GMR Infrastructure Limited
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PART I

Statement of unaudited consolidated financial results for the quarter and nine month period ended December 31, 2014

[in Rs. crore]

Particulars	Quarter ended			Nine month period ended		Year ended
	December 31, 2014 Unaudited	September 30, 2014 Unaudited	December 31, 2013 Unaudited	December 31, 2014 Unaudited	December 31, 2013 Unaudited	March 31, 2014 Audited
1. Income from operations						
a) Sales/ Income from operations	2,727.83	2,636.03	2,625.04	8,063.24	7,636.97	10,566.97
b) Other Operating income - Refer Note 33	33.47	46.05	13.31	111.53	55.50	86.25
Total Income from operations	**2,761.30**	**2,682.08**	**2,638.35**	**8,174.77**	**7,692.47**	**10,653.22**
2. Expenditure						
a) Revenue share paid/ payable to concessionaire grantors	535.88	497.42	502.61	1,520.44	1,435.95	1,943.69
b) Consumption of fuel	518.56	499.53	431.16	1,640.29	1,275.64	1,754.47
c) Cost of materials consumed	16.57	8.63	15.55	35.51	52.59	60.65
d) Purchase of traded goods	183.22	285.59	216.82	737.28	781.25	1,045.06
e) (Increase) or Decrease in stock in trade	(7.58)	(19.30)	(2.50)	(35.80)	(29.15)	(14.42)
f) Sub-contracting expenses	140.69	122.37	106.70	395.47	315.14	522.87
g) Employee benefits expenses	165.61	160.32	149.05	478.41	429.28	574.22
h) Depreciation and amortisation expenses	468.96	474.67	373.27	1,396.90	1,017.30	1,454.99
i) Utilisation fees	-	-	50.18	-	134.31	186.18
j) Other expenses	507.28	541.98	536.60	1,486.47	1,423.35	2,015.09
k) Foreign exchange fluctuations loss (net)	30.07	-	-	42.31	-	-
Total expenses	**2,559.26**	**2,571.21**	**2,379.44**	**7,697.28**	**6,835.66**	**9,542.80**
3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1) - (2)	**202.04**	**110.87**	**258.91**	**477.49**	**856.81**	**1,110.42**
4. Other income						
a) Foreign exchange fluctuations gain (net)	-	4.94	79.17	-	8.80	29.12
b) Other income - others	81.46	96.20	66.02	242.64	201.01	286.75
Total other income	**81.46**	**101.14**	**145.19**	**242.64**	**209.81**	**315.87**
5. Profit / (Loss) from operations before finance costs and exceptional items (3) + (4)	**283.50**	**212.01**	**404.10**	**720.13**	**1,066.62**	**1,426.29**
6. Finance costs	927.56	845.04	759.93	2,604.25	2,053.37	2,971.88
7. (Loss) / Profit after finance costs but before exceptional items (5) - (6)	**(644.06)**	**(633.03)**	**(355.83)**	**(1,884.12)**	**(986.75)**	**(1,545.59)**
8. Exceptional items						
a) Profit on dilution in subsidiaries - Refer Note 13 and 14	-	-	-	-	55.08	69.73
b) Profit on sale of jointly controlled entities - Refer Note 2	-	-	-	-	-	1,658.93
c) Profit on sale of assets held for sale - Refer Note 12	-	-	-	-	37.02	100.54
d) Loss on impairment of assets in subsidiaries - Refer Note 28	-	-	-	-	-	(8.95)
e) Loss on impairment of assets in subsidiaries / jointly controlled entities - Refer Note 29	-	(17.82)	-	(35.94)	-	-
9. (Loss) / Profit from ordinary activities before tax (7) ± (8)	**(644.06)**	**(650.85)**	**(355.83)**	**(1,920.06)**	**(894.65)**	**274.66**
10. Tax expenses/ (credit)	24.70	38.86	58.05	90.06	181.30	166.25
11. Net (Loss) / Profit from ordinary activities after tax and before minority interest (9) ± (10)	**(668.76)**	**(689.71)**	**(413.88)**	**(2,010.12)**	**(1,075.95)**	**108.41**
12. Minority interest - share of (profit) / loss	30.43	79.85	(27.21)	168.73	(84.22)	(98.40)
13. Net (Loss) / Profit after tax and minority interest (11) ± (12)	**(638.33)**	**(609.86)**	**(441.09)**	**(1,841.39)**	**(1,160.17)**	**10.01**
14. E B I T D A (3) + (2(h)) + (4(a))	**671.00**	**590.48**	**711.35**	**1,874.39**	**1,882.91**	**2,594.53**
15. Paid-up equity share capital (Face value - Re. 1 per share)	**436.13**	**436.13**	**389.24**	**436.13**	**389.24**	**389.24**
16. Reserves excluding revaluation reserves as per consolidated balance sheet of previous accounting year						**6,095.18**
17. Weighted average number of shares used in computing Earnings per share	**4,361,247,379**	**4,315,385,913**	**3,892,432,532**	**4,190,769,539**	**3,892,432,532**	**3,892,432,532**
18. Earnings per share - Basic and Diluted - (Rs.) (not annualised)	**(1.46)**	**(1.41)**	**(1.13)**	**(4.39)**	**(2.98)**	**0.03**

PART II

Select Information for the quarter and nine month period ended December 31, 2014

Particulars	Quarter ended			Nine month period ended		As at year ended
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013	March 31, 2014
A. PARTICULARS OF EQUITY SHAREHOLDING						
1. Public Shareholding						
- Number of equity shares	1,515,815,289	1,547,203,732	1,083,591,135	1,515,815,289	1,083,591,135	1,083,591,135
- Percentage of equity shareholding	34.76%	35.48%	27.84%	34.76%	27.84%	27.84%
2. Promoters and promoter group equity shareholding						
a) Pledged/ Encumbered						
- Number of equity shares	2,229,411,593	1,800,017,861	1,584,992,465	2,229,411,593	1,584,992,465	1,785,342,465
- Percentage of equity shares (as a % of the total equity shareholding of promoter and promoter group)	78.85%	64.38%	56.79%	78.85%	56.79%	63.97%
- Percentage of equity shares (as a % of the total equity share capital of the Company)	51.12%	41.27%	40.72%	51.12%	40.72%	45.87%
b) Non-Encumbered						
- Number of equity shares	598,020,697	996,025,986	1,205,851,382	598,020,697	1,205,851,382	1,005,501,382
- Percentage of equity shares (as a % of the total equity shareholding of promoter and promoter group)	21.15%	35.62%	43.21%	21.15%	43.21%	36.03%
- Percentage of equity shares (as a % of the total equity share capital of the Company)	13.71%	22.84%	30.98%	13.71%	30.98%	25.83%
3. Non-promoter and non-public equity shareholding						
- Number of equity shares	17,999,800	17,999,800	17,999,800	17,999,800	17,999,800	17,999,800
- Percentage of equity shareholding	0.41%	0.41%	0.46%	0.41%	0.46%	0.46%

Particulars	**Quarter ended December 31, 2014**
B. INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	119
Disposed of during the quarter	119
Remaining unresolved at the end of the quarter	-

GMR Infrastructure Limited

Report on Unaudited Consolidated Segment Revenue, Results and Capital Employed

Particulars	Quarter ended			Nine month period ended		Year ended
	December 31, 2014 Unaudited	September 30, 2014 Unaudited	December 31, 2013 Unaudited	December 31, 2014 Unaudited	December 31, 2013 Unaudited	March 31, 2014 Audited
1. Segment Revenue						
a) Airports	1,421.28	1,320.25	1,605.36	4,030.86	4,474.96	6,023.01
b) Power	1,061.81	1,066.42	762.26	3,280.78	2,358.01	3,342.61
c) Roads	185.95	204.75	163.30	573.88	488.33	737.88
d) EPC	30.18	19.68	78.07	118.42	328.87	468.67
e) Others	194.03	174.43	119.98	520.38	420.79	570.98
	2,893.25	2,785.53	2,728.97	8,524.32	8,070.96	11,143.15
Less: Inter Segment	131.95	103.45	90.62	349.55	378.49	489.93
Segment revenue from operations	**2,761.30**	**2,682.08**	**2,638.35**	**8,174.77**	**7,692.47**	**10,653.22**
2. Segment Results						
a) Airports	245.95	203.65	324.33	653.12	984.94	1,309.33
b) Power	(104.34)	(141.85)	(41.30)	(357.20)	(342.04)	(438.37)
c) Roads	50.98	66.47	73.04	185.20	224.69	324.30
d) EPC	(8.66)	(1.69)	(6.07)	(18.44)	(13.32)	(40.84)
e) Others	140.62	120.70	34.47	358.47	209.68	271.52
	324.55	247.28	384.47	821.15	1,063.95	1,425.94
Less: Inter Segment	83.91	73.14	20.38	214.81	102.29	149.73
Net Segment Results	**240.64**	**174.14**	**364.09**	**606.34**	**961.66**	**1,276.21**
Less: Finance costs (net)	884.70	807.17	719.92	2,490.46	1,948.41	2,821.80
Add/ (Less) : Exceptional items						
a) Profit on dilution in subsidiaries -Refer Note 13 and 14	-	-	-	-	55.08	69.73
b) Profit on sale of jointly controlled entities - Refer Note 2	-	-	-	-	-	1,658.93
c) Profit on sale of assets held for sale - Refer Note 12	-	-	-	-	37.02	100.54
d) Loss on impairment of assets in subsidiaries - Refer Note 28	-	-	-	-	-	(8.95)
e) Loss on impairment of assets in subsidiaries / jointly controlled entities - Refer Note 29	-	(17.82)	-	(35.94)	-	-
(Loss) /Profit before tax	**(644.06)**	**(650.85)**	**(355.83)**	**(1,920.06)**	**(894.65)**	**274.66**
3. Capital employed						
(Segment Assets - Segment Liabilities)						
a) Airports	15,818.39	15,698.38	16,990.95	15,818.39	16,990.95	15,147.06
b) Power	28,549.73	27,710.18	26,192.53	28,549.73	26,192.53	26,936.82
c) Roads	5,511.68	5,680.38	6,715.42	5,511.68	6,715.42	5,868.42
d) EPC	273.54	306.64	460.95	273.54	460.95	385.11
e) Others	16,095.90	16,019.78	12,457.39	16,095.90	12,457.39	15,082.99
	66,249.24	65,415.36	62,817.24	66,249.24	62,817.24	63,420.40
Less: Inter Segment	7,670.20	7,499.60	4,393.09	7,670.20	4,393.09	6,187.27
Unallocated Assets / (Liabilities)	(48,544.83)	(47,161.07)	(48,569.74)	(48,544.83)	(48,569.74)	(46,447.80)
Total	**10,034.21**	**10,754.69**	**9,854.41**	**10,034.21**	**9,854.41**	**10,785.33**

Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2014

1. **Consolidation and Segment Reporting**

   a. GMR Infrastructure Limited ('the Company' or 'GIL') carries on its business through various subsidiaries, jointly controlled entities 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 - 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS - 27 on 'Financial Reporting of Interests in Joint Ventures'.

   b. The segment reporting of the Group has been prepared in accordance with AS - 17 on Segment Reporting.

   The business segments of the Group comprise of the following:

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

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

2. During the year ended March 31, 2014, the Company along with its subsidiaries GMR Infrastructure (Global) Limited and GMR Infrastructure Overseas Limited had entered into a definitive agreement ('SPA') with Malaysia Airports MSC Sdn Bhd ('the buyer') for sale of their 40% equity stake in their jointly controlled entities Istanbul Sabiha Gokcen Uluslararasi Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi ('ISG') and LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi ('LGM') for a sale consideration of Euro 20.90 crore (net of equity gap adjustment of Euro 1.60 crore and subject to debt and other working capital adjustments). The management based on its internal assessment and a legal opinion was of the view that all "Conditions Precedent" were either fulfilled or waived or agreed to be not applicable as at March 31, 2014 except for the buyer to obtain approval from Bank Negara Malaysia which was obtained on April 3, 2014. Subsequently after receipt of the consideration, the shares were transferred to the buyer on April 30, 2014, in view of which, the Group recognized the profit on the sale of its investment in ISG (net of costs of Rs. 164.98 crore incurred towards sale of such investments) of Rs. 1,658.93 crore, which was disclosed as an exceptional item in the consolidated financial statements of the Group for the year ended March 31, 2014.

   Further, pursuant to the SPA entered with the buyer, the Group has provided a guarantee of Euro 4.50 crore towards claims, as specified in the SPA for a period till December 2015 and in respect of tax claim, if any, the guarantee period is upto May 2019. The statutory auditors of the Company had qualified their Audit Report for the year ended March 31, 2014 and Limited Review Report for the quarter ended June 30, 2014 in this regard.

   The details of the results of ISG consolidated till year ended March 31, 2014 are as follows:

(in Rs. crore)

	Quarter ended December 31, 2013	**Nine month period ended December 31, 2013**	**Year ended March 31, 2014**
Total income	193.11	516.13	674.10
Loss after tax (before consolidation adjustments)	(43.21)	(55.69)	(70.23)

The details of the results of LGM consolidated till year ended March 31, 2014 are as follows:

(in. Rs. Crore)

	Quarter ended December 31, 2013	Nine month period ended December 31, 2013	Year ended March 31, 2014
Total income	15.68	51.41	70.13
Profit/ (loss) after tax (before consolidation adjustments)	0.04	0.25	(2.30)

The details of the results of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri consolidated till year ended March 31, 2014 are as follows:

(in Rs. crore)

	Quarter ended December 31, 2013	Nine month period ended December 31, 2013	Year ended March 31, 2014
Total income	-	-	-
Profit/ (loss) after tax (before consolidation adjustments)	2.57	3.91	3.54

3. During the quarter ended December 31, 2014, the Company has received a letter from National Stock Exchange of India Limited (‘NSE’) whereby Securities and Exchange Board of India (‘SEBI’) has directed NSE to advise the Company to restate the consolidated financial statements of the Group for the year ended March 31, 2013 for the qualifications in the Auditor’s Report for the year then ended in respect of the matters stated in the Paragraph 1 and 2 of ‘Basis for Qualified Opinion’ in the said Auditors’ Report, pursuant to the Paragraph 5(d)(ii) of the SEBI Circular CIR/CFD/DIL/7/2012 dated August 13, 2012.

   Further, SEBI vide Circular CIR/CFD/DIL/9/2013 dated June 5, 2013 has clarified that restatement of books of account indicated in Paragraph 5 of the aforesaid circular shall mean that the Company is required to disclose the effect of revised financial accounts by way of revised pro-forma financial results immediately to the shareholders through Stock Exchanges. However, the financial effects of the revision may be carried out in the annual accounts of the subsequent financial year as a prior period item.

   The Group is in the process of seeking further clarifications in this regard and has not made any adjustments to the accompanying unaudited consolidated financial results of the Group for the quarter and nine month period ended December 31, 2014. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

   Subsequent to the quarter ended December 31, 2014, the Company has submitted its in-seriatim reply to the observations made by SEBI on the Draft Letter of Offer filed by the Company with SEBI, pursuant to the proposed Rights Issue of the Company, as detailed in note 31(c). The Company has included unaudited pro-forma consolidated financial results for the period ended September 30, 2014, in the said in-seriatim reply, after giving effect to the aforesaid qualifications. These pro-forma results were neither audited nor reviewed by the statutory auditors of the Company.

4. The Company along with its subsidiaries have an investment of Rs. 383.47 crore (including loans of Rs. 143.88 crore and investment in equity / preference shares of Rs. 239.59 crore made by the Company and its subsidiaries) in GMR Ambala Chandigarh Expressways Private Limited (‘GACEPL’), a subsidiary of the Company as at December 31, 2014. 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 and the arbitration tribunal has passed an interim order staying the payment of negative grant which was due during the year ended March 31, 2014 and during the period ended December 31, 2014. Based on an internal assessment and a legal opinion, the management of the Group is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the carrying value of net assets of Rs. 209.29 crore (after providing for losses till date of Rs. 174.18 crore) as regards investment in GACEPL as at December 31, 2014 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 ('MIA') for a period of 25 years ('the Concession Agreement'). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA 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 MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in 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. On June 18, 2014, the tribunal delivered its award declaring that the Concession Agreement was not void ab initio and is valid and binding on the parties. Further, the tribunal declared that the Government of Maldives ('GoM') and MACL are jointly and severally liable in damages to GMIAL for loss caused by repudiation of the contract. The quantum of the damages is yet to be decided and the damages are limited to the sum which would have been recovered under clause 19.4.3 (b) had the Concession Agreement been terminated on grounds of public interest pursuant to clause 19.2.1 (h). On November 21, 2014, GMIAL served its schedule of loss on the tribunal and on GoM and MACL together with the termination date claim report and the expert report quantifying the losses incurred by GMIAL and which GMIAL assert are recoverable on account of the tribunal's award. Further, GoM and MACL, on November 26, 2014, served a letter on the tribunal and on GMIAL asserting that the parties to the arbitration have different interpretations of the limitation in Paragraph 167(1)(g) of the aforesaid award of the tribunal and has requested that the issue of the interpretation of the award be addressed as a preliminary issue. The final outcome of the arbitration is pending as at December 31, 2014. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs. 1,502.52 crore (USD 23.55 crore) including claim recoverable of Rs. 1,158.38 crore (USD 18.16 crore) at their carrying values as at December 31, 2014, net of assets written off of Rs. 202.61 crore during the year ended March 31, 2013. GMIAL's ability to continue its future business operations and consequential impact on net assets / guarantees given by the Company and GMR Infrastructure (Mauritius) Limited ('GIML') is solely dependent on the outcome of arbitration and / or a negotiated settlement. However financial statements of GMIAL as at and for the period ended December 31, 2014 have been prepared and accordingly consolidated on a going concern basis.

Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL') and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to the aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore as at December 31, 2014 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised as at December 31, 2014 since the amounts payable are not certain.

Based on the aforesaid award by the tribunal, internal assessment and a legal opinion obtained by GMIAL, the management of the Group is confident that GMIAL would be entitled for compensation under the concession agreement atleast to the extent of the carrying value of the assets taken over by the GoM / MACL and the subsequent expenditure incurred by GMIAL up to December 31, 2014 and accordingly, the accompanying unaudited consolidated 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 qualified 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 period ended December 31, 2014 are as follows:

(in Rs. crore)

	Quarter ended December 31, 2014	**Quarter ended September 30, 2014**	**Quarter ended December 31, 2013**	**Nine month period ended December 31, 2014**	**Nine month period ended December 31, 2013**	**Year ended March 31, 2014**
Total income	0.35	24.33	0.14	24.81	1.44	1.51
Profit/ (loss) after tax and minority interest (before consolidation adjustments)	(11.93)	13.12	(15.27)	(7.67)	(41.38)	(132.86)

b) GADLIL, a subsidiary of the Company, is re-registered in the Republic of Maldives for upgrading of existing terminal and construction of new terminal at the MIA. 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 GADLIL's registration in the Republic of Maldives is valid till December 31, 2016. However, pursuant to the takeover of MIA by MACL, GMIAL has terminated the work construction contract with GADLIL on December 10, 2012. These conditions indicate the existence of a material uncertainty about the going concern of GADLIL which is fully dependent on the outcome of the arbitration process between GMIAL and GoM and MACL. However, based on internal assessment and certain business plans the financial statements of GADLIL as at and for the period ended December 31, 2014 have been prepared and accordingly consolidated on a going concern basis. The statutory auditors of the Company have qualified their Limited Review Report in this regard.

6. GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company, had entered into a Concession Agreement with National Highways Authority of India ('NHAI') on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of 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. Further, the management of the Group has submitted the proposal for the continuance of the project subject to certain modifications in the financial and other terms in the Concession Agreement and is confident of obtaining approval of these modifications by NHAI.

   The Company along with its subsidiary has made an investment of Rs. 727.47 crore in GKUAEL (including loans of Rs. 27.47 crore and investment in equity shares of Rs. 700.00 crore made by the Company and its subsidiaries), which is primarily utilised towards payment of capital advance of Rs. 590.00 crore to its EPC contractors and Rs. 128.57 crore (including Rs. 1.07 crore during the quarter ended December 31, 2014) towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). The management of the Group is confident of recovering the aforesaid capital 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 'intangible assets under development' pending satisfactory resolution of the matter. The statutory auditors of the Company have qualified their Limited Review Report in this regard. Also refer note 3.

7. 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.

   Further, 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 year ended March 31, 2014, the fuel supplier filed a petition in the Hon'ble High Court of Karnataka seeking appointment of a sole arbitrator for the resolution of the dispute. GEL has filed its reply on January 8, 2014, and as per the High court order dated September 11, 2014 arbitrators have been appointed. During the quarter ended December 31, 2014, the fuel supplier has submitted its statement of claim amounting to Rs. 272.63 crore (after adjusting dues of Rs. 29.08 crore payable to GEL) towards liquidated damages and interest at the rate of 15% per annum on such liquidated damages. GEL is in the process of filing its response to the same. The final outcome of the arbitration is pending conclusion. However 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 unaudited consolidated financial results of the Group and the claim from the fuel supplier has been considered as a contingent liability as at December 31, 2014.

8. GMR Power Corporation Limited (‘GPCL’), a subsidiary of the Company, approached Tamil Nadu Electricity Regulatory Commission (‘TNERC’) to resolve the claims / counterclaims arising out of the PPA and Land Lease Agreement (‘LLA’) in respect of the dues recoverable from Tamil Nadu Generation and Distribution Corporation Limited (‘TAGENDCO’) (formerly known as Tamil Nadu Electricity Board ‘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 TAGENDCO. 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.

   TAGENDCO filed a petition against TNERC Order in Appellate Tribunal for Electricity (‘APTEL’). In terms of an interim Order on November 19, 2010 from APTEL, TAGENDCO deposited Rs. 537.00 crore including interest on delayed payment of the claim amount. APTEL vide its Order dated February 28, 2012, upheld the claim of GPCL and further directed GPCL to verify and pay counter claims of TAGENDCO in respect of the benefits earned if any, by GPCL with regard to the delayed payment towards fuel supply that are not as per the terms of the FSA. GPCL had appealed to the Hon’ble Supreme Court in Civil Appeals seeking certain interim relief with respect to the benefits pointed out by APTEL on credit period of Fuel Supplies in terms of the FSA. The legal counsel handling the matter has confirmed that on April 24, 2014, the Hon’ble Supreme Court has disposed off the appeal of TAGENDCO and directed GPCL and TAGENDCO to file their respective claim / account statement before TNERC. The matter is yet to be posted for hearing before TNERC. The management does not expect any cash outflow in this regard.

   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 had offered the claims upto March 31, 2013 as income in its tax returns and has claimed the deduction as available under Section 80IA of the IT Act.

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

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

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

9. The PPA entered into by GPCL with TAGENDCO on September 12, 1996 has expired on February 14, 2014 and the same was extended for a period of one year from February 15, 2014 with revised commercial terms and conditions. However, TANGEDCO has filed petition before TNERC for approval of Tariff which has been heard by TNERC on September 19, 2014 and the petition is reserved for final order. GPCL is recognising the income on a provisional basis from February 15, 2014 based on the revised commercial terms pending approval of TNERC. In view of the pending approval of the revised agreed commercial terms, TANGEDCO has withheld 1.25% of variable costs and 11% of fixed costs while settling the tariff invoices. The Group will give effect to the changes if any in the tariff by way of adjustment to the revenue on the receipt of the Order from TNERC.

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. As a result, GEL and GMR Vemagiri Power Generation Limited (‘GVPGL’) have not generated and sold electrical energy since April 2013 and May 2013 respectively and have been incurring losses on account of the aforesaid shortage of natural gas supply, thereby resulting in erosion of networth and usage of short term funds for long term purposes. GREL has not yet 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 has approved the reschedulement of Commercial

Operation Date ('COD') of the plant under construction to April 1, 2014 and repayment of project loans. GREL in absence of gas linkage has sought further extension of COD by one year which has been approved by the lead bank and few other banks and the management is confident of getting the approval from other banks to the consortium. Further, during the quarter ended December 31, 2014, GREL has defaulted in the payment of interest on borrowings to the lenders and is in discussion with the lenders for further borrowings to meet the financial commitments. 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 ('GoI') would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Despite the aforementioned reasons, 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 get an extension of COD and additional funding from the lenders as stated aforesaid and these gas based power generating companies would meet their financial obligations as they arise. The management of the Group considers that the going concern assumption and the carrying value of the net assets of the aforesaid entities as at December 31, 2014 is appropriate and these unaudited consolidated financial results of the Group do not include any adjustments that might result from the outcome of this uncertainty. In the meantime, the Company has committed to provide necessary financial support to these companies as they may require for continuance of their normal business operations. 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 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 setting up the plant had approached the Ministry of Corporate Affairs ('MCA') seeking clarification / relaxation on applicability of the aforementioned paragraphs to the gas availability situation referred in 10(a) above. MCA vide its General Circular No. 35/2014 dated August 27, 2014 on capitalisation under Accounting Standard-10 and capitalisation of borrowing cost during extended delay in commercial production has clarified that only such expenditure which increases the worth of the assets can be capitalised to the cost of the fixed assets as prescribed by AS 10 and AS 16. Further the circular states that cost incurred during the extended delay in commencement of commercial production after the plant is otherwise ready does not increase the worth of fixed assets and therefore such costs cannot be capitalised. The Group has approached MCA seeking further clarification on the applicability of the said Circular to its Rajahmundry plant and pending receipt of requisite clarification, the Group has continued the capitalisation of the aforesaid expenses of Rs. 997.57 crore (including Rs. 107.92 crore for the current quarter) cumulatively upto December 31, 2014. The statutory auditors of the Company have qualified their Limited Review Report in this regard. Also refer note 3.

11. Pursuant to a writ petition filed before the Hon'ble Supreme Court of India ('the Court'), the Court through its Orders dated August 25, 2014 and September 24, 2014 ('the Orders') cancelled the allocations of all but four coal blocks made between 1993 and 2010 as the Court has considered the allocations being arbitrary and illegal under the applicable laws. The management of the Group has assessed the impact of the Orders on its coal mines and the coal based power plants:

a) Rampia Coal Mine and Energy Private Limited ('RCMEPL')

The allocation of the Rampia Coal Mine to RCMEPL has been cancelled by the aforesaid Orders. The Group has made a provision for diminution in the carrying value of its net assets in RCMEPL amounting to Rs. 2.83 crore during the nine month period ended December 31, 2014. Further, the Group has provided bank guarantees of Rs. 22.18 crore on behalf of RCMEPL to the Ministry of Coal ('MoC'). The management of the Group has been legally advised that the invocation of the bank guarantee of Rs. 22.18 crore provided by the Group is highly unlikely as the coal allocation has been cancelled by the Court. Considering that RCMEPL has not commenced production, the management of the Group is of the view that no penalties can be levied and accordingly the aforesaid Orders of the Court do not have any further consequential impact on these accompanying unaudited consolidated financial results of the Group for the quarter and nine month period ended December 31, 2014.

b) GMR Kamalanga Energy Limited ('GKEL')

GEL along with its subsidiaries has an investment of Rs. 2,477.22 crore, (including investment in equity share capital / share application money, subordinate loan and interest accrued thereon) in GKEL as at December 31, 2014 and has also provided corporate / bank guarantee towards loan taken by GKEL from the project lenders.

GKEL is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has a fuel supply agreement for 500 MW from Mahanadi Coal fields Limited, a subsidiary of Coal India Limited. Further the Rampia Coal Mine was allocated to GKEL as a captive mine for the balance 550 MW capacity under Phase I of the Kamalanga project. Considering the long gestation period in development of the Rampia Coal Mine and mining of coal, GKEL was granted tapering linkage to meet the requirement of coal during the gestation period. Inspite of the aforesaid cancellation of the coal block of RCMEPL, based on valuation assessment, the management of the Group is of the view that no adjustments are required to the net assets of GKEL / commitments by the Group, even if supply of fuel was to be made through import of coal and other sources for the balance 550 MW under Phase I of the Kamalanga project.

c) EMCO Energy Limited ('EMCO') and GMR Chhattisgarh Energy Limited ('GCHEPL')

The management of the Group is of the view that aforesaid Orders of the Court do not have any impact as regards the carrying value of net assets in / commitments to EMCO and GCHEPL.

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

12. During the year 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. During the year ended March 31, 2014, the sale transaction was completed for the coal mines of HEGL, a subsidiary of the Company after obtaining the requisite approvals and the Group had realised a profit of Rs. 37.02 crore on sale of one of such mines, which was disclosed as an 'exceptional item' in the consolidated financial statements for the year ended March 31, 2014. On account of the disposal of the shares in the entities having the abovementioned mining rights, the Group has recognised foreign exchange gain (inclusive of Foreign Currency Translation Reserve) of Rs. 63.52 crore for the year ended March 31, 2014, which was disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2014. During the quarter ended December 31, 2014, the Group has entered into a conditional Share Purchase Agreement for sale of its entire stake in HEGL for CAD 100, subject to obtaining necessary approvals from the relevant authorities.

    The details of the results of HEGL consolidated till period ended December 31, 2014 are as follows:

(in Rs. crore)

	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended December 31, 2013	Nine month period ended December 31, 2014	Nine month period ended December 31, 2013	Year ended March 31, 2014
Total income	-	0.41	0.29	0.91	37.88	100.54
Profit/(loss) after tax and minority interest (before consolidation adjustments)	(14.88)	6.08	(7.95)	(19.81)	(15.63)	64.12

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 year ended March 31, 2014, the sale transaction has been completed and the Group had realised a profit of Rs. 55.08 crore on such sale of shares which was disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2014.

    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'.

14. During the year ended March 31, 2014, the Group had divested 74% of its stake in GMR Ulundurpet Expressways Private Limited ('GUEPL'), an erstwhile subsidiary of the Company to India Infrastructure Fund and realised a profit of Rs. 14.65 crore on such divestment, which was disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2014. Further, as at

December 31, 2014, the Group has provided a loan of Rs.74.43 crore to GUEPL carrying an interest rate of 0.01% p.a. The loan is repayable by January 22, 2027.

The details of the results of GUEPL consolidated till year ended March 31, 2014 are as follows:

(in Rs. crore)

	Quarter ended December 31, 2013	**Nine month period ended December 31, 2013**	**Year ended March 31, 2014**
Total income	23.00	70.77	83.37
Profit/ (loss) after tax and minority interest (before consolidation adjustments)	1.26	2.17	3.07

15. During the quarter and nine month period ended December 31, 2014, GKEL has recognised revenue of Rs. 81.31 crore and Rs. 208.49 crore respectively, which has been billed based on a provisional tariff, pending petition filed by GKEL with Central Electricity Regulatory Commission ('CERC') for 'Tariff Determination' and Rs. 70.13 crore Rs. 241.15 crore for the quarter and nine month period ended December 31, 2014 respectively as revenue which has been billed based on PPA tariff for which GKEL has filed petition with CERC for Tariff Review. Further during the year ended March 31, 2014, GKEL had recognized Rs. 96.07 crore as revenue which was billed on a provisional tariff basis in view of 'Tariff Determination Petition' and 'Tariff Review Petition' filed by GKEL which are pending before CERC and APTEL.

16. During the quarter ended December 31, 2014, GMR Hotels and Resorts Limited ('GHRL'), a subsidiary of GMR Hyderabad International Airport Limited ('GHIAL'), has incurred net loss of Rs. 4.60 crore and has accumulated losses of Rs. 125.04 crore as at December 31, 2014, which has resulted in a substantial erosion of GHRL's net worth. The management of the Group expects that there would be a significant increase in the operations of GHRL that will lead to improved cash flows and long term sustainability. The Group 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. Accordingly, these unaudited consolidated financial results of the Group do not include any adjustments relating to the recoverability and classification of carrying amount of assets or the amounts and classification of liabilities that may be necessary if GHRL were unable to continue as a going concern.

17. During the quarter ended December 31, 2014, EMCO has incurred a net loss of Rs. 56.84 crore and has accumulated losses of Rs. 805.47 crore as at December 31, 2014, which has resulted in erosion of EMCO's entire net worth. EMCO has achieved the COD of Unit I in March 2013 and of Unit II in September 2013 and hence is in the stabilization phase of its operations. The management of the Group expects that the plant will generate sufficient profits in the future years in view of which the unaudited financial results of EMCO have been prepared and accordingly consolidated on a going concern basis.

18. The Company through its subsidiaries has an investment of Rs. 506.55 crore (USD 7.94 crore) including loan and interest accrued thereon in PT Dwikarya Sejati Utama ('PTDSU') as at December 31, 2014. The Group acquired PTDSU for a consideration of USD 4.00 crore and a deferred consideration to be determined and paid on achievement of certain conditions as specified in the share purchase agreement. PT Duta Sarana Internusa ('PTDSI'), a step down subsidiary of PTDSU had pledged 60% shares of PT Barasentosa Lestari ('PTBSL') with the sellers of PTDSU. The achievement of aforementioned conditions for settlement of deferred consideration had been under dispute and the matter was under arbitration and PTDSI had initiated a civil suit seeking direction to the sellers of PTDSU not to act on the pledge agreement provided as security earlier. Pursuant to a settlement agreement dated June 25, 2014, the Group has agreed to pay USD 2.00 crore towards the deferred consideration to the sellers of PTDSU. As per the settlement agreement, the Group has agreed to make an upfront payment of USD 0.50 crore and the balance USD 1.50 crore are to be repaid in 16 equal quarterly installments commencing from June 30, 2015. Further the Group has pledged 35% shares of PTBSL as a security towards the payment of the balance instalments.

    The consolidated financial statements of PTDSU and its subsidiaries PTBSL and PTDSI as at December 31, 2014 have accumulated deficit of Rs. 31.75 crore (USD 0.50 crore). PTBSL, a coal property Company remains in the exploration phase and is consistently in the need of capital injection for its exploration costs. The management of PTDSU has committed to provide financial support until PTBSL commences commercial operations and generates income on its own. The management of PTDSU is not aware of any material uncertainties that may cast significant doubt upon these entities' ability to continue as a going concern and accordingly the management of the Group believes that the carrying value of the net assets in PTDSU and its subsidiaries as at December 31, 2014 is appropriate.

19. In accordance with the provisions of Schedule II of the Companies Act, 2013, the Group has revised the estimated useful lives of its fixed assets of its domestic companies with effect from April 01, 2014 except for certain power sector companies which are following the rates prescribed as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and certain assets in Companies in airport sector as stated below. Accordingly, the net book value of the fixed assets as at April 01, 2014, is being depreciated on a prospective basis over the remaining useful life, wherever applicable. This change in accounting estimate has resulted in increase in depreciation and amortization expenses for the quarter and nine month period ended December 31, 2014 by Rs. 66.37 crore and Rs. 204.88 crore, respectively. Further, in case of fixed assets whose useful life on such reassessment had expired as of April 01, 2014, net book value of Rs. 35.10 crore (net of deferred tax charge of Rs. 9.17 crore) is adjusted with the deficit in the consolidated statement of profit and loss as of April 01, 2014.

    On June 12, 2014, the Airport Economic Regulatory Authority ("the Authority") has issued a consultation paper whereby it proposes to lay down, to the extent required, the depreciation rates for certain airport assets. Pending issuance of final notification by the Authority on the useful lives of airport specific assets, the Group has continued to depreciate these assets over their estimated useful lives as determined by the management of the Group based on technical evaluation.

20. The Comptroller and Auditor General of India ('CAG') had conducted the performance audit of Public Private Partnership ('PPP') project of Airport Authority of India ('AAI') at Delhi Airport, 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 Public Accounts Committee (PAC), constituted by the Parliament of India, has examined the CAG report and submitted its observations and recommendations to Lok Sabha vide its ninety fourth report in February 2014. The management of the Group is of the opinion that the observations in the CAG report and the PAC report do not have any financial impact on the unaudited consolidated financial results of the Group for the quarter and nine month period ended December 31, 2014.

21. 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.

22. The Company has given an interest free loan of Rs. 115.00 crore to Welfare Trust of GMR Infra Employees ('GWT') during the year ended March 31, 2011 for the purpose of employee benefit scheme. GWT has utilised the proceeds of the loan received from the Company in the following manner and the position as at December 31, 2014 is:

    (in Rs. crore)

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

    SEBI had issued Circular 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. SEBI had issued Circular CIR/CFD/POLICYCELL/14/2013 dated November 29, 2013 extending the date of compliance to June 30, 2014. The management of the Company submitted the details of the GWT to the stock exchanges. SEBI has issued a Notification dated October 28, 2014 notifying "The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014" whereby Companies having existing schemes to which these regulations apply are required to comply with these regulations within one year of the effective date of the regulations and the trusts holding shares, for the purposes of implementing general employee benefit schemes, which exceed ten percent of the total value of the assets of the trusts, shall have a period of five years to bring down trusts' holding in such shares to the permissible limits. The Company will ensure compliance with the new regulations within the permissible time period. Further, as per the trust deed, GWT is constituted for undertaking only employee benefit schemes and hence the Group has not consolidated the financial results of GWT in these unaudited consolidated financial results of the Group.

23. As at December 31, 2014, the Company through its subsidiaries has an investment of Rs. 517.14 crore (including investment in equity share capital of Rs 5.00 crore and subordinate loan and interest thereon of Rs. 512.14 crore) in GMR Badrinath Hydro Power Generation Private Limited (GBHPL), a subsidiary of the Company. GBHPL is in the process of setting up 300 MW hydro based power plant in Alaknanda river, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India, while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirati basins until further orders. The management of the Group is confident of obtaining the requisite clearances and is of the view that the carrying value of net assets of Rs. 468.04 crore of GBHPL is appropriate. Accordingly, no adjustments have been made in these accompanying unaudited consolidated financial results of the Group for the quarter and nine month period ended December 31, 2014. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review Report in this regard.

24. GMR Infrastructure (Cyprus) Limited, a subsidiary of the Company, has fixed deposits of Rs. 677.86 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.

25. The Company through its subsidiary has an investment of Rs. 2,668.66 crore (including investment in equity share capital, share application money pending allotment, subordinate loans/ debentures and interest accrued thereon) in GCHEPL as at December 31, 2014 and has also provided corporate / bank guarantee towards loan taken by GCHEPL from the project lenders. GCHEPL is in the advanced stage of construction of 1,370 MW coal based thermal power plant in Raipur district, Chhattisgarh and is expected to commence operations in the current financial year. GCHEPL has obtained provisional Mega Power status certificate from the Ministry of Power, GoI vide letter dated September 8, 2011 and accordingly has availed exemptions of customs and excise duty against bank guarantees and pledge of deposits. The management of the Group is certain of obtaining Mega Power status, pending which cost of customs and excise has not been considered as cost of the project.

    The Group has experienced certain delays in the completion of construction and costs overruns including additional claims from the EPC contractor which are pending settlement as at December 31, 2014. As per the management of GCHEPL, the additional claims are not expected to be material and the cost overrun funding of the project is dependent on fulfilment of various conditions of the lending bankers including obtaining of coal linkage for the project and tying up of entire power generation capacity with State Distribution Companies ('DISCOMS') or Power Trading Companies with back to back PPA with creditworthy State DISCOMS which needs to be fulfilled by the end of the financial year. Further GCHEPL had entered into a PPA with Chhattisgarh State Power Trading Company Limited ('CSPTA') for supply of 35% of the plant capacity. On September 25, 2013, CSPTA has intimated GCHEPL that under the PPA, CSPTA has a right rather than an obligation to purchase 30% of the plant capacity, which has been disputed by GCHEPL. Further, during the quarter ended December 31, 2014, GCHEPL has defaulted in the payment of interest on borrowings to the lenders and the management of the Group is in discussion with the lenders for further borrowings to meet the financial commitments. In view of the recent directives and latest announcements by Ministry of Power, 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 also confident of executing the PPA for its entire capacity within the stipulated time. The lead banker has also assessed the viability of the project based on revised estimates and hence the management of the Group is of the view that the carrying value of net assets of GCHEPL as at December 31, 2014 is appropriate.

26. In case of GHIAL, the Airport Economic Regulatory Authority ('AERA'), vide its powers conferred by section 13(1)(a) of AERA Act, 2008, passed an Aeronautical tariff order No. 38 issued on February 24, 2014, in respect of control period from April 1, 2011 to March 31, 2016. As per the aforesaid order, there will be no Passenger Service Fee (Facilitation Component) ('PSF (FC)') for embarking passengers and the same will be considered as part of User Development Fee ('UDF'). Further, the UDF for the period from April 1, 2014 to March 31, 2016 has been determined to be Rs. Nil. Accordingly, revenue from operations, for the nine month period ended December 31, 2014, does not comprise any income from PSF (FC) and UDF.

    This has significantly impacted the profitability and cash flows of GHIAL for the nine month period ended December 31, 2014 and will continue to have significant impact on the profitability and cash flows of GHIAL for the period from January 1, 2015 to March 31, 2016. GHIAL has filed an appeal challenging the aforesaid AERA order with the AERA tribunal and has also filed a writ petition with the Hon'ble High Court of Hyderabad and undertaken certain steps towards strategic cash management. During the nine month period ended December 31, 2014, GHIAL completed the refinancing of its rupee term loans, whereby GHIAL has received the moratorium period of two years for repayment of such loans and accordingly, the first instalment of these loans is payable on July 31, 2016. Further, with the expected UDF commencing in the next tariff cycle, the financial position is expected to improve thereafter. Moreover, the Company has also agreed to provide necessary financial support, should the necessity arise.

27. In case of DIAL, AERA vide its powers conferred by Section 13(1)(a) of AERA Act, 2008 passed an Aeronautical tariff hike order Viz.03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first five year control period (i.e. 2009 - 2014). The first five year control period referred to above ended on March 31, 2014. Pending determination of the final Aeronautical tariff (s) for the second control period i.e. from 2014 to 2019, AERA vide its order 13/2014-15 dated October 14, 2014, extended the operation of tariff order issued on April 24, 2012 up to January 31, 2015 or until the final determination of the tariff for the second control period (i.e. 2014 - 2019), whichever is earlier.

    In addition, DIAL had also filed a writ petition before the Hon'ble High Court of Delhi seeking extension of existing tariff as allowed vide AERA order 03/2012-13 issued on April 24, 2012 following the extension granted by AERA vide its order 04/2014-15 dated May 2, 2014 till disposal of DIAL's appeal pending with Airports Economic Regulatory Authority Appellate Tribunal ('AERAAT'). Subsequently, the Hon'ble High Court of Delhi vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period (2014 - 2019) vide Tariff Order No.03/2012-13 dated April 20, 2012 issued on April 24, 2012 shall continue till the disposal of the appeals pending against the said Tariff Order, by the AERAAT.
    Further, AERA has issued the consultation paper on January 28, 2015 for determination of Aeronautical tariff in respect of Delhi airport for the second control period (i.e. 2014 - 2019). The consultation paper suggests that tariff for aeronautical revenue to be reduced by 78.24% of the existing tariff (i.e. tariff as compared to the first control period). However, in view of Hon'ble High Court of Delhi judgement dated January 22, 2015, AERA vide its public notice no. 16/2014-15 dated January 29, 2015 extended the tariff till the disposal of the appeals pending against the first control period tariff order by AERAAT. The revenue so collected by DIAL during this interim period shall be adjusted from the aggregate revenue requirement for the second control period w.e.f. April 1, 2014.

28. During the year ended March 31, 2014, based on a valuation assessment of its investments including unsecured loans in Aravali Transmission Service Company Limited ('ATSCL') and Maru Transmission Service Company Limited ('MTSCL'), subsidiaries of the Company, the Group has made an impairment provision of Rs. 8.95 crore towards the carrying value of the net assets of ATSCL and MTSCL which was disclosed as an exceptional item in the consolidated financial statements of the Group for the year ended March 31, 2014.

29. During the quarter ended December 31, 2014, GMR Aero Technic Limited ('GATL') (formerly known as 'MAS GMR Aero Technic Limited'), a subsidiary of the Company, has incurred net loss of Rs. 24.29 crore and has accumulated losses of Rs. 282.79 crore as at December 31, 2014, which has resulted in erosion of entire net worth of GATL. The Group entered into a definitive agreement with the joint venture partner of GMR Aerospace Engineering Company Limited', ('GAECL'), (formerly known as 'MAS GMR Aerospace Engineering Company Limited), the Holding Company of GATL, for termination of the joint venture agreement and towards purchase of the remaining equity stake in GAECL for a purchase consideration of USD 1, consequent to which, the Group has made a provision of Rs. 35.94 crore during the nine month period ended December 31, 2014 towards impairment in the carrying value of net assets and which has been disclosed as an 'exceptional item' in the unaudited consolidated financial results of the Group for the period ended December 31, 2014. Further, the management of the Group expects that there will be a significant increase in the operations of GATL that will lead to improved cash flows and long term sustainability. The Group has undertaken to provide such financial support as necessary, to enable GATL to meet the operational requirements as they arise and to meet its liabilities as and when they fall due. Accordingly, these unaudited consolidated financial results of the Group do not include any further adjustments relating to the recoverability and classification of carrying amounts of assets or the amounts and classification of liabilities that may be necessary if GATL were unable to continue as a going concern.

30. As per the advice from the Ministry of Home Affairs and the Standard Operating Procedures ('SOP') issued by the Ministry of Civil Aviation (MoCA) on March 06, 2002, GHIAL, through its wholly owned subsidiary, Hyderabad Airport Security Services Limited ('HASSL') constructed the residential quarters for Central Industrial Security Forces ('CISF') deployed at the Hyderabad airport. After the completion of such construction, the total construction cost including the cost of land amounting to Rs. 69.91 crore was debited to the Passenger Service Fee (Security Component) Fund [PSF(SC) Fund] with intimation to the MoCA. The CAG, during their audits of PSF (SC) Fund, observed that, GHIAL had not obtained prior approval from the MoCA for debiting such cost to the PSF(SC) Fund as required by the guidelines dated January 8, 2010 and

April 16, 2010 issued by the MoCA. However, management of the Group is of the opinion that these guidelines were issued subsequent to the construction of the said residential quarters and approached the MoCA for approval to debit such costs to the PSF (SC) Fund account and also, made an application for increase in PSF (SC) tariff to recover these dues and to meet the shortfall in discharging other liabilities from PSF (SC) Fund. During the quarter ended December 31, 2014, MoCA responded that, it is not in a position to consider the request for enhancement in the PSF (SC) tariff. As a result, GHIAL has requested MoCA to advice the AERA for considering the cost of land/ construction and other related costs with regard to the aforesaid residential quarters in determination of Aeronautical Tariff for the Hyderabad airport. Pending final instructions from the MoCA, residential quarters are continued to be accounted in the PSF(SC) Fund and no adjustments have been made to the accompanying unaudited consolidated financial results of the Group for the quarter ended December 31, 2014.

31. a) Pursuant to the approval of the management committee of the Board of Directors dated July 10, 2014, the Company issued 468,817,097 equity shares of Re.1 each, at an issue price of Rs. 31.50 per equity share (which is at a discount of Rs. 1.64 per equity share on the floor price of Rs. 33.14 per equity share and including Rs. 30.50 per share towards securities premium) aggregating to Rs. 1,476.77 crore to qualified institutional buyers under chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "SEBI Regulations") and provisions of all other applicable laws. The Shareholders had approved the aforesaid issue of equity shares by way of special resolution dated March 20, 2014.

b) On July 02, 2014, the Board of Directors of the Company have approved an issue and allotment of up to 180,000,000 warrants having an option to apply for and be allotted equivalent number of equity shares of face value of Re.1/- each on a preferential basis under chapter VII of the SEBI Regulations and provisions of all other applicable laws and regulations and accordingly has received an advance of Rs. 141.75 crore against such share warrants. The Shareholders have approved the aforesaid issue of warrants through postal ballot on August 12, 2014.

Considering that the Group has incurred loss during the quarter and nine month period ended December 31, 2014, the allotment of share application money would decrease the loss per share for the quarter and nine month period ended December 31, 2014 and accordingly has been ignored for the purpose of calculation of diluted earnings per share.

c) Pursuant to the approval of the Board of Directors dated September 16, 2014, the Company has filed a Draft letter of offer to SEBI on September 19, 2014 for issue of equity shares of Re.1 each on a rights basis to the existing shareholders of the Company as on a record date to be determined, including reservation of equity shares in favour of holders of outstanding convertible debt instruments, if any, as on a record date to be determined, for any aggregate amount up to Rs. 1,500.00 crore under chapter IV of SEBI Regulations and provisions of all other applicable laws and regulations and stipulations and on such other terms and conditions as may be mentioned in the Draft Letter of Offer and/ or Letter of Offer to be issued by the Company in respect of the Rights Issue. Further in response to the observations made by SEBI on the Draft letter of offer through their letter dated November 17, 2014, the Company has submitted its in-seriatim reply subsequent to the quarter ended December 31, 2014.

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

(in Rs. crore)

	Quarter ended			**Nine month period ended**		**Year ended**
	December 31, 2014	**September 30, 2014**	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**	**March 31, 2014**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
(a) Revenue from operations	171.09	142.99	154.11	475.24	580.39	786.29
(b) Profit / (loss) before tax and after exceptional items	(18.77)	(10.81)	(30.57)	(86.26)	(33.70)	188.08
(c) Profit / (loss) after tax	(12.90)	(18.05)	(30.14	(90.19)	(43.87)	165.90

33. Other operating income comprises of:

- interest income, dividend income, income from management and other services and profit on sale of current investments for companies which undertake investment activities; and
- other operating income for other companies.

34. The consolidated financial results of the Group for the quarter ended December 31, 2014 have been reviewed by the Audit Committee at their meeting on February 12, 2015 and approved by the Board of Directors at their meeting on February 14, 2015.

35. The statutory auditors of the Company have carried out the Limited Review of the above consolidated financial results for the quarter ended December 31, 2014.

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

For GMR Infrastructure Limited

Sd/-
Grandhi Kiran Kumar
Managing Director

New Delhi
February 14, 2015

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Limited Review Report

Review Report to
The Board of Directors of GMR Infrastructure Limited

1. We have reviewed the accompanying 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, 2014 (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', 'Promoter and Promoter Group Shareholding' and 'Non-Promoter and Non-Public 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 2 subsidiaries, with total assets of Rs. 13,560.67 crore as at December 31, 2014, total revenue (including other income) of Rs. 1,089.79 crore and total loss of Rs. 91.03 crore for the quarter then ended (after adjustments on consolidation) have been reviewed jointly by us along with other auditors.

   (b) We did not review the unaudited financial results and other financial information of (i) 91 subsidiaries, with total assets of Rs. 43,681.01 crore as at December 31, 2014, total revenue (including other income) of Rs. 1,156.42 crore and total loss of Rs. 413.95 crore for the quarter then ended (after adjustments on consolidation); (ii) 20 jointly controlled entities (including 13 jointly controlled entities consolidated for the period July 1, 2014 to September 30, 2014) with Group's share of total assets of Rs. 1,651.01 crore as at December 31, 2014, total revenue (including other income) of Rs. 179.54 crore and total profit of Rs. 15.75 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.

   (c) We did not review the unaudited financial results and other financial information of (i) 18 subsidiaries (including 2 subsidiaries consolidated for the period July 1, 2014 to September 30, 2014), with total assets of Rs. 542.93 crore as at December 31, 2014, total revenue (including other income) of Rs. 5.81 crore, and total loss of Rs. 34.29 crore for the quarter then ended (after adjustments on consolidation); and (ii) 2 jointly controlled entities with Group's share of total assets of Rs. 2.11 crore as at December 31, 2014, total revenue (including other income) of Rs. 0.20 crore and total loss of Rs. 0.21 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 December 31, 2014 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 December 31, 2014, GMR Rajahmundry Energy Limited ('GREL'), a subsidiary of the Company has capitalised Rs. 107.92 crore and Rs. 997.57 crore for the quarter ended and cumulatively*

S.R. Batliboi & Associates LLP Bengaluru *upto December 31, 2014 respectively, towards indirect expenditure and borrowing costs (net of income earned during aforementioned period) 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 ('MCA') seeking clarification on the applicability of the General Circular 35/2014 dated August 27,2014 issued by MCA. However, in our opinion, the aforesaid 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 ended and cumulatively upto December 31, 2014 would have been higher by Rs. 99.93 crore and Rs. 959.85 crore respectively. In respect of the above matter, our audit report for the year ended March 31, 2014 and limited review reports for the quarters ended June 30, 2014 and September 30, 2014 were similarly qualified. Also refer para 13 in respect of this matter.*

5. *As detailed in Note 6 to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014, 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. Subsequently, the management of the Group has submitted the proposal for the continuance of the project subject to certain conditions which is pending acceptance by NHAI. As at December 31, 2014, GKUAEL has incurred and capitalised indirect expenditure and borrowing costs of Rs. 128.57 crore (including Rs.1.07 crore incurred during the quarter ended December 31, 2014) and has given capital advances of Rs.590.00 crore. In our opinion, in view of the uncertainty as stated above such expenses of Rs.128.57 crore 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 ended and cumulatively upto December 31, 2014 would have been higher by Rs.1.07 crore and Rs.128.57 crore respectively. 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 its consequential impact that may arise in this regard on the unaudited consolidated financial results for the quarter ended December 31, 2014. In respect of the above matter, our audit report for the year ended March 31, 2014 and limited review reports for the quarters ended June 30, 2014 and September 30, 2014 were similarly qualified. Also refer para 13 in respect of this matter.*

6. *As detailed in Note 5(a) and 5(b) to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014, 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'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years was 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 said agreement and on June 18, 2014, the tribunal delivered its award declaring that the Concession Agreement was not void ab initio and was valid and binding on the parties. However, the quantum of the damages is yet to be decided and accordingly, pending final outcome of the arbitration, GMIAL continues to recognise the assets at their carrying values of Rs. 1,502.52 crore (USD 23.55 crore) as at December 31, 2014 including the claim recoverable of Rs. 1,158.38 crore (USD 18.16 crore) as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets.*

   Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL'), 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 GADLIL and these service providers and have received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the accompanying statement of unaudited consolidated financial results as at December 31, 2014.

   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 GADLIL. However, the financial statements of GMIAL and GADLIL as at and for the quarter ended December 31, 2014 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 GADLIL and any other

S.R. Batliboi & Associates LLP Bengaluru *consequential impact that may arise in this regard on the unaudited consolidated financial results for the quarter ended December 31, 2014. In respect of the above matter, our audit report for the year ended March 31, 2014 and limited review reports for the quarters ended June 30, 2014 and September 30, 2014 were similarly qualified.*

7. Based on our review conducted as above, *except for the effects of the matters described in the paragraphs 4 and 5 and the possible effects of the matters described in the 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 - Interim Financial Reporting [specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014)] 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.

8. We draw attention to Note 4 to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014 in connection with the carrying value of net assets of Rs. 209.29 crore (after providing for losses till date of Rs. 174.18 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 and the matter is currently under arbitration, 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 for the quarter ended December 31, 2014. Our conclusion is not qualified in respect of this matter.

9. We draw attention to Note 8 to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014 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 Generation and Distribution Corporation Limited, 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 for the quarter ended December 31, 2014. Considering that substantial amount, though under protest, has been received, GPCL, based on an expert opinion, had offered the amount of claims received upto March 31, 2013 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.

10. We draw attention to Note 10(a) to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014 regarding (i) cessation of operations and 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. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and the appropriateness of the going concern assumption is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet their short term and long term obligations. The accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014 does not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not qualified in respect of this matter.

11. We draw attention to Note 23 to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014 in connection with a 300 MW hydro based power plant on Alaknanda river, Uttarakhand being constructed by GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a subsidiary of the Company. The Hon'ble Supreme Court of India, while hearing a civil appeal in the matters of a hydro power company, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by any of the 24 projects until further orders. The management of the Group is confident of obtaining the requisite clearances and is of the view that carrying value of net assets

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of Rs. 468.04 crore of GBHPL as at December 31, 2014 is appropriate. Accordingly, no adjustments have been made in the accompanying unaudited consolidated financial results for the quarter ended December 31, 2014. Our conclusion is not qualified in respect of this matter.

12. We draw attention to Note 11 to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014 with regard to the assessment of the management of the Group pertaining to the decision of the Hon'ble Supreme Court of India to cancel allocation of coal blocks vide its Orders dated August 25, 2014 and September 24, 2014 and its consequential impact on the accompanying unaudited consolidated financial results for the quarter ended December 31, 2014. Our conclusion is not qualified in respect of this matter.

13. We draw attention to Note 3 to the accompanying statement of unaudited consolidated financial results for the quarter ended December 31, 2014 with regard to the receipt of a letter by the Company from National Stock Exchange of India Limited ('NSE') whereby Securities and Exchange Board of India ('SEBI') has directed NSE to advise the Company to restate the consolidated financial statements of the Group for the year ended March 31, 2013 for qualifications in the Auditors' Report referred in the aforementioned note, within the period specified and in terms of clause 5(d)(ii) of the SEBI Circulars dated August 13, 2012 and June 5, 2013. Our conclusion is not qualified in respect of this matter.

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

per Sunil Bhumralkar
Partner
Membership number: 35141

S.R. Batliboi & Associates LLP Bengaluru

Place: Bengaluru
Date: February 14, 2015