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 ended June 30, 2013

[in Rs. crore]

Particulars	Quarter ended			Year ended
	June 30, 2013 Unaudited	March 31, 2013 Refer Note 25	June 30, 2012 Unaudited	March 31, 2013 Audited
1. Income from operations				
a) Sales/ Income from operations	2,614.72	2,571.07	2,572.61	9,871.87
b) Other Operating income - Refer Note 24	20.29	21.45	28.84	102.99
Total Income from operations	**2,635.01**	**2,592.52**	**2,601.45**	**9,974.86**
2. Expenditure				
a) Revenue share paid/ payable to concessionaire grantors	471.28	591.46	291.31	1,669.48
b) Consumption of fuel	568.51	250.85	364.81	1,031.85
c) Cost of materials consumed	20.76	21.03	112.64	201.90
d) Purchase of traded goods	206.00	143.65	386.71	1,230.80
e) (Increase) or Decrease in stock in trade	(1.97)	17.72	(9.30)	20.70
f) Sub-contracting expenses	138.23	155.51	316.77	963.15
g) Employee benefits expenses	138.54	118.36	157.96	611.93
h) Depreciation and amortisation expenses	310.92	272.20	253.00	1,039.78
i) Utilisation fees	35.93	36.30	24.67	130.87
j) Other expenses	414.86	496.76	359.16	1,637.01
k) Foreign exchange fluctuations loss (net)	47.63	-	-	-
Total expenses	**2,350.69**	**2,103.84**	**2,257.73**	**8,537.47**
3. Profit/ (Loss) from operations before other income, finance costs and exceptional items (1) - (2)	**284.32**	**488.68**	**343.72**	**1,437.39**
4. Other income				
a) Foreign exchange fluctuations gain (net)	-	4.54	46.44	0.17
b) Other income - others	53.76	69.64	65.22	277.02
Total other income	**53.76**	**74.18**	**111.66**	**277.19**
5. Profit / (Loss) from operations before finance costs and exceptional items (3) + (4)	**338.08**	**562.86**	**455.38**	**1,714.58**
6. Finance costs	609.75	608.15	480.37	2,099.00
7. (Loss) / Profit after finance costs but before exceptional items (5) - (6)	**(271.67)**	**(45.29)**	**(24.99)**	**(384.42)**
8. Exceptional items				
a. Profit on dilution in a subsidiary **- Refer Note 13**	55.08	-	-	-
b. Profit on sale of a subsidiary **- Refer Note 12**	-	1,231.25	-	1,231.25
c. Loss on impairment of assets in a subsidiary - **Refer Note 11**	-	(251.37)	-	(251.37)
d. Assets write off in a subsidiary **- Refer Note 5(a)**	-	(202.61)	-	(202.61)
9. (Loss) / Profit from ordinary activities before tax (7) ± (8)	**(216.59)**	**731.98**	**(24.99)**	**392.85**
10. Tax expenses	65.24	68.66	85.04	257.44
11. Net (Loss) / Profit from ordinary activities after tax and before minority interest (9-10)	**(281.83)**	**663.32**	**(110.03)**	**135.41**
12. Minority interest	(44.20)	(84.15)	15.73	(47.29)
13. Net (Loss) / Profit after tax and minority interest (11+12)	**(326.03)**	**579.17**	**(94.30)**	**88.12**
14. E B I T D A (3) + (2(h)) + (4(a))	**595.24**	**765.42**	**643.16**	**2,477.34**
15. Paid-up equity share capital (Face value - Re. 1 per share)	**389.24**	**389.24**	**389.24**	**389.24**
16. Reserves excluding revaluation reserves as per balance sheet of previous accounting year				**6,888.94**
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**
18. Earnings per share - Basic and Diluted - (Rs.) (not annualised)	**(0.84)**	**1.49**	**(0.24)**	**0.23**

PART II				
Select Information for the quarter June 30, 2013				
Particulars	**As at quarter ended**			**As at year ended**
	June 30, 2013	**March 31, 2013**	**June 30, 2012**	**March 31, 2013**
A. PARTICULARS OF SHAREHOLDING				
1. Public Shareholding				
- Number of shares	1,103,702,750	1,103,702,750	1,111,990,950	1,103,702,750
- Percentage of shareholding	28.36%	28.36%	28.57%	28.36%
2. Promoters and promoter group shareholding				
a) Pledged/ Encumbered				
- Number of shares	1,115,108,239	1,026,631,555	777,408,907	1,026,631,555
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	39.99%	36.81%	27.96%	36.81%
- Percentage of shares (as % of the total share capital of the Company)	28.65%	26.38%	19.97%	26.38%
b) Non-Encumbered				
- Number of shares	1,673,623,793	1,762,100,477	2,003,034,925	1,762,100,477
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	60.01%	63.19%	72.04%	63.19%
- Percentage of shares (as % of the total share capital of the Company)	42.99%	45.26%	51.46%	45.26%

Particulars	**Quarter ended June 30, 2013**
B. INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	13
Disposed of during the quarter	13
Remaining unresolved at the end of the quarter	-

GMR Infrastructure Limited

Report on Consolidated Segment Revenue, Results and Capital Employed

Particulars	**Quarter ended**			
	June 30, 2013 Unaudited	**March 31, 2013 Refer Note 25**	**June 30, 2012 Unaudited**	**March 31, 2013 Audited**
1. Segment Revenue				
a) Airports	1,394.58	1,731.00	1,323.31	6,121.91
b) Power	932.20	508.92	746.28	2,429.50
c) Roads	164.70	182.05	105.10	517.37
d) EPC	170.89	250.30	489.25	1,453.72
e) Others	169.41	132.83	136.17	541.34
	2,831.78	2,805.10	2,800.11	11,063.84
Less: Inter Segment	196.77	212.58	198.66	1,088.98
Segment revenue from operations	**2,635.01**	**2,592.52**	**2,601.45**	**9,974.86**
2. Segment Results				
a) Airports	331.19	552.42	204.84	1,255.52
b) Power	(163.30)	(144.17)	75.56	(139.47)
c) Roads	77.49	69.32	53.23	246.89
d) EPC	(2.17)	63.45	38.75	164.69
e) Others	115.10	51.37	93.46	289.01
	358.31	592.39	465.84	1,816.64
Less: Inter Segment	49.26	62.35	38.60	245.64
Net Segment Results	**309.05**	**530.04**	**427.24**	**1,571.00**
Less: Finance costs (net)	580.72	575.33	452.23	1,955.42
Add/ (Less) : Exceptional items				
a. Profit on dilution in a subsidiary - Refer Note 13	55.08	-	-	-
b. Profit on sale of a subsidiary - Refer Note 12	-	1,231.25	-	1,231.25
c. Loss on impairment of assets in a subsidiary - Refer Note 11	-	(251.37)	-	(251.37)
d. Assets write off in a subsidiary - Refer Note 5(a)	-	(202.61)	-	(202.61)
(Loss) / Profit before tax	**(216.59)**	**731.98**	**(24.99)**	**392.85**
3. Capital employed (Segment Assets - Segment Liabilities)				
a) Airports	16,480.28	15,990.68	17,001.31	15,990.68
b) Power	24,130.77	24,622.15	23,046.45	24,622.15
c) Roads	6,524.83	6,876.11	6,198.26	6,876.11
d) EPC	333.71	152.65	282.04	152.65
e) Others	11,715.57	12,059.30	11,432.79	12,059.30
	59,185.16	59,700.89	57,960.85	59,700.89
Less: Inter Segment	4,813.07	4,940.25	4,556.72	4,940.25
Unallocated Assets / (Liabilities)	(43,537.47)	(43,791.36)	(42,098.94)	(43,791.36)
Total	**10,834.62**	**10,969.28**	**11,305.19**	**10,969.28**

1. **Consolidation and Segment Reporting for the quarter ended June 30, 2013**

   a. GMR Infrastructure Limited ('the Company') carries on its business through various subsidiaries, joint ventures and associates (hereinafter referred to as 'the Group'), being special purpose vehicles exclusively formed to build and operate various infrastructure projects. 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', AS – 27 on 'Financial Reporting of Interests in Joint Venture' and AS – 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements', 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 June 30, 2013, the power segment companies have receivables (including unbilled revenue) from Tamil Nadu Electricity Board ('TNEB') and TANGENDCO Limited ('TANGENDCO') aggregating to Rs. 433.02 crore. Based on an internal assessment, collections by the Group from TNEB subsequent to the quarter and various discussions that the Group had with TNEB and TANGENDCO, the management is confident of recovery of such receivables.

3. The Company along with its subsidiary has an investment of Rs. 501.92 crore in its joint venture Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi (ISG) as at June 30, 2013. The Group's share of ISG's accumulated losses / negative reserves amounts to Rs. 430.45 crore (excluding debit balance of foreign currency translation reserve of Rs. 77.98 crore), thereby resulting in substantial erosion of net worth of ISG as at June 30, 2013. Based on ISG's business plan, the management of the Group is confident that ISG will be able to generate sufficient profits in future years and would meet its financial obligations as they arise.

4. The Group has an investment of Rs. 346.16 crore (including loans of Rs. 109.57 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. The matter is currently under arbitration. 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. 237.77 crore (after providing for losses till date of Rs. 108.39 crore) as regards investment in GACEPL as at June 30, 2013 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

5. a) 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 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 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. The Government of Maldives ('GoM') and MACL served their statement of case on May 17, 2013 to which GMIAL and the GMR-Malaysia Airports Holdings Berhad ('GMR-MAHB') consortium served their defence and counterclaim on June 21, 2013. GoM and MACL have served a reply and defence to counterclaim on July 12, 2013. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and the outcome of the arbitration is uncertain as at June 30, 2013. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs. 1,367.42 crore (USD 22.70 crore) including claim recoverable Rs. 1,022.04 crore (USD 16.97 crore) at their carrying values as at June 30, 2013, net of assets written off of Rs. 202.61 crore during the quarter ended March 31, 2013. Such assets written off were disclosed as an exceptional item in the financial results of the Group for the quarter and year ended March 31, 2013. The outcome of the arbitration is uncertain as at June 30, 2013. GMIAL's ability to continue its future business operations is solely dependent on the outcome of arbitration and / or a negotiated settlement. However financial statements of GMIAL as at and for the quarter ended June 30, 2013 have been prepared and accordingly consolidated on a going concern basis.

Further, GMIAL has executed work construction contracts with GADL International Limited ('GADL') and other service providers for rehabilitation, expansion, modernization of Male International Airport. Pursuant to aforesaid takeover of airport, GMIAL has terminated the contracts with GADL 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 June 30, 2013 from GADL and other service providers. However, no such claims relating to the termination of contracts have been recognised as at June 30, 2013 since the amounts payable are not certain.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Group 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. The statutory auditors of the Company have modified their Limited Review Report in this regard.

The results of GMIAL do not reflect results of the airport operations post December 7, 2012. The details of its results consolidated till quarter ended June 30, 2013 are as follows:

(in Rs. crore)

	Quarter ended June 30, 2013	**Quarter ended March 31, 2013**	**Quarter ended June 30, 2012**	**Year ended March 31, 2013**
Total income	0.33	-	291.39	978.35
Profit/(loss) after tax and minority interest (before consolidation adjustments)	(9.21)	(136.26)	38.77	(57.35)

5. b) GADL, a subsidiary of the Company, is registered in the Republic of Maldives for upgrading of existing terminal and construction of new terminal at the Male International Airport. As per the work construction contract dated October 25, 2010 entered into with GMIAL, the expected substantial completion date of the construction was July 01, 2014, and GADL's registration in the Republic of Maldives is valid till December 31, 2016. However, pursuant to the takeover of Male International Airport by MACL, GMIAL has terminated the work construction contract with GADL on December 10, 2012. These conditions indicate the existence of a material uncertainty about the going concern of GADL. However, the financial statements of GADL as at and for the period ended June 30, 2013 has been prepared and accordingly consolidated on a going concern basis. The statutory auditors of the Company have modified their Limited Review Report in this regard.

6. 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 had 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 117.03 crore (including Rs. 9.28 crore during the quarter ended June 30, 2013) 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.

7. During the quarter ended June 30, 2013, GMR Infrastructure Mauritius Limited ('GIML), a subsidiary of the Company, has granted an interest bearing unsecured inter corporate loan of USD 11.50 crore to an overseas subsidiary of GMR Holdings Private Limited ('GHPL'), the Ultimate Holding Company of the Group. The aforementioned loan of Rs. 692.76 crore (USD 11.50 crore) is outstanding as at June 30, 2013 and is guaranteed by GHPL. Subsequent to June 30, 2013, an amount of USD 3.20 crore has been repaid and the management of the Group is confident of recovery of the balance outstanding loan in the immediate future.

8. GMR Energy Limited ('GEL'), a subsidiary of the Company had entered into a Power Purchase Agreement ('PPA') with Karnataka Power Transmission Corporation Limited 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 year ended March 31, 2013, 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 had disputed the demand from the fuel supplier towards the aforementioned damages. Subsequently GEL received a notice of arbitration from the fuel supplier's legal representative requesting the appointment of arbitrator for the dispute resolution which has been disputed by GEL in their reply dated February 15, 2013.

   During the quarter ended June 30, 2013, the fuel supplier has filed a petition in the Hon'ble High Court of Karnataka seeking appointment of a sole arbitrator for the resolution of the dispute. Based on its internal assessment and a legal opinion, the management of the Group is confident that the claim of the fuel supplier towards such liquidated damages is not tenable and accordingly no adjustments have been made to the accompanying financial results of the Group.

9. GMR Power Corporation Limited (‘GPCL’), a subsidiary of the Company, approached Tamil Nadu Electricity Regulatory Commission (TNERC) to resolve the claims / counterclaims arising out of the PPA and Land Lease Agreement (‘LLA’) in respect of the dues recoverable from 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 FSA. GPCL has 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.

   GPCL is 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 has offered the claims upto March 31, 2012 as income in its tax returns and has claimed the deduction as available under Section 80IA of the IT Act.

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

   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 in view of the appeal filed by TNEB against the Order of APTEL in Hon’ble 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.

10. 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, GMR Rajahmundry Energy Limited (‘GREL’) 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. GEL and GMR Vemagiri Power Generation Limited (‘GVPGL’) have been incurring losses on account of the aforesaid shortage of natural gas supply, thereby resulting in erosion of networth of these gas based power generating companies and GREL has not commenced commercial operations pending linkages of natural gas supply. 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 Petroleum and Natural Gas (‘MoPNG’) is yet to allocate the gas linkage. The consortium of lenders have approved the reschedulement of Commercial Operation Date (‘COD’) of the plant under construction to April 1, 2014 and repayment of project loans. 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. Based on business plan and valuation assessment, the management of the Group is confident that GEL and GVPGL will be able to generate sufficient profits in future years, GREL will achieve the COD as stated aforesaid and these gas based power generating companies would meet their financial obligations as they arise and hence considers that the carrying value of the net assets of the above entities as at June 30, 2013 is appropriate. Despite the aforementioned loss, these financial results of the Group 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 Limited Review Report in this regard.

b. In respect of plant under construction at Rajahmundry, 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 10(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. 87.82 crore and Rs. 370.21 crore for the quarter ended June 30, 2013 and cumulatively upto June 30, 2013 respectively towards cost of the plant under construction. The statutory auditors of the Company have modified their Limited Review Report in this regard.

11. The Group has an investment of Rs. 167.94 crore and has given a loan of Rs. 240.96 crore to Homeland Energy Group Limited (‘HEGL’), a subsidiary of the Company. During the quarter ended March 31, 2013, the Group had entered into agreements for divestment of the key coal mines held by certain subsidiaries and jointly controlled entities of HEGL, subject to obtaining necessary approvals. Based on the realisable value of these mines, pursuant to the proposed divestment, during the quarter ended March 31, 2013, the Group had made an impairment provision of Rs. 251.37 crore towards the carrying value of the net assets of HEGL (including goodwill on consolidation of Rs. 98.71 crore), which was disclosed as an exceptional item in the consolidated financial results for the quarter and year ended March 31, 2013. The management of the Group is confident that the carrying value of net assets as at June 30, 2013 in HEGL after the aforesaid impairment provision is appropriate.

The details of the results of HEGL consolidated till quarter ended June 30, 2013 are as follows:

(in Rs. crore)

	Quarter ended June 30, 2013	**Quarter ended March 31, 2013**	**Quarter ended June 30, 2012**	**Year ended March 31, 2013**
Total income	1.25	9.29	39.79	103.57
Profit/(loss) after tax and minority interest (before consolidation adjustments)	(31.29)	(216.67)	8.96	(259.22)

12. During the quarter ended March 31, 2013, the Group had divested its 70% stake in GMR Energy Singapore Pte. Limited (‘GESPL’) to FPM Power Holding Limited and had realised a profit of Rs. 1,231.25 crore arising on such sale of shares, which was disclosed as an ‘exceptional item’ in the consolidated financial results of the Group for the quarter and year ended March 31, 2013. GESPL was developing a 800MW combined cycle gas turbine power plant in Jurong Island, Singapore. Further, the Company has provided a guarantee of SGD 38.00 crore towards warranties as specified in the Share Purchase Agreement (‘SPA’) and other SPA transaction documents for a period till September 30, 2014 and in respect of tax claims, if any, the guarantee period is upto March 31, 2018.

The details of the results of GESPL consolidated till quarter ended March 31, 2013 are as follows:

(in Rs. crore)

	Quarter ended March 31, 2013	**Quarter ended June 30, 2012**	**Year ended March 31, 2013**
Total income	Nil	Nil	Nil
Profit/(loss) after tax and minority interest (before consolidation adjustments)	3.41	(2.16)	4.49

13. During the year ended March 31, 2013, the Group had entered into definitive sale agreements for divestment of 74% stake in GMR Jadcherla Expressways Private Limited (GJEPL), an erstwhile subsidiary of the Company to Macquarie SBI Infrastructure Investments Pte. Limited and SBI Macquarie Infrastructure Trustee Limited. During the quarter ended June 30, 2013, the sale transaction has been completed and the Group has realised a profit of Rs. 55.08 crore on such sale of shares, which has been disclosed as an 'exceptional item' in these consolidated financial results.

    The Group has also entered into a definitive sale agreement for the balance 26% stake in GJEPL subject to obtaining regulatory approvals. As such, the Group has accounted for investment in such associate in accordance with AS – 13 'Accounting for Investments'.

    The details of the results of GJEPL consolidated till quarter ended March 31, 2013 are as follows:

(in Rs. crore)

	Quarter ended March 31, 2013	**Quarter ended June 30, 2012**	**Year ended March 31, 2013**
Total income	17.31	16.26	66.75
Profit/(loss) after tax and minority interest (before consolidation adjustments)	0.27	0.40	2.09

14. 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 of the Group 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.

15. As at June 30, 2013, GMR Hotels and Resorts Limited ('GHRL'), a subsidiary of GMR Hyderabad International Airport Limited ('GHIAL'), has accumulated losses of Rs. 91.05 crore, which has resulted in a substantial erosion of GHRL's net worth. The management of the Group expects that there will be a 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.

16. During the quarter ended June 30, 2013, MAS GMR Aero Technic Limited ('MGATL'), a 50% jointly controlled entity of the Group (effective ownership interest of the Group is 30.60%), has incurred net loss of Rs. 21.87 crore and has accumulated losses of Rs. 172.85 core as June 30, 2013, which has resulted in erosion of MGATL's net worth. The management of the Group expects that there will be a significant increase in the operations of MGATL that will lead to improved cash flows and long term sustainability. The Group has undertaken to provide such financial support as necessary, to enable MGATL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these consolidated financial results do not include any adjustments relating to the recoverability of assets or the amounts of liabilities that may be necessary if MGATL is unable to continue as a going concern.

17. As at June 30, 2013, Delhi International Airport Private Limited ('DIAL') and GHIAL have receivables from Kingfisher Airlines Limited ('KAL') aggregating to Rs. 15.91 crore. The management of the Group is of the view that the receivables are fully recoverable and DIAL and GHIAL have taken necessary steps to recover these amounts. As such, no adjustments have been made in these financial results for the year ended June 30, 2013. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

18. 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 June 30, 2013.

19. A search under Section 132 of the IT Act 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 year ended March 31, 2013, to check the compliance with the provisions of the IT Act. The Income Tax Department has subsequently sought certain information / clarifications. The Group has not received any demand from the Income Tax Authorities. The management of the Group believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

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 June 30, 2013 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 has submitted the details of the GWT to the stock exchanges and is in the process of complying with the requirements of the circular within the prescribed timelines. ('SEBI') has issued Circular No. CIR/CFD/DIL/7-2013 dated May 13, 2013 extending the date of compliance to December 31, 2013.

21. As at June 30, 2013, GMR Infrastructure (Cyprus) Limited, a subsidiary of the Company, has fixed deposits of Rs. 823.42 crore with Eurobank, Cyprus. The Republic of Cyprus is presently facing economic difficulties. The management is of the view that inspite of such economic difficulties the amount held as fixed deposit with Eurobank is good for recovery though withdrawal of the amount from the Republic of Cyprus would be subject to restriction as may be imposed by the Central Bank of Cyprus.

22. The Group has an investment of Rs. 1,407.47 crore, including subordinate loan of Rs. 414.60 crore in GMR Chhattisgarh Energy Limited ('GCHEPL') as at June 30, 2013 and has also provided corporate / bank guarantee towards loan taken by GCHEPL from the project lenders. GCHEPL is in advanced stage of construction of 1,370 MW coal based thermal power plant at Raipur district, Chhattisgarh and is awaiting linkage of domestic coal. GEL has obtained provisional Mega Power status certificate from the Government of India, Ministry of Power vide letter dated September 8, 2011. The management of the Group is confident of obtaining the linkage of domestic coal prior to the completion of construction of the plant and is of the view that the carrying value its investment including subordinate loan in GCHEPL as at June 30, 2013 is appropriate.

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

(in Rs. crore)

	Quarter ended			Year ended
	June 30, 2013	March 31, 2013	June 30, 2012	March 31, 2013
	Unaudited	Refer Note 25	Unaudited	Audited
(a) Revenue from operations	263.40	322.14	487.18	1,432.79
(b) Profit / (loss) before tax and after exceptional items	20.40	96.69	29.03	82.45
(c) Profit / (loss) after tax	15.26	71.43	18.01	53.45

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 figures of the quarter ended March 31, 2013 are the balancing figures between audited figures in respect of the full financial year upto March 31, 2013 and the published year to date figures upto December 31, 2012.

26. The consolidated financial results of the Group for the quarter ended June 30, 2013 have been reviewed by the Audit Committee at their meeting on August 12, 2013 and approved by the Board of Directors at their meeting on August 13, 2013.

27. The statutory auditors of the Company have carried out the Limited Review of the above consolidated financials results of the Company for the quarter ended June 30, 2013.

28. Previous year / period figures have been re-grouped / re-arranged, wherever necessary to conform to the current year's presentation.

For GMR Infrastructure Limited

Sd/-
Kiran Kumar Grandhi
Managing Director

Bengaluru
August 13, 2013

S.R. BATLIBOI & ASSOCIATES LLP
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, associate and jointly controlled entities (together, 'the Group' and individually as "components"), for the quarter ended June 30, 2013 (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. 11,843.78 crore as at June 30, 2013, total revenue (including other income) of Rs. 909.76 crore and total profit of Rs. 3.30 crore for the quarter then ended (after adjustments on consolidation) have been reviewed jointly by S.R. Batliboi & Associates LLP along with other auditors.

   (b) The unaudited financial results and other financial information of a subsidiary, with total assets of Rs. 2,611.62 crore as at June 30, 2013, total revenue (including other income) of Rs. 170.76 crore and total profit of Rs. 5.96 crore for the quarter then ended (after adjustments on consolidation) have been reviewed jointly by S R B C & CO. LLP along with other auditors.

   (c) We did not review the unaudited financial results and other financial information of (i) 89 subsidiaries, with total assets of Rs. 39,509.46 crore as at June 30, 2013, total revenue (including other income) of Rs. 870.10 crore and total loss of Rs. 259.73 crore for the quarter then ended (after adjustments on consolidation); (ii) 20 jointly controlled entities (including 11 jointly controlled entities consolidated for the period January 1, 2013 to March 31, 2013) with Group's share of total assets of Rs. 2,217.82 crore as at June 30, 2013, total revenue (including other income) of Rs. 310.35 crore and total loss of Rs. 1.30 crore for the quarter then ended (after adjustments on consolidation) and (iii) 1 associate with Group's share of total profit of Rs. Nil for the quarter then ended (after adjustments on consolidation). The unaudited financial results and financial information for these subsidiaries, jointly controlled entities and the associate 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.

S.R. Batliboi & Associates LLP Bengaluru

S.R. Batliboi & Associates (a partnership firm) converted into S.R. Batliboi & Associates LLP (a Limited Liability Partnership with LLP Identity No. AAB-4295) effective 1st April, 2013
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

(d) We did not review the unaudited financial results and other financial information of (i) 18 subsidiaries (including 6 subsidiaries consolidated for the period January 1, 2013 to March 31, 2013), with total assets of Rs. 357.04 crore as at June 30, 2013, total revenue (including other income) of Rs. 4.87 crore, and total loss of Rs. 34.31 crore for the quarter then ended (after adjustments on consolidation); and (ii) 8 jointly controlled entities (including 2 jointly controlled entities consolidated for the period January 1, 2013 to March 31, 2013) with Group's share of total assets of Rs. 107.82 crore as at June 30, 2013, total revenue (including other income) of Rs. 12.95 crore and total profit of Rs. 0.01 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 as reviewed financial results of such component entities as at and for the period ended June 30, 2013 are not available and our review report in so far as it relates to the affairs of such subsidiaries and jointly controlled entities is based solely on the basis of management certified financial results and other financial information. Our conclusion is not qualified in respect of this matter.

4. *As detailed in Note 10 (b) to the accompanying statement of unaudited consolidated financial results for the quarter ended June 30, 2013, GMR Rajahmundry Energy Limited ('GREL'), a subsidiary of the Company has capitalised Rs. 87.82 crore and Rs. 370.21 crore for the quarter ended and cumulatively upto June 30, 2013 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 Accounting Standard ('AS') -10 and AS -16 to the aforesaid capitalisation. However, in our opinion, the aforesaid capitalisation of expenses is not in accordance with the relevant Accounting Standards. Had the aforesaid expenditure not been capitalized, loss after tax and minority interest of the Group for the quarter ended and cumulatively upto June 30, 2013 would have been higher by Rs. 85.98 crore and Rs. 362.47 crore respectively. In respect of above matter, our audit report for the year ended March 31, 2013 was similarly modified.*

5. *As detailed in Note 6 to the accompanying statement of unaudited consolidated financial results for the quarter ended June 30, 2013, GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the 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 June 30, 2013 GKUAEL has incurred and capitalised indirect expenditure and borrowing costs of Rs. 117.03 crore (including Rs. 9.28 crore during the quarter ended June 30, 2013) and has given capital advances of Rs. 590.00 crore. In our opinion, the aforesaid capitalisation of Rs 117.03 crore is not in accordance with the relevant Accounting Standards and such expenses should have been charged off in the accompanying unaudited consolidated financial results. Had the aforesaid expenditure not been capitalised, loss after tax and minority interest of the Group for the quarter ended June 30, 2013 and cumulatively upto June 30, 2013 would have been higher by 9.28 crore and Rs. 117.03 crore respectively. Further, having regard to the uncertainty in view of the dispute, we are unable to comment on the final outcome of the matter and its consequential impact that may arise in this regard on the unaudited consolidated financial results for the quarter ended June 30, 2013. In respect of above matter, our audit report for the year ended March 31, 2013 was similarly modified.*

6. *As detailed in Note 5 (a) and 5(b) to the accompanying statement of unaudited consolidated financial results for the quarter ended June 30, 2013, the Concession Agreement entered into between GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT') for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the aforementioned agreement and pending resolution of the dispute, continues to recognise the assets at their carrying values as at June 30, 2013 including claims recoverable of Rs. 1,022.04 crore (USD 16.97 crore) as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets.*

S.R. Batliboi & Associates LLP Bengaluru

Further, GMIAL has executed works construction contracts with GADL International Limited ('GADL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADL and these service providers and has received claims from GADL and these service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the unaudited consolidated financial results as at June 30, 2013.

The takeover of MIA by MACL, initiation of arbitration proceedings and its consequential impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADL. However, the unaudited financial results and other financial information of GMIAL and GADL as at and for the quarter ended June 30, 2013 continue to be prepared and consolidated on a going concern basis.

Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on its impact on the carrying value of the assets of GMIAL and GADL and any other consequential impact that may arise in this regard on the unaudited consolidated financial results for the quarter ended June 30, 2013. In respect of above matter, our audit report for the year ended March 31, 2013 was similarly modified.

7. We draw attention to Note 4 to the accompanying statement of unaudited consolidated financial results for the quarter ended June 30, 2013 in connection with the carrying value of net assets of Rs 237.77 crore (after providing for losses till date of Rs. 103.39 crore) as regards investment in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Company. 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. Our conclusion is not qualified in respect of this matter.

8. We draw attention to Note 14 to the accompanying statement of unaudited consolidated financial results for the quarter ended June 30, 2013 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 approvals in the foreseeable future and continues with the active development of the SEZ. Our conclusion is not qualified in respect of this matter.

9. We draw attention to Note 17 to the accompanying statement of unaudited consolidated financial results for the quarter ended June 30, 2013 regarding outstanding dues in GMR Hyderabad International Airport Limited and Delhi International Airport Private Limited from Kingfisher Airlines Limited ('KAL') aggregating to Rs. 15.91 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. Our conclusion is not qualified in respect of this matter.

10. We draw attention to Note 9 to the accompanying statement of unaudited consolidated financial results for the quarter ended June 30, 2013 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 ('GPCL'), a subsidiary of the Company and Tamil Nadu Electricity Board, 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 unaudited consolidated financial results. Considering that substantial amount, though under protest, has been received, GPCL, based on an expert opinion, has offered the amount of claims received upto March 31, 2012 as income in its income tax returns and has claimed the deduction under Section 80IA of the Income Tax Act 1961. Our conclusion is not qualified in respect of this matter.

S.R. Batliboi & Associates LLP * Bengaluru

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

11. We draw attention to Note 10 (a) to the accompanying statement of unaudited consolidated financial results for the quarter ended June 30, 2013 regarding (i) losses incurred by GMR Energy Limited ('GEL') and GMR Vemagiri Power Generation Limited ('GVPGL'), subsidiaries of the Company, and the consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas and (ii) rescheduling of the commercial operations date and the repayment of certain project loans by GREL pending linkage of natural gas supply. Based on business plans and valuation assessment, the management of the Group is of the view that the carrying value of the net assets in GEL, GVPGL and GREL as at June 30, 2013 is appropriate. However, 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 as such the accompanying unaudited consolidated financial results do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not qualified in respect of this matter.

12. Based on our review conducted as above, *except for the effects 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.

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

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: August 13, 2013

S.R. Batliboi & Associates LLP
Bengaluru