.84%	-	49.90%	-
50	Istanbul Sabiha Gokcen Uluslarasi Havalimani Yatirim Yapum Ve Isletme Sirketi (ISG)	Turkey	Joint Venture	40.00%	40.00%	40.00%	40.00%
51	Istanbul Sabiha Gokcen Uluslararasi Hvalimani Yer Hizmetleri Anonim Sirketi (SGH)	Turkey	Joint Venture	29.00%	29.00%	29.00%	29.00%

Notes forming part of the Consolidated Accounts

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				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
52	GMR SEZ and Port Holdings Private Limited(GSPHPL) (formerly GMR Oil and Natural Gas Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
53	GMR Krishnagiri SEZ Limited(GKSEZL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
54	Advika Properties Private Limited(APPL) (formerly Advika Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
55	Aklima Properties Private Limited(AKPPL) (formerly Aklima Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
56	Amartya Properties Private Limited(AMPPL) (formerly Amartya Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
57	Baruni Properties Private Limited(BPPL) (formerly Baruni Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
58	Bougainvillea Properties Private Limited(BOPPL)	India	Subsidiary ³	100.00%	-	100.00%	-
59	Camelia Properties Private Limited(CPPL) (formerly Camelia Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
60	Eila Properties Private Limited(EPPL) (formerly Eila Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
61	Gerbera Properties Private Limited(GPPL) (formerly Gerbera Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
62	Nadira Properties Private Limited(NPPL) (formerly Nadira Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
63	Honeysuckle Properties Private Limited(HPPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
64	Idika Properties Private Limited(IPPL) (formerly Idika Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
65	Krishnapriya Properties Private Limited(KPPL) (formerly Krishnapriya Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%

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				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
66	Lakshmi Priya Properties Private Limited(LPPPPL) (formerly Hiral Real Estates Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
67	Prakalpa Properties Private Limited(PPPL) (formerly Prakalpa Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
68	Purnachandra Properties Private Limited(PUPPL) (formerly Purnachandra Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
69	Shreyadita Properties Private Limited(SPPL) (formerly Shreyadita Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
70	Sreepa Properties Private Limited(SRPPL) (formerly Sreepa Real Estate Private Limited)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
71	GMR Aviation Private Limited(GAPL)	India	Subsidiary	100.00%	100.00%	100.00%	100.00%
72	Gateways for India Airports Private Limited(GFIAPL)	India	Subsidiary	86.49%	86.49%	86.49%	86.49%
73	GMR Headquarters Private Limited(GHDPL)	India	Subsidiary ³	100.00%	-	100.00%	-
74	GMR Campus Private Limited(GCPL)	India	Subsidiary ³	100.00%	-	100.00%	-
75	GMR Corporate Affairs Private Limited(GCAPL)	India	Subsidiary ³	99.00%	-	99.00%	-
76	Dhruvi Securities Private Limited(DSPL)	India	Subsidiary ³	100.00%	-	100.00%	-
77	GMR Infrastructure (Mauritius) Limited(GIML)	Mauritius	Subsidiary	100.00%	100.00%	100.00%	100.00%
78	GMR Infrastructure (Cyprus) Limited(GICL)	Cyprus	Subsidiary	100.00%	100.00%	100.00%	100.00%
79	GMR Infrastructure Overseas Sociedad Limitada(GIOSL)	Spain	Subsidiary	100.00%	100.00%	100.00%	100.00%
80	GMR Infrastructure (UK) Limited(GIUL)	United Kingdom	Subsidiary	100.00%	100.00%	100.00%	100.00%
81	GMR Infrastructure (Global) Limited(GIGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
82	GMR Infrastructure (Singapore) Pte Limited(GISPL)	Singapore	Subsidiary	100.00%	100.00%	100.00%	100.00%
83	GMR International (Malta) Limited (GMRIML)	Malta	Subsidiary	100.00%	100.00%	100.00%	100.00%

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				March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
84	Island Power Intermediary Pte Limited(IPIPL)	Singapore	Subsidiary ³	100.00%	-	100.00%	-
85	Island Power Company Pte Limited(IPCPL)	Singapore	Subsidiary ¹³	100.00%	-	100.00%	-
86	Island Power Supply Pte Limited(IPSPL)	Singapore	Subsidiary ¹³	100.00%	-	100.00%	-
87	Himtal Hydro Power Company Private Limited (HHPCPL)	Nepal	Subsidiary ²	78.33%	80.00%	80.00%	80.00%
88	GMR Upper Karnali Hydropower Public Limited (GUKHL)	Nepal	Subsidiary ^{2&5}	71.55%	50.50%	73.00%	73.00%
89	GMR Energy (Mauritius) Limited (GEML)	Mauritius	Subsidiary ²	98.01%	100.00%	100.00%	100.00%
90	GMR Lion Energy Limited (GLEL)	Mauritius	Subsidiary ^{2&5}	98.01%	69.18%	100.00%	69.18%
91	GMR Energy (Cyprus) Limited (GECL)	Cyprus	Subsidiary ²	98.01%	100.00%	100.00%	100.00%
92	GMR Energy (Netherlands) B.V (GENBV).	Netherlands	Subsidiary ²	98.01%	100.00%	100.00%	100.00%
93	PT Dwikarya Sejati Utama (PTDSU)	Indonesia	Subsidiary ²	98.01%	100.00%	100.00%	100.00%
94	PT Duta Sarana Internusa (PTDSI)	Indonesia	Subsidiary ²	98.01%	100.00%	100.00%	100.00%
95	Limak GMR Construction JV(LGCJV)	Turkey	Joint Venture	50.00%	50.00%	50.00%	50.00%
96	GMR Energy (Global) Limited(GEGL)	Isle of Man	Subsidiary	100.00%	100.00%	100.00%	100.00%
97	LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi(LGM)	Turkey	Joint Venture ⁶	40.00%	-	40.00%	-
98	PT Barasentosa Lestari (PTBL)	Indonesia	Subsidiary ²	98.01%	99.97%	100.00%	99.97%
99	Homeland Energy Group Limited (HEGL)	Canada	Associate ⁹	33.47%	-	34.17%	-
100	Lion Energy Tuas Pte Limited (LETPL)	Singapore	Subsidiary ³	98.01%	-	100.00%	-
101	PT Unsoco(PT)	Indonesia	Subsidiary ^{2&3}	98.01%	-	100.00%	-

1. Dilution in GEL due to fresh equity share capital issued to minority shareholders
2. Dilution consequent to GEL's issue of equity share capital issued to minority shareholders
3. Acquisition during the year
4. Incorporation during the year
5. Additional shares acquired from the minority shareholders
6. New joint venture company formed during the year
7. New associate formed during the year
8. Shares issued to minority shareholders
9. Became an associate during the year
10. Further investments made during the year
11. Consequent to increase in Group's shareholding in DIAL
12. Became subsidiary during the year consequent to increase in Group's shareholding
13. Became subsidiary on acquisition of IPIPL

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

3 Significant accounting policies

(i) 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

(ii) Revenue recognition

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

Energy Sector business

In case of power generating companies, revenue from sale of energy is recognised on accrual basis in accordance with the provisions of the Power Purchase Agreements (PPAs) and includes unbilled revenue accrued up to the end of the accounting year; and in other cases revenue is recognised in accordance with invoices raised on consumers based on the units of energy delivered.

Claims for delayed payment charges and any other claims, which the Group is entitled to, under the PPA, on grounds of prudence, are accounted for in the year of acceptance.

Development of Highways

In case of companies involved in construction and maintenance of roads, toll revenue from operation is recognised on receipt basis and in annuity based projects, revenue recognition is based on annuity accrued on time basis in accordance with the provisions of the Concessionaire Agreement entered into with National Highways Authority of India ('NHAI'). Claims raised on NHAI under Concessionaire Agreement are accounted for in the year of acceptance.

Infrastructure Business (Airport)

In case of airport infrastructure companies, revenue is recognised on an accrual basis and is net of service tax, applicable discounts and collection charges, when services are rendered and it is possible that an economic benefit will be received which can be quantified reliably.

Revenue from cargo operations is recognised at the point of departure for exports and at the point when goods are cleared in case of imports. Interest on delayed receipts from customers is recognised on acceptance.

Revenue from commercial property development rights granted to concessionaires is recognised on accrual basis, as per the terms of agreement with customers.

Annual fee computed as a percentage of revenues, pursuant to the terms and conditions of the relevant agreement for Development, Construction, Operation and Maintenance of respective airports is recognised as a charge to Gross Income.

Revenue from hotel operations comprises income by way of hotel room rent, sale of food, beverages and allied services relating to hotel and is recognised net of taxes and discounts as and when the services are provided.

Revenue from the sale of fuel is measured at the consideration received or receivable, net of returns and trade discounts.

Construction Business

Construction revenue and costs are recognised 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 recognised 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 recognises 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.

Others

- Dividend income on investments is accounted for when the right to receive the payment is established by Balance Sheet date.
- Income from management/technical services is recognised as per the terms of the agreement on the basis of services rendered.

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

- Interest on investments and bank deposits are booked on a time proportion basis taking into account the amounts invested and the rate of interest.
- Benefits arising out of duty free scrips utilized for the acquisition of fixed assets are recognized as income once it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Expenditure including pre-operative and other incidental expenses incurred by the Group on projects that are in the process of commissioning, being recoverable from the respective special purpose vehicles/subsidiaries created or to be created by the Group for carrying out these projects, are not charged to the Profit and Loss account and are treated as advances to special purpose vehicles/subsidiaries.

(iii) Operations and Maintenance

Power generating companies have entered into Long Term Service Agreements (LTSAs) for maintenance of the main plants, Operations and Maintenance agreement for regular and major maintenance and Long Term Assured Parts Supply Agreement (LTAPSA) for supply of parts for planned and unplanned maintenance over the terms of the agreements. Amounts payable under the agreements are charged to the Profit and Loss account based on actual factored fired hours of the Gas Turbines during the period on the basis of average factored hour cost including customs duty applicable at the current prevailing rate. Periodical minimum payments are accounted as and when due.

Operations and Maintenance Agreements have been entered by certain subsidiary companies for operations, regular and major maintenance of the carriageways. Amounts payable under such agreements are charged to the Profit and Loss account on an accrual basis.

(iv) Fixed Assets

Fixed Assets are stated at cost of acquisition (or revalued amounts, as the case may be), 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.

Development fee received / accrued, towards development of aeronautical assets is reduced from the cost of such assets.

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 capitalised 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 recognised as expenses in the period in which they are incurred.

Intangible Assets

In case of airport infrastructure companies, amounts in the nature of upfront fee and other costs paid to Airports Authority of India (AAI) pursuant to the terms and conditions of the Operations, Maintenance and Development Agreement (OMDA) are recognised as Intangible assets.

Carriageways represents commercial rights to collect toll fee in relation to toll roads and to receive annuity in the case of annuity based projects which has been accounted at the cost incurred on the project activity towards reconstruction, strengthening, widening, rehabilitation of the toll roads on build, operate and transfer basis. It includes all direct material, labour and sub-contracting costs, inward freight, duties, taxes, obligation towards negative grant payable to NHAI, if any, and any directly attributable expenditure on making the Commercial right ready for its intended use.

(v) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred for potential mineral reserves and are related to the project expenditure are recognised and reported as part of "capital work-in-progress" when one of the below conditions are met:

- a. Such costs are expected to be either recouped in full through successful exploration and development of the area of interest or alternatively by its sale, or
- b. When exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically available reserves, and active and significant operations in relation to the area are continuing or are planned for future.

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Ultimate recoupment of the exploration expenditure carried forward is dependent upon a successful development and commercial exploitation, or alternatively, sale of the respective area. Assets are reassessed on regular basis and these costs are carried forward provided that atleast one of the conditions outlined above is met. All other exploration and evaluation expenditure is recognised as expense in the period in which it is incurred.

(vi) Leases

For Lessee:

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised 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.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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 recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

For Lessor:

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss account on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in Profit and Loss account. Initial direct cost such as legal cost, brokerage cost, etc. are recognised immediately in the Profit and Loss account.

(vii) Depreciation/ Amortisation

Tangible Assets

The Group provides depreciation on fixed assets, other than those specifically stated below, using straight line method at the rates specified under Schedule XIV to the Companies Act, 1956 which is estimated by the management to be the estimated useful lives of the assets, except for assets individually costing less than Rs. 5,000, which are fully depreciated in the year of acquisition.

Leasehold land is amortised over the tenure of the lease except in case of power plant where it is amortised from the date of commercial operation. Leasehold improvements are amortised over the primary period of the lease or estimated useful life whichever is shorter.

Depreciation on adjustments to the historical cost of the assets on account of foreign exchange fluctuations is provided prospectively over the residual useful life of the asset.

Overseas subsidiaries, joint venture companies and associates, provide depreciation based on estimated useful lives of the fixed assets as determined by the management of such subsidiaries, joint ventures and associates. In view of different sets of environment in which such foreign subsidiaries, joint ventures and associates operate in their respective countries, depreciation is provided based on local laws and management estimates. These companies follow straight line method of depreciation spread over the useful life of each individual asset. It is practically not possible to align rates of depreciation of such subsidiaries, joint ventures and associates with those of the Company.

The estimated useful life of the assets considered by such overseas entities is as follows:

Asset category	Useful life in years	
	Min	Max
Lease Hold Improvements	3	16
Buildings	10	10
Plant & Machinery	5	15
Furniture & Fixture	4	20
Software	3	3
Other Tangible Fixed Assets	5	5
Computer, Office equipment	3	4
Motor vehicles	4	7

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Intangible Assets

Goodwill arising on consolidation is not amortised but tested for impairment.

Intangible assets representing upfront fees and other payments made to AAI pursuant to the terms and conditions of OMDA are amortised on a straight line method over the initial and extended periods of OMDA, as applicable.

Carriageways related to toll based projects are amortised on a units-of-usage basis whereby amortisation is calculated based on the proportion of actual traffic volume for a particular period over the total projected traffic volume throughout the periods within which the Group is granted the rights to operate those Carriageways. It is the Company's policy to review regularly the total projected traffic volume throughout the operating periods of respective Carriageways and accordingly allowance of amortisation is adjusted to account for any variation in the traffic volume.

Carriageways related to annuity based projects are amortised over the period of the respective Concessionaire Agreements on a straight line basis.

Intangible assets representing carriageways and airport concessionaire rights are amortised over the concession period ranging from 17 to 20 years and 60 years respectively, which is beyond the maximum period of 10 years as specified in the Accounting Standard 26 on Intangible Assets, as the economic benefits from the underlying assets would be available to the Group over such period as per the respective Concessionaire agreements.

Software is amortised based on the useful life of 6 years on a straightline basis as estimated by the management.

(viii) Impairment of assets

All the fixed assets including intangible assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment (being the excess of 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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(ix) 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 recognise any decline, other than temporary, in the value of such investments. Current investments are valued at cost and fair value whichever is lower. Cost of acquisition is inclusive of expenditure incidental to acquisition.

(x) Inventories

Inventories are valued as follows:

Raw material, components, stores and spares: Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Contract work in progress: Costs incurred that relate to future activities on the contract are recognised as contract work in progress. Contract work in progress comprises of construction cost and other directly attributable overhead valued at cost.

Traded goods: Lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all applicable costs incurred in bringing goods to their present location and condition

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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(xi) Employee benefits

a) Defined Contribution Plans

Contributions paid/payable to defined contribution plans comprising of provident fund, pension fund, superannuation fund etc. in accordance with the applicable laws and regulations are recognised as expenses during the period in which the employees perform the services that the payments cover.

The Group makes monthly contributions and has no further obligations under such plans beyond its contributions.

b) Defined Benefit Plan

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 recognised immediately in the Profit and Loss account as an income or expense.

c) Other Long term employee benefits

Employee benefits including 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 recognised immediately in the Profit and Loss account as an income or expense.

d) Short term employee benefits

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

(xii) 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 in respect of accounting periods commencing on or after December 07, 2006, 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 amortised over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2011.

All other monetary assets and liabilities denominated in foreign currency are restated using the closing rate and all exchange gains/losses arising therefrom are adjusted to the Profit and Loss account except, those covered by forward contracted rates (not intended for trading or speculation), where the premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

Exchange differences on forward contracts are recognised in the Profit and Loss account in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense for the year.

In translating the financial statements of a non-integral foreign operation for incorporation in consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rates and the income and expenses are translated at the dates of the transaction and all the resulting exchange differences are accumulated in foreign exchange fluctuation reserve until the disposal of the investment. On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised. Any goodwill or capital reserve arising on acquisition of non-integral operation is translated at closing rate.

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(xiii) 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 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.

(xiv) Government Grants

Grants from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of shareholders' funds.

(xv) 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 applicable laws. Deferred tax is recognised 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 recognised 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 entities in the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised 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 entities in the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 entities in the Group 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

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the entities in the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised 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 entities in the Group 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 entities in the Group will pay normal Income Tax during the specified period.

(xvi) Segment Reporting Policies

Identification of segments:

The Group's operating businesses are organised 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 Group operate.

Inter segment Transfers:

The Group accounts for intersegment sales/ transfers at arm's length price.

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.

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Segment Policies:

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

(xvii) 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.

(xviii) Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

(xix) Shares/Debentures issue Expenses and Premium on Redemption

With respect to Indian entities 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 such preference shares/debentures. Both are adjusted to the Securities Premium Account to the extent permitted by Section 78(2) of the Companies Act, 1956.

(xx) 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 as contingent liability by way of notes on the accounts

(xxi) 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.

4. Notes to the consolidated accounts

(i) Contingent Liabilities

(Rs. in crore)

Particulars	March 31, 2010	March 31, 2009
a. Corporate guarantees	8,944.63	7,100.10
b. Claims against the group not acknowledged as debts	188.93	0.01
c. Matters relating to income tax under dispute	0.32	0.03
d. Matters relating to indirect taxes under dispute	137.14	90.45

- e. In case of DIAL, with effect from June 1, 2007, the AAI claimed service tax on the annual fee payable to it considering same as rental from immovable property. DIAL has disputed the grounds of the levy as well as their liability under provisions of the OMDA. As the matter is under dispute and pending with the Hon'ble High Court of Delhi, the impact of the same, if any, has not been considered. Such payment, if required to be made, would, however, be eligible for claiming set off against the Service Tax outgo.
- f. SGH, a joint venture of the Group, has dismissed 226 workers in September 2009 without payment of any termination benefits. There is a collective lawsuit filed by dismissed employees and the local court has decided against SGH. SGH has filed an appeal before the Supreme Court and the management is confident that the case will be settled in favour of SGH and hence no provision has been made for any amounts demanded by dismissed employees as at March 31, 2010.

(ii) Capital Commitments

(Rs. in crore)

Particulars	March 31, 2010	March 31, 2009
Estimated value of contracts remaining to be executed on capital account, not provided for (net of advances)	14,136.06	8,666.16

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(iii) Equity Shares:

- a. During the year, 46,800,000 equity shares of Rs. 10 each of DIAL were acquired from IDFC Infrastructure Fund – India Development Fund (IDF) at a consideration of Rs.149.73 crore 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 securities premium). Consequently, the effective share holding of the Company in DIAL has increased to 53.79%.
- b. 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 of 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.

(iv) Preference shares issued by a subsidiary company

During the year ended March 31, 2010, GEL issued 200,000,000 non-cumulative redeemable preference shares of Rs. 10 each at a premium of Rs. 5 each fully paid up totaling to Rs. 300.00 crore to a bank. GEL shall redeem 5% of the subscription amount outstanding under each tranche on the completion of 13th, 24th, 36th and 48th month from the date on which the subscription money was remitted and remaining outstanding amount shall be redeemed on December 31, 2014. The applicable yield shall be 14% per annum for tranches subscribed prior to December 31, 2010 and for tranches subscribed on or after January 01, 2011 onwards, the applicable yield shall be 14% or bank's benchmark advance rate plus the applicable liquidity premia plus 0.25% per annum, whichever is higher.

(v) Reserves and Surplus

- a. During the financial year 2005-06 GHIAL had received a grant of Rs. 107.00 crore from Government of Andhra Pradesh towards Advance Development Fund Grant, as per the State Support Agreement. This is in the nature of financial support for the project, and the Group's share amounting to Rs. 67.41 crore has been included in Schedule 2 – Reserves and Surplus as Capital Reserve.
- b. During the year, GEL issued 15,000,000 equity shares of Rs. 10 each at a premium of Rs. 41.32 per equity share to the Welfare Trust for GMR Group Employees. As a result of the above, GIL ownership in GEL is reduced to 97.91% and the resulting gain on dilution amounting to Rs. 42.87 crore has been recorded as increase in the capital reserve on consolidation.
- c. GAPL purchased the aircraft division of GMR Industries Limited under slump sale on October 01, 2008 for a purchase consideration of Rs. 29 crore on a going concern basis and the transaction was concluded in the month of March 2009. Accordingly, an amount of Rs. 3.41 crore being the excess of net value of the assets acquired (based on a valuation report) over the purchase consideration has been recognised as capital reserve.

(vi) Foreign Currency Transactions

The Ministry of Corporate Affairs, Government of India has vide its Notification No. GSR 225 (E) dated March 31, 2009 announced Companies Accounting Standards (Amendment) Rules 2009 prescribing changes to Accounting Standard 11 on 'The Effects of Changes in Foreign Exchange Rates'.

The Group has, pursuant to the adoption of principles of Companies Accounting Standard (Amendment) Rules 2009, exercised the option of recognizing the exchange differences arising in reporting of foreign currency monetary items at rates different from those at which they were recorded earlier, in the original cost of such depreciable assets in so far such exchange differences arose on foreign currency monetary items relating to the acquisition of depreciable assets.

Accordingly,

- a. exchange differences of Rs. Nil (2009: Rs. 18.19 crore) recognised as gain in the Profit and Loss account in respect of the financial year ended March 31, 2008 has been adjusted to the cost of fixed assets by carrying out a corresponding adjustment of Rs. Nil (2009: Rs. 18.19 crore) in the opening debit balance of Profit and Loss account as on April 1, 2008
- b. exchange gain amounting to Rs. 90.12 crore for the year ended March 31, 2010 (2009: loss Rs. 180.53 crore) have been adjusted to the cost of depreciable asset in these consolidated financial statements.
- c. an amount of Rs. 7.40 crore, being the exchange loss (2009: exchange gain of Rs. 9.28 crore) on long term monetary asset has been accumulated in the Foreign Currency Monetary Items Translation Difference Account and is being amortised in the Profit and Loss account over the balance period of such long term asset but not beyond March 31, 2011. The unamortised balance as at March 31, 2010 amounts to a debit balance of Rs. 0.53 crore (2009: credit balance of Rs. 6.87 crore).

(vii) Expenditure during construction period

The entities in the Group, which were in project stage, hitherto grouped and disclosed all the expenditure during construction stage pending allocation under "Expenditure during Construction Period Pending Allocation (Net)". Such entities have drawn up their Profit

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and Loss account during the year and accordingly, out of the total "Expenditure During Construction Period Pending Allocation (Net)" as on March 31, 2010 of Rs. 2,812.58 crore (2009: Rs. 2,116.39 crore), an amount of Rs. 2,790.98 crore, directly attributable to the cost of construction has been transferred to "Capital Work in Progress" and the remaining amount of Rs. 21.60 crore relating to earlier years has been charged to the Profit and Loss account of the current year under the relevant heads of accounts.

(viii) Deferred payment liability

a. Negative Grant

In accordance with the terms of the concession agreements entered into with National highways Authority of India ('NHAI') by GACEPL, GJEPL and GUEPL dated November 16, 2005, February 20, 2006, April 19, 2006 respectively, the companies have an obligation to pay an amount of Rs. 507.96 crore by way of Negative Grant to NHAI and pursuant to which an amount of Rs. 257.60 crore has been paid as at March 31, 2010 and the balance amount of Rs. 250.36 crore has been disclosed as a deferred payment liability.

(Rs. in crore)

Name of subsidiary	Date of Concession Agreement	Total Negative grant	March 31, 2010	March 31, 2009
GACEPL	16.11.2005	174.75	118.83	118.83
GJEPL	20.02.2006	82.70	-	-
GUEPL	19.04.2006	250.51	131.53	132.77
Total			250.36	251.60

Amount payable within 1 year is Rs. 22.49 crore (2009: Rs. 1.24 crore)

b. Utilisation fees

Pursuant to the implementation agreement between Undersecretariat for Defense Industries (Administration) and consortium consisting of Limak Insaat Sanayi Ve Ticaret A.S., GIL & Malaysian Airport Holding Berhad, utilisation fee of Euro 1,932 million is payable in annual installments over the final 17 years of the 20 year concession period, starting from 2011 and which has been extended by a total of 665 days through February 2030 for an additional concession fee totaling approximately Euro 244 million which is accounted as below:

- Depreciation/ amortisation for the year ended March 31, 2010 includes Rs. 54.17 crore towards amortisation of utilisation fees based on units of usage method. (2009: Rs. 37.14 crore) with a corresponding credit to utilisation fees liability.
- Utilisation fees liability as at March 31, 2010 amounts to Rs. 83.56 crore (2009: Rs. 38.60 crore). Amount payable to administration within 1 year is Rs. 83.56 crore (2009: Rs. Nil).

(ix) Sundry Debtors

- In case of GPCL, claims/ counterclaims arising out of the PPA and Land Lease Agreement (LLA) in respect of the dues recoverable from Tamil Nadu Electricity Board (TNEB) on account of sale of energy including reimbursement towards interest on working capital, MAT, rebate, start/stop charges and payment of land lease rentals to TNEB respectively were pending settlement/reconciliation with TNEB. In this regard, GPCL had approached Tamil Nadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/ counterclaims. TNERC had vide its order dated April 16, 2010 (hereinafter referred to as "order") directed GPCL to submit all of its claims calculated in accordance with the directions set forth in the order issued by TNERC within a period of two months from the date of the order. GPCL has filed its claim on April 30, 2010.

In view of the favourable order from TNERC, GPCL has written back provision amounting to Rs. 30.32 crore made against amounts recognised as due as per the terms of the PPA. However, pending acceptance of claims by TNEB, and in accordance with the Group's accounting policy, claims aggregating to Rs. 402.13 crore have not been recognised in these consolidated financial statements.

- Pursuant to the expiry of the PPA of GEL with Karnataka Power Transmission Corporation Limited on June 8, 2008, GEL has been generating and selling power directly to consumers as a merchant plant based on short term power supply agreements. During the current year, GEL has commenced the process of relocation to Kakinada (Andhra Pradesh) and conversion of the barge-mounted power plant to a natural gas fuel source power plant. The relocation and conversion to alternate fuel is expected to be completed by July 2010.
- The Government of Karnataka vide its Order No. EN 540 NCE 2008 dated January 1, 2009 (the Order) invoked Section 11 of the Electricity Act, 2003 and directed GEL to supply power to the State Grid during the period 1st January, 2009 to 31st May, 2009 at a specified rate. The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22,

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2009. GEL had an existing contract with a buyer till January 31, 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue recognition in respect of power supplied during January 2009 has been made in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to Rs. 44.04 crore.

Based on the interim directions of the Hon'ble High Court of Karnataka in the month of March 2009, Karnataka Electricity Regulatory Commission ('KERC') has recommended a higher band of tariff than the specified rate in the Order. However, revenue recognition for the four months ended June 5, 2009 has been made, on a prudent basis, as per the rate specified in the Order. Accordingly, the differential amount of Rs. 63.13 crore, considering the maximum rate prescribed by KERC has not been recognised in the books as revenue.

The Hon'ble High Court of Karnataka, in its order dated March 26, 2010, has dismissed the petition of GEL challenging the Order invoking section 11(1) of the Electricity Act, 2003 with a direction that if the Order has any adverse financial impact on GEL, then a remedy is provided to GEL to approach the appropriate commission under the Act empowered to offset the adverse financial impact in such manner as it considers appropriate. Subsequent to the year end, GEL has filed a Special Leave Petition before the Hon'ble Supreme Court of India to appeal against the said Order of the Hon'ble High Court of Karnataka, and has sought ex-parte ad-interim order staying the operation of the said Order and to direct to pay minimum rate prescribed by KERC.

In view of the recommendation of KERC on the interim directions of the Hon'ble High Court of Karnataka and the remedy provided by the Hon'ble High Court of Karnataka in the Order dated March 26, 2010, the management is confident that there will not be any adverse financial impact to Group with regard to these transactions and no adjustment has been made in these financial statements pending final resolution of the matter.

(x) Operating Income

- a. In case of airport infrastructure companies, the passenger service fee (PSF) charged from the departing passengers has two components, viz., Facilitation Component (FC) and Security Component (SC). In accordance with the various government orders issued from time to time, the PSF collections are held by the airport infrastructure companies in fiduciary capacity on behalf of the Government of India and are deposited in an escrow account utilised for meeting the security related expenses.

The PSF (SC) accounts are required to be maintained separately in accordance with the procedures laid down in Standard operating procedures and are subject to audit by the Comptroller & Auditor General of India (C&AG).

The following are the details of PSF (SC) balances.

(Rs. in crore)

Description	March 31, 2010		March 31, 2009	
Passenger Service fee (Security Component)	216.73		195.99	
Interest and other income	0.73	217.46	12.93	208.92
Less: Expenses		229.37		170.62
Net Income (expenses)		(11.91)		38.30
Surplus brought forward		199.49		161.19
Total		187.58		199.49
Fixed Assets (Net)		266.23		215.78
Investments		-		-
Receivables		19.46		27.61
Sundry debtors		3.72		-
Other assets		41.60		20.66
Cash and bank balance in escrow account		28.80		79.36
		359.81		343.41
Less: Other Liabilities		172.23		143.92
Total		187.58		199.49

- b. The Ministry of Civil Aviation (MOCA), has issued a circular vide no. 13028 / 001 / 2009-AS dated January 08, 2010 (as amended vide clarification dated April 16, 2010) (Circular on PSF), that provides for all private airport operators to settle certain expense items

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without having recourse to the relevant passenger security funds. As a result, certain expense items of Rs 22.18 crore (including Rs. 12.15 crore incurred upto March 31, 2009), relating to personnel cost and operating expenses which were previously not recorded in the Profit and Loss account of DIAL have been recognised as an expense. Further in case of GHIAL, certain security related expenditure amounting to Rs. 1.73 crore and fixed assets amounting to Rs. 10.65 crore, transferred to PSF (SC) account during earlier years have been charged back/ reinstated in the books of GHIAL.

- c. During the year ended March 31, 2010, based on the Circular on PSF issued by MOCA, DIAL has recognised income amounting to Rs. 37.33 crore including Rs. 26.60 crore pertaining to period up to March 31, 2009 relating to rental towards back office space and accommodation provided to Central Industrial Security Force (CISF) at the Airport premises in accordance with State Support Agreement and as an expenditure to be met out of PSF (SC). Accordingly, an amount of Rs. 37.33 crore has been appropriated out of PSF (SC) accounts.
- d. The Airport Infrastructure companies, have represented to MOCA for allowing certain expenses such as land side security cost, security related consultancy expenses and other administration costs which are currently not covered as per Circular on PSF (SC) account. Currently, these expenses amounting to Rs. 42.30 crore are debited to PSF (SC) account. The companies are hopeful of obtaining the permission from MOCA to meet these expenses through PSF (SC) account and accordingly, no further adjustments have been considered necessary in the financial statements as at March 31, 2010.
- e. In accordance with the terms of memorandum of understanding entered into by DIAL with one of its customers during the year, the management has determined and accrued revenue aggregating to Rs. 37.31 crore (including Rs. 26.44 crore pertaining to period up to March 31, 2009) and interest thereon of Rs. 5.91 crore as recoverable from a customer. The management is confident that no further material adjustments are likely.
- f. Revenue earned by GHIAL for the year ended March 31, 2010 is net of service tax on User Development Fee (UDF) pertaining to previous year amounting to Rs. 12.39 crore. Expenses during the year ended March 31, 2010 include depreciation of Rs. 6.43 crore, personnel cost of Rs. 0.50 crore and finance charges of Rs. 6.06 crore under respective accounts pertaining to previous years.

(xi) Others

- a. There are no micro and small enterprises, to which the Group owes dues, or with which the Group had transactions during the year, based on the information available with the Group, which has been relied upon by the Auditors.
- b. The Company, through its step-down subsidiary GEGL, 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 financial results of InterGen NV have not been considered in these consolidated financial statements of the Group pending conversion of such CCDs.

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 GEGL, 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 in Note 19 (4) (i) (a) above and the Group's management is of view that there is no reduction in the carrying value of CCDs in GHML at this stage.

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- c. GHIAL has recorded a net loss after tax of Rs. 109.22 crore for the year and has accumulated losses of Rs. 291.09 crore as at March 31, 2010, resulting in substantial erosion of its net worth. GHIAL has made cash profit for the year ended March 31, 2010 and has met all its obligations up to March 31, 2010. Based on the future business plan and sanctions for additional loans, the Company is confident that it will be able to generate sufficient profits in future years and would meet its financial obligations as they arise.
- d. The Board of Directors of GHIAL, a subsidiary of the Company, at their meeting held on January 04, 2010 have approved a Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, pursuant to which the Hotel Division of GHIAL is proposed to be vested into GHRL, a wholly owned subsidiary of GHIAL, with the appointed date as April 01, 2009. The Scheme of Arrangement has been filed with the Hon'ble High Court of Andhra Pradesh, and, pending approval, no effect has been given of the said Scheme of Arrangement in these consolidated financial statements.
- e. During the current year, DIAL had made an application to the Reserve Bank of India for extension of time limit for allotment of shares towards the foreign inward remittance of Rs. 250 crore, received as shareholders advance from its foreign shareholders (Fraport AG Frankfurt Airport Services Worldwide-Rs 125 crore and Malaysia Airports (Mauritius) Private Limited Rs. 125 crore) and that it has received the extension for the aforesaid allotment up to September 30, 2010.
- f. The Group effectively holds 33.47% equity investment in HEGL which became an associate of the Group effective June 5, 2009 with the participation of the Group's representatives on the Board of Directors of HEGL. On October 1, 2009, HEGL commenced commercial production of coal from its Kendal project in South Africa and also owns an advanced-stage coal development project in South Africa in addition to number of earlier-stage exploration properties in South Africa and Botswana.

The Group's share in the loss of HEGL amounting to Rs. 22.94 crore is included in these consolidated financial statements as per the financial statements of HEGL for the period June 5, 2009 to December 31, 2009. The carrying cost of investment in HEGL as at March 31, 2010 amounting to Rs. 109.29 crore, substantially exceeds the net worth and the market value of shares in HEGL. Additionally, an amount of Rs. 35.14 crore has been given as loan to HEGL.

The above-mentioned financial statements of HEGL for the period ended December 31, 2009, contained a commentary on the continuing operating losses and working capital deficiency arising mainly on account of default of certain covenants in financing arrangements with the lending bank, and the possible impact on the assumption of "Going Concern" in the preparation of such financial statements. HEGL has negotiated agreements with certain suppliers and contractors to extend normal creditor payment terms. HEGL is working on restructuring its debt facility and considering various options to bring the loan into good standing.

The Group's investment in the said associate is for long term strategic requirements to meet the fuel needs of the power companies of the Group. HEGL is in a period where high capital costs are being incurred, while commissioning issues with respect to the recent plant modifications have been experienced. The management is monitoring these resources closely and is confident that HEGL will achieve profitable operations in the foreseeable future. Considering that these mines have significant reserves and value potential which reflect intrinsic value in excess of carrying value of investments and loan in HEGL, the management is of the view that such shortfall in the net worth/decline in market value of shares in HEGL is purely temporary in nature. Therefore, no provision is considered necessary at this stage in respect of aforementioned amounts.

- g. During the year, VPGL has been granted a refund of customs duty of Rs. 69.09 crore paid earlier on the import of plant and machinery and capitalised as cost of fixed assets. Accordingly, such refund has been adjusted to the cost of the fixed assets and the related depreciation expense of Rs. 11.20 crore charged from the date of capitalisation till the date of grant of such refund has been written back to Profit and Loss account.
- h. The average remaining amortisation period of carriage ways and airport concessionaire rights is 14 years and 57 years respectively.
- i. Borrowing cost capitalised during the year is Rs. 130.20 crore (2009: Rs. 256.39 crore).
- j. IPCPL's financial statements for the period ended March 31, 2010, show a net loss of Rs. 48.25 crore, which arose prior to the acquisition by the Group, mainly due to the reversal of a write back of a loan from a former intermediate holding company amounting to Rs. 46.40 crore.

IPCPL is currently in the process of developing an 800 MW power plant for the generation and supply of electricity.

IPCPL was acquired by the Group in May 2009 with the intention to resume its development activities and has made substantial progress on the project development work since the date of acquisition and additional funds have been injected by the Group towards continuity in development activities. IPCPL appointed Bank of Tokyo-Mitsubishi UFJ to assist in financial closure; financial closure is expected to be completed during the current financial year. The Management of IPCPL is confident of the outcome of certain future events which among others include the availability of financial support for the project and the ability of the management of IPCPL to successfully negotiate contracts and secure licenses pertinent to its operations and has considered the use of the going concern

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assumption to be appropriate in preparation of its financial statements. Accordingly, the Group is of the view that there are no events or changes that would affect the value of its investments in IPCPL.

(xii) Derivative Instruments:

Interest rate swaps outstanding as at the Balance Sheet date:

- a. In case of DIAL, as per the conditions precedent to the disbursement of external commercial borrowings (ECB) of USD 350 million, it has entered into an interest rate swap (IRS) arrangement from floating rate of interest to fixed rate of interest against its ECB covering the loan period. Since the critical terms of the IRS and the underlying ECB are same, based on the internal assessment carried out by the management, the impact of the mark to market valuation of the IRS, net of gain/loss on the underlying loan, is considered to be immaterial and accordingly no adjustments have been made in the consolidated financial statements.

Particulars of Derivatives	Purpose
Interest rate swap outstanding as at Balance sheet date: USD 350 million	Hedge of variable interest outflow on External Commercial Borrowing. Swap to pay fixed rate of interest as mentioned below tranche wise and receive a variable rate equal to 6 month's LIBOR:
	ECB Amount (USD) Interest Rate
	100 million 4.99%
	75 million 2.76%
	25 million 1.98%
	150 million 1.96%

- b. In case of GHIAL, as per the conditions precedent to disbursement of foreign currency loan, of USD 125 million, GHIAL has entered into swap agreement from floating rate of interest to fixed rate of interest covering the period of the foreign currency loan from September 10, 2007 to April 01, 2024. Since the critical terms of the IRS and the underlying foreign currency loan are same, based on the internal assessment carried out by the management, the impact of the mark to market valuation of the IRS, net of gain/loss on the underlying loan, is considered to be immaterial and accordingly no adjustments have been made in the consolidated financial statements.

- c. ISG has entered into an IRS agreement with ABN AMRO Bank NV (Now Royal Bank of Scotland) for swapping floating rate of interest to fixed rate of interest for its Loan of EUR 336 million covering the period June 30, 2008 to June 29, 2018.

The net impact of the mark to market loss on valuation of the IRS as at March 31, 2010 amounting to EUR 8,839,000 (equivalent 40% share in Rs. 23.83 crore) has been provided.

- d. GIML has entered into swap agreement with ICICI Bank UK PLC for swapping floating rate of interest to fixed rate of interest for its GBP denominated loan equivalent of USD 76.5 million covering the period August 17, 2009 to August 11, 2011.

The net impact of the mark to market loss on valuation of the IRS as at March 31, 2010 amounting to USD 434,241 (Rs. 2.10 crore) has been provided.

- e. Unhedged foreign currency exposure for monetary items is as follows:

Currency	Balance with banks	Capital advances	Loans	Payable	Receivable
AED	- (-)	- (-)	- (-)	- (-)	- (100)
CAD	- (-)	- (-)	- (-)	- (-)	7,710,000 (-)
Euro	180 (333,366)	3,592,264 (1,097,676)	- (-)	3,118,114 (2,446,053)	- (-)
GBP	2,910 (5,779)	660,583 (114,318)	- (-)	298,350 (404,544)	- (-)
HKD	- (-)	- (-)	- (-)	863,174 (567,100)	6,330 (-)
MYR	- (-)	- (-)	- (-)	179,257 (90,785)	- (-)
SGD	- (-)	- (-)	- (-)	41,805 (295,706)	- (-)

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Currency	Balance with banks	Capital advances	Loans	Payable	Receivable
TRY	1,035,789 (11,226,371)	- (-)	- (-)	- (-)	- (-)
USD	1,327,544 (917,001)	6,629,711 (1,383,370)	178,542,500 (155,000,000)	2,861,206 (1,273,829)	- (200)
JPY	- (-)	- (2,541,000)	- (-)	- (-)	- (-)
CNY	- (-)	- (-)	- (-)	- (-)	- (8,500)
Rs. in crore	9.12 (41.53)	56.42 (15.49)	863.11 (866.22)	34.79 (27.49)	34.06 (0.01)

Note: Previous year figures are mentioned in brackets.

xiii. Employee benefits

a) Defined contribution plan

Contribution to Provident and other funds under Generation and operating expenses (Schedule 16) and Administration and other expenses (Schedule 17) are as under:

(Rs. in crore)

Particulars	2010	2009
Contribution to provident fund	7.82	5.12
Contribution to superannuation fund	4.28	3.23
	12.10	8.35

b) Defined benefit plan

Certain entities in the Group are covered by a funded defined benefit gratuity plan. As per the scheme, an employee who has completed five years or more of service gets gratuity equivalent to 15 days salary (last drawn salary) for each completed year of service.

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

Net employee benefit expense

(Rs. in crore)

	2010	2009
Current service cost	2.34	1.74
Interest cost on benefit obligation	0.34	0.20
Expected return on plan assets	(0.56)	(0.34)
Net actuarial(gain) / loss recognised	(0.53)	(0.53)
Past service cost	0.29	-
Net benefit expense	1.88	1.07

(Rs. in crore)

Actual return on plan assets	0.49	0.32
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Balance Sheet

(Rs. in crore)

	2010	2009
Defined benefit obligation	8.48	4.25
Fair value of plan assets	8.38	5.58
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(0.10)	1.33

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Changes in the present value of the defined benefit obligation (Rs. in crore)

	2010	2009
Opening defined benefit obligation	4.25	2.87
New Acquisitions	0.16	-
Interest cost	0.34	0.20
Current service cost	2.34	1.74
Past service cost	0.29	-
Benefits paid	(0.04)	(0.05)
Adjustment on transfer	1.60	-
Actuarial (gains) / losses on obligation	(0.46)	(0.51)
Closing defined benefit obligation	8.48	4.25

Changes in the fair value of plan assets are as follows (Rs. in crore)

	2010	2009
Opening fair value of plan assets	5.58	3.30
New Acquisition	0.20	-
Expected return	0.42	0.30
Contributions by employer	0.98	2.32
Benefits paid	(0.14)	(0.27)
Actuarial gains / (losses)	0.07	0.02
Adjustment on transfer	1.27	(0.09)
Closing fair value of plan assets	8.38	5.58

The Group expects to contribute Rs. 2.92 crore (2009: Rs. 2.30 crore) 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 into consideration for inflation, seniority, promotion and other relevant factors.
2. The expected return on plan assets is determined considering several applicable factors such as the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

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Amounts for the current and prior periods are as follows:

(Rs. in crore)

	Gratuity		
	2010	2009	2008
Defined benefit obligation	8.48	4.25	2.87
Plan assets	8.38	5.58	3.30
Surplus / (deficit)	(0.10)	1.33	0.43
Experience adjustments on plan liabilities	(0.36)	(0.51)	(0.54)
Experience adjustments on plan assets	0.07	0.02	(0.08)

- c) Leave encashment liability provided based on actuarial valuation amounts to Rs. 11.52 crore (2009: Rs. 4.58 crore) as at March 31, 2010.

(xiv) Leases

a. Finance Lease

The group has entered into finance lease arrangements in respect of certain assets for periods of 3 to 5 years. The lease has a primary period, which is non-cancellable. The agreements provide for revision of lease rental in the event of changes in taxes, if any, leviable on the lease rentals. There are no exceptional/restrictive covenants in the lease agreements.

(Rs. in crore)

Particulars	Minimum lease payment	Present value of minimum Lease	Minimum lease payment	Present value of minimum lease
	March 31, 2010		March 31, 2009	
(i) Payable not later than 1 year	1.68	1.58	1.66	1.56
(ii) Payable later than 1 year and not later than 5 years	2.08	1.62	3.34	2.66
(iii) Payable later than 5 years	-	-	-	-
Total – (i)+(ii)+(iii) = (iv)	3.76	3.20	5.00	4.22
Less: Future finance charges (v)	0.56	-	0.78	-
Present Value of Minimum Lease Payments [(iv) – (v)]	3.20	-	4.22	-

b. Operating Leases

The Group has entered into certain cancellable operating lease agreements mainly for office premises and certain non-cancellable operating lease agreements. The lease rentals charged during the year (included in Schedules 6, 16 and 17) and the maximum obligation on the long term non-cancellable operating lease payable as per the agreements are as follows:

(Rs. in crore)

Particulars	March 31, 2010	March 31, 2009
Payment		
Lease rentals under cancellable leases	51.38	34.84
Lease rentals under non-cancellable leases	12.74	13.51
Receipt		
Lease rentals under cancellable leases	0.74	0.72
Obligations on non-cancellable leases		
Not later than one year	2.51	5.38
Later than one year and not later than five years	0.71	21.68
Later than five years	10.50	11.27

Note: During the year GHIAL has modified the terms of a non-cancellable lease arrangement whereby the lease has become cancellable. Previous figures in respect of this lease include Rs. 5.19 crore under not later than one year and Rs. 20.46 crore under later than one year and not later than five years.

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(xv) Earnings Per Share (EPS)

(Rs. in crore, except for share data)

Particulars	March 31, 2010	March 31, 2009
Nominal value of equity shares (Re. per share) [Refer note 4(iii)(b) above]	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 minority interest/ share of profits/ (losses) of associate (Rs. in crore)	158.40	279.45
EPS – Basic and Diluted (Rs.)	0.43	0.77

Notes:

- As at March 31, 2010, Rs. 2,750 (2009: Rs. 2,750) was 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.

(xvi) Deferred Tax

Deferred Tax Asset/ (Liability) comprises mainly of the following:

(Rs. in crore)

S.No.	Particulars	March 31, 2010		March 31, 2009	
		Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
1	Depreciation	-	517.36	-	245.21
2	43B disallowances	1.19	-	0.29	-
3	Carry forward losses	234.77	-	110.44	-
4	Carry forward depreciation	327.41	-	104.74	-
5	Others	34.64	0.18	10.59	-
	Total	598.01	517.54	226.06	245.21
	Deferred tax asset/ (Deferred tax liability) (net)	80.47			(19.15)
	Change for the year		(99.62)		(23.35)
	Foreign Currency translation difference		1.06		0.23
	Charge/(Credit) for the year		(98.56)		(23.12)

- In case of GPCL, GTAEP and GTTEPL, as the timing differences are originating and reversing within the tax holiday period under the provisions of section 80-IA of the Income Tax Act, 1961, deferred tax has not been recognised by these Companies.
- In case of GEL, deferred tax asset as per the requirements of AS-22 "Accounting for taxes on income" as referred to in section 211(3C) of the Companies Act, 1956 has not been recognised during the year, on the timing differences to the extent not reversing within tax holiday period of GEL under provisions of Section 80-IA of the Income Tax Act, 1961, in view of management's assessment of future profitability.
- GHAL has recognised deferred tax asset on unabsorbed depreciation and carried forward losses as at March 31, 2010, only to the extent of deferred tax liability on depreciation as at March 31, 2010, after considering the timing differences originating on or before the Balance Sheet date and not reversing within the tax holiday period. Accordingly, there is no impact on the Profit and Loss account for the current year.
- In case of PTBSL, deferred tax asset has not been recognised on unabsorbed losses in view of the management's assessment of future profitability of the Company.
- In case of VPGL, it is entitled to claim tax holiday for any 10 consecutive years out of 15 years, from the year of commencement of commercial operations in 2006-07, under Section 80-IA of the Income Tax Act, 1961 with regard to income from generation of power. Considering that VPGL had brought forward losses of Rs. 133.71 crore and unabsorbed depreciation of Rs. 579.41 crore as at April 1, 2009 under Income Tax Act, 1961, the management, based on the projected future taxable income and tax planning strategies, expects to avail such tax holiday from the assessment year 2015-16.

VPGL has recognised deferred tax asset/liability in respect of all the timing differences which have originated up to March 31, 2010 and are expected to reverse either before commencement of the expected tax holiday period or after the expiry of such tax holiday period.

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VPGL has recognised deferred tax asset amounting to Rs. 147.00 crore on carry forward business loss and unabsorbed depreciation available for set-off from future taxable income before commencement of the expected tax holiday period. The management believes that there is virtual certainty, with convincing evidence, of availability of such future taxable income in view of the power pricing mechanism in the Power Purchase Agreement entered into with the Andhra Pradesh Power Distribution Companies for supply of 370MW out of the total capacity of 387.625 MW, as amended, for a period of 23 years set to expire in 2029 and the agreement entered into by VPGL with Reliance Industries Limited and Niko(Neco) Limited on April 24, 2009 for supply of natural gas for a period of 5 years pursuant to allocation of natural gas from KG D-6 being made available to VPGL under firm allocation basis by the Ministry of Petroleum and Natural Gas, Government of India, vide their letter dated November 18, 2009.

(xvii) Provisions

Particulars	(Rs. in crore)				
	As at April 01, 2009	Provision made during the year	Amount written back during the year	Amount used during the year	As at March 31, 2010
Provision for operations and maintenance	46.69	5.10	33.36	2.99	15.44
	(83.46)	(12.42)	-	(49.19)	(46.69)
Provision for voluntary retirement compensation	-	250.88	-	80.00	170.88
	(-)	(-)	(-)	(-)	(-)

Note: Previous year figures are mentioned in brackets.

- GEL based on negotiations with the operations and maintenance contractor, decided to enter into a new scope of work for the power plant by terminating the existing contract pursuant to the management's decision to relocate the barge-mounted power plant to Kakinada (Andhra Pradesh) and conversion of existing naphtha based power plant to a natural gas source power plant and the new scope of work being considered in this regard under operation and maintenance. Accordingly the amount accrued as a liability of Rs. 12.76 crore has been written back to Profit and Loss account and is disclosed under Schedule 15 as provisions no longer required, written back.
- Further, GTTEPL has written back an amount of Rs. 20.60 crore being the provision towards periodic maintenance charges, based on the survey done by an independent engineer appointed by the National Highways Authority of India (NHAI) and the revised cost estimates submitted by Operation & Maintenance contractor.
- During the year, DIAL has provided Rs. 250.88 crore towards Voluntary Retirement Compensation (VRC) on account of reimbursement of VRC payable to AAI on expiry of the operational support period on May 2, 2009. The VRC has been recognised as an intangible asset and is being amortised over the period of Airport concession rights i.e. 60 years.

(xviii) Information on Joint Ventures as per Accounting Standard – 27

Name of the Joint Venture	Country of Incorporation	Percentage of ownership interest directly or indirectly	
		March 31,2010	March 31,2009
ISG	Turkey	40.00%	40.00%
SGH	Turkey	29.00%	29.00%
LGCJV	Turkey	50.00%	50.00%
LGM	Turkey	40.00%	-
MGECPL	India	31.50%	-
DFSPL	India	21.52%	-
DSSHPL	India	21.52%	-
DDFSPL	India	26.84%	-
WAITSPL	India	13.99%	-
DAPSPL	India	26.84%	-

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The Group's aggregate share of each of the assets, liabilities, income and expenses, etc. (after elimination of the effect of transactions between the Group and the joint ventures) related to its interests in the joint ventures, as included in these consolidated financial statements are as follows:

(Rs. in crore)

Particulars	March 31,2010	March 31,2009
Assets		
Fixed assets	905.53	23.67
Capital work-in-progress including capital advances	79.13	500.42
Deferred tax asset (net)	17.46	6.92
Current assets, loans and advances		
Inventories	12.65	30.49
Sundry debtors	67.78	97.51
Cash and bank balances	170.27	101.06
Other current assets	0.01	0.25
Loans and advances	236.36	229.62
Liabilities		
Secured loans	954.47	545.86
Unsecured loans	52.97	0.06
Current liabilities and provisions		
Liabilities	320.80	289.63
Provisions	41.60	-
Income		
Sales	754.74	592.27
Other income	0.28	0.08
Expenses		
Generation and operating expenses	523.22	443.71
Administration and other expenses	75.39	62.58
Depreciation/ amortisation	85.64	41.93
Interest and finance charges (net)	51.55	(0.79)
Provision for taxation (including deferred tax)	11.22	15.77
Other Matters		
Capital commitments	11.58	208.58
Contingent liabilities		
Claims against the joint ventures not acknowledged as debts	1.21	-
Legal dispute with employees - Amount not ascertainable [also refer note 4(i)(f) of Schedule 19]	-	-
Reserves as at April 1, 2009	29.16	-
Add: Group's share of profits for the year	7.99	29.16
Reserves as at March 31, 2010	37.15	29.16

(xix) Segment Reporting

- The segment reporting of the Group has been prepared in accordance with AS 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).
- For the purpose of reporting, business segments are primary segments and the geographical segment is a secondary segment.
- The business segments of the Group comprise of the following:

Segment	Description of Activity
Airports	Development and operation of airports
Power	Generation of power and provision of related services
Roads	Development and operation of roadways
EPC	Handling of engineering, procurement and construction solution in the infrastructure sector
Others	Urban Infrastructure and other residual activities

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- d. Geographical segment is categorised as 'India' and 'Outside India' and based on the domicile of the customers.
- e. Various business segments comprise of the following companies:

Power segment	Roads segment	Airport segment	EPC segment	Others segment
GEL	GTTEPL	GHAL	GIL (EPC Division)	GIL
GPCL	GTAEPL	GFIAPL	LGCV	GAHL
VPGL	GACEPL	HMACPL		GAPL
GBHPL	GJEPL	HASSL		GKSEZL
BHPL	GPEL	GHARML		APPL
GMEL	GUEPL	WAITSP		AKPPL
GKEL	GMRHL	LGM		AMPPL
HHPCL	GHVEPL	GHAL		BPPL
GEML	GCORRPL	GHASL		GISPL
GLEL	GOSEHHPL	GHMSL		CPPL
GUKHL		EDWPCPL		DSPL
GETL		DFSPL		GIOSL
GCSP		DSSHPL		GPPL
GCEPL		GHHL		EPPL
GBHHPL		MGECP		SPPL
GLHPPL		DIAL		SRPPL
LHPL		DDFSPL		BOPPL
GCHEPL		DAFFPL		GSPHPL
GECL		DAPL		GCPL
GENBV		CDCTMIPL		GHDPL
PTDSU		DCSCPL		IPSP
PTDSI		DAPSPL		IPIPL
PTBL		ISG		GIML
LETPL		SGH		GIUL
GREL		DCPL		GCAPL
SJK				LPPPL
PT				HPPL
EMCO				IPPL
HEGL				KPPL
GEGL				NPPL
				PPPL
				PUPPL
				GIGL
				IPCPL
				GICL
				GMRIML

Note (xix)(f) The details of segment information is given below:

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Business segments	Power		Roads		Airports		EPC		Others		Inter segment		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(Rs. in crore)													
Revenue														
Revenue from customers	2,037.56	2,135.21	346.07	151.90	1,488.23	1,206.24	409.85	304.17	284.80	221.70	-	-	4,566.51	4,019.22
Inter segment revenue	1.91	3.50	-	-	0.39	-	-	-	45.99	30.45	(48.29)	(33.95)	-	-
Total revenues	2,039.47	2,138.71	346.07	151.90	1,488.62	1,206.24	409.85	304.17	330.79	252.15	(48.29)	(33.95)	4,566.51	4,019.22
Operating expenses	1,658.36	1,538.30	25.42	18.37	608.94	507.92	253.83	204.61	32.04	16.89	(2.00)	(3.50)	2,576.59	2,282.59
Depreciation/ amortisation	109.49	117.21	144.72	55.69	340.86	207.75	1.14	1.01	16.03	8.17	-	-	612.24	389.83
Segment operating profit/(loss)	271.62	483.20	175.93	77.84	538.82	490.57	154.88	98.55	282.72	227.09	(46.29)	(30.45)	1,377.68	1,346.80
Interest income/(expense) - net	(71.08)	(95.49)	(198.19)	(39.23)	(388.77)	(203.47)	0.60	2.64	(88.09)	(34.80)	23.20	2.15	(722.33)	(368.20)
Other income/(expense) - net	(11.79)	(72.42)	(15.01)	(6.82)	(298.70)	(476.57)	(10.44)	(17.09)	(149.37)	(103.87)	23.09	28.30	(462.22)	(648.47)
Profit / (loss) before tax	188.75	315.29	(37.27)	31.79	(148.65)	(189.47)	145.04	84.10	45.26	88.42	-	-	193.13	330.13
Taxation														
Current tax	28.86	27.81	10.51	5.40	0.35	3.25	32.36	22.29	(1.32)	11.35	-	-	70.76	70.10
Less: MAT credit entitlement	-	-	-	-	-	-	(8.75)	-	4.34	-	-	-	(4.41)	-
Deferred tax credit	(74.14)	-	-	-	(15.15)	(19.53)	-	-	(9.27)	(3.59)	-	-	(98.56)	(23.12)
Fringe benefit tax	-	0.53	-	0.15	-	4.31	-	-	-	1.05	-	-	-	6.04
Net profit/(loss) for the year	234.03	286.95	(47.78)	26.24	(133.85)	(177.50)	121.43	61.81	51.51	79.61	-	-	225.34	277.11
Other information														
Segment assets	7,931.89	5,115.03	4,274.69	3,870.96	16,496.79	11,130.73	347.34	350.47	9,151.94	6,533.29	(6,409.45)	(4,703.70)	31,793.20	22,296.78
Capital expenditure	2,107.80	725.86	247.45	1,386.65	4,603.80	4,634.60	22.39	2.47	369.01	260.26	-	-	7,350.45	7,009.84
Depreciation/ amortisation	109.49	117.21	144.72	55.69	340.86	207.75	1.14	1.01	16.03	8.17	-	-	612.24	389.83
Other non cash expenses	10.70	11.51	-	-	25.36	0.32	-	-	2.18	11.98	-	-	38.24	23.81
Segment liabilities	4,027.14	2,086.43	3,350.31	3,167.24	13,506.44	8,137.01	116.25	242.99	3,396.13	707.68	(1,259.75)	(328.68)	23,136.52	14,012.67

Revenue from customers in respect of airports for the year ended March 31, 2010 is net of annual fees to Airport Authority of India, amounting to Rs. 556.91 crore (2009: Rs.456.97 crore).

The Group has two geographical segments: India and Outside India.

Geographical segments	Revenue		Assets		Capital expenditure	
	2010	2009	2010	2009	2010	2009
	(Rs. in crore)					
India	3,674.19	3,255.78	27,982.75	20,205.24	6,849.08	6,400.62
Outside India	892.32	763.44	3,810.45	2,091.54	501.37	609.22
Total	4,566.51	4,019.22	31,793.20	22,296.78	7,350.45	7,009.84

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(xx) Related Party Transactions

a. Names of related parties and description of relationship:

Sl. No.	Relationship	Name of the Parties
(i)	Holding Company	GMR Holdings Private Limited (GHPL)
(ii)	Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture / enterprises exercising significant influence over the subsidiary companies.	Airports Authority of India (AAI) Malaysia Airports Holdings Berhad (MAHB) Government of Andhra Pradesh (GoAP) Fraport AG Frankfurt Airport Services Worldwide (FAG) Malaysia Airports (Mauritius) Private Limited (MAMPL) GMR Chhatisgarh Engergy Private Limited (GCEPL) U E Development India Private Limited (UEDI) Bharat Petroleum Corporation Limited (BPCL) India Development Fund (IDF) Istanbul Sabiha Gockecen Ulsarasihavalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG) Menzies Aviation Cargo (Hyderabad) Limited (MACHL) Limak Insaat San. Ve Tic. A.S (LISVT) Malaysian Aerospace Engineering Sdn. Bhd.- (MAE) Malaysian Airline System Bhd. – (MAS) Menzies Aviation PLC (UK) - (MAPUK) Menzies Aviation Bobba (Bangalore) Private Limited (MABBPL) Menzies Aviation India Private Limited (MAIPL) Menzies Bobba Ground Handling Services Private Limited (MBGHSPL) LGM Guvenlik (LGMG)
(iii)	Enterprises where key management personnel and their relatives exercise significant influence	GMR Varalakshmi Foundation (GVF) GMR Hebbal Towers Private Limited (GHTPL) (Formerly known as Lobelia Properties Private Limited)
(iv)	Associates	Homeland Energy Group Limited (HEGL) Celebi Delhi Cargo Terminal Management India Private Limited (CDCTMIPL) Delhi Cargo Service Centre Private Limited (DCSCPL)
(v)	Fellow Subsidiary (where transactions have taken place)	GMR Industries Limited (GIDL) Raxa Security Services Limited (RSSL) GMR Bannerghatta Properties Private Limited (GBPPL) (Formerly known as GMR Properties Private Limited) GMR Projects Private Limited (GMRPPL) GMR Sports Private Limited (GSPL) GMR Holding (Malta) Limited (GHML) Grandhi Enterprises Private Limited (GREPL) GMR Holdings (Overseas) Limited (GHOL) Crossridge Investments Limited (CIL) GMR International FZE (GIFZE) Ideaspace Solutions Limited (ISL) Rajam Enterprises Private Limited (REPL)
(vi)	Key management personnel and their relatives	Mr. G.M.Rao (Chairman) Mrs. G.Varalakshmi 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.Nageswara Rao (Director) Mr. O Bangaru Raju (Director)

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

(b) Summary of transactions with the above related parties is as follows:

	(Rs. in crore)	
Nature of Transaction	2010	2009
Purchase of long term investments from		
- Holding Company		
GHPL	0.03	0.03
-Fellow Subsidiaries		
ISL	4.00	-
REPL	3.15	-
GREPL	3.15	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
IDFC	149.73	-
- Key management personnel		
Mr. Srinivas Bommidala	0.01	-
Mr. O Bangaru Raju (Amounting to Rs.24,000 (2009: Rs. Nil))	0.00	-
Sale of investment - long term		
- Holding Company		
GHPL (Amounting to Rs.24,454 (2009: Rs. Nil))	-	-
- Key management personnel and their relatives		
Mr. G.B.S. Raju (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Mr. G. Kiran Kumar (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Mr. Srinivas Bommidala (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Mrs. G.Varalakshmi (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Allotment of bonus shares in subsidiary		
- Holding Company		
GHPL (Amounting to Rs.300 (2009: Rs. Nil))	-	-
- Key management personnel and their relatives		
Mr. G.M. Rao (Amounting to Rs.300 (2009: Rs. Nil))	-	-
Mr. G.B.S. Raju (Amounting to Rs.300 (2009: Rs. Nil))	-	-
Mr. G. Kiran Kumar (Amounting to Rs.330 (2009: Rs. Nil))	-	-
Mr. Srinivas Bommidala (Amounting to Rs.300 (2009: Rs. Nil))	-	-
Mrs. G.Varalakshmi (Amounting to Rs.300 (2009: Rs. Nil))	-	-
Investment in equity shares		
- Associate Company		
HEG	8.47	-
Allotment of shares		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
IDFC	149.73	
Refund of share application money received		
- Holding Company		
GHPL	0.02	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MAHB	0.03	41.60
AAI	-	0.03
GoAP	0.01	-
MACHL	1.92	-
Share application money received		
- Holding Company		
GHPL	14.10	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

	(Rs. in crore)	
Nature of Transaction	2010	2009
AAI	-	322.47
MAMPL	-	161.60
IDF	-	46.80
GoAP	-	10.47
MAHB	-	50.53
MACHL	-	1.23
FAG	-	120.00
Share application money paid		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
GCEPL	-	27.50
Preference shares allotted		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ Joint Venture		
MACHL	-	18.00
Equity shares allotted		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	-	49.13
GoAP	-	49.13
MAHB	-	41.57
MAE	4.75	-
Loans/ advances repaid by		
-Fellow Subsidiary		
GREPL	9.13	-
GVF	0.25	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MAIPL	0.10	5.23
Loans/ advances given to		
-Fellow Subsidiary		
CIL	41.02	-
GREPL	17.48	-
RSSL	0.05	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
GVF	0.25	-
GCEPL	-	118.20
LGMG	-	59.72
Investment in debentures		
-Fellow Subsidiary		
GHML	314.58	845.06
Capital expenditure etc including land, buildings, roads, plant and machinery, computing equipment, electrical equipment, furniture and fixtures and capital advances		
-Fellow Subsidiary		
GMRPPL	53.34	974.44
Purchase of fixed assets		
-Fellow Subsidiary		
RSSL	0.05	-
GBPPL	11.86	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

Nature of Transaction	(Rs. in crore)	
	2010	2009
MABBPL	-	0.02
Assets acquired on lease		
- Shareholders' having substantial interest/ Enterprises in respect of which the reporting enterprise is an associate/ joint Venture		
AAI	6.19	-
Fixed assets sold		
-Fellow Subsidiary		
GHTPL	-	0.05
GSPL	-	0.01
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MABBPL	-	0.06
MAIPL	-	0.01
MBGHSPL	-	0.02
Purchase of Aircraft Division		
-Fellow Subsidiary		
GIDL	-	29.00
Rental deposit paid		
-Fellow Subsidiary		
GBPPL	4.22	-
- Key management personnel		
Mr. B.V. Nageswara Rao	0.01	-
Deposit refund received		
-Fellow Subsidiary		
GBPPL	7.50	6.18
Advance received		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
BPCL	27.75	-
Non Aero Revenue		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
LGMG	0.23	-
MAHB	0.01	-
Deposits paid		
-Fellow Subsidiary		
RSSL	0.18	-
Income from management and other services		
-Fellow Subsidiary		
GHOL	38.00	-
GIDL	0.15	2.62
Fees received for services rendered		
-Fellow Subsidiary		
GHML	-	169.31
Interest income		
-Fellow Subsidiary		
GHML	95.33	-
GREPL	0.29	-
CIL	0.02	-
GIFZE	0.23	-
Operations and Maintenance		

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

	(Rs. in crore)	
Nature of Transaction	2010	2009
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
LGMG	3.71	-
UEDI	13.44	-
Aircraft Usage Charges		
-Fellow Subsidiary		
GIDL	-	5.94
Operation support cost paid		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
UEDI	-	12.38
AAI	10.48	112.95
Airport Operators Fees		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
FAG	28.74	35.63
Revenue share paid/payable to concessionaire grantors		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	556.91	456.97
Aviation services availed		
-Fellow Subsidiary		
GIDL	-	2.25
Rent Paid		
-Fellow Subsidiary		
GBPPL	4.76	9.12
- Key management personnel		
Mr. B.V.Nageswara Rao	0.02	-
Managerial remuneration to		
- Key management personnel and their relatives		
Mr. G.M. Rao	0.74	5.20
Mr. G.B.S. Raju	0.82	3.12
Mr. G. Kiran Kumar	3.43	3.45
Mr. Srinivas Bommidala	1.54	1.54
Mr. O.Bangaru Raju	0.93	-
Mr. B. V. Nageswara Rao	3.29	1.08
Logo fee paid/payable to		
- Holding Company		
GHPL	3.45	5.39
Technical and consultancy fee		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	-	0.26
MAE	0.30	-
MAS	2.64	-
LISVT	-	3.09
MAHB	-	1.55
MAPUK	2.12	2.16
Other administration expenses		
-Fellow Subsidiary		
GSPL	0.17	0.83
RSSL	8.01	9.16

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

	(Rs. in crore)	
Nature of Transaction	2010	2009
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MAHB	0.38	-
FAG	4.17	-
AAI	0.38	-
Donations		
-Enterprises where key management personnel and their relatives exercise significant influence		
GVF	1.59	5.03
Interest others		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
UEDI	0.26	0.26
Voluntary retirement compensation scheme		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	250.88	-
Expenses incurred on behalf of		
- Holding Company		
GHPL	0.28	-
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	0.09	-
-Enterprises where key management personnel and their relatives exercise significant influence		
GHTPL	0.02	-
GVF	0.02	-
- Fellow Subsidiary		
RSSL	0.77	-
Equity Dividend declared		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MACHL	1.00	1.00
Preference Dividend declared		
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
MACHL	2.69	1.62
Balance Payable /(Recoverable)		
- Holding Company		
GHPL	17.32	0.48
- Shareholders' having substantial interest/ enterprises in respect of which the reporting enterprise is an associate/ joint venture		
AAI	530.31	335.03
FAG	125.00	140.63
MAPUK	0.60	-
MAIPL	1.40	1.73
MAE	0.98	-
LGMG	0.22	-
MAHB	0.79	0.03
MAMPL	125.00	125.00
MAS	1.39	-
BPCL	27.75	-
GoAP	-	0.01
MACHL	-	1.92

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

Nature of Transaction	(Rs. in crore)	
	2010	2009
UEDI	26.00	26.00
GCEPL	-	(145.70)
LISVT	-	(59.65)
Balance Payable /(Recoverable)		
- Fellow Subsidiary		
GIDL	-	0.11
GMRPPL	13.59	11.97
RSSL	1.18	3.80
GBPPL	(3.43)	(9.14)
CIL	(41.02)	-
GREPL	(8.35)	-
GHML	(1,249.62)	(845.06)
GHOL	(33.98)	-
- Key management personnel and their relatives		
Mr.G.M. Rao	(0.78)	2.21
Mr.G.B.S Raju	(0.45)	-

Notes:

- The Company has provided securities by way of pledge of investments for loans taken by certain companies.
- Certain Key Management Personnel have extended personal guarantees as security towards borrowings of the Group and other body corporates. Similarly, the holding company has pledged certain shares held in the Company and other body corporates as security towards the borrowings of the Company.
- Remuneration to key managerial personal does not include provision for gratuity, superannuation and premium for personal accidental policy, as the same are determined for the company as a whole.

(xxi) Disclosure in terms of Accounting Standards 7 - Construction contracts

Rs. in crore

Sl. No.	Particulars	2010	2009
1	Contract revenue recognised during year	409.85	304.17
2	Aggregate cost incurred and recognised profits (less recognised losses) up to the reporting date.	726.55	304.17
3	Amount of customer advances outstanding for contracts in progress	15.00	-
4	Retention money due from customers for contracts in progress	-	-

(xxii) The reporting dates of the subsidiaries, Associates and Joint Ventures coincide with that of the parent except in case of HEGL, an Associate, whose financial statements for the period ended on and as at December 31, 2009 were considered.

(xxiii) Acquisitions during the year:

a. The Group has acquired following companies which became subsidiaries during the year:

o SJK	o EMCO	o GCHEPL	o PT	o GOSEHHHPL	o GCORRPL
o GHVEPL	o BOPPL	o DSPL	o IPIPL	o IPSPL	o IPCPL
o LETPL	o GCPL	o GHDPL	o GCAPL		

b. The effect of the acquisition and disposal of subsidiaries on the financial position at the reporting date, the results for the reporting period

(Rs. in crore)

Particulars	March 31, 2010	March 31, 2009
Reserves and surplus	5.80	(10.03)
Goodwill on consolidation	182.64	196.06
Fixed assets - Gross block	63.11	84.90
Accumulated depreciation	0.04	0.02
Net block	63.07	84.88
Capital work-in-progress including capital advances	441.57	39.33

Notes forming part of the Consolidated Accounts

Schedule 19 | Statement on Significant Accounting Policies and Notes to the Consolidated Financial Statements

Particulars	March 31, 2010	March 31, 2009
Investments	46.50	-
Deferred tax asset	0.02	-
Cash and bank balances	31.80	0.51
Sundry debtors	2.71	-
Other current assets	0.01	-
Loans and advances	134.16	3.20
Current liabilities	23.94	0.77
Provisions	1.03	0.03
Total income	0.10	0.56
Total expenses	10.44	0.03
Interest and finance charges (net)	0.21	-
Profit before taxation	(10.56)	0.53
Taxation	0.38	-
Profit after taxation	(10.94)	0.53

(xiv) Subsequent events after the Balance Sheet date

- 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. 1,400.00 crore.
- Subsequent to March 31, 2010, the Group has entered into an agreement with M/s Claymore Investments (Mauritius) Pte Ltd., a wholly owned subsidiary of Temasek Holdings (Private) Limited of Singapore, to make an investment of Rs. 930.00 crores in GEL in the form of convertible cumulative preference shares. The transaction is expected to close by July, 2010.

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

- Previous year figures have been regrouped and reclassified, wherever necessary, to conform to those of the current year.
- Consequent upon acquisition / incorporation of subsidiaries and JVs, the figures of current year are not comparable with those of previous year.

As per out report of even date

For PRICE WATERHOUSE

Firm Registration Number: 007568S
Chartered Accountants

J Majumdar
Partner
Membership Number: F51912

For and on behalf of the Board of Directors

G.M. Rao
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