

**I.S.PRASAD & SETTY ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

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**NO.47, J.C.ROAD,**  
**SEETHARAMA BUILDING**  
**BANGALORE – 560 002**

## **AUDITOR'S REPORT**

**To**

**The Members**

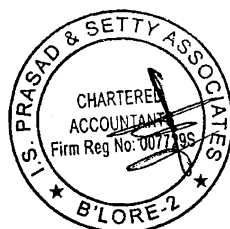
**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LTD.,**

We have audited the attached Balance Sheet of **M/s GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LTD.**, No 25/1, Skip House, Museum Road, Bangalore - 560025 as at March 31, 2011 and the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, We report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

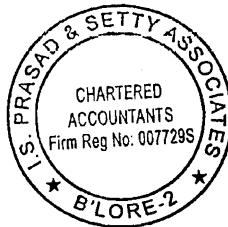
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- c) The Balance Sheet , Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956
- e) On the basis of written representations received from the directors as on March 31, 2011, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31,2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon and attached thereto give in prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- (ii) In the case of profit and Loss Account, of the Loss for the year ended on that date; and
- (iii) In the case of cash flow Statement, of the total cash flows for the year ended on that date.

**Place: Bangalore**  
**Date: 16.5.2011**

**For I.S.PRASAD & SETTY ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



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**(I.S.PRASAD)**  
**Partner**  
**M.No.021968**  
**FIRM REGN NO. 007729S**

## ANNEXURE TO AUDITOR'S REPORT

### ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE:

- (i) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets. We are informed that the management has physically verified the fixed assets of the company at reasonable intervals and no discrepancies have been noticed on such verification.
- (ii) Since the Company is neither a Manufacturing Company nor Trading Company, the question of maintaining Inventory Records does not arise, hence we do not offer comments on this clause.
- (iii) According to the information & explanations given to us, the Company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act & the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the sale of goods and services, purchase of equipment and other fixed assets and there is no major weakness in the internal control system.
- (v)
  - a. According to the information & explanations given to us, the Company has duly entered the particulars of contracts or arrangements referred to in section 301 of the act in the register required to be maintained under the section.
  - b. In our opinion and according to the information and explanations given to us, the transactions for services, made in pursuance of contracts or arrangements entered in the register(s) maintained U/s 301 of Companies Act 1956 as aggregating during the financial year exceeding Rs. 5,00,000/- or more in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices for such services at the relevant time.
- (vi) The Company has not accepted any deposit from the public as per the provisions of section 58A and section 58AA of the Companies Act 1956 and rules framed there under.

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- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of business.
- (viii) According to the information & explanations given to us, the provisions of section 209(1) (d) of the Companies Act, 1956 relating to maintenance of the cost records do not apply to the company.
- (ix) As per the information and explanations given to us, the Provisions of Employees State Insurance Act do not apply to the Company. The Company is regular in remitting the Provident Fund Contributions / Income tax and Cess to the appropriate authorities and there were no undisputed amounts payable in respect of income tax and Cess which were outstanding as on March 31, 2011 for a period of more than six months from the date on which they became payable.
- (x) We report that the company has no accumulated loss as on 31.03.2011.
- (xi) As per the information and explanations given to us and on our examination of records, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. However, the Company has maintained proper records in respect of investments made and also made entries from time to time, in respect of the investment held by the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us and on our examination of records of the Company, there are no fresh term loans raised during the financial year.



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- (xvii) In our opinion and according to the information and explanations given to us, the Company has not raised any short term funds during the financial year.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act.
- (xix) The Company has not issued any Debentures during the Financial Year.
- (xx) In our opinion, the Company has not raised any funds by way of Public Issue.
- (xxi) According to the information and explanations given to us and on our examination of records of the Company, there is no fraud on or by the company has been noticed or reported during the year.

**Palce: Bangalore**  
**Date: 16.5.2011**

**For I.S.PRASAD & SETTY ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



A handwritten signature in black ink, appearing to be "I.S. Prasad".

**(I.S.PRASAD)**  
**Partner.**  
**M.No.021968**  
**FIRM REGN NO. 007729S**

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**  
**Balance Sheet as at March 31, 2011**

(Amount in Rupees)

	Schedule	As at March 31, 2011		As at March 31, 2010	
<b>I. Sources of Funds</b>					
<b>1. Shareholders' Funds</b>					
a) Capital	1	10,000,000		10,000,000	
b) Reserves and Surplus	2	1,270,391,947		1,109,058,823	
			1,280,391,947		1,119,058,823
<b>2. Loan Funds</b>					
a) Secured Loans	3	3,386,612,398		3,685,807,156	
b) Unsecured Loans	4	561,000,000		561,000,000	
			3,947,612,398		4,246,807,156
<b>Total</b>			<b>5,228,004,346</b>		<b>5,365,865,979</b>
<b>II. Application of Funds</b>					
<b>1. Fixed Assets</b>					
a) Gross Block	5	3,772,682,443		3,770,423,451	
b) Less: Depreciation		1,596,456,119		1,343,866,476	
c) Net Block			2,176,226,323		2,426,556,975
d) CWIP					
<b>2. Investments</b>					
	6		1,364,643,659		1,621,869,922
<b>3. Current Assets, Loans and Advances</b>					
a) Sundry Debtors	7	318,215,276		318,737,724	
b) Cash and Bank Balances	8	1,388,678,606		1,111,124,459	
c) Other Current Assets	9	8,511,808		11,555,082	
d) Loan and Advances	10	110,581,795		13,519,676	
		1,825,987,485		1,454,936,940	
<b>Less: Current Liabilities and Provisions</b>					
a) Liabilities	11	29,943,141		36,658,675	
b) Provisions		108,909,981		100,839,183	
		138,853,122	1,687,134,363	137,497,858	1,317,439,082
<b>Net Current Assets</b>					
Statement on Significant Accounting Policies	18				
<b>Total</b>			<b>5,228,004,346</b>		<b>5,365,865,979</b>

The Schedules referred to above form an integral part of the Balance Sheet.  
This is the Balance Sheet referred to in our report of even date.

For I. S Prasad & Setty Associates  
Firm Registration No: 007729S  
**Chartered Accountants**

Sd-  
**I. S. Prasad**  
Partner  
Membership No: 021968

Place : Bangalore  
Date: 16.05.2011

For and on behalf of the Board of Directors

Sd-  
**Srinivas Bommidala**  
Chairman

Sd-  
**Mohan Rao M**  
Company Secretary

Sd-  
**O Bangaru Raju**  
Managing Director

GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED  
Profit and Loss account for the year ended March 31, 2011

(Amount in Rupees)

	Schedule	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
<b>I. Income</b>			
Annuity Income	12	809,982,072	808,577,875
Variation Works Certified		-	435,644
Other Income	13	136,142,563	321,915,942
		<b>946,124,635</b>	<b>1,130,929,461</b>
<b>II. Expenditure</b>			
Operations and Maintenance Expenses	14	110,898,207	69,331,580
Cost of Variation Works Certified		-	460,672
Manpower Expenses	15	16,649,818	22,746,487
Administrative and Other Expenses	16	71,903,102	70,963,942
Finance Charges	17	292,049,121	293,626,769
Depreciation	5	252,712,325	252,637,914
		<b>744,212,573</b>	<b>709,767,363</b>
<b>III. Profit Before Taxation</b>		201,912,062	421,162,098
Corporate Tax		40,578,937	71,576,499
<b>IV. Profit After Taxation</b>		<b>161,333,125</b>	<b>349,585,600</b>
Surplus brought forward from Previous Year		1,109,058,823	759,473,223
<b>V. Available Surplus Carried to Balance Sheet</b>		<b>1,270,391,948</b>	<b>1,109,058,823</b>
Earnings Per Share (Rs.) - Basic		161.33	349.59
Statement on Significant Accounting Policies and Notes to Accounts	18		

The Schedules referred to above form an integral part of the Profit and Loss Account.  
This is the Profit and Loss account referred to in our report of even date.

For I. S Prasad & Setty Associates  
Firm Registration No: 0077295  
**Chartered Accountants**

Sd-  
**I. S. Prasad**  
Partner  
Membership No: 021968

Place : Bangalore  
Date: 16.05.2011

For and on behalf of the Board of Directors

Sd-  
**Srinivas Bommidala**  
Chairman

Sd-  
**O Bangaru Raju**  
Managing Director

Sd-  
**Mohan Rao N**  
Company Secretary

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**  
**Cash Flow Statement for the period ended Mar 31, 2011**

(Amount in Rupees)

Particulars		As at Mar 31, 2011	As at March 31, 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax and Extraordinary Items		201,912,062	421,162,098
Adjustment for:			
Depreciation		252,712,325	252,637,914
(Profit)/Loss from Sale of Investments		(10,910,450)	(25,142,938)
Profit on sale of Fixed Asset		(336)	-
Interest Income		(83,540,777)	(90,723,732)
Interest received from IT refund		(280,513)	-
Finance Charges		292,049,121	293,626,769
<b>Operating Profit Before Working Capital Charges</b>		<b>651,941,432</b>	<b>851,560,111</b>
Adjustment For:			
Changes in Trade and Other Receivables		(93,496,398)	25,745,982
Changes in Trade Payables		1,355,264	(150,394,458)
<b>Cash Generated from Operations</b>		<b>559,800,298</b>	<b>726,911,635</b>
Income Tax Paid		(40,578,937)	(71,576,499)
Fringe Benefit Tax Paid		-	-
<b>Net Cash Flow from Operating Activities</b>	<b>A</b>	<b>519,221,361</b>	<b>655,335,137</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(2,436,850)	(567,112)
Sale of Fixed asset		55,512	-
Investments in Mutual fund		303,826,263	(325,979,922)
(Profit)/Loss from Sale of Investments (net)		10,910,450	25,142,938
Investment in Preference Share Capital		(46,600,000)	(1,295,890,000)
Investment in Preference Share Capital Application Money		-	-
Redemption of Preference share investment		-	561,000,000
Interest received from IT refund		280,513	-
Interest received		83,540,777	90,723,732
Investment in Preference Share Capital		-	-
<b>Net Cash Flow from Investing Activities</b>	<b>B</b>	<b>349,576,666</b>	<b>(945,570,364)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Changes in Share Capital		-	-
Proceeds/(Repayments) of Term Loan (net)		(299,194,758)	(299,848,020)
Proceeds of Sub Debt		-	-
Repayments of Sub Debt		-	-
Finance Charges Paid		(292,049,121)	(293,626,769)
<b>Net Cash Flow from Financing Activities</b>	<b>C</b>	<b>(591,243,877)</b>	<b>(593,474,789)</b>
Net increase/(decrease) in Cash and Cash Equivalents	<b>D (A+B+C)</b>	<b>277,554,148</b>	<b>(883,710,015)</b>
Cash and Cash Equivalents at the beginning of the year	<b>E</b>	<b>1,111,124,458</b>	<b>1,994,834,474</b>
Cash and Cash Equivalents at the end of the year	<b>(D+E)</b>	<b>1,388,678,606</b>	<b>1,111,124,458</b>

Notes :

- The above Cash Flow Statement has been prepared under the 'indirect Method' as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped/reclassified to confirm to current year presentation.

This is the Cash Flow Statement referred to in our report of even date.

For I. S Prasad & Setty Associates

For and on behalf of the Board of Directors

**Chartered Accountants**

Firm Registration No: 007729S

Sd-

**I. S. Prasad**

Partner

Membership No: 021968

Sd-

**Srinivas Bommidala**

Chairman

Sd-

**Mohan Rao M**

Company Secretary

Sd-

**O Bangaru Raju**

Managing Director

Place : Bangalore

Date: 16.05.2011

GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED  
Schedules Forming part of the Balance Sheet as at March 31, 2011

(Amount in Rupees)

Schedule 1	As at March 31, 2011	As at March 31, 2010
<b>Capital</b>		
<b>Authorised</b>		
1,000,000 (2010 : 1,000,000) Equity Shares of Rs. 10 each	10,000,000	10,000,000
1,07,00,000 (2010 : 1,07,00,000) Preference Shares of Rs. 100 each	1,070,000,000	1,070,000,000
	<b>1,080,000,000</b>	<b>1,080,000,000</b>
<b>Issued, Subscribed and Paid up</b>		
<b>Equity Shares</b>		
1,000,000 (2010 : 1,000,000) Equity Shares of Rs.10 each fully paid up	10,000,000	10,000,000
<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>

Schedule 2	As at March 31, 2011	As at March 31, 2010
<b>Reserves and Surplus</b>		
<b>Profit and Loss Account</b>		
Opening Balance	1,109,058,822	759,473,223
Add : Profit for the year	161,333,125	349,585,600
<b>Total</b>	<b>1,270,391,947</b>	<b>1,109,058,823</b>

Schedule 3	As at March 31, 2011	As at March 31, 2010
<b>Secured Loan</b>		
<b>Term Loans</b>		
Rupee Loans		
From Banks	3,386,612,398	3,685,807,156
( Secured by movable and immovable assets of the Company by way of deed of hypothecation and by way of legal mortgage in English form respectively)		
<b>Total</b>	<b>3,386,612,398</b>	<b>3,685,807,156</b>

Schedule 4	As at March 31, 2011	As at March 31, 2010
<b>Unsecured Loans</b>		
Group Companies	415,140,000	415,140,000
Body Corporate	145,860,000	145,860,000
<b>Total</b>	<b>561,000,000</b>	<b>561,000,000</b>

GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED

Schedules Forming part of the Balance Sheet as at March 31, 2011

Schedule - 5

Fixed Assets

(Amount in Rupees)

Description	Gross Block			Depreciation				Net Block		
	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at April 1, 2010	On Additions	On Deletions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
<b>Tangible Assets</b>										
Land	229,150	-	-	229,150	-	-	-	-	229,150	229,150
Carriage Way (Roads)	3,764,034,621	-	-	3,764,034,621	1,341,030,684	252,042,301	-	1,593,072,986	2,170,961,635	2,423,003,937
Furniture and fittings	165,835	-	-	165,835	74,871	10,497	-	85,368	80,467	90,964
Computers	3,009,047	335,695	162,868	3,181,873	1,941,971	408,798	122,346	2,228,423	953,450	1,067,075
Office Equipments	1,888,960	977,734	14,990	2,851,704	512,657	110,951	336	623,273	2,228,431	1,376,303
Vehicles	1,095,838	1,123,421	-	2,219,259	306,292	139,777	-	446,069	1,773,190	789,546
<b>Total</b>	<b>3,770,423,451</b>	<b>2,436,850</b>	<b>177,858</b>	<b>3,772,682,443</b>	<b>1,343,866,475</b>	<b>252,712,325</b>	<b>122,682</b>	<b>1,596,456,119</b>	<b>2,176,226,323</b>	<b>2,426,556,975</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>3,770,423,451</b>	<b>2,436,850</b>	<b>177,858</b>	<b>3,772,682,443</b>	<b>1,343,866,475</b>	<b>252,712,325</b>	<b>122,682</b>	<b>1,596,456,119</b>	<b>2,176,226,323</b>	<b>2,426,556,975</b>
Previous Year	3,769,856,340	567,112	-	3,770,423,451	1,091,228,562	252,637,914	-	1,343,866,476	2,426,556,975	2,678,627,777

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**  
**Schedules Forming part of the Balance Sheet as at March 31, 2011**

(Amount in Rupees)

Schedule 6	As at March 31, 2011	As at March 31, 2010
<b>Investment</b>		
<b>Long Term</b>		
<b>In Shares of other Companies - Other than Trade</b>		
<b>(8% Redeemable, Non - Cumulative, Non - Convertible unquoted Preference Shares)</b>		
GMR Ambala Chandigarh Expressways Pvt Ltd.	684,890,000	684,890,000
(68,48,900 Preference Shares of Rs. 100 each fully paid-up )		
GMR Jadcherla Expressways Pvt Ltd.	125,000,000	125,000,000
(12,50,000 Preference Shares of Rs. 100 each fully paid-up )		
GMR Ulundurpet Expressways Pvt Ltd.	270,140,000	270,140,000
(27,01,400 Preference Shares of Rs. 100 each fully paid-up )		
Rushil Construction (India ) Pvt Ltd.	262,460,000	215,860,000
( 26,24,600 Preference Shares of Rs. 100 each fully paid-up )		
<b>Current</b>		
<b>Other than Trade - Unquoted</b>	22,153,659	325,979,922
ICICI Prutencial Liquid Fund Super institutional - Growth		
( No.of Units- 1,27,017.28,NAV as on 31.03.11 - Rs.144.70, Cost Rs.1,83,78,928)		
HDFC Liquid Fund -Premium Plan - Growth		
( No.of Units - 1,92,495 , NAV as on 31.03.11 - Rs.19.61, Cost Rs.37,74,731)		
<b>Total</b>	<b>1,364,643,659</b>	<b>1,621,869,922</b>

Schedule 7	As at March 31, 2011	As at March 31, 2010
<b>Sundry Debtors</b>		
( Trade and considered good, unless otherwise stated )		
<b>Over Six Months Old</b>		
Secured	4,501,880	5,477,045
<b>Other Debts</b>		
Secured	313,713,396	313,260,679
Unsecured - other than trade		
<b>Total</b>	<b>318,215,276</b>	<b>318,737,724</b>

Schedule 8	As at March 31, 2011	As at March 31, 2010
<b>Cash and bank Balances</b>		
Cash and Cheques on hand	42,528	17,299
Balances with Schedules Banks		
On Current Accounts	1,752,355	1,925,159
On Deposit Accounts	1,386,883,723	1,109,182,000
<b>Total</b>	<b>1,388,678,606</b>	<b>1,111,124,458</b>

GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED  
Schedules Forming part of the Balance Sheet as at Mar 31, 2011

(Amount in Rupees)

Schedule 9	As at March 31, 2011	As at March 31, 2010
<b>Other Current Assets</b>		
Interest accrued on Deposits	8,511,808	11,555,082
<b>Total</b>	<b>8,511,808</b>	<b>11,555,082</b>

Schedule 10	As at March 31, 2011	As at March 31, 2010
<b>Loans and Advances</b>		
<b>( Unsecured, Considered Good, unless otherwise stated )</b>		
Loans/Advances to Employees	640,742	992,929
Loans/Advances Others	99,979,678	2,986,111
Deposits with Government Authorities	21,800	21,800
Deposits with Others	8,439,280	8,439,280
Advance Tax ( Net of Provision )	1,500,296	1,079,555
<b>Total</b>	<b>110,581,795</b>	<b>13,519,675</b>

Schedule 11	As at March 31, 2011	As at March 31, 2010
<b>Current Liabilities and Provisions</b>		
<b>a) Sundry Creditors</b>		
Due to Small Scale Industrial Undertakings		
Sundry Creditors	27,186,219	29,392,965
Retention Money	1,776,110	1,776,110
Other Liabilities	980,812	656,611
<b>Total</b>	<b>29,943,141</b>	<b>31,825,686</b>
<b>b) Provisions</b>		
Provision for Tax ( Net of Advance Tax )		
Provision for Employee Benefits	1,248,460	1,008,265
Provision For Periodic Maintenance	100,285,207	99,763,824
Provision for Outstanding Exps	7,376,314	4,900,083
<b>Total</b>	<b>108,909,981</b>	<b>105,672,172</b>

GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED

Schedules Forming part of the Profit and Loss Accounts for the period ended Mar 31 2011

(Amount in Rupees)

Schedule 12	For the Year Ended March 2011	For the Year Ended March 2010
<b>Annuity Income</b>		
Annuity	809,982,072	808,577,875
<b>Total</b>	<b>809,982,072</b>	<b>808,577,875</b>

Schedule 13	For the Year Ended March 2011	For the Year Ended March 2010
<b>Other Income</b>		
Interest on Deposits ( Gross ) (Tax Deducted at Source - Rs. 99,93,933/-)	83,540,777	90,144,142
Profit on sale of Unquoted-Mutual Funds-Short Term	10,910,450	25,142,938
Profit on sale of Fixed Asset	336	
Interest Received on IT Refund	280,513	579,590
Provision no longer required written back	38,297,889	206,048,243
Miscellaneous Income	3,112,598	1,029
<b>Total</b>	<b>136,142,563</b>	<b>321,915,942</b>

Schedule 14	For the Year Ended March 2011	For the Year Ended March 2010
<b>Operating and Maintenance [ O &amp; M ] Expenses</b>		
O&M Monthly Maintenance Expenses	36,453,375	32,285,592
O&M Periodic Maintenance Expenses	69,790,893	32,459,722
O&M Insurance	4,642,910	3,703,216
O&M Staffwelfare	1,009	750
Others	10,020	882,300
<b>Total</b>	<b>110,898,207</b>	<b>69,331,580</b>

Schedule 15	For the Year Ended March 2011	For the Year Ended March 2010
<b>Manpower Cost</b>		
Staff Costs		
Salaries, Wages and Bonus	14,050,494	20,681,898
Contribution to Provident & Other Funds	1,746,347	1,253,537
Workmen and Staff Welfare Expenses	852,976	811,052
<b>Total</b>	<b>16,649,818</b>	<b>22,746,487</b>

Schedule 16	For the Year Ended March 2011	For the Year Ended March 2010
<b>Administrative Expenses</b>		
Rent	13,056,964	7,010,042
Repairs and Maintenance		
Rep - Buildings	8,674	642
Rep - Others	1,335,789	1,301,315
Rates & taxes	3,567,017	2,073,712
License and fees		
Insurance	2,476,791	51,104
Professional	35,340,202	41,061,101
Directors Sitting Fee	60,000	70,000
Utilities	2,412,019	1,483,295
Statutory Audit fee	193,025	193,025
Tax Audit fee	38,605	38,605
Other Certification fee	107,543	55,150
Advertisement	14,949	18,000
Inland Travel	3,115,533	2,864,309
Foreign Travel	948,817	37,251
Airtime Sharing (from GAPL)	3,683,270	8,592,594
Travel - Taxi Hire / Local Conv	2,878,121	1,626,848
Communication - Telephone	532,540	721,089
Communication - postage & courier	7,274	20,054
Business Promotion	396,673	650,986
Security	439,505	211,786
Printing & Stationery	306,763	393,098
Donations	840,000	1,040,000
Books & Periodicals	17,237	15,451
Membership	34,729	44,046
Bidding Expenses	1,500	
Fixed Assets w/off	40,523	
Misc Exp	49,041	390,440
<b>Total</b>	<b>71,903,102</b>	<b>70,963,942</b>

Schedule 17	For the Year Ended March 2011	For the Year Ended March 2010
<b>Finance Charges</b>		
Interest on Fixed Loans	283,699,993	285,651,036
Interest Others	5,610,003	5,610,003
Bank/Other Finance Charges	2,739,125	2,365,730
<b>Total</b>	<b>292,049,121</b>	<b>293,626,769</b>

GMR TAMBARAM TINDIVANAM EXPRESSWAYS PVT LTD.

Balance Sheet abstract and Company's General Business Profile

<b>1 Registration Details</b>			
Company Identification No.	U45203KA2001PTC049329	State Code	08
Balance Sheet Date	31.03.2011		
<b>2 Capital Raised during the year (Amount in Rupees thousands)</b>			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
<b>3 Position of Mobilisation and Development of Funds ( Amount in Rupees thousands)</b>			
Total Liabilities	5,228,004	Total assets	5,228,004
<b>Sources of Funds</b>			
Paid - Up Capital	10,000	Reserves & Surplus	1,270,392
Secured Loan	3,386,612	Unsecured Loans	561,000
<b>Application of Funds</b>			
Net Fixed Assets	2,176,226	Investments	1,364,644
Net Current Assets	1,687,134	Misc. Expenditure	-
Accumulated Losses	-		
<b>4 Performance of company ( Amount in Rs. Thousands)</b>			
Total Income	946,125	Total Expenditure (incl. Depreciation)	744,213
+ (-) Profit / (Loss) before Tax	201,912	+ (-) Profit / (Loss) after Tax	161,333
Earnings (Loss) per Share (Rs.)	161.33	Dividend rate (%)	-
<b>5 Generic Names of Three Principal Products / Services of Company (as per monetary terms)</b>			
Item Code No. (ITC Code)	N.A		
Product Description	N.A		

For and on behalf of the Board of Directors

Sd-  
Srinivas Bommidala  
Chairman

Sd-  
O Bangaru Raju  
Director

Sd-  
Manager  
S Rameshwara Rao

Place: Bangalore  
Date: 16.05.2011

# GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED

## SCHEDULE 18

### Statement on Significant Accounting Policies and Notes to the Accounts

#### I. Significant Accounting Policies:

##### Accounting Assumptions

These accounts have been prepared under the historical cost convention on the basis of a going concern, with revenues recognized and expenses accounted on their accrual and amounts determined as payable or receivable during the year, except those with significant uncertainties and in accordance with the applicable Accounting Standards as issued by the Institute of Chartered Accountants of India.

##### Revenue Recognition

Annuity is recognised on accrual basis in accordance with the provisions of the Concessionaire Agreement with National Highways Authority of India ('NHAI').

##### Fixed Assets

Fixed Assets are stated at cost of acquisition less depreciation. Cost of acquisition is inclusive of freight, duties, levies, and all incidentals attributable to bringing the asset to its working condition.

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication, the impairment loss (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. The impairment loss recognised in the prior years is reversed where the recoverable value exceeds the carrying value of the asset upon re-assessment in the subsequent years.

##### Depreciation

Depreciation on Fixed Assets, other than Carriage Way (Roads), is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

The cost of Carriage Way (Roads) is amortized over the period of 15.09 years, being the period commencing from commercial operation till the end of the concession period.

The additions to the Carriage Way (Roads), if any, is amortised from the date of capitalisation till the end of concession period uniformly.

Individual Assets costing less than Rs.5,000 are fully depreciated in the year of purchase

##### Investments

Investments are valued at cost or market value which ever is lower. Long Term investments are carried at cost unless there is a permanent diminution in the value of investment. Income from investments is recognized in the year in which it is accrued and is stated at gross. Profit / Loss on sale / redemption of investments are recognized in the profit and loss account in the year of sale.

## **GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**

### **Foreign Currency Transactions**

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions. The original cost of fixed assets acquired through foreign currency borrowings at the end of each financial year is adjusted for any change in liability arising out of expressing the outstanding foreign currency loan at the rate of exchange prevailing at the date of balance sheet.

Long term foreign currency monetary assets and liabilities, which does not relate to acquisition of fixed assets, are translated at the exchange rates prevailing on the balance sheet date and the resultant exchange differences are accumulated in the foreign currency monetary item translation reserve and amortized over the balance period of such long term asset/liability but not beyond March 31, 2011.

Monetary assets and monetary liabilities other than long term are translated at the exchange rate prevailing on the balance sheet date and the resultant gain /loss is recognized in the financial statements.

### **Retirement Benefits**

#### **a) Defined Contribution Plans**

Contributions paid/payable to defined contribution plans comprising of provident fund and pension fund are charged on accrual basis.

The Company also has a defined contribution superannuation plan (under a scheme of Life Insurance Corporation of India) covering all its employees and contributions in respect of such scheme are charged on accrual basis in the Profit and Loss Account. The Company makes monthly contributions and has no further obligations under the plan beyond its contributions.

#### **b) Defined Benefit Plan**

Gratuity for employees is covered under a scheme of Life Insurance Corporation of India and contributions in respect of such scheme are recognized in the Profit and Loss Account. The liability as at the Balance Sheet date is provided for based on the actuarial valuation in accordance with the requirements of revised Accounting Standard 15 (revised 2005) on 'Employee Benefits' notified under section 211 (3C) of the Act ('revised AS 15') as at the end of the year.

#### **c) Other Long term employee benefits**

Other Long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation carried out in accordance with revised AS 15 as at the end of the year.

#### **d) Short term employee benefits**

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

### **Earnings Per Share**

The earnings considered in ascertaining the Company's Earning per Share (EPS) comprise of the net profit after tax. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

## GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED

### Taxes on Income

Current tax is determined based on the amount of tax payable in respect of taxable income for the year. Deferred tax Asset/Liability in respect of timing differences which will reverse during the tax holiday period have not been recognized to the extent gross total income is subject to deduction during the tax holiday period, as per the requirement of Section 80IA of the Income Tax Act, 1961.

### Operating Lease

The Company recognizes Lease rent expenditure in the Profit and Loss Account over the term of lease as per agreement.

### Operation and Maintenance

The Company has entered into Operation and Maintenance Agreement for Operations, Regular and Major Maintenance of the carriageway. Amounts payable under the O&M Agreement are charged to Profit and loss Account on accrual basis.

### II. Notes to the Accounts:

1. Paid up capital of the company consisted of 10,00,000 equity shares of Rs.10 each.
2. Annuity is a fixed periodic payment (half yearly rests) receivable from NHAI as per Schedule J of the Concession Agreement. The Eleventh and Twelfth installments of annuity were received during the financial year ended March 31, 2011 on respective due dates. The revenue till 31st March 2011, has been recognised and accounted on prorata basis.
3. Other Income includes a sum of Rs.3,82,97,889/- being provision towards periodic maintenance fee ( as per concession agreement ) no longer required written back.

### 4. Related Party transactions

#### a) Names of related parties and description of relationship:

(i)	Enterprises that control the Company	GMR Infrastructure Company (GIL) (Holding Company) GMR Holding Pvt Ltd. (GHPL)
(ii)	Shareholders having Substantial Interest	GMR Highways Ltd. GMR Power Corporation Ltd (GPCL) UE Development India Pvt Ltd (UEDI) Rushil Construction (India) Pvt Ltd
(iii)	Fellow Subsidiaries (at GIL Level) (restricted to one step subsidiary relationship)	GMR Aviation Private Limited (GAPL) GMR Energy Ltd (GEL) GMR Ambala Chandigarh Expressways Pvt Ltd. ( GACEPL ) GMR Ulundurpet Expressways Pvt Ltd (GUEPL) GMR Jadcherla Expressways Pvt Ltd (GJE) GMR Corporate Affairs Pvt Ltd.(GCAPL)
(vi)	Enterprise where key Management Personnel and their relatives exercise significant influence.	Raxa Securities Services Ltd. (RSSL) GMR Bannergatta Properties Pvt Ltd. (GPPL) GMR Varalakshmi Foundation (GVF)

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**

(v)	Key Management Personnel and their relatives	Mr. Srinivas Bommidala Mr. O Bangaru Raju
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b) Summary of transactions with the above related parties during the year is as follows:

*(Amount in Rupees)*

Particulars	2011	2010
Operation and Maintenance to UEDI (Shareholders having Substantial Interest)		
- Monthly	3,64,53,375	3,22,85,592
- Periodic Maintenance (Provision Based)	6,97,90,893	3,23,40,243
- Advance	9,67,00,000	-
Annual Management Fee		
- GEL (Fellow Subsidiaries)	-	1,10,30,004
- GHIL (Shareholders having Substantial Interest)	2,20,60,006	1,10,30,004
Security Service Charges (Enterprise where significant influence exist)		
- RSSL	4,39,505	2,11,786
Donations (Enterprise where significant influence exists)		
- GVF	8,40,000	8,40,000
Aircraft Charges ( Fellow Subsidiaries )		
- GAPL	36,83,270	85,92,594
Trade mark and Logo Fee (Enterprises that control the Company)		
- GHPL	30,27,147	15,58,415
Managerial Remuneration (Key Management Personnel and their relatives)		
- Mr. O. Bangaru Raju	79,79,096	93,44,796
Rent Payment (Enterprise where significant influence exists)		
- GMR Bannerghatta Properties Pvt Ltd	54,51,082	51,68,305
- GMR Corporate Affairs Pvt Ltd	74,79,881	12,36,128
-		
Ofc Maintenance, Electricity and water	18,53,378	3,37,389
- GMR Corporate Affairs Pvt Ltd		
Consultancy	63,88,970	1,22,00,000
- GMR Corporate Affairs Pvt Ltd		
Rent Deposit		
- GMR Bannerghatta Properties Pvt Ltd	83,04,000	83,04,000

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**

Investment in Preference Share capital		
- Rushil Construction (India) Pvt Ltd	4,66,00,000	7,00,00,000
Subordinate Debt		
- GEL (Fellow Subsidiaries)	41,51,40,000	41,51,40,000
- UEDI (Shareholders having Substantial Interest)	14,58,60,000	14,58,60,000
Interest payment on Sub Debt		
- GEL (Fellow Subsidiaries)	41,51,400	41,51,400
- UEDI (Shareholders having Substantial Interest)	14,58,601	14,58,601

5. Earnings Per Share (EPS)

(Amount in Rupees)

Particulars	Year ended March 31,	
	2011	2010
Nominal Value of Equity Shares (Rs. per Share)	10	10
<b>Weighted Average number of Equity Shares outstanding during the year</b>	1,000,000	1,000,000
Profit after Taxes	16,13,33,125	34,95,85,600
<b>EPS – Basic and Diluted (Rs.)</b>	<b>161.33</b>	<b>349.59</b>

Note : Since the Company does not have any dilutive securities, the basic and diluted earnings per share are the same.

6. Managerial Remuneration

(Amount in Rupees)

Particulars	2011	2010
Salaries	57,42,096	93,44,796
Perquisites and others	18,03,000	-
Sitting Fees	60,000	70,000
<b>Total</b>	<b>80,39,096</b>	<b>94,14,796</b>

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

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**

**7. 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:

( Amount in Rupees)

<b>Particulars</b>	<b>2011</b>	<b>2010</b>
Contribution to provident fund	12,08,419	12,23,715
Contribution to superannuation fund	3,28,974	3,14,229
	<b>15,37,393</b>	<b>15,37,944</b>

b) Defined benefit plan

Company is covered under 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

( Amount in Rupees)

Net employee benefit expense

	<b>2011</b>	<b>2010</b>
Current service cost	40,134	42,976
Interest cost on benefit obligation	84,708	16,221
Expected return on plan assets	(53,003)	56,928
Net actuarial( gain) / loss recognised	(1,17,447)	( 1,80,320 )
Past service cost	-	-
Net benefit expense	(45,608)	64,195
Actual return on plan assets	59,628	56,928

Balance sheet

	<b>2011</b>	<b>2010</b>
Defined benefit obligation	10,59,623	4,37,269
Fair value of plan assets	7,22,164	6,62,536
Less: Unrecognised past service cost	-	-
Plan asset / (liability)	(3,37,459)	2,25,267

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**

Changes in the present value of the defined benefit obligation:

( Amount in Rupees)

	<b>2011</b>	<b>2010</b>
Opening defined benefit obligation	10,58,853	1,83,643
New Acquisitions	-	-
Interest cost	84,708	16,221
Current service cost	40,134	42,976
Past service cost	-	-
Benefits paid	-	(5013)
Adjustment on transfer	-	-
Actuarial (gains) / losses on obligation	(1,24,072)	1,99,442
Closing defined benefit obligation	10,59,623	4,37,269

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

	<b>2011</b>	<b>2010</b>
Opening fair value of plan assets	6,62,536	6,10,621
New Acquisition	-	-
Expected return	53,003	(56,928)
Contributions by employer	-	-
Benefits paid	-	(5013)
Actuarial gains / (losses)	6,625	1,13,856
Adjustment on transfer	-	-
Closing fair value of plan assets	7,22,164	6,62,536

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

	<b>2011</b>	<b>2010</b>
	%	%
Investments with insurer managed funds	100	100

The principal assumptions used in determining gratuity obligation:

	<b>2011</b>	<b>2010</b>
	%	%
Discount rate	8	8
Expected rate of return on assets	8	8
Expected rate of salary increase	6	7
Employee turnover	5	5

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**

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.

c) Leave encashment liability provided based on actuarial valuation amounts to Rs. 6,90,734 as at March 31, 2011.

8) Deferred tax asset as per the requirements of AS-22 "Accounting for taxes on income" issued by Institute of Chartered Accountants of India has not been recognised during the year, on the timing differences to the extent reversing within tax holiday period of the company under provisions of Section 80-IA of the Income Tax Act, 1961.

8) Current Year provision for Tax/MAT has been computed in accordance with the provisions of the Income Tax Act 1961 and provided in the books of account. The Company is eligible to avail of tax holiday under Sec.80 IA of the Income Tax Act, 1961, and so the management has decided to opt for tax holiday from 2007-08 FY.

9) Investments purchased and sold during the year :

( Amount in Rupees)

Sl. No.	Name of Mutual Fund	Purchases		Sales	
		Units	Value	Units	Value
1	Birla Sunlife Cash Plus Institutional Premium – Growth	10,69,521	2,74,51,000	18,51,032	2,75,15,310
		(31,15,825)	(4,56,00,000)	(23,34,315)	(3,41,67,720)
2.	Birla Sunlife Saving Fund Institutional – Growth	6,58,308	1,15,22,429	6,58,308	1,15,50,062
		(13,17,552)	(2,28,65,327)	(13,17,552)	(2,29,40,385)
3.	HDFC Cash Management Fund - Treasury Advantage Plan-W Growth	19,88,870	4,02,20,957	19,88,870	4,04,16,337
		(21,49,666)	(4,29,08,620)	(21,49,666)	(4,32,94,305)
4.	HDFC Liquid Fund Premium Plan Growth	62,31,707	12,13,14,904	64,67,493	12,15,93,910
		(8,87,05,027)	(1,59,89,80,000)	(8,82,76,745)	(1,59,40,88,906)
5.	ICICI Prudential Flexible Income Plan Premium - Growth	26,27,387	45,19,64,060	26,27,387	45,50,00,421
		(2,667,575)	(45,17,31,661)	(2,667,575)	(45,59,20,799)
6.	ICICI Prudential Inst. Liquid Plan - Super Institutional .growth	59,37,544	1,11,15,98,133	80,65,258	11,89,05,890
		(16,06,11,485)	(1,51,65,33,942)	(1,58,356,755)	(3,22,73,70,151)

**GMR TAMBARAM TINDIVANAM EXPRESSWAYS PRIVATE LIMITED**

Note: Previous year figures are shown in brackets.

- 10) The Company does not have more than one segment to be reported and hence, the Accounting Standard 17 for Segment Reporting as prescribed by Institute of Chartered Accountants of India is not applicable to the Company.
- 11) The Company is not engaged in any manufacturing activity. Additional information pursuant to paras 3,4,4-C, and 4-D of part II of Schedule VI to the Companies Act, 1956 to the extent either 'Nil' or 'Not Applicable' has not been furnished.
- 12) Previous period figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

As per our report of even date attached

**For I. S. Prasad & Setty Associates**  
**Firm Registration No: 007729S**  
**Chartered Accountants**

**-Sd-**  
**I S Prasad**  
**Partner**  
**Membership No: 021968**

**Place: Bangalore**  
**Date : 16.05.2011**

**For and on behalf of the Board**

**-Sd-**  
**Srinivas Bommidala**  
**Chairman**

**-Sd-**  
**Mohan Rao M**  
**Company Secretary**

**-Sd-**  
**O Bangaru Raju**  
**Managing Director**