GMR Infrastructure Limited

Registered Office: 25/1, Skip House, Museum Road, Bengaluru - 560 025

PART I

Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2012

[in Rs. crore]

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2012 Unaudited	September 30, 2012 Unaudited	December 31, 2011 Unaudited	December 31, 2012 Unaudited	December 31, 2011 Unaudited	March 31, 2012 Audited
1. Income from operations						
a) Sales/ Income from operations	2,356.30	2,371.89	2,185.13	7,300.80	6,220.83	8,320.11
b) Other Operating income - Refer Note 24	21.72	26.61	38.22	77.17	117.85	152.92
Total Income from operations	**2,378.02**	**2,398.50**	**2,223.35**	**7,377.97**	**6,338.68**	**8,473.03**
2. Expenditure						
a) Revenue share paid/ payable to concessionaire grantors	412.65	374.06	218.68	1,078.02	644.89	830.97
b) Consumption of fuel	195.49	220.70	352.80	781.00	1,108.22	1,446.45
c) Cost of materials consumed	30.45	37.78	99.40	180.87	202.02	299.03
d) Purchase of traded goods	329.58	370.86	407.07	1,087.15	994.40	1,327.99
e) (Increase) or Decrease in stock in trade	13.29	(1.01)	(50.09)	2.98	(33.22)	(27.97)
f) Sub-contracting expenses	236.35	254.52	196.28	807.64	513.49	722.64
g) Employee benefits expenses	142.05	193.56	192.59	493.57	512.37	687.83
h) Depreciation and amortisation expenses	258.08	256.50	243.15	767.58	737.19	935.81
i) Utilisation fees	33.16	36.74	24.69	94.57	73.95	98.71
j) Other expenses	401.04	380.05	337.32	1,140.25	927.92	1,368.68
k) Foreign exchange fluctuations loss (net)	31.97	18.84	19.92	4.37	-	59.18
Total expenses	**2,084.11**	**2,142.60**	**2,041.81**	**6,438.00**	**5,681.23**	**7,749.32**
3. Profit/ (Loss) from operations before other income, finance costs and exceptional items (1) - (2)	**293.91**	**255.90**	**181.54**	**939.97**	**657.45**	**723.71**
4. Other income						
a) Foreign exchange fluctuations gain (net)	-	-	-	-	20.52	-
b) Other income - others	65.91	80.62	95.15	211.75	205.83	243.42
Total other income	**65.91**	**80.62**	**95.15**	**211.75**	**226.35**	**243.42**
5. (Loss) / Profit from operations before finance costs and exceptional items (3) + (4)	**359.82**	**336.52**	**276.69**	**1,151.72**	**883.80**	**967.13**
6. Finance costs	525.27	485.21	423.86	1,490.85	1,188.49	1,653.13
7. (Loss) / Profit after finance costs but before exceptional items (5) - (6)	**(165.45)**	**(148.69)**	**(147.17)**	**(339.13)**	**(304.69)**	**(686.00)**
8. Exceptional items - Interest on loans against development fee receipts	-	-	-	-	-	(162.12)
9. (Loss)/ Profit from ordinary activities before tax (7) ± (8)	**(165.45)**	**(148.69)**	**(147.17)**	**(339.13)**	**(304.69)**	**(848.12)**
10. Tax expenses	49.47	54.27	44.51	188.78	168.53	210.72
11. Net (Loss)/ Profit from ordinary activities after tax and before minority interest (9-10)	**(214.92)**	**(202.96)**	**(191.68)**	**(527.91)**	**(473.22)**	**(1,058.84)**
12. Minority interest	(2.53)	23.66	83.73	36.86	236.05	455.50
13. Net (Loss) / Profit after tax and minority interest (11+12)	**(217.45)**	**(179.30)**	**(107.95)**	**(491.05)**	**(237.17)**	**(603.34)**
14. E B I T D A (3) + (2(h)) + (4(a))	**551.99**	**512.40**	**424.69**	**1,707.55**	**1,415.16**	**1,659.52**
15. Paid-up equity share capital (Face value - Re. 1 per share)	**389.24**	**389.24**	**389.24**	**389.24**	**389.24**	**389.24**
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year						**7,148.54**
17. Weighted average number of shares used in computing Earnings per share	**3,892,432,532**	**3,892,432,532**	**3,892,432,532**	**3,892,432,532**	**3,892,432,532**	**3,892,432,532**
18. Earnings per share - Basic and Diluted - (Rs.) (not annualised)	**(0.56)**	**(0.46)**	**(0.28)**	**(1.26)**	**(0.61)**	**(1.55)**

PART II						
Select Information for the quarter and nine months ended December 31, 2012						
Particulars	**Quarter ended**			**Nine months ended**		**Year ended**
	December 31, 2012	**September 30, 2012**	**December 31, 2011**	**December 31, 2012**	**December 31, 2011**	**March 31, 2012**
A. PARTICULARS OF SHAREHOLDING						
1. Public Shareholding						
- Number of shares	1,103,946,750	1,104,864,250	1,112,112,950	1,103,946,750	1,112,112,950	1,112,112,950
- Percentage of shareholding	28.36%	28.39%	28.57%	28.36%	28.57%	28.57%
2. Promoters and promoter group shareholding						
a) Pledged/ Encumbered						
- Number of shares	873,164,991	790,664,991	864,106,312	873,164,991	864,106,312	891,030,809
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	31.31%	28.36%	31.08%	31.31%	31.08%	32.05%
- Percentage of shares (as a % of the total share capital of the Company)	22.43%	20.31%	22.20%	22.43%	22.20%	22.89%
b) Non-Encumbered						
- Number of shares	1,915,323,041	1,996,905,541	1,916,215,520	1,915,323,041	1,916,215,520	1,889,391,023
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	68.69%	71.64%	68.92%	68.69%	68.92%	67.95%
- Percentage of shares (as a % of the total share capital of the Company)	49.21%	51.30%	49.23%	49.21%	49.23%	48.54%

Particulars	**Quarter ended December 31, 2012**
B. INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	14
Disposed of during the quarter	14
Remaining unresolved at the end of the quarter	-

GMR Infrastructure Limited

Report on Consolidated Segment Revenue, Results and Capital Employed

						[in Rs. crore]
Particulars	**Quarter ended**			**Nine months ended**		**Year ended**
	December 31, 2012 Unaudited	**September 30, 2012 Unaudited**	**December 31, 2011 Unaudited**	**December 31, 2012 Unaudited**	**December 31, 2011 Unaudited**	**March 31, 2012 Audited**
1. Segment Revenue						
a) Airports	1,598.54	1,469.06	1,112.97	4,390.91	3,250.70	4,405.38
b) Power	520.57	644.99	597.97	1,911.84	1,841.95	2,374.99
c) Roads	123.76	106.46	101.48	335.32	301.96	405.64
d) EPC	340.43	373.74	405.55	1,203.42	904.23	1,234.56
e) Others	153.43	142.92	142.03	432.52	420.57	577.02
	2,736.73	2,737.17	2,360.00	8,274.01	6,719.41	8,997.59
Less: Inter Segment	358.71	338.67	136.65	896.04	380.73	524.56
Segment revenue from operations	**2,378.02**	**2,398.50**	**2,223.35**	**7,377.97**	**6,338.68**	**8,473.03**
2. Segment Results						
a) Airports	282.81	215.45	86.82	703.10	260.70	253.69
b) Power	(57.28)	(17.95)	(14.57)	0.33	159.56	96.11
c) Roads	66.99	57.35	54.61	177.57	162.22	269.47
d) EPC	50.44	12.05	31.11	101.24	62.78	20.09
e) Others	97.94	70.25	115.56	261.65	275.78	309.60
	440.90	337.15	273.53	1,243.89	921.04	948.96
Less: Inter Segment	110.55	53.78	23.77	202.93	107.33	100.26
Net Segment Results	**330.35**	**283.37**	**249.76**	**1,040.96**	**813.71**	**848.70**
Less: Interest expenses (net)	495.80	432.06	396.93	1,380.09	1,118.40	1,534.70
Less: Exceptional items - Interest on loans against development fee receipts	-	-	-	-	-	162.12
(Loss) / Profit before tax	**(165.45)**	**(148.69)**	**(147.17)**	**(339.13)**	**(304.69)**	**(848.12)**
3. Capital employed (Segment Assets - Segment Liabilities)						
a) Airports	15,900.10	16,269.31	16,748.22	15,900.10	16,748.22	16,152.06
b) Power	26,366.10	24,519.85	16,548.01	26,366.10	16,548.01	20,465.98
c) Roads	6,428.73	6,517.27	4,982.71	6,428.73	4,982.71	5,863.36
d) EPC	54.02	281.40	172.38	54.02	172.38	255.56
e) Others	12,153.98	11,330.00	10,271.33	12,153.98	10,271.33	10,298.69
	60,902.93	58,917.83	48,722.65	60,902.93	48,722.65	53,035.65
Less: Inter Segment	4,827.09	4,649.50	4,351.04	4,827.09	4,351.04	4,517.63
Unallocated Assets / (Liabilities)	(45,417.78)	(43,354.43)	(32,471.30)	(45,417.78)	(32,471.30)	(37,208.39)
Total	**10,658.06**	**10,913.90**	**11,900.31**	**10,658.06**	**11,900.31**	**11,309.63**

1. **Consolidation and Segment Reporting for the period ended December 31, 2012**

   a. GMR Infrastructure Limited ("the Company") carries on its business through various subsidiaries and joint ventures (hereinafter referred to as "the Group"), being special purpose vehicles exclusively formed to build and operate various infrastructure projects. The consolidated results have been prepared in accordance with the principles and procedures as set out in the Accounting Standard (AS) - 21 on 'Consolidated Financial Statements and AS – 27 on 'Financial Reporting of Interests in Joint Venture', notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).

   b. The segment reporting of the Company and its Group has been prepared in accordance with AS - 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

   The business segments of the Group comprise of the following:

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

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

2. As at December 31, 2012, the power segment companies have receivables (including unbilled revenue) from Tamil Nadu Electricity Board ('TNEB') and TANGENDCO Limited ('TANGENDCO') aggregating to Rs. 692.62 crore. Based on an internal assessment and various discussions that the Group had with TNEB and TANGENDCO, the management is confident of recovery of such receivables.

3. Delhi International Airport Private Limited ('DIAL'), a subsidiary of the Company, has accumulated losses of Rs. 1,616.30 crore resulting in substantial erosion of net worth as at December 31, 2012. Airport Economic Regulatory Authority ('AERA') vide its powers conferred by section 13(1) (a) of AERA Act, 2008 passed an Aeronautical tariff hike order No.03/2012-13 on April 24, 2012. The aforesaid order increased the Aeronautical tariffs to be levied at Delhi airport for the fourth and fifth tariff year (i.e. 2012-13 and 2013-2014) of the first five year control period (i.e. 2009-10 to 2013-14) which is effective from May 15, 2012 and April 1, 2013 respectively. AERA has also approved the rates of UDF in terms of the provisions of section 13(1)(b) of the AERA Act, 2008 read with Rule 89 of the Aircraft rules 1937.

   However, during the current quarter DIAL reported a net profit of Rs.8.89 crore and based on the order received and DIAL's business plan, the management is confident that DIAL will be able to generate sufficient profits in future years and would meet its financial obligations as they arise.

4. The Company along with its subsidiary have made an investment of Rs. 476.80 crore (including loans of Rs. 75.58 crore, share application money pending allotment of Rs. 92.82 crore and investment in equity shares of Rs. 308.40 crore) in its joint venture Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG) as at December 31, 2012. The Group's share of ISG's accumulated losses / negative reserves amounts to Rs. 407.99 crore, thereby resulting in substantial erosion of net worth as at December 31, 2012. Based on ISG's business plan, the management of the Company is confident that ISG will be able to generate sufficient profits in future years and would meet its financial obligations as they arise.

5. The Group has an investment of Rs. 338.33 crore (including loans of Rs. 101.74 crore, share application money pending allotment of Rs. 20.00 crore and investment in equity / preference shares of Rs. 216.59 crore made by the Company and its subsidiaries) in GMR Ambala Chandigarh Expressways Private Limited (‘GACEPL’), a subsidiary of the Company. GACEPL has been incurring losses since the commencement of commercial operations. 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. 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 management of the Group is of the view that the carrying value of net assets of Rs. 240.41 crore (after providing for losses till date of Rs. 97.92 crore) as regards investment in GACEPL as at December 31, 2012 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review report in this regard.

6. DIAL entered into contracts with various vendors in connection with construction of Terminal 3 and its related assets. Terminal 3 has been completed and capitalised by DIAL during the year ended March 31, 2011. In view of the significant size of the contracts and other complexities, DIAL is in the process of reconciling the balances with the aforesaid vendors and as such, has capitalised the said cost on the basis of its best estimate. The management believes that differences, if any, arising out of such reconciliation, will not be material to the consolidated financial results. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review report in this regard.

7. GMR Male International Airport 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 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. It was also stated that MACL would take over the possession and control of Male International Airport within 7 days of the said letter.

   Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the Male International Airport and GMIAL vacated the airport effective December 7, 2012. The matter is currently under arbitration and GMIAL is in the process of seeking remedies under the aforesaid concession agreement and does not anticipate counter claims if any. Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident of proving that the concession agreement was not void ab initio and that the Group would be entitled for compensation under the concession agreement.

   In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs 1,527.70 crore (USD 27.70 crores) at their carrying values as at December 31, 2012. The statutory auditors of the Company have modified their Limited Review report in this regard.

   The unaudited results of GMIAL do not reflect results of the airport operations post December 7, 2012. The details of its unaudited results consolidated till period ended December 31, 2012 are as follows:

(Rs. in crore)

	Quarter ended December 31, 2012	**Nine months ended December 31, 2012**
Total Income from operations	315.48	980.25
Profit after tax and minority interest	13.45	100.39

8. GMR Kishangarh Udaipur Ahmedabad Expressways Limited, a subsidiary of the Company (‘GKUAEL’), 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 mandatory ‘conditions precedent’ specified under the Concession Agreement within the due date, GKUAEL has 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. Further, NHAI in their letter dated January 17, 2013 to GKUAEL has also indicated of making good the alleged defaults of NHAI within the cure period of 90 days

   The Company along with its subsidiary has made an investment of Rs. 700.00 crore in GKUAEL, which is primarily utilized towards payment of mobilization advance of Rs 590.00 crore to its EPC contractors and Rs 107.96 crore towards indirect expenditure attributable to the project and borrowing costs (‘project expenses’). The management of the Group is confident of recovering the aforesaid mobilisation advance and does not anticipate any compensation to be payable to NHAI in view of the aforesaid dispute and continue to carry such project expenses as capital work in progress pending satisfactory resolution of the matter. The statutory auditors of the Company have modified their Limited Review report in this regard.

9. During the quarter ended December 31, 2012, a subsidiary of the Company has given an interest bearing inter corporate loan of USD 3.50 crore to a subsidiary of GMR Holding Private Limited, the Ultimate Holding Company of the Group. The management of the Group is confident of the recovery of the loan by the date stipulated as per the agreement.

10. GMR Energy Limited (‘GEL’), a subsidiary of the Company had entered into a Power Purchase Agreement with Karnataka Electricity Board for supply of energy during the period December 15, 1997 to July 7, 2008. GEL had a Fuel Supply Agreement (‘FSA’) with a fuel supplier towards purchase of Naptha for generation of electricity during the aforementioned period. The FSA provided for payment of liquidated damages to the fuel supplier in the event that there was a shortfall in the purchase of the annual guaranteed quantity.

    During the quarter ended December 31, 2012, GEL received a notice for Good Faith Negotiation under erstwhile FSA entered into between GEL and the fuel supplier with respect to dispute regarding liquidated damages amounting to Rs 296.16 crore along with an interest of Rs. 5.55 crore towards failure of GEL to purchase the annual guaranteed quantity for the period from November 21, 2001 to June 6, 2008. GEL vide its letter dated October 31, 2012 has disputed the demand from the fuel supplier towards the aforementioned damages.

    Subsequent to the quarter, GEL received a notice of arbitration from the fuel supplier’s lawyer requesting the appointment of Arbitrator for the dispute resolution. GEL is in the process of filing necessary replies to the said notice and based on its internal assessment and legal opinion is confident that the claim of the fuel supplier towards such liquidated damages is not tenable and accordingly, no adjustment has been made to the accompanying consolidated financial results for the quarter ended December 31, 2012.

11. 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 TNEB 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 TNEB. GPCL had received a favourable Order from TNERC on April 16, 2010 and in pursuance of the Order, GPCL had 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.

    TNEB filed a petition against TNERC Order in Appellate Tribunal for Electricity (APTEL). In terms of an interim Order on November 19, 2010 from APTEL, TNEB 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 counter claims of TNEB 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 Fuel Supply Agreement (FSA). GPCL has appealed to the Honorable 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.

In accordance with the Group's accounting policy, pending acceptance of claims by TNEB and pending adjudication of petition before the Honorable Supreme Court, the Group has not recognised the balance claim in the books of account.

In accordance with above, the amount received towards the above mentioned claims after the date of Order is being disclosed as advance from customer in the books of account. Further, GPCL has been legally advised that in view of the appeal filed by TNEB against the Order of APTEL in Honorable Supreme Court, the entire matter is now subjudice and has not attained the finality. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review report in this regard.

12. a. The Group is engaged in the business of generation and sale of electrical energy from its two gas based power plants of 220MW and 387.63MW situated at Kakinada and Vemagiri respectively. Further, the Group has investments in a subsidiary which is constructing a gas based power plant. In view of lower supplies/ availability of natural gas to the power generating companies in India, the Group is facing shortage of natural gas supply and delays in securing gas linkages. The Group is actively pursuing / making representations with various government authorities to secure the natural gas linkage / supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. The Group, for its 768 MW gas based power plant, which is under construction at Rajahmundry, has applied for allocation of gas and Ministry of Power and Natural Gas ('MoPNG') is yet to allocate the gas linkage. The Group has approached the lenders for reschedulement of Commercial Operation Date ('COD') of the plant under construction and repayment of project loans which has been approved by the Lead Banker and certain other members of the consortium of lenders and the management is confident of obtaining the approvals from the remaining members of the consortium. The Group and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management of the Group is confident that the Government of India would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review report in this regard.

    b. In respect of plant under construction at Rajamundry, pending securing supply of requisite natural gas, the Group has put on hold the active construction work of the plant. The management of the Group believes that the indirect expenditure attributable to the construction of the project and borrowing costs incurred during the period of uncertainty around securing gas supplies qualifies for capitalisation under paragraphs 9.3 and 9.4 of AS -10 and paragraphs 18 and 19 of AS -16. The subsidiary company setting up the plant has approached the Ministry of Corporate Affairs seeking clarification / relaxation on applicability of the aforementioned paragraphs to the gas availability situation referred in 12(a) above. The management of the Group is confident of obtaining necessary clarification / relaxation allowing such capitalisation. Pending receipt of requisite clarification / relaxation, the Group has capitalised aforesaid expenses amounting to Rs. 103.44 crore for the quarter ended December 31, 2012 (Rs. 192.21 crore for the period July 1, 2012 to December 31, 2012) towards cost of the plant under construction. The statutory auditors of the Company have modified their Limited Review report in this regard.

13. The cost of investment in Homeland Energy Group Limited ('HEGL'), a subsidiary as at December 31, 2012 amounting to Rs. 388.58 crore (including an unsecured loan of Rs. 220.64 crore) substantially exceeds the net worth/ market value of shares in HEGL. Effective November 1, 2012, the management of HEGL has temporarily ceased the active development of mines owned by HEGL. It is in the process of appointing a new mining contractor and is expected to resume operations in February 2013. The management of the Group is of the view that such shortfall in the net worth/ decline in market value of shares in HEGL and cessation in development of mines is temporary in nature and that the mines owned by HEGL have significant reserves and value potential which reflect intrinsic value in excess of carrying value of investments and loan in HEGL. Accordingly, the management of the Group is of the view that the carrying value of net assets of Rs. 238.93 crore after providing for losses till September 30, 2012, (considering that HEGL along with the subsidiaries and joint ventures are consolidated on a three months lag) as regards investment in HEGL as at December 31, 2012 is appropriate.

14. As at December 31, 2012, DIAL and GMR Hyderabad International Airport Limited ('GHIAL') have receivables from Air India aggregating to Rs. 115.37 crore. Considering the delays in realisation of the dues from Air India and the uncertainty involved over the timing of the ultimate collection, the domestic airport companies, as a measure of prudence, have decided to recognize the revenue from Air India when such uncertainty is removed as required by para 9.2 of AS - 9, 'Revenue Recognition'. However, based on an internal assessment and various discussions that the Group had with Air India and other Government

authorities, the management is confident of recovery of such receivables and hence no adjustments have been made to the consolidated financial results for the quarter ended December 31, 2012. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review report in this regard.

15. Kakinada SEZ Private Limited (KSPL), a subsidiary of the Company is undertaking development of a port based multi-product SEZ at Kakinada. The approvals from the Ministry of Commerce & Industry for the SEZ development were valid till June 26, 2012. Pending completion of the development of the SEZ, KSPL has applied for extension of the validity period which is pending approval from the Board of Approval of the Ministry of Commerce & Industry. The management is confident of obtaining the necessary approvals in the foreseeable future and continues with the active development of the SEZ. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

16. As at December 31, 2012, GMR Hotels and Resorts Limited (GHRL), a subsidiary of GHIAL, has accumulated losses of Rs. 77.88 crore, which has resulted in a substantial erosion of GHRL's net worth. The management of the Group expects that there will be significant increase in the operations of GHRL that will lead to improved cash flows and long term sustainability. GHIAL has undertaken to provide such financial support as necessary, to enable GHRL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due.

17. The Comptroller and Auditor General of India (CAG) has conducted the performance audit of Public Private Partnership (PPP) project of Airport Authority of India ('AAI') at Delhi airport, which is operated by DIAL, for the period 2006 to 2012. CAG has presented its report before the Rajya Sabha on August 17, 2012 wherein they have made certain observations on DIAL. The management of the Group is of the opinion that the observations in the CAG report do not have any financial impact on the consolidated financial results of the Group for the quarter ended December 31, 2012.

18. A search under Section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company and certain entities of the Group by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates during the quarter, to check the compliance with the provisions of the Income Tax Act, 1961. The Income Tax Department has subsequently sought certain information / clarifications. The Group has not received any show cause notice/ demand from the Income Tax Authorities. The management of the Group believes that it has complied with all the applicable provisions of the Income Tax Act, 1961 with respect to its operations.

19. As at December 31, 2012, GHIAL has receivables from Kingfisher Airlines Limited aggregating to Rs. 16.13 crore. The management of the Group is of the view that the receivables are fully recoverable and GHIAL has taken necessary steps to recover these amounts. As such, no adjustments have been made in the consolidated financial results for the quarter ended December 31, 2012. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review report in this regard.

20. 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 an employee benefit scheme. GWT has utilised the proceeds of the loan received from the Company in the following manner and the position as at December 31, 2012 is:

(in Rs. crore)

Equity shares of the Company	101.55
Equity shares of GMR Airports Limited (a subsidiary of the Company)	11.28
Others	2.17
Total	**115.00**

Securities and Exchange Board of India ('SEBI') has issued Circular No. CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed entities from framing any employee benefit scheme involving acquisition of own securities from the secondary market. The management of the Group is in the process of informing the stock exchanges and complying with the requirements of the circular within the prescribed timelines.

21. GMR Hyderabad Vijayawada Expressways Private Limited , a subsidiary of the Company has commenced the commercial operations of 181k.m long Hyderabad Vijayawada section of National Highway (NH) - 9 in the State of Andhra Pradesh on December 20, 2012.

22. GMR OSE Hungund Hospet Expressways Private Limited, a subsidiary of the Company has partially commenced the commercial operations of 99 k.m long Hungund Hospet section of NH-13 in the State of Karnataka on November 23, 2012.

23. Information pertaining to the Company on a standalone basis:

(in Rs. crore)

	Quarter ended			Nine months ended		Year ended
	December 31, 2012	September 30, 2012	December 31, 2011	December 31, 2012	December 31, 2011	March 31, 2012
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Revenue from operations	281.00	342.47	395.97	1,110.65	1,011.02	1,381.87
(b) (Loss) / Profit before tax	(18.13)	(25.14)	69.37	(14.24)	163.86	140.85
(c) (Loss) / Profit after tax	(12.52)	(23.48)	75.98	(17.99)	158.83	120.30

24. Other operating income comprises of:
- interest income, dividend income and profit on sale of current investments for companies which undertake investment activities; and
- other operating income for other companies.

25. The consolidated financial results of the Group for the quarter ended December 31, 2012 have been reviewed by the Audit Committee in their meeting on February 7, 2013 and approved by the Board of Directors in their meeting on February 8, 2013.

26. The Statutory Auditors of the Company have carried out the Limited Review of the above consolidated financial results of the Group for the quarter ended December 31, 2012. The auditors have also carried out the Limited Review of the standalone results of the Company for quarter ended on that date published on the Company's website and furnished to the stock exchanges.

27. Pursuant to Notification No. 447(E) dated February 28, 2011 and Notification No. 653(E) dated March 30, 2011 issued by MCA and Notification No. CIR/CFD/D IL/4/2012 dated April 16, 2012, by Securities and Exchange Board of India, the Company has prepared its consolidated financial statements/ results as per revised Schedule VI to the Companies Act, 1956. Accordingly, the previous period figures have been regrouped / rearranged, wherever required to align the consolidated financial statements / results to the revised format.

For GMR Infrastructure Limited

Sd/-
B.V.N Rao
Managing Director

Bengaluru
February 8, 2013

S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

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Limited Review Report

Review Report to
The Board of Directors of GMR Infrastructure Limited

1. We have reviewed the statement of unaudited consolidated financial results of GMR Infrastructure Limited ('the Company'), its subsidiaries and jointly controlled entities (together, 'the Group' and individually as "components"), for the quarter ended December 31, 2012 (the "Statement"), included in the accompanying statement of unaudited consolidated financial results, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

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

3. (a) The unaudited financial results and other financial information of a subsidiary, with total assets of Rs.11,706.50 crore as at December 31, 2012, total revenue (including other income) of Rs. 760.48 crore and total loss of Rs. 42.91 crore for the quarter then ended (after adjustments on consolidation) have been reviewed jointly by S.R. Batliboi & Associates along with other auditors.

   (b) The unaudited financial results and other financial information of a subsidiary, with total assets of Rs. 2,639.24 crore as at December 31, 2012, total revenue (including other income) of Rs. 149.62 crore and total profit of Rs. 1.81 crore for the quarter then ended (after adjustments on consolidation) have been reviewed jointly by S R B C & CO. along with other auditors.

   (c) We did not review the unaudited financial results and other financial information of (i) 90 subsidiaries, with total assets of Rs. 40,199.01 crore as at December 31, 2012, total revenue (including other income) of Rs. 737.46 crore and total profit of Rs. 0.53 crore for the quarter then ended (after adjustments on consolidation); and (ii) 8 jointly controlled entities with Group's share of total assets of Rs. 1,849.34 crore as at December 31, 2012, total revenue (including other income) of Rs. 314.61 crore and total profit of Rs. 9.82 crore for the quarter then ended (after adjustments on consolidation). The unaudited financial results and financial information for these subsidiaries and jointly controlled entities have been reviewed by the other auditors whose reports have been furnished to us, and our review report on the unaudited consolidated financial results is based solely on the reports of the other auditors.

   (d) We did not review the unaudited financial results and other financial information of (i) 25 subsidiaries (including 10 subsidiaries consolidated for the period July 1, 2012 to September 30, 2012), with total assets of Rs. 914.42 crore as at December 31, 2012, total revenue (including other income) of Rs. 38.64 crore, and total loss of Rs. 61.61 crore for the quarter then ended (after adjustments on consolidation); and (ii) 20 jointly controlled entities (including 13 jointly controlled entities consolidated for the period July 1, 2012 to September 30, 2012) with Group's share of total assets of Rs. 697.95 crore as at December 31, 2012, total revenue (including other income) of Rs.192.30 crore and total profit of Rs. 9.11 crore for the quarter then ended (after adjustments on consolidation). The unaudited financial results and other financial information for these subsidiaries and jointly controlled entities have been incorporated in the unaudited consolidated financial results of the Group based on unaudited financial results and other financial information as certified by the management of the Group.

S.R. BATLIBOI & ASSOCIATES ★ BENGALURU ★ CHARTERED ACCOUNTANTS

4. *As detailed in Note 12 (b) to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2012, GMR Rajamundhry Energy Limited, a subsidiary Company has capitalised Rs. 103.44 crore and Rs. 192.21 crore for the quarter and nine months period ended December 31, 2012 respectively towards indirect expenditure and borrowing costs incurred on a plant under construction where active construction work has been put on hold pending securing supply of requisite natural gas and has approached the Ministry of Corporate Affairs for clarification on the applicability of / relaxation from the provisions of AS -10 and AS -16 to the aforesaid capitalisation. However, in our opinion, the capitalisation of such expenses is not in accordance with the relevant Accounting Standards. Had the aforesaid expenditure not been capitalised, loss after tax and minority interest of the Group for the quarter and nine month period ended December 31, 2012 would have been higher by Rs. 101.28 crore and Rs. 190.12 crore respectively.*

5. *As detailed in Note 8 to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2012, GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary company has issued a notice of intention to terminate the Concession Agreement with National Highways Authority of India (NHAI) which has been disputed by NHAI. As at December 31, 2012, GKUAEL has incurred and capitalised indirect expenditure towards project and borrowing costs of Rs. 107.96 crore and has given capital advances of Rs.590 crores . In our opinion, the aforesaid capitalisation of Rs 107.96 crores is not in accordance with the relevant Accounting Standards and such expenses should have been charged off in the unaudited consolidated financial results. Had the aforesaid expenditure not been capitalised, loss after tax and minority interest of the Group for the quarter and nine month period ended December 31, 2012 would have been higher by Rs. 107.96 crore. Further, having regard to the uncertainty in view of the dispute, we are also unable to comment on the final outcome of the matter and any other consequential impact that may arise in this regard, on the unaudited consolidated financial results for the quarter ended December 31, 2012.*

6. *As detailed in Note 7 to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2012, the Concession Agreement entered into between GMR Male International Airport Limited (GMIAL),Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT") for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of Maldives Airport with effect from December 7, 2012. GMIAL has initiated arbitration process to seek remedies under the said agreement and pending resolution of the dispute, continues to recognise the assets pertaining to the airport operations at their respective carrying values. Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on the carrying value of the assets pertaining to the aforesaid project and any other consequential impact that may arise in this regard on the unaudited consolidated financial results for the quarter ended December 31, 2012.*

7. Without qualifying our conclusion, we draw attention to Note 5 to the unaudited consolidated financial results for the quarter ended December 31, 2012 in connection with the carrying value of net assets of Rs 240.41 crore (after providing for losses till date of Rs. 97.92 crore) as regards investment in GMR Ambala Chandigarh Expressways Private Limited (GACEPL). Though GACEPL has been incurring losses since the commencement of commercial operations, based on management's internal assessment and 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) as regards investment in GACEPL is appropriate. Accordingly, no adjustments have been made in the accompanying unaudited consolidated financial results.

8. Without qualifying our conclusion, we draw attention to Note 15 to the unaudited consolidated financial results for the quarter ended December 31, 2012 in connection with the approval pending from the Board of Approval of the Ministry of Commerce & Industry for the extension of the validity period for development of a port based multi-product SEZ by Kakinada SEZ Private Limited, a subsidiary of the Company. The management of the Group is confident of obtaining the necessary approval in the foreseeable future.

9. Without qualifying our conclusion, we draw attention to Note 6 to the unaudited consolidated financial results for the quarter ended December 31, 2012. Delhi International Airport Private Limited ('DIAL') is in the process of reconciling the balances with vendors in relation to the cost of Terminal 3 of Indira Gandhi International Airport, capitalised during the year ended March 31, 2011. Pending such reconciliation, DIAL has done such capitalisation on the basis of its best estimate.

S.R. BATLIBOI & ASSOCIATES ★ BENGALURU ★ CHARTERED ACCOUNTANTS

10. Without qualifying our conclusion, we draw attention to Note 14 to the unaudited consolidated financial results for the quarter ended December 31, 2012. In view of the uncertainty over collection, DIAL and GMR Hyderabad International Airport Limited ('GHIAL') have decided to recognize revenue from Air India effective October 1, 2011 only when such uncertainty over ultimate collection is removed. Further, the management of the Group has represented that they have taken steps to recover the amounts and are of the opinion that the receivables amounting to Rs. 115.37 crore as at December 31, 2012 from Air India are fully recoverable. Accordingly, no adjustments have been made in the accompanying unaudited consolidated financial results.

11. Without qualifying our conclusion, we draw attention to Note 19 to the unaudited consolidated financial results for the quarter ended December 31, 2012 regarding outstanding dues in GHIAL from Kingfisher Airlines Limited ('KAL') aggregating to Rs 16.13 crore. The Group's management has represented that they have taken steps to recover the amounts and are of the opinion that the receivables are fully recoverable. Accordingly, no adjustments have been made in the accompanying unaudited consolidated financial results.

12. Without qualifying our conclusion, we draw attention to Note 11 to the unaudited consolidated financial results for the quarter ended December 31, 2012 which indicate that the entire matter relating to claims / counter claim arising out of the Power Purchase Agreement and Land Lease Agreement, filed by GMR Power Corporation Limited and Tamil Nadu Electricity Board, is sub-judice before the Hon'ble Supreme Court of India and has not attained finality. Pending the resolution of matter, no adjustments have been made in the accompanying unaudited consolidated financial results.

13. Without qualifying our conclusion, we draw attention to Note 12 (a) to the unaudited consolidated financial results for the quarter ended December 31, 2012 regarding uncertainty towards lower supplies/ availability of natural gas to power generating plants of the Group and a power project which is under construction. The Management of the subsidiary company which is constructing the power project has obtained the approval of the Lead banker and certain other members of the consortium of lenders for reschedulement of project loans and is confident of obtaining the approval from remaining members of the consortium of lenders. Further, the management of the Group is confident of obtaining the requisite gas allocation and other approvals to ensure continuance of its normal business operations.

14. Based on our review conducted as above, *except for the effect of our observations in paragraphs 4 and 5 and the possible effects of our observations referred to in paragraphs 5 and 6* and on consideration of reports of other auditors and certification by the management of the unaudited separate quarterly financial results and the other financial information of the components nothing has come to our attention that causes us to believe that the Statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard - 25 on Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

S.R. Batliboi & Associates

For S.R. Batliboi & Associates
Firm registration number: 101049W
Chartered Accountants

S.R. BATLIBOI & ASSOCIATES
BENGALURU
CHARTERED ACCOUNTANTS

per Sunil Bhumralkar
Partner
Membership No.:35141

Bengaluru
February 8, 2013