GMR Infrastructure Limited

Corporate Office:
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New Delhi - 110 037
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August 14, 2019

National Stock Exchange of India Ltd
Exchange Plaza
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Dear Sir/ Madam,

Sub: Submission of un-audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2019

Ref: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform that the Board of Directors of the Company at their meeting, held on August 14, 2019 (concluded at 07.30 p.m.) approved the un-audited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2019.

Un-audited Financial Results (Standalone and Consolidated), along with limited review report for the quarter ended June 30, 2019 and press release on financial results are enclosed herewith.

Please take the same on the record.

Thanking you,

for GMR Infrastructure Limited

GMR Infrastructure Limited

T. Venkat Ramana
Company Secretary &
Compliance Officer

Encl: As above

Registered Office:
Plot No. 301, G Block
7th Floor, Naman Centre
Bandra Kurla Complex (Opp. Dena Bank)
Bandra (East), Mumbai - 400 051

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Independent Auditor's Review Report on the Quarterly Unaudited Consolidated and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
GMR Infrastructure Limited

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of GMR Infrastructure Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), and its share of the net profit/(loss) after tax and total comprehensive income / loss of its associates and joint ventures / joint operations for the quarter ended June 30, 2019 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable for discharging our duties as principal auditor pursuant to the requirements of the Circular.

4. a) As detailed in note 5(d) to the accompanying unaudited consolidated Ind AS financial results, GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GMR Rajahmundry Energy Limited ('GREL') have ceased operations and have been incurring significant losses with a consequential erosion of net worth resulting from the unavailability of adequate supply of natural gas. Further, GREL has rescheduled the repayment of project loans due to implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and has signed a Resolution Plan with the lenders to restructure its debt obligations during the year. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations by GEL, GVPGL and GREL in the future. The carrying value of the investments/ obligations in GEL, GVPGL and GREL is significantly dependent on the achievement of key assumptions around availability of natural gas, future tariff and the outcome of the sale of the Barge mounted power plant. Accordingly, we are unable to comment on the carrying value of the Group's assets (including advances)/ obligations in these entities as at June 30, 2019.

   b) As detailed in note 3 to the accompanying unaudited consolidated Ind AS financial results, the Group has acquired the Class A Compulsory Convertible Preference Shares ('CCPS') of GMR

Airport Limited ('GAL'), a subsidiary of the Group for an additional consideration of Rs. 3,560.00 crore from Private Equity Investors as per the settlement agreement entered during the year ended March 31, 2019. The said CCPS were converted into equity shares of an equivalent amount as per the investor agreements. The aforesaid additional settlement consideration of Rs. 3,560.00 crore paid to Private Equity Investors has been considered as recoverable and recognised as other financial assets based on proposed sale of such equity shares to the proposed investors as detailed in note 2. The transaction towards sale of such equity shares is subject to regulatory, other approvals and lenders consent and such approvals are pending as at June 30, 2019. In our opinion, the aforesaid accounting treatment is not in accordance with the relevant accounting standards. Had the management not accounted for the aforesaid proposed sale transaction, other equity would have been lower by Rs 3,560.00 crore and other financial assets would have been lower by Rs 3,560.00 crore with a consequential impact on segment assets of the Airport sector as at June 30, 2019.

c) As detailed in note 4 to the accompanying unaudited consolidated Ind AS financial results, the tax authorities of Maldives have disputed certain transactions not considered by GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, in the computation of business profit taxes and withholding tax and have issued notice of tax assessments together with applicable fines and penalties. In the absence of comprehensive analysis on the above tax exposures, we are unable to determine whether any adjustments to provision for tax with consequential impact on reserves and surplus may be necessary as on June 30, 2019.

In respect of the above matters, our audit report for the year ended March 31, 2019 was similarly qualified.

5. The Statement includes the results of the entities as mentioned in Annexure 1.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 8 below, except for the effects of the matter described in paragraph 4(b) and possible effects of the matter described in paragraph 4(a) and 4(c) above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We draw attention to the following matters in the notes to the accompanying unaudited consolidated financial results for the quarter ended June 30, 2019:

   a) Note 14 regarding the recovery / adjustment of costs incurred towards residential quarters for Central Industrial Security Force ('CISF') by GMR Hyderabad International Airport Limited ('GHIAL') and certain other costs as detailed in the aforesaid note incurred out of the Passenger Service Fee (Security Component) ['PSF SC'] by GHIAL and Delhi International Airport Limited ('DIAL') pending the final decision from the Hon'ble High Court of respective jurisdictions and consequential instructions from the Ministry of Civil Aviation.

   b) Note 10 and 11 with regard to the ongoing arbitration for compensation of losses being incurred by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') and GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), subsidiaries of the Company since the commencement of commercial operations. Pending outcome of the arbitration proceedings, finalisation of the proposed resolution plan with the lenders by GHVEPL and external legal opinion obtained by the management of GACEPL and GHVEPL the management of the Group is of the view that the carrying value of the carriage ways of Rs. 2,420.69 crore as at June 30, 2019 in GACEPL and GHVEPL is appropriate.

c) Note 5(e) regarding the cessation of construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand which was being constructed by GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a joint venture of the Group. The Hon'ble Supreme Court of India ('the Supreme Court'), while hearing a civil appeal in the matters of another hydro power company, directed that no further construction work shall be undertaken until further orders. Based on a business plan and valuation assessment by an external expert during the year ended March 31, 2019 the management of the Group is of the view that the carrying value of the investments in GBHPL as at June 30, 2019 is appropriate.

d) Note 5(b), 5(c), 6, and 8 in connection with certain claims, receivables and counter claims, from customers of GMR Warora Energy Limited ('GWEL') and GMR Kamalanga Energy Limited ('GKEL'), joint ventures of the Group, and GMR Power Corporation Limited ('GPCL'), a subsidiary of the Company pending settlement / realization. Based on its internal assessment, legal expert advice and certain interim favourable regulatory orders no adjustments have been made to the carrying value of claims, receivables and provisions for counter claims as on June 30, 2019.

Our opinion is not qualified in respect of these aforesaid matters.

8. The financial results and other financial information of 2 subsidiaries with total revenue (including other income) of Rs. 1,487.91 Crore, total profit after tax of Rs 195.57 crore and total comprehensive income of Rs 426.95 crore (before adjustments for consolidation) for the quarter ended June 30, 2019 have been audited by us jointly with other auditors.

9. We did not review the financial results and other financial information of 76 subsidiaries (including 8 subsidiaries consolidated for the quarter ended March 31, 2019, with a quarter lag) and 1 joint operation consolidated for the quarter ended March 31, 2019, with a quarter lag included in the consolidated unaudited financial results, whose financial results reflect total revenues of Rs. 854.88 crore, total net loss after tax of Rs. 626.93 crore and total comprehensive loss of Rs. 602.42 crore (before adjustments for consolidation), for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. 47.80 crore and total comprehensive loss of Rs. 47.80 crore (before consolidation adjustments), for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results, in respect of 3 associates and 36 joint ventures (including 22 joint ventures consolidated for the quarter ended March 31, 2019, with a quarter lag whose financial results have not been reviewed by us. These financial results other financial information have been reviewed by other auditors, whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries, joint operations, joint ventures and associates is based solely on the report of the other auditors and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.

10. Certain of these subsidiaries/associates/joint ventures and joint operations are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial results of such subsidiaries/ associates/ joint ventures and joint operations located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries/associates/ joint ventures and joint operations located outside India is based on the

S.R. BATLIBOI & ASSOCIATES LLP

report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by the other auditors.

11. The accompanying unaudited consolidated financial results includes unaudited financial results and other unaudited financial information in respect of 13 subsidiaries (including 10 subsidiaries consolidated for the quarter ended June 30, 2019 with a quarter lag, which have not been reviewed by their auditors, whose financial results reflect total revenues of Rs. 1.18 crore, total net loss after tax of Rs. 21.70 crore and total comprehensive loss of Rs. 21.78 crore (before adjustments for consolidation), for the quarter ended June 30, 2019, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also includes the Group's share of net loss after tax of Rs. 4.68 crore and total comprehensive loss of Rs. 4.68 Crore, for the quarter ended June 30, 2019, as considered in the unaudited consolidated financial results, in respect of 3 associates and 12 joint ventures (including 8 joint ventures consolidated for the quarter ended June 30, 2019 with a quarter lag), based on their financial results which have not been reviewed by any auditors. These unaudited financial results and other unaudited financial information have been approved and furnished to us by the management. Our conclusion, in so far as it relates to the affairs of these subsidiaries, joint ventures and joint operations and associates, is based solely on such unaudited financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership No.: 061207

UDIN: 19061207AAAAAU2656

Place: New Delhi
Date: August 14, 2019

Annexure 1

Parent	Name of the entity	Relationship
1	GMR Infrastructure Limited (GIL)	Holding Company
2	GMR Energy Trading Limited (GETL)	Subsidiaries
3	GMR Power Corporation Limited (GPCL)	Subsidiaries
4	GMR Coastal Energy Private Limited (GCEPL)	Subsidiaries
5	GMR Londa Hydropower Private Limited (GLHPPL)	Subsidiaries
6	GMR Kakinada Energy Private Limited (GKEPL)	Subsidiaries
7	SJK Powergen Limited (SJK)	Subsidiaries
8	GMR Genco Assets Limited (GGEAL)	Subsidiaries
9	GMR Generation Assets Limited (GGAL)	Subsidiaries
10	GMR Power Infra Limited (GPIL)	Subsidiaries
11	GMR Highways Limited (GMRHL)	Subsidiaries
12	GMR Tambaram Tindivanam Expressways Limited (GTTEPL)	Subsidiaries
13	GMR Tuni Anakapalli Expressways Limited (GTAEPL)	Subsidiaries
14	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	Subsidiaries
15	GMR Pochanpalli Expressways Limited (GPEL)	Subsidiaries
16	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	Subsidiaries
17	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	Subsidiaries
18	GMR Kishangarh Udaipur Ahmedabad Expressways Limited (GKUAEL)	Subsidiaries
19	GMR Hyderabad International Airport Limited (GHIAL)	Subsidiaries
20	Gateways for India Airports Private Limited (GFIAL)	Subsidiaries
21	Hyderabad Menzies Air Cargo Private Limited (HMACPL)	Subsidiaries
22	Hyderabad Airport Security Services Limited (HASSL)	Subsidiaries
23	GMR Aerostructure Services Limited (GASL)	Subsidiaries
24	GMR Hyderabad Aerotropolis Limited (HAPL)	Subsidiaries
25	GMR Hyderabad Aviation SEZ Limited (GHASL)	Subsidiaries
26	GMR Aerospace Engineering Limited (GAEL)	Subsidiaries
27	GMR Aero Technic Limited (GATL)	Subsidiaries
28	GMR Airport Developers Limited (GADL)	Subsidiaries
29	GMR Hospitality and Retail Limited (GHRL)	Subsidiaries
30	GMR Hyderabad Airport Power Distribution Limited (GHAPDL)	Subsidiaries
31	Delhi International Airport Limited (DIAL)	Subsidiaries
32	Delhi Aerotropolis Private Limited (DAPL)	Subsidiaries
33	Delhi Airport Parking Services Private Limited (DAPSL)	Subsidiaries
34	GMR Airports Limited (GAL)	Subsidiaries
35	GMR Aviation Private Limited (GAPL)	Subsidiaries
36	GMR Krishnagiri SIR Limited (GKSEZ)	Subsidiaries
37	Advika Properties Private Limited (APPL)	Subsidiaries
38	Aklima Properties Private Limited (AKPPL)	Subsidiaries
39	Amartya Properties Private Limited (AMPPL)	Subsidiaries
40	Baruni Properties Private Limited (BPPL)	Subsidiaries
41	Bougainvillea Properties Private Limited (BOPPL)	Subsidiaries
42	Camelia Properties Private Limited (CPPL)	Subsidiaries
43	Deepesh Properties Private Limited (DPPL)	Subsidiaries
44	Eila Properties Private Limited (EPPL)	Subsidiaries
45	Gerbera Properties Private Limited (GPL)	Subsidiaries
46	Lakshmi Priya Properties Private Limited (LPPPL)	Subsidiaries
47	Honeysuckle Properties Private Limited (HPPL)	Subsidiaries
48	Idika Properties Private Limited (IPPL)	Subsidiaries
49	Krishnapriya Properties Private Limited (KPPL)	Subsidiaries
50	Larkspur Properties Private Limited (LAPPL)	Subsidiaries
51	Nadira Properties Private Limited (NPPL)	Subsidiaries
52	Padmapriya Properties Private Limited (PAPPL)	Subsidiaries
53	Prakalpa Properties Private Limited (PPPL)	Subsidiaries
54	Purnachandra Properties Private Limited (PUPPL)	Subsidiaries
55	Shreyadita Properties Private Limited (SPPL)	Subsidiaries
56	Pranesh Properties Private Limited (PRPPL)	Subsidiaries
57	Sreepa Properties Private Limited (SRPPL)	Subsidiaries
58	Radhapriya Properties Private Limited (RPPL)	Subsidiaries
59	Asteria Real Estates Private Limited (AREPL)	Subsidiaries
60	Lantana Properies Private Limited (GHICL))	Subsidiaries
61	Namitha Real Estates Private Limited (NREPL)	Subsidiaries
62	Honey Flower Estates Private Limited (HFEPL)	Subsidiaries
63	GMR SEZ and Port Holdings Limited (GSPHPL)	Subsidiaries
64	East Godavari Power Distribution Company Private Limited (EGPDCPL)	Subsidiaries
65	Suzone Properties Private Limited (SUPPL)	Subsidiaries
66	GMR Utilities Private Limited (GUPL)	Subsidiaries

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Annexure 1

Parent	Name of the entity	Relationship
67	Lilliam Properties Private Limited (LPPL)	Subsidiaries
68	GMR Corporate Affairs Private Limited (GCAPL)	Subsidiaries
69	Dhruvi Securities Private Limited (DSPL)	Subsidiaries
70	Kakinada SEZ Limited (KSPL)	Subsidiaries
71	GMR Business Process and Services Private Limited (GBPSPL)	Subsidiaries
72	Rasa Security Service Limited (RSSL)	Subsidiaries
73	GMR SEZ Infra Services Limited (GSISL)	Subsidiaries
74	Kakinada Gateway Port Limted (KGPL)	Subsidiaries
75	GMR Goa International Airport Limited (GIAL)	Subsidiaries
76	GMR Infra Developers Limited (GIDL)	Subsidiaries
77	GMR Energy (Mauritius) Limited (GEML)	Subsidiaries
78	GMR Lion Energy Limited (GLEL)	Subsidiaries
79	Himtal Hydro Power Company Private Limited (HHPPL)	Subsidiaries
80	Karnali Transmission Company Private Limited (KTCPL)	Subsidiaries
81	Marsyangdi Transmission Company Private Limited (MTCPL)	Subsidiaries
82	GMR Energy (Cyprus) Limited (GECL)	Subsidiaries
83	GMR Energy (Netherlands) B.V. (GENBV)	Subsidiaries
84	GMR Logistics Park Private Limited (GLPPL)	Subsidiaries
85	PT Dwikarya Sejati Utma (PTDSU)	Joint ventures
86	PT Duta Sarana Internusa (PTDSI)	Joint ventures
87	PT Barasentosa Lestari (PTBSL)	Joint ventures
88	PT Unsoco (PT)	Joint ventures
89	GMR Energy Projects (Mauritius) Limited (GEPML)	Subsidiaries
90	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Subsidiaries
91	GMR Coal Resources Pte Limited (GCRPL)	Subsidiaries
92	GADL International Limited (GADLIL)	Subsidiaries
93	GADL (Mauritius) Limited (GADLML)	Subsidiaries
94	GMR Male International Airport Private Limited (GMIAL)	Subsidiaries
95	GMR Airports (Mauritius) Limited (GAML)	Subsidiaries
96	GMR Infrastructure (Mauritius) Limited (GIML)	Subsidiaries
97	GMR Infrastructure (Cyprus) Limited (GICL)	Subsidiaries
98	GMR Infrastructure Overseas Limited	Subsidiaries
99	GMR Infrastructure (UK) Limited (GIUL)	Subsidiaries
100	GMR Infrastructure (Global) Limited (GIGL)	Subsidiaries
101	GMR Energy (Global) Limited (GEGL)	Subsidiaries
102	Indo Tausch Trading DMCC (Indo Tausch)	Subsidiaries
103	GMR Infrastructure (Overseas) Limited (GIOL)	Subsidiaries
104	GMR Kamalanga Energy Limited (GKEL)	Joint ventures
105	GMR Energy Limited	Joint ventures
106	GMR Vemagiri Power Generation Limited (GVPGL)	Joint ventures
107	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	Joint ventures
108	GMR Consulting Services Limited (GCSPL)	Joint ventures
109	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	Joint ventures
110	GMR Warora Energy Limited (GWEL)	Joint ventures
111	GMR Bundelkhand Energy Private Limited (GBEPL)	Joint ventures
112	GMR Rajam Solar Power Private Limited (GRSPPL)	Joint ventures
113	GMR Maharashtra Energy Limited (GMAEL)	Joint ventures
114	GMR Gujarat Solar Power Limited (GGSPPL)	Joint ventures
115	GMR Indo-Nepal Energy Links Limited (GINELL)	Joint ventures
116	GMR Indo-Nepal Power Corridors Limited (GINPCL)	Joint ventures
117	Rampia Coal Mine and Energy Private Limited (RCMEPL)	Joint ventures
118	Delhi Duty Free Services Private Limited (DDFS)	Joint ventures
119	Laqshya Hyderabad Airport Media Private Limited (Laqshya)	Joint ventures
120	Delhi Aviation Services Private Limited (DASPL)	Joint ventures
121	Delhi Aviation Fuel Facility Private Limited (DAFF)	Joint ventures
122	Wipro Airport IT Services Limited (WAISL)	Joint ventures
123	GMR Mining & Energy Private Limited (GMEL)	Joint ventures
124	GMR Megawide Cebu Airport Corporation (GMCAC)	Joint ventures
125	Limak GMR Construction JV (CJV)	Joint ventures
126	Megawide GISPL Construction Joint Venture (MGCJV)	Joint ventures
127	Megawide GISPL Construction Joint Venture Inc (MGCJV Inc.)	Joint ventures
128	PT Golden Energy Mines Tbk (PTGEMS)	Joint ventures
129	PT Roundhill Capital Indonesia (RCI)	Joint ventures
130	PT Borneo Indobara (BIB)	Joint ventures
131	PT Kuansing Inti Makmur (KIM)	Joint ventures
132	PT Karya Cemerlang Persada (KCP)	Joint ventures

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Annexure 1

Parent	Name of the entity	Relationship
133	PT Bungo Bara Utama (BBU)	Joint ventures
134	PT Bara Harmonis Batang Asam (BHBA)	Joint ventures
135	PT Berkat Nusantara Permai (BNP)	Joint ventures
136	PT Tanjung Belit Bara Utama (TBBU)	Joint ventures
137	PT Trisula Kencana Sakti (TKS)	Joint ventures
138	PT Era Mitra Selaras (EMS)	Joint ventures
139	PT Wahana Rimba (WRL)	Joint ventures
140	PT Berkat Satria Abadi (BSA)	Joint ventures
141	GEMS Trading Resources Pte Limited (GEMSCR)	Joint ventures
142	PT Bumi Anugerah Semesta (BAS)	Joint ventures
143	PT Kuansing Inti Sejahtera (KIS)	Joint ventures
144	PT Bungo Bara Makmur (BBM)	Joint ventures
145	PT GEMS Energy Indonesia (PTGEI)	Joint ventures
146	SSP Mactan Cebu Corporation (SMCC)	Joint ventures
147	Mactan Travel Retail Group Corp. (MTRG)	Joint ventures
148	Tenaga Operations & Maintenance Private Limited (GTOM)	Joint ventures
149	Celebi Delhi Cargo Terminal Management India Private Limited (CDCTM)	Associates
150	Travel Food Services (Delhi Terminal 3) Private Limited (TFS)	Associates
151	TIM Delhi Airport Advertising Private Limited (TIM)	Associates
152	GMR Chhattisgarh Energy Limited (GCEL)	Associates
153	GMR Rajahmundry Energy Limited (GREL)	Associates
154	GMR OSE Hungund Hospet Highways Private Limited (GOSEHHHPL)	Associates
155	Digi Yatra Private Limited (DYPL)	Associates
156	Heraklion Crete International Airport S.A. (Crete)	Joint ventures
157	PT Karya Cemerlang Persada (KCP)	Joint ventures

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GMR Infrastructure Limited
Corporate Identity Number (CIN) L45203MH1996PLC281138
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Opp. Dena Bank, Plot No. C-31, G Block, Bandra Kurla Complex,
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Phone: +91-22-42028000 Fax: +91-22-42028004
Email: venkatramana.tangirala@gmrgroup.in Website: www.gmrgroup.in

PART I

Statement of consolidated financial results for the quarter ended June 30, 2019

(in Rs. crore)

Particulars	Quarter ended			Year Ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	(Refer Note 18)	Unaudited	Audited
A. Continuing Operations				
1. Income				
a) Revenue from Operations				
i) Sales/ Income from operations	1,786.25	1,879.40	1,619.47	7,102.03
ii) Other Operating income (refer note 19)	205.88	103.14	118.82	462.85
b) Other Income	213.78	311.09	128.95	719.84
Total Income	**2,205.91**	**2,293.63**	**1,867.24**	**8,284.72**
2. Expenses				
a) Revenue share paid/ payable to concessionaire grantors	487.21	452.76	425.12	1,764.75
b) Cost of materials consumed	120.02	89.07	93.65	348.16
c) Purchase of traded goods	120.64	216.08	67.92	606.08
d) (Increase) / Decrease in stock in trade	(1.69)	3.61	5.21	1.82
e) Sub-contracting expenses	76.51	80.22	101.06	316.37
f) Employee benefit expenses	194.94	189.56	189.65	759.88
g) Finance costs	812.27	785.69	502.74	2,684.15
h) Depreciation and amortisation expenses	260.52	250.49	243.16	983.96
i) Other expenses	395.72	638.75	338.61	1,717.50
j) Foreign exchange fluctuations loss (net)	-	3.51	81.38	155.69
Total expenses	**2,466.14**	**2,709.74**	**2,048.50**	**9,538.36**
3. (Loss) / profit before share of (loss) / profit of associates and joint ventures, exceptional items and tax expenses from continuing operations (1) - (2)	**(260.23)**	**(416.11)**	**(181.26)**	**(1,253.64)**
4. Share of (loss) / profit of associates and joint ventures	(18.50)	271.07	(108.35)	(87.89)
5. (Loss) / profit before exceptional items and tax from continuing operations (3) ± (4)	**(278.73)**	**(145.04)**	**(289.61)**	**(1,341.53)**
6. Exceptional items				
Loss on impairment of investments in associates / joint ventures (refer note 5(a) and 9)	-	(2,212.30)	-	(2,212.30)
7. (Loss) / profit before tax expenses from continuing operations (5) ± (6)	**(278.73)**	**(2,357.34)**	**(289.61)**	**(3,553.83)**
8. Tax expenses / (credit) on continuing operations (net)	56.12	(4.71)	(51.98)	(87.42)
9. (Loss) / Profit after tax from continuing operations (7) ± (8)	**(334.85)**	**(2,352.63)**	**(237.63)**	**(3,466.41)**
B. Discontinued operations				
10. (Loss) / profit before tax expenses from discontinued operations	**(1.27)**	**7.19**	**8.83**	**117.84**
11. Tax expenses / (credit) on discontinued operations (net)	-	(4.19)	6.34	7.72
12. (Loss) / profit after tax from discontinued operations (10) ± (11)	**(1.27)**	**11.38**	**2.49**	**110.12**
13. (Loss) / profit after tax for the respective periods (9) ± (12)	**(336.12)**	**(2,341.25)**	**(235.14)**	**(3,356.29)**

S.R. BATLIBOI & ASSOCIATES LLP *

GMR INFRASTRUCTURE LIMITED *

(in Rs. crore)

Particulars	Quarter ended			Year Ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	(Refer Note 18)	Unaudited	Audited
14. Other Comprehensive income				
(A) (i) Items that will be reclassified to profit or loss	263.41	(86.60)	13.37	190.71
(ii) Income tax relating to items that will be reclassified to profit or loss	(66.92)	(33.33)	31.44	(14.73)
(B) (i) Items that will not be reclassified to profit or loss	(1.96)	1.88	1.06	(2.70)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.29	(0.61)	(0.12)	0.35
15. Total other comprehensive income, net of tax for the respective periods	**194.82**	**(118.66)**	**45.75**	**173.63**
16. Total comprehensive income attributable to (13) ± (15)	**(141.30)**	**(2,459.91)**	**(189.39)**	**(3,182.66)**
a) Owners of the Company	(319.94)	(2,474.94)	(231.21)	(3,420.29)
b) Non Controlling Interest	178.64	15.03	41.82	237.63
17. Paid-up equity share capital	**603.59**	**603.59**	**603.59**	**603.59**
(Face value - Re 1 per share)				
Weighted average number of shares used in computing Earnings per share	**6,017,945,475**	**6,017,945,475**	**6,017,945,475**	**6,017,945,475**
18. Earnings per share - Basic and Diluted - (Rs.) (not annualised)				
a) Basic and diluted EPS	**(0.70)**	**(3.96)**	**(0.45)**	**(5.95)**
b) Basic and diluted EPS from continuing operations	**(0.70)**	**(3.99)**	**(0.45)**	**(6.14)**
c) Basic and diluted EPS from discontinued operations	**(0.00)**	**0.03**	**(0.00)**	**0.19**

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GMR INFRASTRUCTURE LIMITED

GMR Infrastructure Limited

Report on Consolidated Segment Revenue, Results, Assets and Liabilities

[in Rs. crore]

Particulars	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	(Refer Note 18)	Unaudited	Audited
1. Segment Revenue				
a) Airports	1,441.60	1,357.44	1,246.77	5,278.01
b) Power	116.33	220.40	72.92	617.23
c) Roads	151.02	151.02	135.59	570.50
d) EPC	247.12	213.25	229.67	907.73
e) Others	157.28	163.16	142.58	600.66
	2,113.35	**2,105.27**	**1,827.53**	**7,974.13**
Less: Inter Segment	(121.22)	(122.73)	(89.24)	(409.25)
Segment revenue from operations	**1,992.13**	**1,982.54**	**1,738.29**	**7,564.88**
2. Segment Results				
a) Airports	457.67	271.02	276.55	1,306.48
b) Power	(60.43)	153.06	(184.16)	(392.79)
c) Roads	81.21	119.56	53.03	292.17
d) EPC	25.34	25.15	16.81	(36.45)
e) Others	(46.15)	(138.20)	(16.99)	(198.17)
Total Segment Results	**457.64**	**430.59**	**145.24**	**971.24**
Less: Finance costs (net)	(736.37)	(575.63)	(434.85)	(2,312.77)
(Loss)/Profit before exceptional items and tax from continuing operations	**(278.73)**	**(145.04)**	**(289.61)**	**(1,341.53)**
Less: Exceptional items				
a) Loss on impairment of investments in associates / joint ventures (refer note 5(a) and 9)	-	(2,212.30)	-	(2,212.30)
(Loss)/Profit before tax	**(278.73)**	**(2,357.34)**	**(289.61)**	**(3,553.83)**
3. Segment Assets				
a) Airports	26,611.55	21,311.84	16,963.45	21,311.84
b) Power	7,647.67	7,747.41	8,771.69	7,747.41
c) Roads	3,743.12	3,856.26	3,914.67	3,856.26
d) EPC	1,293.73	1,261.87	1,281.22	1,261.87
e) Others	4,675.79	4,461.18	4,761.99	4,461.18
f) Unallocated	2,176.46	1,736.53	1,454.34	1,736.53
g) Assets classified as held for disposal	3.13	28.91	934.53	28.91
Total Assets	**46,151.45**	**40,404.00**	**38,081.89**	**40,404.00**
4. Segment Liabilities				
a) Airports	5,670.87	5,213.29	3,843.12	5,213.29
b) Power	2,595.50	2,864.97	2,359.79	2,864.97
c) Roads	938.57	909.70	709.22	909.70
d) EPC	808.55	819.47	751.67	819.47
e) Others	401.69	379.02	307.73	379.02
f) Unallocated	34,597.75	28,915.58	24,276.04	28,915.58
g) Liabilities directly associated with the assets classified as held for disposal	30.00	60.08	535.31	60.08
Total Liabilities	**45,042.93**	**39,162.11**	**32,782.88**	**39,162.11**

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GMR INFRASTRUCTURE LIMITED

1. Consolidation and Segment Reporting

a. GMR Infrastructure Limited ('the Company' or 'GIL') carries on its business through various subsidiaries, joint ventures, jointly controlled operations and associates (hereinafter referred to as 'the Group'), being special purpose vehicles exclusively formed to build and operate various infrastructure projects.

b. The segment reporting of the Group has been prepared in accordance with Ind AS-108 on 'Operating Segments' prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder.

The business segments of the Group comprise of the following:

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

c. Investors can view the standalone results of the Company on the Company's website www.gmrgroup.in or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.com).

2. Pursuant to the binding term sheet entered by the Group during the year ended March 31, 2019, the Group has executed a definitive agreement on July 04, 2019 with TRIL Urban Transport Private Limited ("Tata"), a subsidiary of Tata Sons, Solis Capital (Singapore) Pte. Limited ("Solis") and Valkyrie Investment Pte. Limited ("Valkyrie") (together referred as the "Investors") whereby the investors will acquire equity stake in GMR Airport Limited's ("GAL") assets on a fully diluted basis for a consideration of Rs 8,000 crore through issuance of equity shares of GAL of Rs 1,000 crore and purchase of GAL's equity shares held by the Group of Rs 7,000 crore. The said transaction is subject to regulatory approvals, lender consents and other approvals which are currently in progress and the management is confident of obtaining the requisite approvals.

3. Pursuant to the investor agreements (including amendments thereof) entered into during the years ended March 31, 2011 and 2012 (hereinafter collectively referred to as "investor agreements"), GAL, a subsidiary of the Company, had issued 3,731,468 Class A Compulsorily Convertible Preference Shares ("CCPS A") of Rs. 1,000 each at a premium of Rs. 2,885.27 each and Rs. 3,080.90 each aggregating to Rs. 663.31 crore and Rs. 441.35 crore respectively, to certain Private Equity Investors ('Investors').

As per the terms of the investor agreement, the Company had a call option to buy CCPS A from the Investors for a call price to be determined as per the terms of the investor agreement.

The Company vide its letter dated April 1, 2015, had exercised the call option to buy the CCPS A, subject to obtaining the requisite regulatory approvals. However, Investors had initiated arbitration proceedings against GAL and the Company, seeking conversion of the CCPS A.

The Company together with GAL has executed a settlement agreement dated August 13, 2018 with Investors to amicably settle all outstanding disputes pertaining to the matters which were the subject of the aforesaid arbitration. As per the settlement agreement, the Company through its wholly owned subsidiary has purchased 2,714,795 CCPS A of GAL for an additional consideration of Rs. 3,560.00 crore from the Investors and balance 932,275 CCPS A have been converted into equity shares representing 5.86% shareholding of GAL in the hands of the Investors with a put option given by the Group to acquire the same at fair value.

However pursuant to the definitive agreement with investors as detailed in Note 2 the management has considered the aforesaid additional obligation of Rs. 3,560.00 crore as recoverable from the investors and have recognized the same as a financial asset in its consolidated financial results. Considering that the transaction is subject to regulatory and other approvals and lenders contest and is pending conclusion, the statutory auditors of the Company have qualified the Limited Review Report in this regard.

4. GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives, for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession Agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement and MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. The matter was under arbitration. During the year ended March 31, 2017, the arbitration tribunal delivered its final award in favour of GMIAL.

   During the year ended March 31, 2018, Maldives Inland Revenue Authority ('MIRA') has issued tax audit reports and notice of tax assessments demanding business profit tax amounting to USD 1.44 crore, USD 0.29 crore as the additional withholding tax excluding fines and penalties. During the year ended March 31, 2019, MIRA has issued additional demands of USD 0.21 crore and USD 0.13 crore on account of fines on business profit tax and withholding taxes respectively. However, management of the Group is of the view that the notice issued by MIRA is not tenable.

   On 23rd May 2019, the Attorney General's office has issued statement on this matter to MIRA stating that in the event of the Maldives parties deducting any sum from this award in respect of taxes, the amount payable under the award shall be increased to enable the GMIAL to receive the sum it would have received if the payment had not been liable to tax.

   Accordingly, no adjustments have been made to the accompanying consolidated financial results of the Group for the quarter ended June 30, 2019.The statutory auditors of the Company have qualified their Limited Review Report in this regard.

5. (a) The Group has investments of Rs 3,013.40 crore in GMR Energy Limited ('GEL'), a joint venture of the Company as at June 30, 2019. GEL has certain underlying subsidiaries / joint ventures which are engaged in energy sector. GEL and some of its underlying subsidiaries / joint ventures, as further detailed in notes 5(b), 5(c), 5(d) and 5(e) below has substantially eroded net worth. Based on the valuation assessment by an external expert during the year ended March 31, 2019 and the sensitivity analysis carried out for some of the aforesaid assumptions, the value so determined after discounting the projected cash flows using discount rate ranging from 11.30% to 18.00% across various entities, the management had accounted for an impairment loss of Rs 1,242.72 crore in the value of Group's investment in GEL and its subsidiaries/joint ventures which had been disclosed as an exceptional item in the consolidated financial statements of the Group for the year ended March 31, 2019. The management is of the view that post such dimunition the carrying value of the Group's investment in GEL is appropriate.

   (b) GMR Warora Energy Limited ('GWEL') is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora. GWEL has accumulated losses of Rs. 424.14 crore as at June 30, 2019 which has resulted in substantial erosion of GWEL's net worth. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ('PPA') and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs 700.37 crore and the payment from the customers against the claims including interest on such claims is substantially pending receipt. Based

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GMR INFRASTRUCTURE LIMITED

on certain favourable interim regulatory orders, the management is confident of realization of the outstanding receivables. Though the net worth of GWEL is substantially eroded, GWEL has made profits during the year ended March 31, 2019 and quarter ended June 30, 2019 and the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2019, the management of the Group is of the view that the carrying value of the net assets in GWEL by GEL as at June 30, 2019 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

(c) GMR Kamalanga Energy Limited ('GKEL') is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of Rs. 1,794.74 crore as at June 30, 2019, which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. Further, GKEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 1,212.10 crore as at June 30, 2019, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt. Based on certain favourable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favourable outcome towards the outstanding receivables of GKEL. In view of these matters, business plans, valuation assessment by an external expert during the year ended March 31, 2019, the management is of the view that the carrying value of the net assets in GKEL by GEL as at June 30, 2019 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

(d) In view of lower supplies / availability of natural gas to the power generating companies in India, GMR Rajahmundry Energy Limited ('GREL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GEL are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL has not generated and sold electrical energy since April 2013. GREL and GVPGL emerged as successful bidders in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 and October 2015 respectively till September 2016 by using Regasified Liquefied Natural Gas ('RLNG') as natural gas. These entities have ceased operations and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply.

GREL had not commenced commercial operations pending linkages of natural gas supply from the Ministry of Petroleum and Natural Gas till the period ended September 30, 2015. As a result, the consortium of lenders of GREL decided to implement Strategic Debt Restructuring Scheme ('SDR'), under the Framework of Reserve Bank of India for Revitalizing Distressed Assets in the Economy, whereby the lenders have to collectively hold 51% or more of the equity share capital in such assets by converting part of the debt outstanding into equity and to undertake flexible structuring of balance debt post conversion as a Corrective Action Plan for improving viability and revival of the project. Pursuant to the scheme, borrowings aggregating to Rs. 1,308.57 crore and interest accrued thereon amounting to Rs. 105.42 crore was converted into equity shares of GREL for 55% stake in equity share capital of GREL and the Group had given a guarantee of Rs 2,571.71 crore to the lenders against the remaining debt. Under the SDR Scheme, the bankers had to find new promoters for GREL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018.

Consequent to the SDR and the conversion of loans into equity share capital by the consortium of lenders, GREL ceased to be a subsidiary of the Group and the Group has accounted its investments in GREL under the Equity Method as per the requirements of Ind AS – 28.

During the year ended March 31, 2019, considering that GREL continued to incur losses in absence of commercial operations, the consortium of lenders have decided to implement a revised resolution plan which has been approved by all the lenders and accordingly the lenders have restructured the debt. The Group has provided guarantees to the lenders against the servicing of sustainable debts having principal amounting to Rs. 1,412.63 crore and all interests there on, including any other obligation arising out of it and discharge of the put option in regard to CRPS (unsustainable debt) amounting to Rs 940.59 crore, if any exercised by the CRPS lenders, as per the terms of the revised resolution plan.

During the year ended March 31, 2018, pursuant to the appeal filed by APDISCOMs, the Hon'ble Supreme Court held that RLNG is not natural gas and accordingly GVPGL cannot be entitled for capacity charges based on availability declaration for generation of power on the basis of RLNG.

GVPGL had also filed petition claiming losses of Rs. 447.00 crore pertaining to capacity charges pertaining to period 2006 to 2009 before Andhra Pradesh Electricity Regulatory Commission ('APERC'). Over the years, the case was heard for deciding the jurisdiction to adjudicate the proceedings. During the year ended March 31, 2019, the Hon'ble High Court of Andhra Pradesh passed its Judgment and held that the Central Electricity Regulatory Commission ('CERC') has the jurisdiction to adjudicate the present dispute. The matter is pending to be heard before the CERC.

Presently, the management of the Company is actively identifying the customers for the barge mount plant held by GEL.

The management of the Group is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management of the Group carried out a valuation assessment of GREL and GVPGL during the year ended March 31, 2019 which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff, tying up of PPA, realization of claims for losses incurred in earlier periods from the customer and other operating parameters, which it believes reasonably reflect the future expectations from these projects. The business plan of GREL considered for valuation assessment has been approved by the consortium of lenders at the time of execution of the resolution plan. The management of the Group will monitor these aspects closely and take actions as are considered appropriate and is confident that these gas based entities will be able to generate sufficient profits in future years and meet their financial obligations as they arise. Based on the aforementioned reasons and business plans, the management is of the view that the carrying value of the investment of Rs. 772.70 crore of GEL and GVPGL as at June 30, 2019 is appropriate. The Group has provided for its investment in full in GREL and the management is confident that no further obligation would arise for the guarantees provided to the lenders against the servicing of sustainable and unsustainable debts. The statutory auditors of the Company have qualified their Limited Review Report in this regard.

(e) GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a subsidiary of GEL is in the process of setting up 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended March 31, 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. During the year ended March 31, 2018, the validity of Environmental Clearance ('EC') granted to GBHPL by the MoEF ceased to exist. Pursuant to an application made by GBHPL, the MoEF vide its letter dated April 17, 2018, proposed to extend the EC granted to GBHPL for a period of 3 years, subject to the final outcome of the matter pending before the Court. Based on its internal assessment and a legal opinion, the management of the Group is confident of obtaining the requisite clearances and based on business plan and a valuation assessment carried out by an external expert during the year ended March 31, 2019, the management of the Group is of the view that the carrying value of net assets of GBHPL by GEL as at June 30, 2019 is appropriate. The statutory auditors of the Company have drawn an emphasis of matter in their Limited Review Report in this regard.

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6. ('GWEL'), a subsidiary of GEL entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') on March 17, 2010 for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with Appellate Tribunal for Electricity ('APTEL'). APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly as at June 30, 2019, GWEL has raised claim of Rs. 444.89 crore (Group's share is Rs. 309.55 crore) towards reimbursement of transmission charges from March 17, 2014 till June 30, 2019. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and also applied for stay proceedings for the above order of APTEL, which was rejected by the Hon'ble Supreme Court of India.

   In view of the favorable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 444.89 crore (Group's share is Rs. 309.55 crore) relating to the period from March 17, 2014 to June 30, 2019 (including Rs. 30.80 crore (Group's share is Rs. 21.43 crore) for the quarter ended June 30, 2019) in the consolidated financial results of the Group. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

7. a) During the year ended March 31, 2018, the Group had entered in to a Memorandum of Understanding (MOU) with PT Golden Energy Mines ('PTGEMS') for the sale of entire stake in PT Dwikarya Sejati Utama ('PTDSU') for a consideration of USD 6.56 crore towards purchase of share and mandatory convertible bonds issued by PTDSU, subject to fulfillment of various conditions as specified in the said agreement. The transaction was completed on August 31, 2018. Pursuant to the aforesaid transaction, PTDSU ceased to be subsidiary of the Company. In addition to the shares and mandatorily convertible bonds, the Group had receivable on account of interest free loan amounting to USD 2.98 crore which is expected to be recovered in one bullet payment on January 31, 2019 as per the MOU. The Group is confident of recovery of the same as and when it is due. Pursuant to the aforesaid transfer of equity shares and mandatorily convertible bonds, the Group has recognized profit of Rs 124.64 crore which has been disclosed as an exceptional item under discontinuing operations in the consolidated financial results of the Group for the year ended March 31, 2019.

   b) The Group has investments of Rs 3,456.43 crore in PTGEMS, a joint venture of the Group as at June 30, 2019. PTGEMS along with its subsidiaries is engaged in the business of coal mining and trading activities. The cost of investments made by the Group is significantly higher than the book value of assets of PTGEMS and includes certain future benefits including Coal Supply Agreement ('CSA') of GCRPL with PTGEMS whereby the Group is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount other than profit from mining operations. The Group has not significantly commenced the offtake of the coal under the CSA. Though the shares of PTGEMS are listed on the overseas exchanges, the management is of the view that the quoted prices are not reflective of the underlying value of the mines as in the past few years the shares have been very thinly traded. Based on profitable mining operations, ramp up of production volumes and other assumptions around off take at a discounted price and trading thereof considered in valuation assessment carried out by an external expert during the year ended March 31, 2019, the management of the Group believes that the carrying value of aforesaid investments in PTGEMS as at June 30, 2019 is appropriate.

8. GMR Power Corporation Limited ('GPCL'), a subsidiary of the Company, approached Tamil Nadu Electricity Regulatory Commission ('TNERC') to resolve the claims / counterclaims arising out of the PPA and Land Lease Agreement ('LLA') in respect of the dues recoverable from Tamil Nadu Generation and Distribution Corporation Limited ('TAGENDCO') on account of sale of energy including reimbursement towards interest on working capital, Minimum Alternate Tax ('MAT'), rebate, start / stop charges and payment of land lease rentals to TAGENDCO. GPCL received a favourable order from TNERC and in pursuance of the Order, filed its claim on April 30, 2010 amounting to Rs. 481.68 crore.

   TAGENDCO filed a petition against TNERC Order in APTEL. In terms of an interim Order from APTEL, TAGENDCO deposited Rs. 537.00 crore including interest on delayed payment of the claim amount. APTEL vide its Order dated February 28, 2012, upheld the claim of GPCL and further directed GPCL to verify and pay counterclaims of TAGENDCO in respect of the benefits earned if any, by GPCL with regard to the delayed payment towards fuel supply that are not as per the terms of the FSA. GPCL had appealed to the Hon'ble Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by APTEL on credit period of Fuel Supplies in terms of the FSA. The Hon'ble Supreme Court vide its Order dated April 24, 2014, has referred the dispute to TNERC for examining the claim of the contesting parties in so far as the quantum of amount is concerned. GPCL and TAGENDCO have filed their respective petitions before TNERC during August 2014. Further, TAGENDCO has filed the petition in the Hon'ble Supreme Court against APTEL order which is pending before the Hon'ble Supreme Court. During the period ended December 31, 2018, GPCL has received an order from TNERC whereby TNERC has upheld the TAGENDCO's claim amounting to Rs 121.37 crore. GPCL's counter claim of Rs 191.00 crore under old PPA towards interest on delayed payments, start and stop charges and invoice for nil dispatches and invoice for differential rates for the period from July 2011 to February 2014 has not yet been adjudicated by TNERC. The management has filed an appeal before APTEL and the same is yet to be listed for hearing.

   GPCL was availing tax holiday under Section 80IA of the Income Tax Act, 1961 ('IT Act') in respect of its income from power generation. Considering that the substantial amount, though under protest, has been received by GPCL, based on an expert opinion, GPCL offered the claims upto March 31, 2014 as income in its tax returns and claimed the deduction as available under Section 80IA of the IT Act.

   In accordance with the above, the amount received towards the above mentioned claims is being disclosed as advance from the customer in the books of account. Further, GPCL has been legally advised that pending adjudication of petition, the entire matter is now sub-judice and has not attained the finality.

   Hence, pending acceptance of claims by TAGENDCO and pending adjudication of petition before the Hon'ble Supreme Court, the Group has not recognised the aforesaid claim in the books of account. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

9. GMR Chhattisgarh Energy Limited ('GCEL'), an associate of the Group, is engaged in development and operation of 2*685 MW, coal based power project and had declared commercial operations of Unit I on November 1, 2015 and Unit II on March 31, 2016 of its 1,370 MW coal based thermal power plant at Raipur district, Chhattisgarh. GCEL did not have any long–term PPAs and had been incurring losses since the commencement of its commercial operations.

   During the year ended March 31, 2017, under a Framework for Revitalizing Distressed Assets in the Economy by RBI, the lenders of GCEL have implemented the SDR Scheme pursuant to which borrowings of GCEL aggregating to Rs. 2,992.22 crore (including interest accrued thereon of Rs. 654.73 crore) got converted into equity shares. The aforesaid conversion has resulted in loss of control by the Group over GCEL and the Consortium of bankers had taken over 52.38% of the paid up equity share capital of GCEL and the bankers had to find a new promoter for GCEL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018. Consequent to the SDR as stated above, GCEL ceased to be a subsidiary of the Group and had been considered as an associate as per the requirement of Ind AS -28.

The Consortium of lenders were in the process of identifying investors for GCEL so as to revive the operational and financial position of GCEL as at March 31, 2019. As informed by the lenders vide consortium meeting dated November 28, 2018 and March 15, 2019, the process are in final stages with one bidder being identified as H1 Qualified interested bidder for which negotiations were in progress.

The management had accounted for an impairment loss of Rs. 969.58 crore in the value of Group's investment in GCEL which was disclosed as an exceptional item in the consolidated financial results of the Group for the quarter and year ended March 31, 2019.

During the quarter ended June 30, 2019, the consortium of lenders of GCEL have accepted Adani Power Limited ("APL") as the final bidder.

As part of the above restructuring, GMR Generation Asset Limited ("GGAL"), a wholly owned subsidiary of the Company, has entered into a definitive agreement with APL to sell its entire 47.72% stake in GCEL for Re 1. As per the said agreement, the corporate / bank guarantees to the extent of Rs 1,155.64 crore furnished by GMR group companies i.e. GEL and GPCL shall be released in due course as per the terms and conditions as stated in the agreement and if any liabilities arises on account of invocation of guarantees from the closing date as defined in the said agreement will be reimbursed by APL. Further, APL has also agreed to pay the dues payable by GCEL to GMR group companies to the extent of Rs. 93.32 crore and payable to Doosan Power Systems India Private Limited ('DPS') / EPC contractor to the extent of Rs. 138.11 crore.

The management of the Group is of the view that the no consequential liability would arise on account of aforesaid matters in view that a binding agreement has been entered into with APL and the shares has been transferred to APL on July 26, 2019.

10. GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 429.53 crore as at June 30, 2019. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads. The matter is currently under arbitration and the arbitration tribunal has passed an interim order staying the payment of negative grant, till further orders. Based on an internal assessment and a legal opinion, the management of the Group is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and considering expected future traffic flow, the management of the Group believes that the carrying value of carriage ways in GACEPL of Rs. 390.39 crore as at June 30, 2019 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

11. GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') a subsidiary of the Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,008.62 crore as at June 30, 2019. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI'). The claim of GHVEPL was rejected by NHAI and accordingly during the year ended March 31, 2018, GHVEPL has decided to proceed with arbitration and accordingly Arbitral Tribunal was constituted and claims were filed. Further, the project was initially developed from existing 2 lanes to 4 lane and will be further developed to 6 laning subsequently (before 14th anniversary of the appointed date). If 6 laning is not carried out (if so required

by NHAI/desired by the GHVEPL), concession period will be restricted to 15 years as against 25 years which can significantly impact the recoverable value of carriage ways.

During the year ended March 31, 2019, NHAI has directed GHVEPL to pay outstanding additional concession fees including interest of Rs. 493.26 crore, failure to which, it will terminate the concession agreement. GHVEPL has approached the Tribunal to restrain NHAI from seeking any such recovery / demand / claim and / or taking any coercive action including termination of concession agreement, till the completion of present arbitration proceedings. The Tribunal has heard both the parties and is yet to pronounce the order. Further the management is evaluating a resolution plan as per the RBI circular on "Framework on Resolution of Stressed Assets" and has informed the lenders towards the same. The Management is hopeful that appropriate resolution plan would be approved by the lenders and would resolve the expected cash flow issues arising due to existing accelerated loan repayment schedule from April 01, 2019.

The management of the Group is confident that it will be able to claim compensation from the relevant authorities for the loss it suffered due to aforementioned reasons. Accordingly, based on the aforesaid legal opinion, expected future traffic flow over a concession period of 25 years based on valuation assessment by an external expert and expected compensation claim inflows, the management of the Group believes that the carrying value of carriage ways of Rs. 2,030.30 crore of GHVEPL as at June 30, 2019, is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

12. The Group through GMR Infrastructure Mauritius Limited ('GIML') has an investment in GMR Infrastructure (Cyprus) Limited ('GICL'), a subsidiary of GIML. GICL has fixed deposits of Rs. 138.51 crore (USD 2.00 crore) with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. During the year ended March 31, 2019, the bank has released USD 0.83 crore and the management of the Group is of the view that despite such economic difficulties, the amount held as fixed deposit with Eurobank is good for recovery, though withdrawal of the amount from the Republic of Cyprus would be subject to restriction as may be imposed by the Central Bank of Cyprus.

13. (a) In case of GMR Hyderabad International Airport Limited ('GHIAL'), a subsidiary of the Company, the Airport Economic Regulatory Authority ('AERA') passed Aeronautical tariff order in respect of control period from April 1, 2011 to March 31, 2016. GHIAL filed an appeal, challenging the disallowance of pre-control period losses and other issues for determination of its tariff with the AERA Appellate Tribunal ('AERAAT') against the aforesaid order. Due to non-constitution of AERAAT Bench, GHIAL had filed a writ petition with the Hon'ble High court at Hyderabad which is yet to be heard. GHIAL filed an application with AERA for determination of Aeronautical tariff in respect of second control period from April 1, 2016 to March 31, 2021 including true up for shortfall of receipt vis a vis entitlement for the first control period.

On December 19, 2017, AERA also issued a Consultation paper inviting comments from all stakeholders in connection with determination of tariff of the Hyderabad airport for the second control period. However, as the aforesaid consultation paper does not address the existing issues arising out of the tariff order for the first control period, GHIAL filed a writ petition against the aforesaid consultation paper before the Hon'ble High court at Hyderabad on February 6, 2018. Pending disposal of the existing matters of the Tariff Order for the first control period, the Hon'ble High court issued a stay order dated February 7, 2018 in respect of further proceedings in determination of Tariff order for the second control period.

Pending determination of Aeronautical tariff, AERA vide its order dated March 25, 2019 has allowed to continue the Aeronautical tariff as prevailed on March 31, 2019 for a period of 6 months w.e.f April 01, 2019 or till determination of tariff for the aforesaid period whichever is earlier.

(b) In case of Delhi International Airport Limited ('DIAL'), a subsidiary of the Company, the AERA passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the

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Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first five year control period (i.e. 2009 - 2014). DIAL had filed an appeal before AERAAT on certain disputed issues in the aforesaid Tariff order.

Subsequently, AERA also released the tariff order No. 40/2015-16 dated December 08, 2015 for second control period i.e. 2014 -2019. DIAL filed an appeal with AERAAT against some of the matters in the tariff order for the second control period. Subsequently, the Hon'ble Delhi High Court vide its Final Order dated January 22, 2016 ordered that the tariff determined by AERA for the First Control Period shall continue till the disposal of the appeals pending against the said tariff order by AERAAT.

Further, Ministry of Finance vide the notification dated May 26, 2017, directed the merger of Appellate Tribunal under the Airports Economic Regulatory Authority Act, 2008 ("AERA Act") i.e. AERAAT into Telecom Disputes Settlement and Appellate of Tribunal ('TDSAT').

The Hon'ble Supreme Court of India, on SLP filed by Air India, vide its judgement dated July 03, 2017, vacated the order of Hon'ble High Court of Delhi and directed TDSAT to dispose of the appeals of DIAL in the next two months.

As per the directions of Director General of Civil Aviation dated July, 2017, DIAL implemented the Tariff order No. 40/2015-16 dated December 08, 2015 with immediate effect i.e., from July 07, 2017

DIAL's appeal no. 10/2012 with respect to first control period has been concluded along with the appeal by certain airlines. TDSAT vide its order dated April 23, 2018 has passed the order, which provides clarity on the issues which were pending for last six years and has laid down the principles to be followed by AERA in determination of tariff of the third control period starting from April 1, 2019. DIAL expects the uplift impact of the TDSAT order to be factored in the tariff determination by AERA for the next period i.e., 2019-2024. DIAL's appeal against the second control period shall be heard in due course. Further, DIAL has filed an appeal in the Hon'ble Supreme Court of India on July 21, 2018 for few matters in respect of TDSAT order dated April 23, 2018 and same was listed on September 4, 2018 wherein Hon'ble Supreme Court of India has issued notices in the matter. The appeal before Hon'ble Supreme Court shall be further taken up in due course of time.

During the year ended March 31, 2019, AERA has issued tariff order with respect to Base Airport Charges for the second control period, which the airport operator is entitled to receive as minimum charges in accordance with Schedule 6 of State Support Agreement (SSA) read with Schedule 8 of the SSA. The order on the Base Airport Charges was issued on November 19, 2018 (except the order for X-ray baggage charges), and made applicable from December 1, 2018. The order for X- ray baggage charges has been issued on January 10, 2019 and is effective from February 1, 2019.

DIAL has filed tariff proposal for the third control period starting April 1, 2019 to March 31, 2024 with the regulator on November 27, 2018. Further, as the second control period completed on March 31, 2019, DIAL requested the AERA to extend the current tariff till the tariff for third control period is determined. Accordingly, AERA vide order no 48/2018-19 dated March 25, 2019 extended the prevailing tariff for DIAL till September 30,2019 or determination of tariff for third control period, whichever is earlier.

Basis the cash projections prepared by the management of DIAL for next one year, the management expects to have cash profit. Further, considering DIAL's business plans and the availability of sufficient cash reserve as at June 30, 2019, the management do not foresee any uncertainty in continuing its business/ operations and meeting its liabilities for the foreseeable future and accordingly, the financial results of DIAL are continued to be prepared and consolidated on a going concern basis.

14. (a) The Ministry of Civil Aviation (MoCA) issued orders to DIAL and GHIAL, subsidiaries of the Company (collectively 'Airport Operations') requiring the Airport Operators to reverse the expenditure incurred, since inception towards procurement and maintenance of security systems/ equipment and on creation of fixed assets out of Passenger Service Fee (Security Component) ['PSF (SC)'] escrow account

opened and maintained by the Airport Operators in a fiduciary capacity. Managements of the Airport Operators are of the view that such orders are contrary to and inconsistent with Standard Operating Procedure (SOPs), guidelines and clarification issued by the MoCA from time to time and challenged the said orders before Hon'ble High court of their respective jurisdictions by way of a writ petition. The Hon'ble Courts had stayed the MoCA order with an undertaking that, in the event the decision of the writ petitions goes against the Airport Operators, it shall reverse all the expenditure incurred from PSF (SC).

The Airport Operators had incurred Rs. 416.03 crore towards capital expenditure (including the construction cost and cost of land mentioned below and excluding related maintenance expense and interest thereon) till March 31, 2019 out of PSF (SC) escrow account as per SOPs, guidelines and clarification issued by the MoCA from time to time.

Further, in case of DIAL, MoCA had issued an order dated September 18, 2017 stating the approximate amount of reversal to be made by the Company towards capital expenditure and interest thereon amounting to Rs. 295.58 crore and Rs. 368.19 crore respectively, subject to the order of the Hon'ble High court of Delhi.

During the year ended March 31, 2019, pursuant to AERA order No. 30/ 2018-19 dated November 19, 2018 with respect to DIAL's entitlement to collect X-ray baggage charges from airlines, DIAL has remitted Rs. 119.66 crore to PSF (SC) account against the transfer of screening assets to DIAL from PSF (SC) to DIAL with an undertaking to MoCA by DIAL that in case the matter pending before the Hon'ble High Court is decided in DIAL's favour, DIAL will not claim this amount back from MoCA.

Based on the internal assessments and pending final outcome of the aforesaid writ petitions, no adjustments have been made to the accompanying consolidated financial results of the Group for the quarter ended June 30, 2019. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

(b) Further, as per the advice from the Ministry of Home Affairs and the SOP issued by MoCA on March 6, 2002, GHIAL, through its wholly owned subsidiary, Hyderabad Airport Security Services Limited ('HASSL') constructed residential quarters for Central Industrial Security Forces ('CISF') deployed at the Hyderabad airport. After completion of such construction, the total construction cost including the cost of land amounting to Rs. 69.92 crore was debited to the PSF (SC) Fund with intimation to MoCA. The Comptroller and Auditor General of India ('CAG'), during their audits of PSF (SC) Fund, observed that, GHIAL had not obtained prior approval from MoCA for incurring such cost from the PSF (SC) Fund as required by the guidelines dated January 8, 2010 and April 16, 2010 issued by MoCA. However, management of the Group is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached MoCA for approval to debit such costs to the PSF (SC) Fund account and also, made an application for increase in PSF (SC) tariff to recover these dues and to meet the shortfall in discharging other liabilities from PSF (SC) Fund.

In earlier years, MoCA responded that, it is not in a position to consider the request for enhancement in the PSF (SC) tariff. As a result, GHIAL requested MoCA to advice the AERA for considering the cost of land/ construction and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Hyderabad airport. Pending final instruction from MoCA, cost of residential quarters continued to be accounted in the PSF (SC) Fund and no adjustments have been made to the accompanying consolidated financial results of the Group for the quarter ended June 30, 2019.

The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

c) In case of DIAL and GHIAL, as per the Operations, Management and Development Agreement ('OMDA') / concession agreement, DIAL and GHIAL are liable to pay a certain percentage of the revenue as Monthly Annual Fee ("MAF") / Concession Fee ("CF") to Airport Authority of India / Ministry of Civil Aviation respectively. The management is of the view that certain income / credits

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arising on adoption of Ind AS, mark to market gain on valuation of Interest Rate Swap, gain on reinstatement of Senior Secured Notes and Scrips received under Services Export from India Scheme ('SEIS') in the nature of government grant, interest income from Air India, interest income generated on funds taken for capex, etc were not contemplated by the parties to the agreements at the time of entering the agreements and these income / credit do not represent receipts from business operations from any external sources and therefore should not be included as revenue for the purpose of calculating MAF / CF. Accordingly, DIAL and GHIAL based on a legal opinion, has provided for MAF / CF on the basis of revenue adjusted for such income / credits.

15. The Group has incurred losses primarily on account of losses in the energy and highway sector as detailed in notes 5, 10 and 11 above with a consequent erosion of its networth and lower credit ratings for some of its borrowings. Management is taking various initiatives including monetisation of assets, sale of stake in certain assets, raising finances from financial institutions and strategic investors, refinancing of existing debt and other strategic initiatives for reduction of debt. Pursuant to such initiatives the Group had successfully divested its stake in certain assets in the highway sector, airport sector and energy sector in last few years. Further as detailed in note 2, the management has signed a definitive agreement with certain investors to divest equity stake in GAL on a fully diluted basis for a consideration of Rs 8,000 crore. The divestment is subject to obtaining requisite approvals as stated in the aforesaid note and once successfully completed will enable the Group to meet its financial obligations and its cash flow requirements. Accordingly, the financial results continue to be prepared on a going concern basis which contemplates realisation of current assets and settlement of current liabilities in an orderly manner.

16. Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Further on adoption of Ind AS 116, the Group as a lessor has recorded lease rent income on systematic basis or straight line basis from prospective basis with a corresponding debit to lease equalization reserve.

17. The accompanying consolidated financial results of the Group for the quarter ended June 30, 2019 have been reviewed by the Audit Committee in their meeting held on August 13, 2019 and approved by the Board of Directors in their meeting held on August 14, 2019.

18. The figures of last quarter of previous year are the balancing figure between the audited figures for the respective full financial year and the published unaudited year to date figures for the nine months ended of the respective financial years.

19. Other operating income includes interest income on financial assets of annuity companies in roads sector, dividend income, income from management and other services, commercial property development, profit on sale of current investments and interest income for companies which undertake investment activities and other operating income for other companies.

20. Figures pertaining to previous quarter/ period/ year have been re-grouped / reclassified, wherever necessary, to conform to the classification adopted in the current quarter.

For GMR Infrastructure Limited

Grandhi Kiran Kumar
Managing Director & CEO

New Delhi
August 14, 2019

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Ind AS Financial Results of GMR Infrastructure Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
GMR Infrastructure Limited

1. We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of GMR Infrastructure Limited (the 'Company') for the quarter ended June 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. As detailed in note 4(b) to the accompanying unaudited standalone Ind AS financial results for the quarter ended June 30, 2019, GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GMR Rajahmundry Energy Limited ('GREL') have ceased operations and have been incurring significant losses with a consequential erosion of net worth resulting from the continued unavailability of adequate supply of natural gas. Further, GREL has rescheduled the repayment of project loans due to implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and has signed a Resolution Plan with the lenders to restructure its debt obligations during the year ended March 31, 2019. The carrying value of the investments/ obligations in these entities is significantly dependent on the achievement of key assumptions around availability of natural gas, future tariff and the outcome of the sale of the Barge mounted power plant. Accordingly, we are unable to comment on the carrying value of the investments (including advances)/ obligations in these entities as at June 30, 2019. In respect of the above matter, our audit report for the year ended March 31, 2019 was also similarly qualified.

5. Based on our review conducted as above, except for the possible effects of the matter described in paragraph 4, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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6. We draw attention to the following matters in the notes to the accompanying unaudited standalone Ind AS financial results for the quarter ended June 30, 2019:

   a) Note 6(b) and 6(c) with regard to the ongoing arbitration for compensation of losses being incurred by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') and GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), subsidiaries of the Company since the commencement of commercial operations. Pending outcome of the arbitration proceedings, finalisation of the proposed resolution plan with the lenders by GHVEPL and external legal opinion obtained by the management of GACEPL and GHVEPL the management of the Company is of the view that the carrying value of the investments (including loans and advances and other receivables)/obligations as at June 30, 2019 in GACEPL and GHVEPL is appropriate.

   b) Note 4(f) regarding the cessation of construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand which was being constructed by GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a joint venture of the Company. The Hon'ble Supreme Court of India ('the Supreme Court'), while hearing a civil appeal in the matters of another hydro power company, directed that no further construction work shall be undertaken until further orders. Based on a business plan and valuation assessment by an external expert during the year ended March 31, 2019 management is of the view that the carrying value of the investments in GBHPL as at June 30, 2019 is appropriate.

   c) Note 4(d) and 4(e) in connection with certain claims, receivables and counter claims from customers of GMR Warora Energy Limited ('GWEL') and GMR Kamalanga Energy Limited ('GKEL'), joint ventures of the Company, pending settlement / realisation as at June 30, 2019. The management of the Group based on its internal assessment, legal expert advice and certain interim favourable regulatory orders, no adjustments have been made in the accompanying unaudited standalone Ind AS financial results for the quarter ended June 30, 2019.

   Our conclusion is not qualified in respect of the aforesaid matters.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sandeep Karnani
Partner
Membership No.: 061207
UDIN: 19061207AAAAAT7612

Place: New Delhi
Date: August 14, 2019

GMR Infrastructure Limited
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Statement of unaudited standalone Ind AS financial results for the quarter ended June 30, 2019

(in Rs. crore)

S.No.	Particulars	Quarter ended			Year ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		Unaudited	(Refer note 10)	Unaudited	Audited
1	**Revenue**				
	(a) Revenue from operations				
	i) Sales/income from operations	236.90	212.07	198.91	763.04
	ii) Other operating income (refer note 12)	75.44	80.40	87.74	338.00
	(b) Other income				
	i) Foreign exchange fluctuation gain (net)	-	10.29	14.22	43.92
	ii) Others	2.83	0.78	0.46	3.94
	Total Revenue	**315.17**	**303.54**	**301.33**	**1,148.90**
2	**Expenses**				
	(a) Cost of materials consumed	118.59	87.55	90.13	338.31
	(b) Subcontracting expenses	62.11	63.38	58.63	334.41
	(c) Employee benefit expenses	11.01	10.89	11.43	47.29
	(d) Finance costs	223.60	215.54	200.51	845.65
	(e) Depreciation and amortisation expenses	6.00	6.25	5.43	24.49
	(f) Other expenses	23.47	30.47	32.01	125.18
	Total expenses	**444.78**	**414.08**	**398.14**	**1,715.33**
3	**(Loss)/ Profit before exceptional items and tax**	**(129.61)**	**(110.54)**	**(96.81)**	**(566.43)**
4	**Exceptional items**				
	Provision for diminution in value of investments at amortised cost, loans/advances (refer note 11)	(89.13)	(475.96)	-	(475.96)
5	**(Loss) / Profit before tax (3 ± 4)**	**(218.74)**	**(586.50)**	**(96.81)**	**(1,042.39)**
6	**Tax expenses**	**(3.69)**	**(4.12)**	**0.02**	**(8.08)**
7	**(Loss) /Profit for the period/ year (5 ± 6)**	**(215.05)**	**(582.38)**	**(96.83)**	**(1,034.31)**
8	**Other comprehensive income/ (expenses) (net of tax)**				
	(A) (i) Items that will not be reclassified to profit or loss	(162.99)	(1,718.10)	0.29	(4,315.60)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
	(B) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
9	**Total comprehensive income for the period/year (Comprising Profit/(Loss) and Other comprehensive income/ (expenses) (net of tax) for the period/year) (7 ± 8)**	**(378.04)**	**(2,300.48)**	**(96.54)**	**(5,349.91)**
10	**Paid-up equity share capital (Face value - Re. 1 per share)**	603.59	603.59	603.59	603.59
11	**Other equity**				11,097.56
	Earnings per share (EPS) (of Re. 1 each) (not annualised)				
	(a) Basic and Diluted EPS before exceptional items	**(0.21)**	**(0.18)**	**(0.16)**	**(0.93)**
	(b) Basic and Diluted EPS after exceptional items	**(0.36)**	**(0.97)**	**(0.16)**	**(1.72)**

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Notes to the unaudited standalone Ind AS financial results for the quarter ended June 30, 2019

1. Investors can view the unaudited standalone Ind AS financial results of GMR Infrastructure Limited ("the Company" or "GIL") on the Company's website www.gmrgroup.in or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.com). The Company carries on its business through various subsidiaries, joint ventures and associates (hereinafter referred to as 'the Group'), being special purpose vehicles exclusively formed to build and operate various infrastructure projects.

2. The Company carries on its business in two business verticals viz., Engineering, Procurement and Construction ('EPC') and Others.

   The segment reporting of the Company has been prepared in accordance with Ind AS 108 'Operating Segments' prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder. The Company has presented the operating segments information on the basis of its consolidated Ind AS financial results.

3. Pursuant to the investor agreements (including amendments thereof) entered into during the years ended March 31, 2011 and 2012 (hereinafter collectively referred to as "investor agreements"), GMR Airports Limited, ('GAL'), a subsidiary of the Company, had issued 3,731,468 Class A Compulsorily Convertible Preference Shares ("CCPS A") of Rs. 1,000 each at a premium of Rs. 2,885.27 each and Rs. 3,080.90 each aggregating to Rs. 663.31 crore and Rs. 441.35 crore respectively, to certain Private Equity Investors ('Investors').

   As per the terms of the investor agreement, the Company had a call option to buy CCPS A from the Investors for a call price to be determined as per the terms of the investor agreement.

   The Company vide its letter dated April 1, 2015, had exercised the call option to buy the CCPS A, subject to obtaining the requisite regulatory approvals. However, Investors had initiated arbitration proceedings against GAL and the Company, seeking conversion of the CCPS A.

   The Company together with GAL has executed a settlement agreement dated August 13, 2018 with Investors to amicably settle all outstanding disputes pertaining to the matters which were the subject of the aforesaid arbitration. As per the settlement agreement, the Company through its wholly owned subsidiary has purchased 2,714,795 CCPS A of GAL for an additional consideration of Rs. 3,560.00 crore from the Investors and balance 932,275 CCPS A were converted into equity shares of GAL in the hands of the Investors, which represents 5.86% shareholding of GAL. As per the definitive agreement entered by the Company as referred in note 8 below, the Company, through its subsidiary, shall provide an exit to these Investor's 5.86% shareholding in GAL.

4. (a) The Company along with its subsidiaries has investments in GMR Generation Assets Limited ("GGAL") and GMR Energy Limited ("GEL") of Rs 3,013.40 crore. GGAL and GEL have certain underlying subsidiaries/ associates/ joint ventures which are engaged in energy sector including mining operations. GEL, GGAL and some of the underlying subsidiaries/ associates/ joint ventures as further detailed in note 4(b), 4(c), 4(d), 4(e) and 4(f) below have been incurring losses resulting in substantial erosion in their net worth. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the year ended March 31, 2019, the management of the Company had fair valued its investments and for reasons as detailed in 4(b), 4(c), 4(d), 4(e) and 4(f) below, the management is of the view that the fair value of the Company's investment in GGAL and GEL is appropriate.

Notes to the unaudited standalone Ind AS financial results for the quarter ended June 30, 2019

(b) In view of lower supplies / availability of natural gas to the power generating companies in India, GMR Rajahmundry Energy Limited ('GREL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GEL are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL has not generated and sold electrical energy since April 2013. GREL and GVPGL emerged as successful bidders in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 and October 2015 respectively till September 2016 by using Regasified Liquefied Natural Gas ('RLNG') as natural gas. These entities have ceased operations and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply.

GREL had not commenced commercial operations pending linkages of natural gas supply from the Ministry of Petroleum and Natural Gas till the period ended September 30, 2015. As a result, the consortium of lenders of GREL decided to implement Strategic Debt Restructuring Scheme ('SDR'), under the Framework of Reserve Bank of India for Revitalizing Distressed Assets in the Economy, whereby the lenders have to collectively hold 51% or more of the equity share capital in such assets by converting part of the debt outstanding into equity and to undertake flexible structuring of balance debt post conversion as a Corrective Action Plan for improving viability and revival of the project. Pursuant to the scheme, borrowings aggregating to Rs. 1,308.57 crore and interest accrued thereon amounting to Rs. 105.42 crore was converted into equity shares of GREL for 55% stake in equity share capital of GREL and the Company and GGAL have given a guarantee of Rs 2,571.71 crore to the lenders against the remaining debt. Under the SDR Scheme, the bankers had to find new promoters for GREL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018.

Consequent to the SDR as stated above, GREL ceased to be a subsidiary of the Company and has been considered as associate as per the requirement of Ind AS -28.

During the year ended March 31, 2019, considering that GREL continued to incur losses in absence of commercial operations, the consortium of lenders have decided to implement a revised resolution plan which has been approved by all the lenders and accordingly the lenders have restructured the debt. The Company along with its subsidiaries has provided guarantees to the lenders against the servicing of sustainable debts comprising of principal amounting to Rs. 1,412.63 crore and all interests there on, including any other obligation arising out of it and discharge of the put option in regard to CRPS (unsustainable debt) amounting to Rs 940.59 crore, if any exercised by the CRPS lenders, as per the terms of the revised resolution plan.

During the year ended March 31, 2018, pursuant to the appeal filed by APDISCOMs, the Hon'ble Supreme Court held that RLNG is not natural gas and accordingly GVPGL cannot be entitled for capacity charges based on availability declaration for generation of power on the basis of RLNG.

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Notes to the unaudited standalone Ind AS financial results for the quarter ended June 30, 2019

GVPGL had also filed petition claiming losses of Rs. 447.00 crore pertaining to capacity charges pertaining to period 2006 to 2009 before Andhra Pradesh Electricity Regulatory Commission ('APERC'). Over the years, the case was heard for deciding the jurisdiction to adjudicate the proceedings. During the year ended March 31, 2019, the Hon'ble High Court of Andhra Pradesh passed its Judgment and held that the Central Electricity Regulatory Commission CERC has the jurisdiction to adjudicate the present dispute. The matter is pending to be heard before the CERC.

Presently, the management of the Company is actively identifying the customers for the barge mount plant held by GEL.

The management is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management had also carried out a valuation assessment of GREL and GVPGL during the year ended March 31, 2019 which included certain assumptions relating to availability and pricing of domestic and imported gas, future tariff, tying up of Power Purchase Agreements ("PPA"), realization of claims for losses incurred in earlier periods from the customer and other operating parameters, which it believes reasonably reflect the future expectations from these projects. The business plan of GREL considered for valuation assessment has been approved by the consortium of lenders at the time of execution of the resolution plan. The management will monitor these aspects closely and take actions as are considered appropriate and is confident that these gas based entities will be able to generate sufficient profits in future years and meet their financial obligations as they arise. Based on the aforementioned reasons and business plans, the management is of the view that the carrying value of the investment of Rs. 772.70 crore in GEL and in GVPGL held by GEL as at June 30, 2019 is appropriate. Further, the Company has provided for its investment in full in GREL and the management is confident that no further obligation would arise for the guarantees provided to the lenders against the servicing of sustainable and unsustainable debt. The statutory auditors of the Company have qualified their Limited Review Report in this regard.

(c) The Company through its subsidiary, GGAL has investments (including loans and advances and other receivables in GMR Chhattisgarh Energy Limited ('GCEL'). GCEL had declared commercial operations of Unit I on November 1, 2015 and Unit II on March 31, 2016 of its 1,370 MW coal based thermal power plant at Raipur district, Chhattisgarh. GCEL did not have any long-term PPAs and had been incurring losses since the commencement of its commercial operations.

During the year ended March 31, 2017, under a Framework for Revitalizing Distressed Assets in the Economy by RBI, the lenders of GCEL have implemented the Strategic Debt Restructuring ('SDR') Scheme pursuant to which borrowings of GCEL aggregating to Rs. 2,992.22 crore (including interest accrued thereon of Rs. 654.73 crore) got converted into equity shares. The aforesaid conversion has resulted in loss of control by the Group over GCEL and the Consortium of bankers had taken over 52.38% of the paid up equity share capital of GCEL and the bankers have to find a new promoter for GCEL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018. Consequent to the SDR as stated above, GCEL ceased to be a subsidiary of the company and had been considered as an associate as per the requirement of Ind AS -28.

The Consortium of lenders were in the process of identifying investors for GCEL so as to revive the operational and financial position of GCEL as at March, 2019. As informed by the lenders vide consortium meeting dated November 28, 2018 and March 15, 2019, the process

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Notes to the unaudited standalone Ind AS financial results for the quarter ended June 30, 2019

are in final stages with one bidder being identified as H1 Qualified interested bidder for which negotiations were in progress.

During the quarter ended June 30, 2019, the consortium of lenders of GCEL have accepted Adani Power Limited ("APL") as the final bidder.

As part of the above restructuring, GMR Generation Asset Limited ("GGAL"), a wholly owned subsidiary of the Company, has entered into a definitive agreement with APL to sell its entire 47.72% stake in GCEL for Re 1. As per the said agreement, the corporate / bank guarantees to the extent of Rs 1,155.64 crore furnished by GMR group companies i.e. GEL and GPCL shall be released in due course as per the terms and conditions as stated in the agreement and if any liabilities arises on account of invocation of guarantees from the closing date as defined in the said agreement will be reimbursed by APL. Further, APL has also agreed to pay the dues payable by GCEL to GMR group companies to the extent of Rs. 93.32 crore and payable to Doosan Power Systems India Private Limited ('DPS')/ EPC contractor to the extent of Rs. 138.11 crore.

The management of the Group is of the view that the no consequential liability would arise on account of aforesaid matters as a binding agreement has been entered into with APL and the shares has been transferred to APL on July 26, 2019.

(d) GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora. GWEL has accumulated losses of Rs. 424.14 crore as at June 30, 2019 which has resulted in substantial erosion of GWEL's net worth. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ('PPA') and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs 700.37 crore and the payment from the customers against the claims including interest on such claims is substantially pending receipt.Based on certain favourable interim regulatory orders, the management is confident of realization of the outstanding receivables.Though the net worth of GWEL is substantially eroded, GWEL has made profits during the year ended March 31, 2019 and quarter ended June 30, 2019 and the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2019, the management is of the view that the carrying value of the investments in GWEL by GEL as at June 30, 2019 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

(e) GMR Kamalanga Energy Limited ('GKEL'), joint venture of GEL is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of Rs. 1,794.74 crore as at June 30, 2019, which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. Further, GKEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 1,212.10 crore as at June 30, 2019, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt. Based on certain favourable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favourable outcome towards the outstanding receivables of GKEL. In view of these matters, business plans,

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Notes to the unaudited standalone Ind AS financial results for the quarter ended June 30, 2019

valuation assessment by an external expert during the year ended March 31, 2019, the management is of the view that the carrying value of the investments in GKEL by GEL as at June 30, 2019 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

(f) GMR Badrinath Hydro Power Generation Private Limited ('GBHPL') a subsidiary of GEL is in the process of setting up 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended March 31, 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. During the year ended March 31, 2018, the validity of Environmental Clearance ('EC') granted to GBHPL by the MoEF ceased to exist. Pursuant to an application made by GBHPL, the MoEF vide its letter dated April 17, 2018, proposed to extend the EC granted to GBHPL for a period of 3 years, subject to the final outcome of the matter pending before the Court. Based on its internal assessment and a legal opinion, the management of GBHPL is confident of obtaining the requisite clearances and based on business plan and a valuation assessment carried out by an external expert during the year ended March 31, 2019, the management of the Company is of the view that the carrying value of the investments in GBHPL by GEL as at June 30, 2019 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

5. The Company through its subsidiary GMR Coal Resources Pte. Limited ('GCRPL') has investments of Rs. 3,498.76 crore in PTGEMS, a joint venture as at June 30, 2019. PTGEMS along with its subsidiaries is engaged in the business of coal mining and trading activities. The cost of investments is significantly higher than the book value of assets of PTGEMS and includes certain future benefits including Coal Supply Agreement ('CSA') of GCRPL with PTGEMS whereby the Company along with its subsidiaries is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount other than profit from mining operations. The Company along with its subsidiaries has not significantly commenced the offtake of the coal under the CSA. Though the shares of PTGEMS are listed on the overseas exchanges, the management is of the view that the quoted prices are not reflective of the underlying value of the mines as in the past few years the shares have been very thinly traded. Based on profitable mining operations, ramp up of production volumes and other assumptions around off take at a discounted price and trading thereof considered in valuation assessment carried out by an external expert during the year ended March 31, 2019, the management believes that the carrying value of aforesaid investments in PTGEMS as at June 30, 2019 is appropriate.

6. (a) As detailed in note 6(b) and 6(c), the diminution in value in GMR Highways Limited has primarily arisen on account of the diminution in the value of investments / advances in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') and GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') as detailed below.

(b) GACEPL has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 429.53 crore as at June 30, 2019. The management believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads. The matter is currently under arbitration and the arbitration tribunal has passed an interim order staying the payment of negative grant till further orders. Based on an internal assessment and a legal opinion, the management of the Company is confident that it will be able to claim compensation

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from relevant authorities for the loss it has suffered due to such diversion of traffic and considering expected future traffic flow, the management of GACEPL believes that the carrying value of investments in GACEPL as at June 30, 2019, is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

(c) GHVEPL has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,008.62 crore as at June 30, 2019. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of GHVEPL based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI'). The claim of GHVEPL was rejected by NHAI and accordingly during the year ended March 31, 2018, GHVEPL has decided to proceed with arbitration and accordingly Arbitral Tribunal was constituted and claims were filed. Further, the project was initially developed from existing 2 lanes to 4 lane and will be further developed to 6 laning subsequently (before 14th anniversary of the appointed date). If 6 laning is not carried out (if so required by NHAI/desired by the GHVEPL), concession period will be restricted to 15 years as against 25 years which can significantly impact the recoverable value of carriage ways.

During the year ended March 31, 2019, NHAI has directed GHVEPL to pay outstanding additional concession fees including interest of Rs. 493.26 crore, failure to which, it will terminate the concession agreement. GHVEPL has approached the Tribunal to restrain NHAI from seeking any such recovery/ demand/ claim and/or taking any coercive action including termination of concession agreement, till the completion of present arbitration proceedings. The Tribunal has heard both the parties and is yet to pronounce the order. Further the management is evaluating a resolution plan as per the RBI circular on "Framework on Resolution of Stressed Assets" and has informed the lenders towards the same. The Management is hopeful that appropriate resolution plan would be approved by the lenders and would resolve the expected cash flow issues arising due to existing accelerated loan repayment schedule from April 01, 2019.

The management of GHVEPL is confident that it will be able to claim compensation from the relevant authorities for the loss it suffered due to aforementioned reasons. Accordingly, based on the aforesaid legal opinion, expected future traffic flow over a concession period of 25 years based on valuation assessment by an external expert and expected compensation claim inflows, the management of the Company believes that the carrying value of investments in GHVEPL as at June 30, 2019, is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

7. The Company along with its subsidiaries, associates and joint ventures have incurred losses primarily on account of losses in the energy and highway sector as detailed in note 4 and 6 above with a consequent erosion of its networth and lower credit ratings for some of its borrowings. Management is taking various initiatives including monetisation of assets, sale of stake in certain assets, raising finances from financial institutions and strategic investors, refinancing of existing debt and other strategic initiatives for reduction of debt. Pursuant to such initiatives the Group had successfully divested its stake in certain assets in the highway sector, airport sector and energy sector in last few years.. Pursuant to such initiatives, as detailed in note 8, the management has signed a definitive agreement with certain investors to divest equity stake in GMR Airport Limited ('GAL') on a fully diluted basis for a consideration of Rs 8,000 crore. The divestment is subject to obtaining the requisite approvals as stated in the aforesaid note and once successfully completed will enable the

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Group to meet its financial obligations and its cash flow requirements. Accordingly, the financial results continue to be prepared on a going concern basis which contemplates realisation of current assets and settlement of current liabilities in an orderly manner.

8. Pursuant to the binding term sheet entered by the Group during the year ended March 31 , 2019, the Group has executed a definitive agreement on July 04, 2019 with TRIL Urban Transport Private Limited ("Tata"), a subsidiary of Tata Sons, Solis Capital (Singapore) Pte. Limited ("Solis") and Valkyrie Investment Pte. Limited ("Valkyrie") (together referred as "the Investors") whereby the Investors will acquire equity stake in GMR Airport Limited ('GAL') on a fully diluted basis for a consideration of Rs 8,000 crore through issuance of equity shares of GAL of Rs 1,000 crore and purchase of GAL's equity shares held by the Group for Rs 7,000 crore. The said transaction is subject to regulatory approvals, lender consents and other approvals which are currently in progress and the management is confident of obtaining the requisite approvals to achieve an expeditious closure of the transaction.

9. Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

10. The figures of quarter ended March 31, 2019 are the balancing figure between the audited figures for the full financial year for the year ended March 31, 2019 and the published unaudited year to date figures for the nine months ended December 31, 2018.

11. During the quarter ended June 30, 2019, the Company has accounted for provision for diminution in value of investments at amortised cost, loans/ advances amounting to Rs. 89.13 crore (March 31, 2019: Rs. 475.96 crore) given to group companies which has been disclosed as an exceptional item in the standalone Ind AS financial results.

12. Other operating income includes interest income, dividend income, income from management and other services and profit on sale of current investments considering that the Company undertakes investment activities.

13. The unaudited standalone Ind AS financial results of the Company for the quarter ended June 30, 2019 have been reviewed by the Audit Committee in their meeting on August 13, 2019 and approved by the Board of Directors in their meeting on August 14, 2019.

14. The statutory auditors of the Company have carried out a Limited review of the unaudited Ind AS standalone financial results for the quarter ended June 30, 2019.

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Notes to the unaudited standalone Ind AS financial results for the quarter ended June 30, 2019

15. Previous quarter / period / year's figures have been regrouped/ reclassified, wherever necessary to conform to current period's classification.

For GMR Infrastructure Limited

New Delhi
August 14, 2019

Grandhi Kiran Kumar
Managing Director & CEO

GMR Infrastructure Limited

Q1FY20 Performance and Business Highlights

Signed Definitive Agreements with Investors for Value Unlocking of Airports Vertical

GMR Infrastructure Ltd (GIL) has executed definitive agreements with TRIL Urban Transport Private Limited (part of Tata Group), an affiliate of GIC and SSG Capital Management (Investors) for a proposed investment of Rs. 8,000 Cr in GMR Airports Limited ("GAL"), a Subsidiary of GIL.

- Transaction values GAL at post money valuation of ~INR 22,500 Cr, including value from earn-outs amounting to ~INR 4,500 Cr
- Transaction will help in significant deleveraging at GIL and paves way for proposed demerger of Airports business

The Parties are in the process of obtaining the necessary regulatory approvals to achieve an expeditious closure of the Transaction.

Commencement of Lease Rent from recent land monetization deal at Delhi Airport

Delhi Airport has started receiving the Lease Rent from Bharti Realty Ltd pertaining to the recent land monetization of ~5 Mn sq. ft. whereby developer has agreed to pay onetime amount of INR 1,837 Cr and annul lease rent of INR 363.5 Cr till 2036. Lease rental shall be escalated by 50% for the extended term of 30 years till 2066.

Successfully completed resolution of two stressed assets

Successful resolution of the two stressed assets highlights GMR Group's commitment towards its objective of deleveraging and de-risking the Balance Sheet.

- **Divestment of Chhattisgarh Power Plant**

  Divested entire stake of 47.62% in GMR Chhattisgarh Energy Ltd (GCEL) post approvals from 100% of the Lenders. This leads to significant deleveraging for the GMR Group. GCEL had an outstanding debt of INR 5,926 Cr as on March 31, 2019 and contributed to INR 516 Cr of loss in GIL Consolidated Profit and Loss Account for the year ended March 31, 2019.

- **Implementation of the Resolution Plan for Rajahmundry Power Plant**

  Successfully implemented the Resolution plan with approvals from 100% of the lenders which resulted in a Sustainable Debt of Rs.1,130 Cr.

Performance Highlights

Airport Sector

Delhi Airport

- Traffic declined by 10% YoY to 15.7 Mn in Q1FY20 from 17.6 Mn in Q1FY19 on discontinuation of service by Jet Airways
- Non-aero Revenues grew by 9% YoY to INR 552 Cr in Q1FY20 from INR 507 Cr in Q1FY19
- CPD Rentals grew by 2.9x YoY to INR 139 Cr in Q1FY20 from INR 48 Cr in Q1FY19
- PAT grew to INR 13 Cr in Q1FY20 from Net Loss of INR 128 Cr in Q1FY19
- Generated Cash Profit of INR 186 Cr in Q1FY20 vs Cash Loss of INR 30 Cr in Q1FY19
- Delhi Duty Free Services (DDFS) opened its new duty-free shops following renovation at its arrival and departure location at Delhi International Airport's Terminal 3 recently.
- Delhi Airport has been awarded with "CAP 2.0°Climate Oriented" company award by CII-ITC Centre of Excellence for Sustainable Development

Hyderabad Airport

- Traffic grew by 8% YoY to 5.5 Mn in Q1FY20 from 5.2 Mn in Q1FY19 despite Jet Airways issues
- Non-aero Revenues grew by 20% YoY to INR 148 Cr in Q1FY20 from INR 124 Cr in Q1FY19
- PAT of INR 183 Cr in Q1FY20 vs INR 185 Cr in Q1FY19
- Generated Cash Profit of INR 215 Cr in Q1FY20 vs INR 214 Cr in Q1FY19
- Agreement to Lease signed with:
    - Amazon, for 2,61,000 Sq.ft. warehouse (including Mezzanine)
    - SAFRAN Aircraft Engines for 1,65,000 Sq.ft. facility in SEZ location for manufacturing of Aircraft Engine Component
- Hyderabad Airport is the first airport in the country to start trials of Face Recognition based end-to-end passenger processing systems
- Won "Best Regional Airport –2019 " by Skytrax

Cebu Airport

- Traffic grew by 13% YoY to 3.06 Mn in Q1FY20 from 2.7 Mn in Q1FY19
- Revenue increased by 50% YoY to INR 118 Cr in Q1FY20 from INR 79 Cr in Q1FY19
- Cash Profit increased by 8% YoY to INR 47 Cr in Q1FY20 from INR 43 Cr in Q1FY19

Energy Sector

Kamalanga Power Project

- Partial shutdown on account of planned maintenance has resulted in a PLF of 76.5% in Q1FY20
- Revenue increased by 21% YoY to INR 554 Cr in Q1FY20 from INR 457 Cr in Q1FY19
- Generated Cash Profit of INR 44 Cr in Q1FY20 as against INR 43 Cr in Q1FY19

Warora Power Project

- Better coal availability from CIL resulted in higher PLF of 87.5% in Q1FY20
- Revenue increased by 2% YoY to INR 473 Cr in Q1FY20 from INR 464 Cr in Q1FY19
- Generated Cash Profit of INR 38 Cr in Q1FY20 as against INR 43 Cr in Q1FY19

Indonesia Coal Mine (PT GEMS)

- Sales volume grew by 35% YoY to 7.5 Mn tons in Q1FY20 from 5.6 Mn tons in Q1FY19
- Revenue grew by 7% YoY to INR 1,898 Cr in Q1FY20 from INR 1,772 Cr in Q1FY19

Consolidated Financial Highlights

[INR Cr]

Particulars	Quarter ended		
	Q1 Jun'19	Q1 Jun'18	Q4 Mar'19
Gross Revenue	1,992	1,738	1,983
Net Revenue	1,505	1,313	1,530
EBITDA	**599**	**436**	**309**
PBT (Before excep. items & share of JVs)	**(260)**	**(181)**	**(416)**
Share of Profit / (loss) from JVs / associates	(19)	(108)	271
PBT (Before excep. items)	**(279)**	**(290)**	**(145)**
Exceptional Item	-	-	(2,212)
PBT (After excep. Items)	**(279)**	**(290)**	**(2,357)**
Tax Expense	56	(52)	(5)
Profit After Tax (from continuing operations)	**(335)**	**(238)**	**(2,353)**

***Note**: - Exceptional Items in Q4 FY19 includes One Time provisions undertaken in Non Airport Business with respect of GREL and GCEL to the full extent.

About GMR Infrastructure Limited
GMR Infrastructure Limited, a leading global infrastructure conglomerate with interests in Airport, Energy, Transportation and Urban Infrastructure, is listed on Indian Stock Exchanges.

GMR Group's Airport portfolio has around 159 mn passenger capacity in operation and under development, comprising of India's busiest Indira Gandhi International Airport in New Delhi, Hyderabad's Rajiv Gandhi International Airport, Mactan Cebu International Airport in partnership with Megawide in Philippines. While greenfield projects under development includes Airport at Mopa in Goa and Airport at Heraklion, Crete, Greece in partnership with GEK Terna. The GMR-Megawide consortium has won the Clark International Airport's EPC project, the second project in Philippines. The Group recently received Letter of Intent for development and operations of Nagpur Airport on PPP basis and has emerged as highest bidder for development and operation of greenfield airport at Bhogapuram in Andhra Pradesh. It is also developing airport cities adjacent to Delhi and Hyderabad airports.

The Group's Energy business has a diversified portfolio of around 5060 MWs, of which 3060 MWs of Coal, Gas and Renewable plants are operational and around 2000 MWs of power projects are under various stages of construction and development. The group also has coal mines in Indonesia, where it has partnered with a large local player.

Transportation and Urban Infrastructure division of the Group has six operating highways project spanning over 2,000 lane km. The Group has a large EPC order book of railway track construction including Government of India's marquee Dedicated Freight Corridor project. It is also developing multi-product Special Investment Regions spread across ~2100 acres at Krishnagiri in Tamil Nadu and 10,400 acres at Kakinada in Andhra Pradesh.

GMR Group, through its Corporate Social Responsibility arm, GMR Varalakshmi Foundation carries out community based development initiatives at 27 different locations across India and abroad.
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