

June 2, 2017

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

Dear Sirs,

**Sub: Submission of Audited Financial Results (Standalone and Consolidated) for the year ended March 31, 2017**

**Ref : Regulation 33 & 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors of the Company has approved the Audited Financial Results (Standalone and Consolidated) for the year ended March 31, 2017.

In this regard, please find attached herewith the following:-

1. The Annual Financial Results (Standalone and Consolidated), Statement of Asset and Liabilities accompanied with the Audit Report thereon ;
2. Statement on impact of Audit Qualifications, in terms of Regulation 33 (3) (d), with reference to Standalone results ;
3. Declaration for the Audit Report with unmodified opinion on consolidated results; and
4. Information in terms of Regulation 52

Please take the same on the record.

Thanking you,

Yours faithfully,

for GMR Infrastructure Limited



**A.S. Cherukupalli**

**Company Secretary & Compliance Officer**



Encl: As above

**Auditor's Report on Quarterly and Year to Date Standalone Ind AS Financial Results of GMR Infrastructure Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
The Board of Directors of GMR Infrastructure Limited

1. We have audited the accompanying statement of standalone Ind AS financial results of GMR Infrastructure Limited ('the Company') for the quarter and year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The quarterly standalone Ind AS financial results are the derived figures between the standalone audited figures in respect of the year ended March 31, 2017 and the published year-to-date standalone figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone Ind AS financial results for the quarter and year ended March 31, 2017 have been prepared on the basis of the standalone Ind AS financial results for the nine-month period ended December 31, 2016, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2017, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone Ind AS financial results based on our review of the standalone Ind AS financial results for the nine-month period ended December 31, 2016 which were prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2017 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

**Basis for Qualified opinion**

3. As detailed in note 13, GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') has been incurring losses since the commencement of its commercial operations. Based on a valuation assessment, a legal opinion and for reasons explained in the said note, the management of the Company believes that no further provision for diminution in the value of investments is considered necessary in the accompanying standalone Ind AS financial results for the quarter and year ended March 31, 2017. We are unable to comment on the final outcome of the matter and its consequential impact on the carrying value of the Company's investment in GHVEPL in the accompanying standalone Ind AS financial results of the Company.



## Qualified Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in paragraph 3 above, these quarterly and year to date standalone Ind AS financial results :
  - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
  - ii. give a true and fair view of the net loss and other financial information for the quarter and the year ended March 31, 2017.

## Emphasis of Matter

5. We draw attention to the following matters in the notes to the accompanying standalone Ind AS financial results for the quarter and year ended March 31, 2017:
  - a) Note 8 regarding losses being incurred by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') since the commencement of its commercial operations and ongoing arbitration regarding compensation for losses arising as a result of diversion of partial traffic on parallel roads. Based on management's internal assessment and a legal opinion obtained by the management of GACEPL, the investments in GACEPL have been carried at cost and accordingly, no provision for diminution in the value of investments has been made in the accompanying standalone Ind AS financial results for the quarter and year ended March 31, 2017.
  - b) Note 10 regarding (i) reduction of operations and the losses, including cash losses incurred by GMR Energy Limited ('GEL') and GMR Vemagiri Power Generation Limited ('GVPGL'), and the consequent erosion of net worth of these entities resulting from the unavailability of adequate supply of natural gas and (ii) rescheduling of the commercial operation date and the repayment of certain project loans by GMR Rajahmundry Energy Limited ('GREL') and the consequent implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and to undertake flexible structuring of balance debt for improving viability and revival of the project pending linkage of natural gas supply. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and the appropriateness of the going concern assumption of these entities is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet short term and long term obligations. In the opinion of the management of the Company, no further provision for diminution in the value of investments is considered necessary in the accompanying standalone Ind AS financial results for the quarter and year ended March 31, 2017 for the reasons explained in the said note.
  - c) Note 11 regarding uncertainties in tying up power and fuel supply agreements, achieving profitability in operations, mega power status, refinancing of existing loans at lower rates of interest and other key assumptions made in the valuation assessment of the investments in GMR Chhattisgarh Energy Limited ('GCEL'). The carrying value of the investments in GCEL is critically dependent upon the achievement of the key assumptions as discussed in the aforesaid note. In the opinion of the management of the Company, no further provision for diminution in the value of investments is considered necessary in the accompanying standalone Ind AS financial results for the quarter and year ended March 31, 2017 for the reasons explained in the said note.
  - d) Note 16 regarding the achievement of certain key assumptions made by the management in the valuation assessment of its investments in entities which are engaged in the operation and development of coal mines. In the opinion of the management of the Company, no provision for



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants


diminution in the value of investments is considered necessary in the accompanying standalone Ind AS financial results for the quarter and year ended March 31, 2017 for the reasons explained in the said note.

e) Note 5 regarding the call option exercised by the Company to acquire Class A Compulsorily Convertible Preference Shares ("CCPS A"), issued by GMR Airports Limited ('GAL') to the Private Equity Investors ('the Investors'), subject to obtaining the requisite regulatory approvals. However, the Investors have initiated arbitration proceedings against GAL and the Company, seeking conversion of CCPS A. In view of ongoing arbitration, and considering the uncertainty regarding the conversion / settlement of CCPS A, no adjustments have been made for the call option exercised by the Company to purchase CCPS A and that the Class B Compulsorily Convertible Preference Shares ("CCPS B") issued to the Company continue to be carried at cost of Rs. Nil.

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

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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

  
per Sandeep Karnani  
Partner  
Membership number: 061207



Place: New Delhi  
Date: June 01, 2017



**GMR Infrastructure Limited**

**Corporate Identity Number (CIN): L45203MH1996PLC281138**

Registered Office: Naman Centre , 7th Floor, Opp. Dena Bank, Plot No. C-31 , G Block ,  
Bandra Kurla Complex, Bandra (East) , Mumbai , Mumbai City, Maharashtra , India - 400051

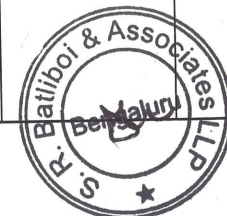
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**Statement of audited standalone financial results for the quarter and year ended March 31, 2017**

( in Rs. crore)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
		(Refer note 20)	Unaudited	(Refer note 20)	Audited	Audited
<b>1</b>	<b>Revenue</b>					
	(a) Revenue from operations					
	i) Sales/income from operations	176.98	85.58	112.35	392.77	178.01
	ii) Other operating income (Refer note 23)	94.66	130.67	281.96	787.00	1,061.16
	(b) Other income					
	i) Foreign exchange fluctuation gain (net)	-	8.78	-	-	2.24
	ii) Others	0.83	0.94	0.94	2.65	14.44
	<b>Total Revenue</b>	<b>272.47</b>	<b>225.97</b>	<b>395.25</b>	<b>1,182.42</b>	<b>1,255.85</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	58.99	21.09	12.12	113.07	27.57
	(b) Subcontracting expenses	92.55	30.57	54.28	172.12	97.70
	(c) Employee benefits expenses	9.88	16.32	27.06	52.11	38.76
	(d) Finance costs	178.39	196.58	173.57	744.74	708.31
	(e) Depreciation and amortisation expenses	3.97	4.01	3.86	16.13	15.77
	(f) Foreign exchange fluctuation loss (net)	17.74	-	0.13	10.46	-
	(g) Other expenses	32.03	31.53	21.03	103.65	57.58
	<b>Total expenses</b>	<b>393.55</b>	<b>300.10</b>	<b>292.05</b>	<b>1,212.28</b>	<b>945.69</b>
<b>3</b>	<b>(Loss)/ Profit before exceptional items and tax</b>	<b>(121.08)</b>	<b>(74.13)</b>	<b>103.20</b>	<b>(29.86)</b>	<b>310.16</b>
<b>4</b>	<b>Exceptional items</b>					
	Provision for diminution in value of investments/advances (Refer note 9, 12 and 17)	(2,357.68)	(343.07)	(1,875.68)	(3,654.16)	(2,015.73)
<b>5</b>	<b>(Loss) / Profit before tax (3 ± 4)</b>	<b>(2,478.76)</b>	<b>(417.20)</b>	<b>(1,772.48)</b>	<b>(3,684.02)</b>	<b>(1,705.57)</b>
<b>6</b>	<b>Tax expense</b>					
	(a) Current tax	0.02	-	14.61	0.09	14.67
	(b) Deferred tax	-	(35.27)	-	-	-
<b>7</b>	<b>(Loss) / Profit for the period/ year (5 ± 6)</b>	<b>(2,478.78)</b>	<b>(381.93)</b>	<b>(1,787.09)</b>	<b>(3,684.11)</b>	<b>(1,720.24)</b>
<b>8</b>	<b>Other Comprehensive Income/ (expenses) (net of tax)</b>					
	(A) (i) Items that will not be reclassified to profit or loss	(1.03)	0.55	(0.21)	(0.83)	(0.51)
	(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	-	-	-	-	-
<b>9</b>	<b>Total Comprehensive income for the period/year (Comprising Profit/(Loss) and Other Comprehensive Income/ (expenses) (net of tax) for the period) (7 ± 8)</b>	<b>(2,479.81)</b>	<b>(381.38)</b>	<b>(1,787.30)</b>	<b>(3,684.94)</b>	<b>(1,720.75)</b>
<b>10</b>	<b>Paid-up equity share capital (Face value - Re. 1 per share)</b>	603.59	603.59	603.59	603.59	603.59
<b>11</b>	<b>Paid-up debt capital ( refer note 22)</b>				714.33	824.45
<b>12</b>	<b>Other equity ( including Debenture Redemption Reserve)</b>				5,913.61	9,564.24
<b>13</b>	<b>Debenture Redemption Reserve</b>				127.21	125.45
<b>14</b>	<b>Earnings per share (EPS) (of Re. 1 each) (not annualised)</b>					
	(a) Basic and Diluted EPS before exceptional items	(0.20)	(0.06)	0.15	(0.05)	0.52
	(b) Basic and Diluted EPS after exceptional items	(4.12)	(0.63)	(2.97)	(6.12)	(3.05)
<b>15</b>	<b>Debt Equity Ratio ( refer note 21)</b>				0.92	0.60
<b>16</b>	<b>Debt Service Coverage Ratio ('DSCR') ( refer note 21)</b>					
	(a) DSCR before exceptional items				0.55	0.60
	(b) DSCR after exceptional items				(2.27)	(0.59)
<b>17</b>	<b>Interest Service Coverage Ratio ('ISCR') ( refer note 21)</b>					
	(a) ISCR before exceptional items				0.96	1.44
	(b) ISCR after exceptional items				(3.95)	(1.41)



**GMR Infrastructure Limited**  
Report on Standalone Segment Revenue, Results, Assets and Liabilities

(in Rs. crore)

S.No	Particulars	Quarter ended			Year ended	
		March 31, 2017	December 31, 2016	March 31, 2016	March 31, 2017	March 31, 2016
		(Refer note 20)	Unaudited	(Refer note 20)	Audited	Audited
1	<b>Segment Revenue</b>					
	a) EPC	176.98	85.58	112.35	392.77	178.01
	b) Others	94.66	130.67	281.96	787.00	1,061.16
	<b>Total</b>	<b>271.64</b>	<b>216.25</b>	<b>394.31</b>	<b>1,179.77</b>	<b>1,239.17</b>
	Less: Inter Segment Revenue from operations	271.64	216.25	394.31	1,179.77	1,239.17
2	<b>Segment Results</b>					
	a) EPC	(16.53)	(8.64)	(2.51)	(34.09)	(16.08)
	b) Others	73.84	131.09	279.28	748.97	1,034.55
	<b>Total</b>	<b>57.31</b>	<b>122.45</b>	<b>276.77</b>	<b>714.88</b>	<b>1,018.47</b>
	Less: Finance costs	178.39	196.58	173.57	744.74	708.31
	Add/(less): Exceptional items					
	Provision for diminution in value of investments/advances (Refer note 9, 12 and 17)	(2,357.68)	(343.07)	(1,875.68)	(3,654.16)	(2,015.73)
	<b>(Loss) / Profit before tax</b>	<b>(2,478.76)</b>	<b>(417.20)</b>	<b>(1,772.48)</b>	<b>(3,684.02)</b>	<b>(1,705.57)</b>
3	<b>Segment Assets</b>					
	a) EPC	666.61	588.83	534.28	666.61	534.28
	b) Others	12,589.89	15,238.55	15,932.87	12,589.89	15,932.87
	c) Unallocated	184.46	217.52	168.38	184.46	168.38
	<b>Total</b>	<b>13,440.96</b>	<b>16,044.90</b>	<b>16,635.53</b>	<b>13,440.96</b>	<b>16,635.53</b>
4	<b>Segment Liabilities</b>					
	a) EPC	618.56	518.67	429.30	618.56	429.30
	b) Others	186.46	186.57	271.33	186.46	271.33
	c) Unallocated	6,118.74	6,432.83	5,767.07	6,118.74	5,767.07
	<b>Total</b>	<b>6,923.76</b>	<b>7,138.07</b>	<b>6,467.70</b>	<b>6,923.76</b>	<b>6,467.70</b>



## Notes to standalone Ind AS financial results for the quarter and year ended March 31, 2017

## I. Statement of standalone assets and liabilities

( in Rs. crore)			
	Particulars	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant and equipment	68.36	73.01
	Other intangible assets	3.11	2.77
	Financial assets		
	Investments	9,817.44	8,931.16
	Trade receivables	42.23	38.22
	Loans and advances	1,829.02	5,497.75
	Other financial assets	122.32	287.40
	Non-current tax assets (Net)	85.73	77.68
	Deferred tax assets (Net)	97.23	87.12
	Other non-current assets	26.40	22.16
		<b>12,091.84</b>	<b>15,017.27</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	65.74	8.73
	Financial assets		
	Investments	6.77	123.83
	Trade receivables	67.88	112.45
	Loans and advances	504.79	316.73
	Cash and cash equivalents	31.47	330.02
	Bank balances other than cash and cash equivalents	17.62	-
	Other financial assets	548.44	555.75
	Other current assets	76.26	140.60
	Assets classified as held for disposal	30.15	30.15
		<b>1,349.12</b>	<b>1,618.26</b>
	<b>Total assets (1+2)</b>	<b>13,440.96</b>	<b>16,635.53</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity share capital	603.59	603.59
	Other equity	5,913.61	9,564.24
	<b>Total equity</b>	<b>6,517.20</b>	<b>10,167.83</b>
<b>2</b>	<b>Non-current liabilities</b>		
	Financial liabilities		
	Borrowings	5,050.53	5,191.65
	Provisions	2.74	2.74
	Other non-current liabilities	122.96	140.52
		<b>5,176.23</b>	<b>5,334.91</b>
<b>3</b>	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	76.38	137.52
	Trade payables	162.48	99.97
	Other financial liabilities	1,164.42	697.06
	Other current liabilities	296.33	175.70
	Liabilities for current tax (net)	5.18	-
	Provisions	17.51	15.37
	Liabilities directly associated with the asset classified as held for disposal	25.23	7.17
		<b>1,747.53</b>	<b>1,132.79</b>
	<b>Total equity and liabilities (1+2+3)</b>	<b>13,440.96</b>	<b>16,635.53</b>



## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

2. Investors can view the standalone results of GMR Infrastructure Limited ("the Company" or "GIL") on the Company's website [www.gmrgroup.in](http://www.gmrgroup.in) or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nse-india.com](http://www.nse-india.com)).

### 3. Segment Reporting

- a. The Company carries on its business in two business verticals viz., Engineering Procurement Construction ('EPC') and Others.
- b. 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 business segments of the Company comprise of the following:

Segment	Description of Activity
EPC	Handling of engineering, procurement and construction solutions in infrastructure sector
Others	Investment activity and corporate support to various infrastructure SPVs

4. The Company has adopted Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 from April 1, 2016 and all the periods presented in the accompanying standalone financial results and other financial information have been prepared in accordance with the recognition and measurement principles laid down in Ind AS and discloses information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Consequently, the standalone financial results for the quarter and year ended March 31, 2016 have been restated in accordance with Ind AS.

- a. The Company has also prepared a reconciliation of the net profit / (loss) for the corresponding periods under the previously applicable Generally Accepted Accounting Principles ("previous GAAP") with the total comprehensive income as reported in these financial results under Ind AS. The net profit/ (loss) reconciliation for the quarter and year ended March 31, 2016 for the standalone Ind AS financial results are presented below:

Sl. No	Particulars	In Rs. crore	
		Quarter ended March 31, 2016	Year ended March 31, 2016
1	(Loss)/ profit after tax under previous Indian GAAP	(1,519.03)	(1,518.90)
2	Add / (Less)		
(i)	Impact of preference shares accounted as financial asset	50.53	198.04
(ii)	Recognition of finance income on interest free loans/ debentures, loans/ debentures at concessional rate of interest and guarantees given to subsidiaries, joint ventures and associates	25.35	113.26
(iii)	Impact of preference shares accounted as financial liability	-	(66.19)
(iv)	Impairment of financial assets	(344.88)	(438.80)
(v)	Others	0.94	(7.65)
(vi)	Tax adjustments	-	-
3	(Loss)/ profit after tax as per Ind AS	(1,787.09)	(1,720.24)





## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

4	Other comprehensive income / (expenses) (net of tax)	(0.21)	(0.51)
5	Total Comprehensive Income / (Loss) for the year under Ind AS	(1,787.30)	(1,720.75)

Reconciliation of equity in standalone Ind AS financial statement under Ind AS with the equity as reported under previous GAAP as at March 31, 2016 is presented below:

Particulars	In Rs. crore	
	As at March 31, 2016	
Equity as reported under previous GAAP	9,421.85	
Equity component of compound financial instruments	133.94	
Impact on accounting of treasury shares on consolidation of staff welfare trust	(101.54)	
Impact of reversal of foreign currency convertible bonds issue expenses adjusted against securities premium account earlier	39.44	
Effect of measuring investments at fair value	734.70	
Impact of preference shares accounted as financial asset	515.53	
Recognition of finance income on interest free loans/ debentures, loans/ debentures at concessional rate of interest and guarantees given to subsidiaries, joint ventures and associates	293.31	
Impact of borrowings recognized using effective rate of interest	19.49	
Impact of preference share accounted as financial liability	(202.91)	
Impairment of financial assets	(736.26)	
Expected credit loss on financial assets	(19.88)	
Tax adjustments	68.97	
Others	1.19	
Equity as per Ind AS	10,167.83	

5. 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 agreement"), 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'). Further, GAL had allotted bonus shares of 11,046,532 class B Compulsorily Convertible Preference Shares ("CCPS B") to the Company, utilising the securities premium account.

As per the terms of the investor agreement, the Company has 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 call option was to be exercised by the Company on or before April 6, 2015. If the call option was not exercised by the Company before April 6, 2015, as per the investment agreement, each CCPS A will get converted into 82.821 equity shares of GAL with simultaneous conversion of CCPS B held by the Company into equity shares of GAL as per Articles and Memorandum of Association of GAL.

The Company vide its letter dated April 1, 2015, had exercised the call option to buy the CCPS A, subject to the requisite regulatory approvals. However, Investors have initiated arbitration proceedings against GAL and the Company, seeking conversion of the CCPS A. During the year ended March 31, 2017, the investors filed their statement of claim and the Company along with GAL have filed their statement of defense/ reply respectively. In view of ongoing arbitration, no adjustments have been made for the call option exercised by GIL to acquire CCPS A and the CCPS B issued to the Company continues to be carried at cost of Rs. Nil. Accordingly, the standal



## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

Ind AS the standalone financial results of the Company do not include any adjustments that might result from the outcome of this uncertainty. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

6. The Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made investments of Rs. 151.54 crore (USD 2.31 crore) towards 77% holding in GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company.

GMIAL 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, pursuant to which GMIAL received USD 27.10 crore from MACL.

Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to the aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore as at March 31, 2017 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised as at March 31, 2017 since the amounts payable are not certain.

GMIAL is in the process of settling various obligations and the aforesaid claims, however the management is confident that the consideration received by the Company is higher than the carrying value of the claims recoverable and the claims from the EPC contractors do not require any further adjustments to the carrying value of the investments in GMIAL as at March 31, 2017.

7. The Company along with its subsidiaries entered into a Subscription and Shareholders Agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the investors have acquired a 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of USD 30.00 crore through primary issuance of equity shares of GEL. The transaction was completed on November 4, 2016 and GEL has allotted equity shares to the Investors for the said consideration of USD 30.00 crore. As per the conditions precedent to the completion of the transaction, GEL's investment in certain subsidiaries have been transferred from GEL to other subsidiaries of the Company along with novation of loans taken from the Company to GMR Generation Assets Limited ('GGAL') (formerly 'GMR Renewable Energy Limited') towards discharge of the purchase consideration. Pursuant to the above transaction, compulsory convertible preference shares of GGAL issued to various preference shareholders have also been converted into equity shares of GGAL.

Pursuant to the aforesaid transaction, GEL and its subsidiaries ceased to be subsidiaries of the Company and have been considered as joint ventures as per the requirements of Ind AS -28.

8. The Company along with its subsidiaries has investments of Rs. 448.18 crore in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') a subsidiary of the Company as at March 31, 2017. GACEPL has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 302.35 crore as at March 31, 2017. 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



## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

arbitration tribunal has passed an interim order staying the payment of negative grant which was due during the years ended March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 till further orders. Based on an internal assessment and a legal opinion, the management of GACEPL 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 accordingly, the investments in GACEPL has been carried at cost and no provision for diminution in the value of investments has been made as at March 31, 2017. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

9. The Company has investments in GGAL and GEL. GGAL and GEL have certain underlying subsidiaries/ joint ventures which are engaged in energy sector including mining operations. Some of these underlying subsidiaries/ joint ventures as further detailed in Notes 10, 11, 15 and 16 have been incurring losses. As a result, based on its internal assessment with regard to future operations and valuation assessment by an external expert and a consummated transaction as referred in note 7 above, the management of the Company has made a provision for diminution in the value of its investments in GGAL and GEL amounting to Rs. 4,446.20 crore (including Rs. 1,863.11 crore and Rs. 2,809.74 crore for the quarter and year ended March 31, 2017 respectively) and has disclosed the same as an 'exceptional item' in the standalone Ind As financial results of the Company for the quarter and year ended March 31, 2017. The management is of the view that post such diminution the carrying value of the Company's investment in GGAL and GEL is appropriate.
10. In view of lower supplies / availability of natural gas to the power generating companies in India, GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GMR Rajahmundry Energy Limited ('GREL') 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. GVPGL and GREL 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. These entities have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply. During the year ended March 31, 2017, GEL has entered into a Memorandum of Undertaking with an external party for sale of its 220 MW gas based power plant for a consideration of USD 6.30 crore and is in the process of entering into a definitive agreement and conclude the sale.

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, during the year ended March 31, 2016, under a Framework for Revitalising Distressed Assets in the Economy, Reserve Bank of India ('RBI') announced Strategic Debt Restructuring Scheme ('SDR'), under which the lenders have to collectively hold 51% or more of the equity shares in the Company with distressed assets. The consortium of lenders of GREL decided to implement Strategic Debt Restructuring Scheme to convert 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 on May 12, 2017 for 55% stake in equity share capital of GREL and the Company and GGAL has given a guarantee of Rs 2,738 crore to the lenders against the remaining debt. Under the SDR scheme, the bankers have to find a new promoter for GREL within the period as prescribed under the scheme. Post conversion, balance external borrowings are subject to flexible structuring (5/25 scheme) for repayment of the same over a period of 20.50 years comprising of moratorium period of 1.75 years and structured quarterly repayment period of 18.75 years.

The management and the Association of Power Producers continue to monitor the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management 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.





## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

the foreseeable future. The management has also carried out a valuation assessment of these gas based companies which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff and other operating parameters, which it believes reasonably reflect the future expectations from these projects. 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, business plans and a valuation assessment by an external expert, the management is of the view that the carrying value of the investments including advances in these aforesaid entities (net of provision for diminution in the value of investments) as at March 31, 2017 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report.

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

11. As at March 31, 2017, the Company through its subsidiary GGAL, has investments of Rs. 3,556.15 crore in GMR Chhattisgarh Energy Limited ('GCEL').

GCEL has declared commercial operations of Unit I and coal mine 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 does not have any PPAs currently and has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 2,032.78 crore as at March 31, 2017. . GCEL is taking steps to tie up the power supply through power supply agreements on a long/medium term basis with various customers including State Electricity Boards and is hopeful of tying up significant part of generation capacity in the ensuing financial year.

GCEL has experienced certain delays and incurred cost overruns in the completion of the project including receipt of additional claims from the EPC contractors. The claims of the key EPC contractor, Doosan Power Systems India Private Limited ('DPS') is under arbitration in the Singapore International Arbitration Centre (SIAC). Based on the legal opinion, the management is confident that it has strong defence for the claims raised by the EPC contractor and believes that the claims are not tenable in law and accordingly no financial implications are expected out of the said arbitration.

GCEL has also obtained provisional Mega Power status certificate from the Ministry of Power, GoI, vide letter dated September 8, 2011 and accordingly has availed an exemption of customs and excise duty against bank guarantees of Rs. 955.68 crore and pledge of deposits of Rs. 50.94 crore. The grant of final mega power status of GCEL was dependent on its achieving tie up for supply of power for 85% of its installed capacity through the long term power purchase agreements within stipulated time which has been extended to 120 months from the date of import, as per the recent amendment to Mega Power Policy 2009 by the Government of India. The management of GCEL is certain of fulfilling the conditions relating to Mega Power status in the foreseeable future, pending which cost of customs and excise duty has not been included in the cost of the project.

During the year ended March 31, 2017, under a Framework for Revitalising Distressed Assets in the Economy by RBI, the lenders of GCEL have implemented the Strategic Debt Restructuring Scheme on February 21, 2017 pursuant to which borrowings of GCEL aggregating to Rs. 2,992.22 crore (including interest accrued thereon of Rs. 652.22 crore) got converted into equity shares. The lenders got 52.38% stake in the equity share capital of the GCEL. The aforesaid conversion has resulted in loss of control by the Group over GCEL and the Consortium of bankers have 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. Further, majority of the lenders have reduced interest rates for GCEL and are considering implementing the 5/25 Scheme which grants GCEL extension of time towards repayment of outstanding debts and will result





## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

better cash flow management for GCEL. Consequent to the SDR as stated above, GCEL ceased to be a subsidiary of the Company and has been considered as a joint venture as per the requirement of Ind AS -28.

GCEL was allotted two coal mines at Ganeshpur and Talabira to meet its fuel requirements. Subsequent to the year ended March 31, 2017, GCEL has filed writ petition with Delhi High Court for surrendering both the coal blocks allotted during the year ended March 31, 2015. The management is of the opinion that in view of the recent decisions by the Delhi High Court in similar cases, no adjustments are needed to the accompanying financial results of GCEL.

The Group has obtained a valuation report from an external expert estimating the future cash flows of GCEL on discounted cash flow basis. The valuation is dependent on the achievement of certain key assumptions considered by the management around GCEL's future revenues, profitability of operations and servicing of its debts which are dependent on tying up of GCEL entire generation capacity for profitable rates through long term and medium term PPAs in a power scarce market, achievement of higher PLF, projected sales mix of PPA and merchant power, fuel linkage tie ups and refinancing of existing loans with lower interest rates with banks, achievement of mega power status and successful gains from the government announced initiatives of tolling linkage and continued financial support by the Company.

The management is monitoring these assumptions closely on a periodic basis and based on business plans and valuation assessment carried out by an external expert, the management of the Group is of the view that the carrying value of the investments in GCEL (net of provision for diminution in the value of investments) as at March 31, 2017 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report.

12. Based on internal assessment of its investments in GMR Highways Limited ('GMRHL'), a subsidiary of the Company and other road entities, the Company made a provision for diminution in the value of investments / advances of Rs.1,636.76 crore as at March 31, 2017 (including Rs. 386.22 crore and Rs 736.07 crore provided during the quarter and year ended March 31, 2017 respectively) which has been disclosed as an 'exceptional item' in the standalone Ind AS financial results of the Company for the quarter and year ended March 31, 2017. As detailed in note 13 and 14, the diminution in value has primarily arisen on account of the diminution in the value of investments / advances in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') and GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEPL').
13. GHVEPL has been incurring losses since the commencement of its commercial operations. 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 of Rs. 222.79 crore for the loss of revenue till the year ended March 31, 2016 with National Highways Authority of India ('NHAI'). Subsequently, NHAI rejected the aforementioned claims and consequently GHVEPL invoked dispute resolution process as per the provisions of the Concession Agreement. Subsequently, NHAI has intimated GHVEPL that conciliation has failed and the management of GHVEPL is in the process of initiating the arbitration.

GHVEPL has also issued notice of force majeure (Political Event) as per article 34 of the Concession agreement vide its letter dated June 13, 2016. Based on the preliminary discussions with NHAI, the management is confident that matter will be amicably settled and the loss on account of Change in Law will be received in due course.

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 and based on valuation



## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

assessment carried out by an external expert which is significantly dependent on the fructification of the aforesaid claims believes that the carrying value of its investments in GHVEPL (net of provision for diminution in the value of investments) as at March 31, 2017 is appropriate. The statutory auditors of the Company have modified their Audit Report in this regard.

14. GKUAEL had entered into a Concession Agreement with NHAI on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of NH 79A, 79, 76 and 8. Pursuant to non-fulfillment of the mandatory 'Conditions Precedent' specified under the Concession Agreement within the due date, GKUAEL had issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. The matter was under arbitration.

During the year ended March 31, 2017, the Company has settled their disputes with NHAI before the arbitral tribunal after payment of penalty of Rs 53.87 crore by GKUAEL to NHAI and the bank guarantee of Rs. 269.36 crore has been discharged by NHAI.

In addition, GKUAEL had awarded the EPC contract to GMR Enterprises Private Limited ('GEPL') and had given an advance of Rs. 590.00 crore. Pursuant to the issue of notice of dispute as stated above, GKUAEL terminated the contract on May 15, 2015. During the year ended March 31, 2016, GKUAEL has received claims from the EPC contractor, however, no such claim relating to the termination of contract was recognized by GKUAEL as at March 31, 2016 as the amounts payable were not certain. During the year ended March 31, 2017, GKUAEL has settled the claims of the EPC contractors for Rs. 259.13 crore and confident of recovery of the balance Rs. 330.87 crore from GEPL and accordingly, the management is confident that the carrying value of its investments (net of provision for diminution in the value of investments) in GKUAEL as at March 31, 2017 is appropriate.

15. As at March 31, 2017, the Company along with its subsidiaries and joint ventures has investments of Rs. 456.24 crore in GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'). GBHPL 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. However, 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 the management of the Company is of the view that the carrying value of the investments in GBHPL as at March 31, 2017 is appropriate.

16. The Company through its subsidiary GMR Coal Resources Pte. Limited ('GCRPL') has investments of Rs 3,325.26 crore (USD 50.69 crore) in PTGEMS, a joint venture as at March 31, 2017. PTGEMS along with its subsidiaries is engaged in the business of coal mining and trading activities. GCRPL has a Coal Supply Agreement ('CSA') with PTGEMS whereby it is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount. GCRPL has not significantly commenced the offtake of the coal under the CSA, however the management is of the view that the same will not have an impact on their total entitlement of offtake of coal under the CSA. Though the coal prices had significantly declined during the year ended March 31, 2016, there has been an increase in coal prices during the current year. Further, during the year ended March 31, 2017, GCRPL has restructured its loan facility with the lenders whereby the loan is repayable over a period of 5 years commencing January 2017. Based on these factors and valuation assessment carried out by an external expert, the management believes that the carrying value



## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

investments in PTGEMS as at March 31, 2017 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

17. During the year ended March 31, 2017, based on an internal assessment of its investments in GMR Aviation Private Limited, a subsidiary of the Company, the Company has made a provision for diminution in the value of its investments of Rs. 110.39 crore as at March 31, 2017 (including Rs. 108.35 crore provided during the quarter and year ended March 31, 2017) which has been disclosed as an 'exceptional item' in the standalone Ind AS financial results of the Company for the quarter and year ended March 31, 2017.
18. The Company has given an interest free loan of Rs. 115.00 crore to Welfare Trust of GMR Infra Employees ('GWT') during the year ended March 31, 2011 for the purpose of employee benefit scheme. Based on the confirmation received from GWT, the trust has utilised the proceeds of the loan received from the Company in the following manner:

	(In Rs. crore)
Equity shares of the Company	101.55
Equity shares of GAL	11.28
Others	2.17
<b>Total</b>	<b>115.00</b>

SEBI had issued Circular CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed companies from framing any employee benefit scheme involving acquisition of its own securities from the secondary market. SEBI had issued Circular CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013 extending the date of compliance to June 30, 2014. The management of the Company submitted the details of the GWT to the stock exchanges. SEBI has issued a Notification dated October 28, 2014 notifying "The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" ("SEBI Regulations") whereby the Companies having existing schemes to which these regulations apply are required to comply with these regulations within one year of the effective date of the regulations and the trusts holding shares, for the purposes of implementing general employee benefit schemes, which exceed ten percent of the total value of the assets of the trusts, shall have a period of five years to bring down trusts' holding in such shares to the permissible limits. SEBI published Frequently Asked Question ("FAQ") on SEBI Regulations and clarified that appropriation of shares towards ESPS/ESOP/SAR/General Employee Benefits Scheme / Retirement Benefit Schemes by October 27, 2015 would be considered as compliance with proviso to regulation 3(12) of the SEBI Regulations. The Company may appropriate towards individual employees or sell in the market during next three years so that no unappropriated inventory remains thereafter. The shareholders have approved the revised terms and conditions of the scheme by passing a special resolution in the annual general meeting of the Company held on September 23, 2015 and that the Company will ensure compliance with other applicable provisions of the new regulations within the permissible time period. The Company has consolidated the financial results of GWT in the standalone financial results of the Company under Ind AS.

19. GMR SEZ and Port Holding Private Limited, ('GSPHPL'), a subsidiary of the Company has invested in certain step down subsidiaries which holds investment properties. The Company has considered fair value of its investments in GSPHPL as deemed cost under Ind AS 101 'First-time Adoption of Indian Accounting Standards' and accordingly, based on the valuation assessment done by an external expert as per the requirements of Ind AS, the Company has adjusted Rs 734.70 crore to the carrying value of its investments in GSPHPL reported under the previous GAAP in its opening balance sheet as at April 1, 2015 prepared under Ind AS with a consequent increase in Other Equity.
20. The figures of last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financials years and the published unaudited year to date figures for nine months ended for respective years.





## Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017

21. DSCR represents profit and other income and before finance costs, and tax expenses / finance costs plus principal repayment of loan funds during the period. ISCR represents profit and other income and before finance costs and tax expenses / finance costs. Debt-equity ratio represents loan funds (long term borrowings, short term borrowings and current maturity of long term borrowings included in current liabilities)/ shareholders' funds (equity shares + other equity).
22. Paid-up debt capital represents outstanding non-convertible debentures issued by the Company (excluding provision for redemption premium) as at the year end.
23. 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.
24. Employee benefits expenses and other expenses for quarter and year ended March 31, 2017 are net of Rs. 29.47 crore and Rs.107.06 crore, respectively, cross charged to certain subsidiaries / joint ventures / associates of the Company.
25. The standalone Ind AS financial statements of the Company for the quarter and year ended March 31, 2017 have been reviewed by the Audit Committee in their meeting on May 30, 2017 and approved by the Board of Directors in their meeting on June 01, 2017.



**Notes to the standalone Ind AS financial results for the quarter and year ended March 31, 2017**

26. Previous period / year's figures have been regrouped/ reclassified, wherever necessary to confirm to current period / year's classification.



Bengaluru  
June 01, 2017

For GMR Infrastructure Limited

A handwritten signature in black ink, appearing to read "Grandhi Mallikarjuna Rao".

Grandhi Mallikarjuna Rao  
Executive Chairman



**ANNEXURE 1**



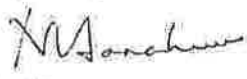
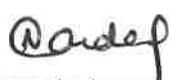

**GMR Infrastructure Limited**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its standalone financial results for the quarter and year ended March 31, 2017**

(in Rs. crore except for earning per share)

<b>I.</b>	<b>Sl. No</b>	<b>Particulars</b>	<b>Audited figures (as reported before adjusting for qualifications)</b>	<b>Adjusted figures (audited figures after adjusting for qualifications)</b>
	1	Turnover / Total income (including other income)	1,182.42	1,182.42
	2	Total Expenditure (including finance cost, tax expenses, before exceptional items)	1,212.37	1,212.37
	3	Exceptional items gain / (loss) (net)	(3,654.16)	(3,654.16)
	4	Net profit/(loss)	(3,684.11)	(3,684.11)
	5	Earnings per share (in Rs.) - Basic	(6.12)	(6.12)
	6	Total assets	13,440.96	13,440.96
	7	Total liabilities	6,923.76	6,923.76
	8	Net worth (refer note 1)	6,517.20	6,517.20
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter in the Auditor's Report on Quarterly and Year to Date Standalone Financial Results	
<p>Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India.</p>				
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
(i)	<b>Qualification 1</b>			
	<b>a. Details of audit qualification:</b>			
	<p>GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') has been incurring losses since the commencement of its commercial operations. Based on a valuation assessment, a legal opinion and for reasons explained in the said note, the management of the Company believes that no further provision for diminution in the value of investments is considered necessary in the accompanying standalone Ind AS financial results for the quarter and year ended March 31, 2017. We are unable to comment on the final outcome of the matter and its consequential impact on the carrying value of the Company's investment in GHVEPL in the accompanying standalone Ind AS financial results of the Company.</p>			
	<b>b. Type of audit qualification:</b> Qualified opinion			
	<b>c. Frequency of qualification:</b> Since year ended March 31, 2017			
	<b>d. For audit qualification where the impact is quantified by the auditor, management's views:</b> Not quantifiable			
	<b>e. For audit qualification where the impact is not quantified by the auditor:</b>			
	<b>(i) Management's estimation on the impact of audit qualification:</b> Not ascertainable			
	<b>i(a) If management is unable to estimate the impact, reasons for the same:</b>			
	<p>GHVEPL has been incurring losses since the commencement of its commercial operations. 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 of Rs. 222.79 crore for the loss of revenue till the year ended March 31, 2016 with NHAI. Subsequently, NHAI rejected the aforementioned claims and consequently GHVEPL invoked dispute resolution process as per the provisions of the Concession Agreement. Subsequently, NHAI has intimated GHVEPL that conciliation has failed and the management of GHVEPL is in the process of initiating the arbitration.</p> <p>GHVEPL has also issued notice of force majeure (Political Event) as per article 34 of the Concession agreement vide its letter dated June 13, 2016. Based on the preliminary discussions with NHAI, the management is confident that matter will be amicably settled and the loss on account of Change in Law will be received in due course.</p> <p>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 and based on valuation assessment carried out by an external expert which is significantly dependent on the fructification of the aforesaid claims believes that the carrying value of its investments in GHVEPL (net of provision for diminution in the value of investments) as at March 31, 2017 is appropriate. The statutory auditors of the Company have modified their Audit Report in this regard.</p>			
	<b>(iii) Auditors' comments on (i) above:</b> Refer i(a) above.			



10. Signatories:	
Executive Chairman	G.M. Rao 
Group CFO	Madhva Bhimacharya Tendal 
Audit Committee Chairman	N.C. Sarabeswaran 
Statutory Auditor	S R Baidiboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W/FF300004  per Sandeep Kaman Partner Membership Number: 061287 
Place:	Bengaluru
Date:	June 1, 2017



**Auditor's Report on Consolidated Year to Date Financial Results of GMR Infrastructure Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of GMR Infrastructure Limited

1. We have audited the accompanying statement of consolidated financial results of GMR Infrastructure Limited ('the Company'), comprising its subsidiaries, its associates and joint ventures (together, 'the Group'), for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The consolidated Ind AS financial results for the year ended March 31, 2017 have been prepared on the basis of the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2017 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated Ind AS financial results based on our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2017 which were prepared in accordance with the applicable accounting standards and other accounting principles generally accepted in India and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiaries / associates / joint ventures these consolidated Ind AS financial results for the year:
  - i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard; and
  - ii. give a true and fair view of the consolidated net profit/loss and other financial information for the consolidated results for the year ended March 31, 2017.
4. (a) The financial results and other financial information of 2 subsidiaries, with total assets of Rs. 15,050.53 crore as at March 31, 2017, total revenue (including other income) of Rs. 6,983.73 crore and total profit of Rs. 414.46 crore for the year then ended have been audited by us jointly with other auditors.





(b) We did not audit the financial results and other financial information of (i) 86 subsidiaries (including 1 subsidiary consolidated for the period January 1, 2016 to December 31, 2016), with total assets of Rs. 19,506.49 crore as at March 31, 2017, total revenue (including other income) of Rs. 2,829.21 crore and total profit of Rs. 975.28 crore for the year then ended and (ii) 41 joint ventures and associates (including 16 joint ventures / associates consolidated for the period January 01, 2016 to December 31, 2016) with Group's share of total loss of Rs. 1.60 crore for the year ended March 31, 2017. The Ind AS financial statements and other financial information for these subsidiaries, joint ventures and associates have been audited by the other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the affairs of such subsidiaries, joint ventures and associates is based solely on the report of the other auditors.

(c) We did not audit the financial results and other financial information of (i) 2 subsidiaries with total assets of Rs. 0.01 crore as at March 31, 2017, total revenue (including other income) of Rs. 0.01 crore and total profit of Rs. Nil for the year then ended and (ii) 7 joint ventures / associates with Group's share of total profit of Rs. 12.53 crore for the year ended March 31, 2017. The Ind AS financial statements and other financial information for these subsidiaries, joint ventures and associates have been incorporated in the consolidated Ind AS financial results of the Group based on the Ind AS financial statements and other financial information as certified by the management of the Group as audited financial results of such component entities as at and for the year ended March 31, 2017 are not available and our opinion in so far as it relates to the affairs of such subsidiaries, joint ventures and associates is based solely on the basis of management certified Ind AS financial statements and other financial information. In our opinion and according to the information and explanations given to us by the management, these entities are not material to the Group.

Our opinion is not qualified in respect of 4(b) and 4(c) above. Total assets, revenue and profit / loss disclosed in paragraph 4(a), 4(b) and 4(c) are after adjustments on consolidation.

**Emphasis of Matter:**

5. We draw attention to the following matters in the notes to the accompanying consolidated Ind AS financial results for the year ended March 31, 2017:
  - a) Note 7 regarding losses being incurred by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') since the commencement of its commercial operations and ongoing arbitration regarding compensation for losses arising as a result of diversion of partial traffic on parallel roads. Based on management's internal assessment and a legal opinion obtained by the management of GACEPL, the management of the Group is of the view that the carrying value of the net assets (after providing for losses till date) in GACEPL as at March 31, 2017 is appropriate.
  - b) Note 8 regarding i) reduction of operations and the losses, including cash losses incurred by GMR Energy Limited ('GEL') and GMR Vemagiri Power Generation Limited ('GVPGL'), and the consequent erosion of net worth of these entities resulting from the unavailability of adequate supply of natural gas and (ii) rescheduling of the commercial operation date and the repayment of certain project loans by GMR Rajahmundry Energy Limited ('GREL') and the consequent implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and to undertake flexible structuring of balance debt for improving viability and revival of the project pending linkage of natural gas supply. Continued uncertainty exists as to the



availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and the appropriateness of the going concern assumption of these entities is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet short term and long term obligations. In the opinion of the management of the Group, no further adjustments are considered necessary in the accompanying consolidated Ind AS financial results for the year ended March 31, 2017 for the reasons explained in the said note.

c) Note 11 regarding the 300 MW hydro based power plant on Alaknanda river, Uttarakhand being constructed by GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'). The Hon'ble Supreme Court of India ('the Supreme Court'), while hearing a civil appeal in the matters of a hydro power company, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by any of the 24 projects until further orders. The management of the Group is confident of obtaining the requisite clearances and based on a business plan and valuation assessment is of the view that the carrying value of the investments in GBHPL as at March 31, 2017 is appropriate.

d) Note 14 which indicates that the entire matter relating to claims / counter claims arising out of the Power Purchase Agreement ('PPA') and Land Lease Agreement, filed by GMR Power Corporation Limited ('GPCL') and Tamil Nadu Generation and Distribution Corporation Limited ('TAGENDCO'), is sub-judice before the Hon'ble Supreme Court of India and has not attained finality. However, pending the resolution of matter, no adjustments have been made in the accompanying consolidated Ind AS financial results for the year ended March 31, 2017. Considering that substantial amount, though under protest, has been received, GPCL, based on an expert opinion, offered the amount of claims received upto March 31, 2014 as income in its income tax returns and has claimed the deduction under Section 80IA of the Income Tax Act, 1961.

e) Note 17 regarding uncertainties in tying up power and fuel supply agreements, achieving profitability in operations, mega power status, refinancing of existing loans at lower rates of interest and other key assumptions made in the valuation assessment of the investments in GMR Chhattisgarh Energy Limited ('GCEL'). The carrying value of the investments in GCEL is critically dependent upon the achievement of the key assumptions as discussed in the aforesaid note. In the opinion of the management of the Company, no further provision for diminution in the value of investments is considered necessary in the accompanying consolidated Ind AS financial results for the year ended March 31, 2017 for the reasons explained in the said note.

f) Note 20 regarding costs related to residential quarters for Central Industrial Security Force ('CISF') deployed at the Rajiv Gandhi International Airport, Hyderabad, operated by GMR Hyderabad International Airport Limited ('GHIAL'), a subsidiary of the Company and other costs which continue to be adjusted against PSF (SC) fund pending the final decision from the Hon'ble High Court at Hyderabad for the State of Telangana and State of Andhra Pradesh and consequential instructions from the Ministry of Civil Aviation.

g) Note 15 regarding recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GMR Warora Energy Limited ('GWEL'). Based on the order from the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated May 8, 2015, GWEL has raised invoices towards reimbursement of transmission charges from the initial date of scheduling the power. Pursuant to the Order and legal opinion stating that GWEL has a good tenable case with respect to the appeal filed by MSEDCL against the said Order before the Hon'ble Supreme Court of India, GWEL has accounted for the reimbursement of transmission charges of Rs. 222.76 crore for the period till March 31, 2017.



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants


h) Note 12 regarding the achievement of certain assumptions made by the management in the valuation assessment of its investments in entities which are engaged in the operation and development of coal mines. In the opinion of the management of the Group, no provision for diminution in the value of investments is considered necessary at this stage in the accompanying consolidated Ind AS financial results for the year ended March 31, 2017 for the reasons explained in the said note.

i) Note 4 regarding the call option exercised by the Company to acquire Class A Compulsorily Convertible Preference Shares ("CCPS A"), issued by GMR Airports Limited ('GAL') to the Private Equity Investors ('the Investors'), subject to obtaining the requisite regulatory approvals. However, the Investors have initiated arbitration proceedings against GAL and the Company, seeking conversion of CCPS A. In view of ongoing arbitration, and considering the uncertainty regarding the conversion / settlement of CCPS A. and no adjustments have been made for the call option exercised by the Company to purchase CCPS A and that Class B Compulsorily Convertible Preference Shares ("CCPS B") issued to the Company continue to be carried at cost of Rs. Nil.

j) Note 9 regarding losses being incurred by GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') since the commencement of its commercial operations. For the reasons explained in the aforementioned note and based on a valuation assessment, a legal opinion and for reasons explained in the said note, the management of the Group believes that the carrying value of the net assets (after providing for losses till date) in GHVEPL as at March 31, 2017 is appropriate.

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

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

  
Per Sandeep Karnani  
Partner  
Membership number: 061207



Place: New Delhi  
Date: June 01, 2017

**GMR Infrastructure Limited**  
Corporate Identity Number (CIN): L45203MH1996PLC281138  
Registered Office: Naman Centre, 7th Floor,  
Opp. Dena Bank, Plot No. C-31, G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai, Mumbai City, Maharashtra- 400 051  
Phone: +91-22-42028000 Fax: +91-22-42028004  
Email: adscshavataaram.cherukupalli@gmrgroup.in Website: www.gmrgroup.in

**PART I**

Statement of audited consolidated financial results for the year ended March 31, 2017

(in Rs. Crore)

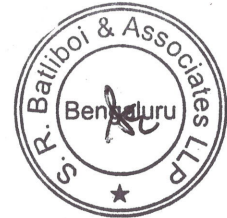
Particulars	Year ended	
	March 31, 2017 Audited	March 31, 2016 Audited
<b>1. Revenue</b>		
(a) Revenue from operations		
(i) Sales/ Income from operations	10,796.99	10,388.56
(ii) Other Operating income - (refer note 25B)	202.29	292.84
(b) Other income		
i) Foreign exchange fluctuation gain (net)	44.78	36.14
ii) Others	587.80	516.40
<b>Total Revenue</b>	<b>11,631.86</b>	<b>11,233.94</b>
<b>2. Expenses</b>		
a) Revenue share paid/ payable to concessionaire grantors	2,762.93	2,412.29
b) Consumption of fuel	595.51	1,327.32
c) Cost of materials consumed	164.01	33.54
d) Purchase of traded goods	1,289.76	1,029.90
e) (Increase) or Decrease in stock in trade	-	(2.59)
f) Sub-contracting expenses	285.74	251.19
g) Employee benefits expenses	620.82	605.33
h) Finance costs	3,911.48	4,135.92
i) Depreciation and amortisation expenses	1,543.46	1,820.41
j) Other expenses	1,828.50	1,746.77
<b>Total expenses</b>	<b>13,002.21</b>	<b>13,560.08</b>
<b>3. (Loss)/ profit before exceptional items, tax expenses and non-controlling interests (1 - 2)</b>	<b>(1,370.35)</b>	<b>(2,326.14)</b>
<b>4. Exceptional items</b>		
a) (Loss) / profit on sale / dilution of subsidiaries / joint ventures/ associates (refer 6, 8, 17 and 23)	2,520.95	2.31
b) Loss on impairment of assets in subsidiaries (refer note 9, 12(a) and 21)	(385.70)	(164.30)
c) Reimbursement of expenses pertaining to earlier years received by subsidiary (refer note 15)	-	51.42
d) (Loss) / profit on settlement of claims by subsidiaries (refer note 5 and 10)	(12.40)	-
e) Provision for diminution in value of investments in an associate / joint venture (refer note 22)	-	(39.22)
<b>5. (Loss) / profit before tax expenses and non-controlling interests (3 ± 4)</b>	<b>752.50</b>	<b>(2,475.93)</b>
<b>6. Tax expenses</b>		
(a) Current tax	287.65	192.21
(b) Deferred tax	456.07	(3.78)
<b>7. (Loss) /profit after tax for the year and before share in (loss)/ profit of joint ventures and associates and non-controlling interests (5 ± 6)</b>	<b>8.78</b>	<b>(2,664.36)</b>
<b>8. (Loss) /profit before tax for the year and before share in (loss)/ profit of joint ventures and associates and non-controlling interests from continuing operations</b>	<b>111.28</b>	<b>512.27</b>
<b>9. Tax expenses of continuing operations</b>	<b>737.03</b>	<b>181.51</b>
<b>10. (Loss) /profit after tax for the year and before share in (loss)/ profit of joint ventures and associates and non-controlling interests from continuing operations (8 ± 9)</b>	<b>(625.75)</b>	<b>330.76</b>
Add:		
(a) Share in (loss)/profit of joint ventures and associates from continuing operations	(68.40)	(84.92)
(b) Share in (loss)/profit of non-controlling interests from continuing operations	87.04	189.24
<b>11. (Loss) /profit for the year after share in (loss)/ profit of joint ventures and associates and non-controlling interests from continuing operations</b>	<b>(781.20)</b>	<b>56.60</b>
<b>12. (Loss) /profit before tax for the year and before share in (loss)/ profit of joint ventures and associates and non-controlling interests from discontinuing operations</b>	<b>641.22</b>	<b>(2,988.20)</b>
<b>13. Tax expenses of discontinuing operations</b>	<b>6.69</b>	<b>6.92</b>
<b>14. (Loss) /profit after tax for the year and before share in (loss)/ profit of joint ventures and associates and non-controlling interests from discontinuing operations (12 ± 13)</b>	<b>634.53</b>	<b>(2,995.12)</b>
Add:		
(a) Share in (loss)/profit of joint ventures and associates from discontinuing operations	(304.68)	-
(b) Share in (loss)/profit of non-controlling interests from discontinuing operations	123.25	(226.02)
<b>15. (Loss) /profit for the year after share in (loss)/ profit of joint ventures and associates and non-controlling interests from discontinuing operations</b>	<b>206.61</b>	<b>(2,769.10)</b>
<b>16. (Loss) /profit for the year after share in (loss)/ profit of joint ventures and associates and non-controlling interests from continuing and discontinuing operations (11 + 15)</b>	<b>(574.59)</b>	<b>(2,712.50)</b>
<b>17. Other Comprehensive Income/ (expenses) (net of tax)</b>		
(A) (i) Items that will not be reclassified to profit or loss		
(ii) Income tax relating to items that will not be reclassified to profit or loss	27.54	(0.72)
(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	(5.29)	(116.57)
<b>18. Total Comprehensive income for the year (comprising profit/loss) and other comprehensive income/ (expenses) (net of tax) for the year) (16 ± 17)</b>	<b>(552.34)</b>	<b>(2,829.79)</b>
<b>19. (Loss) / profit attributable to</b>		
a) Owners of the Company	(574.59)	(2,712.50)
b) Non Controlling Interests	210.29	(36.78)
<b>20. Other comprehensive income attributable to</b>		
a) Owners of the Company	22.25	(117.29)
b) Non Controlling Interests	-	-
<b>21. Total comprehensive income attributable to</b>		
a) Owners of the Company	(552.34)	(2,829.79)
b) Non Controlling Interests	210.29	(36.78)
<b>22. Paid-up equity share capital (Face value - Re. 1 per share)</b>	<b>603.59</b>	<b>603.59</b>
<b>23. Earnings per share (EPS) - Basic and Diluted - (Rs.) (not annualised)</b>		
(a) Basic and Diluted EPS	(0.57)	(4.75)
(b) Basic and Diluted EPS from continuing operations	(0.91)	(0.16)
(b) Basic and Diluted EPS from discontinuing operations	0.34	(4.59)



**GMR Infrastructure Limited**  
**Report on Consolidated Segment Revenue, Results and Capital Employed**

[in Rs. crore]

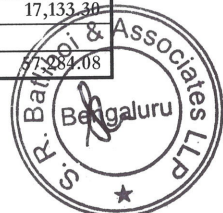
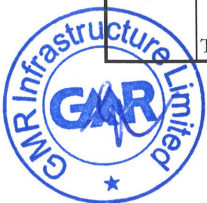
Particulars	Year ended	
	March 31, 2017	March 31, 2016
<b>1. Segment Revenue</b>		
a) Airports	7,018.17	6,185.93
b) Power	2,738.10	3,506.60
c) Roads	565.10	617.23
d) EPC	456.44	217.54
e) Others	887.64	741.03
	11,665.45	11,268.33
Less: Inter Segment	666.17	586.93
<b>Segment revenue from operations</b>	<b>10,999.28</b>	<b>10,681.40</b>
<b>2. Segment Results</b>		
a) Airports	2,429.74	1,689.77
b) Power	(203.28)	(344.36)
c) Roads	248.56	263.50
d) EPC	(13.47)	25.57
e) Others	(170.48)	(74.22)
<b>Total segment results</b>	<b>2,291.07</b>	<b>1,560.26</b>
Less: Finance costs (net)	(3,661.42)	(3,886.40)
<b>Exceptional items</b>		
a) (Loss) / profit on sale / dilution of subsidiaries / joint ventures/ associates (refer 6, 8, 17 and 23)	2,520.95	2.31
b) Loss on impairment of assets in subsidiaries (refer note 9, 12(a) and 21)	(385.70)	(164.30)
c) Reimbursement of expenses pertaining to earlier years received by subsidiary (refer note 15)	-	51.42
d) (Loss) / profit on settlement of claims by subsidiaries (refer note 5 and 10)	(12.40)	-
e) Provision for diminution in value of investments in an associate / joint venture (refer note 22)	-	(39.22)
<b>Profit / (loss) before tax</b>	<b>752.50</b>	<b>(2,475.93)</b>
<b>3. Segment assets</b>		
a) Airports	16,073.38	16,662.55
b) Power	10,043.60	28,102.50
c) Roads	4,853.35	5,195.77
d) EPC	717.11	611.92
e) Others	5,423.21	5,662.77
f) Unallocated	886.68	1,048.57
<b>Total assets</b>	<b>37,997.33</b>	<b>57,284.08</b>
<b>4. Segment liabilities</b>		
a) Airports	4,034.32	4,631.14
b) Power	1,991.66	7,168.50
c) Roads	572.15	328.42
d) EPC	520.72	426.70
e) Others	559.71	412.90
f) Unallocated	22,830.95	39,975.47
<b>Total liabilities</b>	<b>30,509.51</b>	<b>52,943.13</b>



Notes to consolidated Ind AS financial results for the year ended March 31, 2017

1. Consolidated statement of assets and liabilities

( in Rs. crore)			
	Particulars	As at March 31, 2017 (Audited)	As at March 31, 2016 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	Property, plant and equipment	9,778.63	25,072.13
	Capital work-in-progress	353.81	1,654.12
	Investment Property	2,624.98	2,380.31
	Goodwill	747.42	1,178.19
	Other intangible assets	2,670.95	4,020.07
	Intangible assets under development	-	605.22
	Financial assets		
	Investments	9,443.01	4,649.79
	Trade receivables	42.23	43.17
	Loans and advances	555.93	167.70
	Other financial assets	1,819.86	2,660.50
	Non-current tax assets (Net)	305.63	315.02
	Deferred tax assets (Net)	271.56	232.29
	Other non-current assets	260.30	1,343.87
		<b>28,874.31</b>	<b>44,322.38</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	129.16	224.37
	Financial assets		
	Investments	3,003.71	1,819.91
	Trade receivables	1,736.74	1,530.60
	Loans and advances	114.51	290.31
	Cash and cash equivalents	1,458.76	1,127.62
	Bank balances other than cash and cash equivalents	312.32	1,416.64
	Other financial assets	1,129.83	523.81
	Other current assets	332.21	571.87
	Assets classified as held for disposal	937.40	5,456.57
		<b>9,154.64</b>	<b>12,961.70</b>
	<b>Total assets (1+2)</b>	<b>38,028.95</b>	<b>57,284.08</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	Equity share capital	603.59	603.59
	Other equity	5,244.94	2,477.88
	Equity attributable to owners of the Company	<b>5,848.53</b>	<b>3,081.47</b>
	Non- controlling interests	1,713.55	1,259.48
<b>2</b>	<b>Total equity</b>	<b>7,562.08</b>	<b>4,340.95</b>
<b>3</b>	<b>Non-current liabilities</b>		
	Financial liabilities		
	Borrowings	19,120.15	32,644.74
	Trade payables	1.38	19.41
	Other financial liabilities	572.62	667.68
	Provisions	251.40	227.96
	Deferred tax liabilities (net)	413.81	33.81
	Other non-current liabilities	2,125.92	2,216.23
		<b>22,485.28</b>	<b>35,809.83</b>
<b>4</b>	<b>Current liabilities</b>		
	Financial liabilities		
	Borrowings	723.82	1,584.58
	Trade payables	1,502.90	1,295.10
	Other financial liabilities	3,549.31	7,146.53
	Other current liabilities	1,367.28	1,393.02
	Liabilities for current tax (net)	98.70	-
	Provisions	162.97	198.68
	Liabilities directly associated with the assets classified as held for disposal	576.61	5,515.39
		<b>7,981.59</b>	<b>17,133.30</b>
	<b>Total equity and liabilities (2+3+4)</b>	<b>38,028.95</b>	<b>57,284.08</b>





Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

1. Consolidation and Segment Reporting

- a. GMR Infrastructure Limited ('the Company' or 'GIL') 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.
- b. The Group has adopted Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Ind AS') from April 1, 2016 and all the periods presented in the accompanying consolidated Ind AS financial results and other financial information have been prepared in accordance with the recognition and measurement principles laid down in Ind AS and discloses information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. Consequently, the consolidated Ind AS financial results for the year ended March 31, 2016 have been restated in accordance with Ind AS. The consolidated Ind AS financial results have been prepared in accordance with the principles and procedures as set out in the Ind AS - 110 on 'Consolidated Financial Statements' and Ind AS - 28 on 'Investments in Associates and Joint Ventures'.
- c. 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

- d. Investors can view the standalone results of the Company on the Company's website [www.gmrgroup.in](http://www.gmrgroup.in) or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nse-india.com](http://www.nse-india.com)).
2. The Company has also prepared a reconciliation of the net profit /(loss) for the corresponding periods under the previously applicable Generally Accepted Accounting Principles ("previous GAAP") with the total comprehensive income as reported in these financial results under Ind AS. The net profit/ (loss) reconciliation for the year ended March 31, 2016 for the consolidated Ind AS financial results are presented below:

		in Rs. crore	
Sl. No	Particulars	For the year ended March 31, 2016	
1	Consolidated net (loss) / profit from ordinary activities after tax, minority interest and share of loss from associates under previous GAAP		(2,161.00)
2	Add / (less): Impact on account of adjustments qualified by the statutory auditors in the previous year:		
(i)	Adjustments for Qualification on continuing capitalisation of indirect expenditure and borrowing costs incurred by GMR Rajahmundry	(103.38)	



Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

	Energy Limited ('GREL'), during the extended delay in commencement of commercial operations.		
(ii)	Adjustments for Qualification on capitalisation of indirect expenditure, borrowing costs and depreciation / amortisation expenses incurred by GMR Chhattisgarh Energy Limited ('GCEL'), post declaration of commercial operations.	(369.09)	
			(2,633.47)
<b>3</b>	<b>Add / (less): Ind AS adjustments</b>		
(i)	Impact of preference shares accounted as financial liability		(242.46)
(ii)	Impact on account of debenture redemption premium and security issue expenses previously adjusted against the securities premium account		(151.54)
(iii)	Others		314.97
(iv)	Consolidated net (loss) / profit as per Ind AS		(2,712.50)
4	Other comprehensive income / (expenses) (net of tax)		(117.29)
5	Total consolidated comprehensive income / (loss) for the year ended March 31, 2016 under Ind AS		(2,829.79)

3. Reconciliation of equity in consolidated financial statement reported under Ind AS with the consolidated equity as reported under previous GAAP as at March 31, 2016 is presented below:

Particulars	in Rs. crore	
	As at March 31, 2016	
Equity as reported under previous GAAP	4,960.33	
Equity component of compound financial instruments	530.12	
Impact on accounting of treasury shares on consolidation of staff welfare trust	(101.54)	
Impact due to acquisition of entity under common control	(197.09)	
Impact on account of correction of deemed costs of property, plant and equipment, which was qualified by the statutory auditors in the earlier years	(1,532.09)	
Impact of preference shares accounted as financial liability	(794.24)	
Others	215.98	
Equity as per Ind AS	3,081.47	

4. 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 agreement"), 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'). Further, GAL had allotted bonus shares of 11,046,532 class B Compulsorily Convertible Preference Shares ("CCPS B") to the Company utilising the securities premium account.

As per the terms of the investor agreement, the Company has 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 call option was to be exercised by the Company on or before April 6, 2015. If the call option was not exercised by the Company before April 6, 2015, as per the investment agreement, each CCPS A will get converted into 82.821 equity shares of GAL with simultaneous conversion of CCPS B held by the Company into equity shares of GAL as per Articles and Memorandum of Association of GAL.





## Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

The Company vide its letter dated April 1, 2015, had exercised the call option to buy the CCPS A, subject to the regulatory approvals. However, Investors have initiated arbitration proceedings against GAL and the Company, seeking conversion of the CCPS A. During the year ended March 31, 2017, the investors filed their statement of claim and the Company along with GAL have filed their statement of defense / reply respectively.

In view of ongoing arbitration, the Group has recorded CCPS A received from PE investors at the face value as at March 31, 2017 considering the uncertainty regarding the conversion / settlement of CCPS A. Further, no adjustments have been made for the call option exercised by GIL to acquire CCPS A and the CCPS B issued to the Company continues to be carried at cost of Rs. Nil. Accordingly, the consolidated Ind AS financial results of the Company do not include any adjustments that might result from the outcome of this uncertainty. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

5. 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, pursuant to which GMIAL received USD 27.10 crore from MACL, in view of which GMIAL has recognised income of Rs. 300.47 crore, being the difference between the claims received and the amount recorded as claims recoverable by GMIAL with regard to the aforesaid takeover and disclosed the same as an 'exceptional item' in the accompanying consolidated Ind AS financial results for the year ended March 31, 2017.

Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to the aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore as at March 31, 2017 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised as at March 31, 2017 since the amounts payable are not certain.

GMIAL is in the process of settling various obligations and the aforesaid claims, however the management is confident that the consideration received by the Company is higher than the carrying value of the claims recoverable and the claims from the EPC contractors do not require any further adjustments to the carrying value of the net assets in GMIAL as at March 31, 2017.

6. The Group entered into a Subscription and Shareholders Agreement with Tenaga Nasional Berhad (Tenaga) and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the investors have acquired a 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of USD 30.00 crore through primary issuance of equity shares of GEL. The transaction was completed on November 4, 2016 and GEL has allotted equity shares to the Investors for the said consideration of USD 30.00 crore. As per the conditions precedent to the completion of the transaction, GEL's investment in certain subsidiaries have been transferred from GEL to other subsidiaries of the Company. Pursuant to the above transaction, compulsory convertible preference shares of GGAL issued to various preference shareholders have also been converted into equity shares of GGAL.



## Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

Pursuant to the aforesaid transaction, GEL and its subsidiaries ceased to be subsidiaries of the Company and have been considered as joint ventures as per the requirements of Ind AS -28. Further, pursuant to the loss of control over GEL and its subsidiaries, the Group has recorded a profit of Rs. 834.20 crore, which has been disclosed as an exceptional item in the consolidated Ind AS financial results for the year ended March 31, 2017.

7. 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. 302.35 crore as at March 31, 2017. 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 which was due during the years ended March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 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 accordingly, the carrying value of net assets in GACEPL as at March 31, 2017 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
8. In view of lower supplies / availability of natural gas to the power generating companies in India, GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GMR Rajahmundry Energy Limited ('GREL') 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. GVPGL and GREL 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. The Group been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply. During the year ended March 31, 2017, GEL has entered into a Memorandum of Undertaking with an external party for sale of its 220 MW gas based power plant for a consideration of USD 6.30 crore and is in the process of entering into a definitive agreement and conclude the sale.

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, during the year ended March 31, 2016, under a Framework for Revitalising Distressed Assets in the Economy, Reserve Bank of India ('RBI') announced Strategic Debt Restructuring Scheme ('SDR'), under which the lenders have to collectively hold 51% or more of the equity shares in the Company with distressed assets. The consortium of lenders of GREL decided to implement Strategic Debt Restructuring Scheme to convert 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 on May 12, 2017 for 55% stake in equity share capital of GREL and the Group has given a guarantee of Rs 2,738 crore to the lenders against the remaining debt. Under the SDR scheme, the bankers have to find a new promoter for GREL within the period as prescribed under the scheme. Post conversion, balance external borrowings are subject to flexible structuring (5/25 scheme) for repayment of the same over a period of 20.50 years comprising of moratorium period of 1.75 years and structured quarterly repayment period of 18.75 years.

The Group and the Association of Power Producers continue to monitor the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management of the Group is confident that 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 valuation assessment of these gas based companies which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff and other operating parameters, which it believes reasonably reflect the future expectations from these projects. The management of the Group will monitor these aspects closely and take actions as





## Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

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, business plans and a valuation assessment by an external expert, the management is of the view that the carrying value of the investments including advances made by the Group in these aforesaid entities as at March 31, 2017 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report.

Consequent to the SDR as stated above, GREL ceased to be a subsidiary of the Group and the Group has accounted its investments in GREL post the conversion of loans into equity share capital by the consortium of lenders under the Equity Method as per the requirements of Ind AS – 28. Further, pursuant to the loss of control over GREL, the Group has recorded a profit of Rs. 518.04 crore, which has been disclosed as an exceptional item in the consolidated Ind AS financial results for the year ended March 31, 2017.

9. GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') a subsidiary of the Company has been incurring losses since the commencement of its commercial operations. 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 of Rs. 222.79 crore for the loss of revenue till the year ended March 31, 2016 with National Highways Authority of India ('NHAI'). Subsequently, NHAI rejected the aforementioned claims and consequently GHVEPL invoked dispute resolution process as per the provisions of the Concession Agreement. Subsequently, NHAI has intimated GHVEPL that conciliation has failed and the management of GHVEPL is in the process of initiating the arbitration.

GHVEPL has also issued notice of force majeure (Political Event) as per article 34 of the Concession agreement vide its letter dated June 13, 2016. Based on the preliminary discussions with NHAI, the management is confident that matter will be amicably settled and the loss on account of Change in Law will be received in due course. Accordingly force majeure notice has not been considered for preparation of the financial statements of GHVEPL.

Based on an internal assessment, the management of the Group has made a further provision for impairment of Rs.385.70 crore towards the carrying value of carriageways of GHVEPL, which has been disclosed as an 'exceptional item' in the accompanying consolidated Ind AS financial results for the year ended March 31, 2017. 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 and based on valuation assessment carried out by an external expert which is significantly dependent on the fructification of the aforesaid claims believes that the carrying value of net assets of GHVEPL as at March 31, 2017, is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

10. GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company had entered into a Concession Agreement with National Highways Authority of India ('NHAI') on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of the mandatory 'Conditions Precedent' specified under the Concession Agreement within the due date, GKUAEL had issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. The matter was under arbitration. Pursuant to the issue of notice of dispute, GKUAEL transferred the project costs of Rs. 137.47 crore incurred by the Group upto March 31, 2016 to claims recoverable. Based on its internal assessment, the Group made a provision for such claims recoverable.



## Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

During the year ended March 31, 2017, both the parties have settled their disputes before the arbitral tribunal after payment of penalty of Rs 53.87 crore by GKUAEL to NHAI and the bank guarantee of Rs. 269.36 crore given by the Group has been discharged by NHAI.

In addition, GKUAEL had awarded the EPC contract to GMR Enterprises Private Limited ('GEPL') and had given an advance of Rs. 590.00 crore. Pursuant to the issue of notice of dispute as stated above, GKUAEL terminated the contract on May 15, 2015. During the year ended March 31, 2016, GKUAEL has received claims from the EPC contractor, however no such claim relating to the termination of contract was recognized by GKUAEL as at March 31, 2016 as the amounts payable were not certain. During the year ended March 31, 2017, GKUAEL has settled the claims of the EPC contractors for Rs. 259.00 crore. The aforesaid settlement expenses aggregating to Rs. 312.87 crore has been accounted in the accompanying consolidated Ind AS financial results and disclosed the same as "exceptional item". The management of the Group is confident of recovery of the balance Rs. 330.87 crore from GEPL and accordingly, has not made any further adjustments in the accompanying consolidated Ind AS financial results for the year ended March 31, 2017.

11. GMR Badrinath Hydro Power Generation Private Limited ('GBHPL' 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. However, 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, the management of the Group is of the view that the carrying value of net assets of GBHPL as at March 31, 2017 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
12. a) The Group had acquired PTDSU for a consideration of USD 4.00 crore and a deferred consideration to be determined and paid on achievement of certain conditions as specified in the share purchase agreement. The achievement of aforementioned conditions for settlement of deferred consideration had been under dispute and pursuant to a settlement agreement dated June 25, 2014, the deferred consideration of USD 2.00 crore was agreed with the sellers of PTDSU. The Group has pledged 35% shares of PTBSL as a security towards the payment of the instalments.

Subsequent to the year ended March 31, 2017, the Group has entered in to a Memorandum of Understanding with PT Golden Energy Mines ('PTGEMS') for the sale of entire stake in 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. Based on the aforesaid agreement, the management of the Group is of the view that the carrying value of net assets in PTDSU (after providing for impairment in the value of goodwill amounting to Rs. 100.16 crore during the year ended March 31, 2016 which has been disclosed as an 'exceptional item') is appropriate.

b) The Group has investments of Rs 3,325.26 crore (USD 50.69 crore) in PTGEMS, a joint venture of the Group as at March 31, 2017. PTGEMS along with its subsidiaries is engaged in the business of coal mining and trading activities. The Group has a Coal Supply Agreement ('CSA') with PTGEMS whereby the Group is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount. The Group has not significantly commenced the offtake of the coal under the CSA, however the management of the Group is of the view that the same will not have an impact on their total entitlement of offtake of coal under the CSA. Though, the coal prices had significantly declined during the year ended March 31, 2016, there has been an increase in coal prices during the current year. Further, during the year ended March 31, 2017, Group has restructured its loan facility with the lenders whereby the loan is repayable over a period of 5 years commencing January 2017. Based on these factors and valuation assessment carried out by an external expert, the management





**Notes to the consolidated Ind AS financial results for the year ended March 31, 2017**

of the Group believes that the carrying value of investments in PTGEMS as at March 31, 2017 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

13. The Company has given an interest free loan of Rs. 115.00 crore to Welfare Trust of GMR Infra Employees ('GWT') during the year ended March 31, 2011 for the purpose of employee benefit scheme. Based on the confirmation received from GWT, the trust has utilised the proceeds of the loan received from the Company in the following manner:

	(in Rs. crore)
Equity shares of the Company	101.55
Equity shares of GMR Airports Limited ('GAL') (a subsidiary of the Company)	11.28
Others	2.17
<b>Total</b>	<b>115.00</b>

SEBI had issued Circular CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed companies from framing any employee benefit scheme involving acquisition of its own securities from the secondary market. SEBI had issued Circular CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013 extending the date of compliance to June 30, 2014. The management of the Company submitted the details of the GWT to the stock exchanges. SEBI has issued a Notification dated October 28, 2014 notifying "The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" ("SEBI Regulations") whereby the Companies having existing schemes to which these regulations apply are required to comply with these regulations within one year of the effective date of the regulations and the trusts holding shares, for the purposes of implementing general employee benefit schemes, which exceed ten percent of the total value of the assets of the trusts, shall have a period of five years to bring down trusts' holding in such shares to the permissible limits. SEBI published Frequently Asked Question ("FAQ") on SEBI Regulations and clarified that appropriation of shares towards ESPS/ESOP/SAR/General Employee Benefits Scheme/ Retirement Benefit Schemes by October 27, 2015 would be considered as compliance with proviso to regulation 3(12) of the SEBI Regulations. The Company may appropriate towards individual employees or sell in the market during next three years so that no unappropriated inventory remains thereafter. The shareholders have approved the revised terms and conditions of the scheme by passing a special resolution in the annual general meeting of the Company held on September 23, 2015 and the Company will ensure compliance with other applicable provisions of the new regulations within the permissible time period. The Group has consolidated the financial results of GWT in the consolidated financial results of the Group under Ind AS.

14. 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 Power Purchase Agreement ('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 on April 16, 2010 and in pursuance of the Order, GPCL filed its claim on April 30, 2010 amounting to Rs. 481.68 crore and recognised Rs. 79.55 crore as income in the books of account.

TAGENDCO filed a petition against TNERC Order in Appellate Tribunal for Electricity ('APTEL'). In terms of an interim Order on November 19, 2010 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



## Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

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. The matter was heard by TNERC and has been reserved for Order. Further, TAGENDCO has filed the petition in the Hon'ble Supreme Court against APTEL order which is pending before the Hon'ble Supreme Court,

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 after the date of Order 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, in accordance with the Group's accounting policy, pending acceptance of claims by TAGENDCO and pending adjudication of petition before the Hon'ble Supreme Court, the Group has not recognised such balance claim in the books of account. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

15. GMR Warora Energy Limited ('GWEL') 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 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 March 31, 2017, GWEL has raised claim of Rs. 222.76 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2017. 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. 171.34 crore relating to the period from April 1, 2015 to March 31, 2017 (including Rs. 92.30 crore for the year ended March 31, 2017) as reduction from transmission expenses and Rs. 51.42 crore as an 'exceptional item' in the consolidated Ind AS financial results for the year ended March 31, 2016, as the said recovery pertained to the period prior to April 1, 2015. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

16. As at March 31, 2017, GMR Infrastructure (Cyprus) Limited, a subsidiary of the Company, has fixed deposits of Rs. 229.60 crore (USD 3.50 crore) with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. During the year ended March 31, 2017, the bank has released USD 3.36 crore and the management of the Group is of the view that despite such economic





## Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

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.

17. GMR Chhattisgarh Energy Limited ('GCEL') has declared commercial operations of Unit I and coal mine 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 does not have any PPAs currently and has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 2,032.78 crore as at March 31, 2017. GCEL is taking steps to tie up the power supply through power supply agreements on a long/medium term basis with various customers including State Electricity Boards and is hopeful of tying up significant part of generation capacity in the ensuing financial year.

GCEL has experienced certain delays and incurred cost overruns in the completion of the project including receipt of additional claims from the EPC contractors. The claims of the key EPC contractor, Doosan Power Systems India Private Limited ('DPS') is under arbitration in the Singapore International Arbitration Centre (SIAC). Based on the legal opinion, the management is confident that it has strong defence for the claims raised by the EPC contractor and believes that the claims are not tenable in law and accordingly no financial implications are expected out of the said arbitration.

GCEL has also obtained provisional Mega Power status certificate from the Ministry of Power, GoI, vide letter dated September 8, 2011 and accordingly has availed an exemption of customs and excise duty against bank guarantees of Rs. 955.68 crore and pledge of deposits of Rs. 50.94 crore. The grant of final mega power status of GCEL was dependent on its achieving tie up for supply of power for 85% of its installed capacity through the long term power purchase agreements within stipulated time which has been extended to 120 months from the date of import, as per the recent amendment to Mega Power Policy 2009 by the Government of India. The management of GCEL is certain of fulfilling the conditions relating to Mega Power status in the foreseeable future, pending which cost of customs and excise duty has not been included in the cost of the project.

During the year ended March 31, 2017, under a Framework for Revitalising Distressed Assets in the Economy by RBI, the lenders of GCEL have implemented the Strategic Debt Restructuring Scheme on February 21, 2017 pursuant to which borrowings of GCEL aggregating to Rs. 2,992.22 crore (including interest accrued thereon of Rs. 652.22 crore) got converted into equity shares. The lenders got 52.38% stake in the equity share capital of the GCEL. The aforesaid conversion has resulted in loss of control by the Group over GCEL and the Consortium of bankers have 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. Further, majority of the lenders have reduced interest rates for GCEL and are considering implementing the 5/25 Scheme, which grants GCEL extension of time towards repayment of outstanding debts and will result in better cash flow management for the Group.

Pursuant to the loss of control over GCEL on account of the implementation of the SDR scheme as detailed above, the Group has recorded a profit of Rs. 1,146.71 crore, which has been disclosed as an exceptional item in the consolidated Ind AS financial results for the year ended March 31, 2017. Further, the Group has accounted its investments in GCEL post the conversion of loans into equity share capital by the consortium of lenders under the Equity Method as per the requirements of Ind AS - 28.

GCEL was allotted two coal mines at Ganeshpur and Talabira to meet its fuel requirements. Subsequent to the year ended March 31, 2017, GCEL has filed writ petition with Delhi High Court for surrendering both the coal blocks allotted during the year ended March 31, 2015. The management is of the opinion that in view of the recent decisions by the Delhi High Court in similar cases, no adjustments are needed to the accompanying financial results of GCEL.



## Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

The Group has obtained a valuation report from an external expert estimating the future cash flows of GCEL on discounted cash flow basis. The valuation is dependent on the achievement of certain key assumptions considered by the management around GCEL's future revenues, profitability of operations and servicing of its debts which are dependent on tying up of GCEL entire generation capacity for profitable rates through long term and medium term PPAs in a power scarce market, achievement of higher PLF, projected sales mix of PPA and merchant power, fuel linkage tie ups and refinancing of existing loans with lower interest rates with banks, achievement of mega power status and successful gains from the government announced initiatives of tolling linkage and continued financial support by the Company.

The Group is monitoring these assumptions closely on a periodic basis and based on business plans and valuation assessment carried out by an external expert, the management of the Group is of the view that the carrying value of the net assets value in GCEL is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report.

18. In case of DIAL, the Airport Economic Regulatory Authority ('AERA') vide its powers conferred by Section 13(1) (a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the 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). The first five year control period referred to above ended on March 31, 2014.

DIAL had filed a writ petition before the Hon'ble High Court of Delhi seeking extension of existing tariff as allowed vide AERA order No. 03/2012-13 till disposal of DIAL's appeal pending before Airports Economic Regulatory Authority Appellate Tribunal ('AERAAT'). Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 issued on April 24, 2012 shall continue till the disposal of the appeals pending against the said Tariff Order, by AERAAT.

Subsequently, AERA released the tariff order No. 40/2015-16 dated December 08, 2015 for second control period i.e. 2014 -2019, which as per AERA order would be implemented upon the final outcome of the legal proceedings pending before AERAAT. As per AERA order for second control period tariff for aeronautical revenue will be reduced by 89.40% of the existing tariff (i.e. tariff as compared to the first control period).

DIAL has filed an appeal against the AERA order No. 40/2015-16 dated December 08, 2015 with AERAAT on January 11, 2016. In view of above legal proceedings, the implementation of AERA order for second control period could not be implemented till the disposal of all legal issues associated with the order. The revenue so collected by DIAL during this interim period shall be adjusted from the aggregate revenue requirement.

Earlier, AERA has filed a Special Leave Petition ("SLP") dated April 24, 2015 in the Hon'ble Supreme Court of India, seeking interim relief from the final order of Hon'ble High Court of Delhi dated January 22, 2015. AERA has also filed an application before Hon'ble Supreme Court seeking directions for the implementation of its tariff order for second control period. The pleadings of the parties are complete and Hon'ble Supreme Court has disposed off Special Leave Petition on May 12, 2016 with directions to AERAAT to dispose of the Tariff Appeals within three months from receipt of this order. The tariff matters were listed for hearing by AERAAT on October 17, 2016 and the Tribunal has now been reconstituted. In February, 2017, Air India filed an SLP for expeditious disposal of Tariff matters and the Supreme Court directed Tribunal to dispose off the Tariff appeals within 2 months i.e. by April 2017. In compliance of the aforesaid Supreme Court order Tribunal has decided to hear Tariff appeals on priority. The tariff appeal filed against the AERA order no 03/2012-13 are being heard and would be concluded in due course.

In the opinion of the management, in view of the profits earned over the last five financial years, DIAL's business plans and cash flow projections for the next one year, DIAL expects to earn sufficient cash profits and does not foresee any difficulty in continuing its business / operations and meeting





## Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

financial obligations. Accordingly, financial statements of DIAL continue to be prepared and accordingly consolidated on a going concern basis.

19. GMR Aero Technic Limited ('GATL') has incurred losses/ cash losses in the year ended March 31, 2017 and in the previous year and its current liabilities exceeded its current assets as at March 31, 2017. Though the networth of GATL is fully eroded, the losses have reduced and are Rs. 39.11 crore for the year ended March 31, 2017 vis-a-vis losses of Rs. 73.32 crore for the year ended March 31, 2016. Further, the management of the Group expects that there will be a significant increase in the operations of GATL that will lead to improved cash flows and long term sustainability. The Group has undertaken to provide such financial support as necessary, to enable GATL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, the management of the Group believes that the carrying value of net assets of GATL as at March 31, 2017 is appropriate.
20. As per the advice from the Ministry of Home Affairs and the Standard Operating Procedures ('SOP') issued by Ministry of Civil Aviation ('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. 69.91 crore was debited to the Passenger Service Fee (Security Component) Fund [PSF(SC) Fund] with intimation to MoCA. The 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 advise 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, residential quarters continue to be accounted in the PSF(SC) Fund and no adjustments have been made to the accompanying consolidated Ind AS financial results of the Group for the year ended March 31, 2017. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
21. During the year ended March 31, 2016, based on an internal assessment of its investments in certain power entities, the Group had made an impairment provision of Rs. 64.14 crore towards the carrying value of the net assets in such entities, which has been disclosed as an 'exceptional item' in the consolidated Ind AS financial results of the Group for the year ended March 31, 2016.
22. During the year ended March 31, 2016, the Company along with its subsidiaries GMR Highways Limited ('GMRHL') and GEL entered into a Share Purchase Agreement ('SPA') with India Infrastructure Fund for divestment of their entire 26% equity stake in their associate, Ulundurpet Expressways Private Limited ('UEPL'), for a sale consideration of Rs. 32.50 crore and made a provision for loss on divestment amounting to Rs. 39.22 crore which was disclosed as an 'exceptional item' in the consolidated Ind AS financial results of the Group for the year ended March 31, 2016. During the year ended March 31, 2017, the sale transaction has been completed.

23. During the year ended March 31, 2016, the Company along with its subsidiary GMRHL entered into a SPA with Oriental Structural Engineers Private Limited, Oriental Tollways Private Limited and



**Notes to the consolidated Ind AS financial results for the year ended March 31, 2017**

Orbit Infraventures LLP for divestment of 117,300,000 equity shares of Rs. 10 each, representing their 51.00% stake in GMR OSE Hungund Hospet Highways Private Limited ('GOSHHEPL'), a joint venture of the Group for a sale consideration of Rs. 59.14 crore. During the year ended March 31, 2016, 34,477,000 shares have been transferred and the Group has realized a profit of Rs. 2.31 crore on such sale of shares, which has been disclosed as an 'exceptional item' in the consolidated Ind As financial results of the Group for the year ended March 31, 2016.

24. During the year ended March 31, 2016, GEL has entered into a memorandum of understanding ('MOU') for divestment of its 100% equity stake in its subsidiaries, Maru Transmission Service Company Limited ('MTSCL') and Aravali Transmission Service Company Limited ('ATSCL') for a consideration of Rs. 100.35 crore. The transaction has been completed during the year ended March 31, 2017.

25. A. Information pertaining to the Company on a standalone basis:

	(in Rs. crore)	
	Year ended	
	March 31, 2017	March 31, 2016
	Audited	Audited
(a) Revenue from operations	1,179.77	1,239.17
(b) (Loss) / profit before tax and after exceptional items	(3,684.02)	(1,705.57)
(c) (Loss) / profit after tax	(3,684.11)	(1,720.24)

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

26. The consolidated Ind AS financial results of the Group for the year ended March 31, 2017 have been reviewed by the Audit Committee in their meeting held on May 30, 2017 and approved by the Board of Directors in their meeting held on June 01, 2017.



Notes to the consolidated Ind AS financial results for the year ended March 31, 2017

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

Bengaluru  
June 01, 2017



For GMR Infrastructure Limited

A handwritten signature in black ink, appearing to read 'Grandhi Mallikarjuna Rao'.

Grandhi Mallikarjuna Rao  
Executive Chairman



To All Stock Exchanges

BSE LIMITED

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

June 01, 2017

Dear Sirs/ Madam,

Sub : Declaration pursuant to regulation 33(3)(d) of the Securities & Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations , 2016.

Declaration


I, Madhva Bhimacharya Terdal , Group Chief Financial Officer of GMR Infrastructure Limited ( CIN :L45203MH1996PLC281138 ) having Registered office at Naman Centre, 7th Floor, Opp. Dena Bank, Plot No.C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, India , hereby declare that, the Statutory Auditors of the Company, S R Batliboi & Associates LLP ( ICAI FRN : 101049W/E300004) have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company ( Consolidated ) for the year ended on 31<sup>st</sup> March, 2017.

This Declaration is given in compliance to regulation 33(3)(d) of the SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015, as amended by the SEBI ( Listing Obligations and Disclosure Requirements ) (Amendment) Regulations , 2016, vide notification No.SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No.CIR/CFD/CMD/56/2016 dated May 27,2016.

Kindly take this declaration on your records.

Yours Sincerely

For GMR Infrastructure Limited

  
(Madhva Bhimacharya Terdal)  
Group Chief Financial Officer



Date: June 01, 2017

National Stock Exchange Limited  
WDM Segment  
Exchange Plaza, BandraKurla Complex,  
Bandra (East),  
Mumbai – 400 051

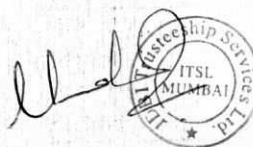
Subject: Information as per Regulation 52 of Listing Obligations & Disclosure Requirements (LODR) Regulations, 2015 as on March 31, 2017

Pursuant to Regulation 52 (4) & 63 (2) of LODR Regulations, 2015 we give below the details as required under said regulation 52 (4):

- a. Credit rating: 'CARE BBB-' (Triple B minus) denoting moderate safety for timely servicing of debt obligations.
- b. Asset cover available: 2.26 times
- c. Debt Equity Ratio: 0.92 times
- d. Previous due date for payment of interest/principal:

Due date	Face value redeemed (Rs. Crore)	Interest / Redemption Premium (Rs. Crore)	Total Redemption price (Rs. Crore)	Paid on
25-Dec-16	37.50	-	37.50	15-Mar-17 *
25-Dec-16	-	27.36	27.36	10-Mar-17*
25-Mar-17	37.50	-	37.50	31-Mar-17
25-Mar-17	-	25.78	25.78	31-Mar-17

\*The company has delayed the payment of redemption price and redemption premium which was due on 25th December 2016 by 2.5 months. The payment is delayed due to delay in receipt of receivables from Power Descoms by our subsidiary companies in energy sector.





## e. Next due date for payment of interest/principal

Next Due date	Face value redemption (Rs. Crore)	Interest / Redemption Premium (Rs. Crore)	Total Redemption price (Rs. Crore)
25-Jun-17	37.50	-	37.50
25-Jun-17	-	25.05	25.05
25-Sep-17	37.50	-	37.50
25-Sep-17	-	23.74	23.74

Yours Truly,

For GMR Infrastructure Limited

Authorised Signatory





No. 1915/ITSL/OPR/2017-18

June 01, 2017

**GMR Infrastructure Limited**

Naman Centre, 7<sup>th</sup> Floor,  
Opp. Dena Bank, Plot No. C-31, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai- 400 051, Maharashtra

Dear Sir,


**Certificate for receipt and noting of information**

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, IDBI Trusteeship Services Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by GMR Infrastructure Limited (“**the Company**”) for the financial year ended March 31, 2017.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For IDBI Trusteeship Services Limited

  
Authorised Signatory