

June 6, 2018

BSE Limited
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Dear Sir/Madam,

Sub: Clarification on news article appearing in media
Ref: Your email dated June 4, 2018

With reference to captioned subject, we wish to inform that, on 25th October 2016, the international Tribunal adjudicating the dispute between GMR Male International Airport (GMIAL) and Government of Maldives had ruled in GMIAL's favour and awarded a compensation of \$271 million plus any taxes that may be imposed upon GMR Male International Airport by Government of Maldives.

On 15th November 2016, MACL (Maldives Airport Company Limited) had confirmed this understanding through a letter which stated "*We have been informed by the Government, and therefore confirm that no sum will be imposed by the Maldives Inland Revenue Authority on the Final Award Sum in respect of taxes. As a result, there is no need for any sum to be added to the final award sum to take into account any tax to be imposed by the Maldives Inland Revenue Authority*". Accordingly, the \$271 million was paid to GMR group as compensation.

However in late 2017, Maldives Inland Revenue Authority (MIRA) has raised tax notices to the tune of \$20 million against GMIAL for the period 2013-2017. The same was disclosed as part of our financials for the year ending March 2018.

The tax demands by MIRA are baseless given GMIAL had ceased business operations after Government of Maldives had wrongfully terminated the concession agreement on 7th December 2012. The tax demand is in contravention to both the tribunal's order as well as the letter written by MACL at the time of payment of award.

GMIAL is evaluating the various legal remedies available to us and will take necessary actions as appropriate.

Thanking you

for GMR Infrastructure Limited


T. Venkat Ramana
Company Secretary & Compliance Officer

June 6, 2018

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T. Venkat Ramana
Company Secretary & Compliance Officer

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