GMR Infrastructure Limited

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PART I

Statement of consolidated financial results for the quarter and year ended March 31, 2015

[in Rs. crore]

Particulars	Quarter ended			Year ended	
	March 31, 2015 Refer note 41	December 31, 2014 Unaudited	March 31, 2014 Refer note 41	March 31, 2015 Audited	March 31, 2014 Audited
1. Income from operations					
a) Sales/ Income from operations	2,872.01	2,727.83	2,930.00	10,935.25	10,566.97
b) Other Operating income - Refer Note 40	40.90	33.47	30.75	152.43	86.25
Total Income from operations	**2,912.91**	**2,761.30**	**2,960.75**	**11,087.68**	**10,653.22**
2. Expenditure					
a) Revenue share paid/ payable to concessionaire grantors	544.42	535.88	507.74	2,064.86	1,943.69
b) Consumption of fuel	450.77	518.56	478.83	2,091.06	1,754.47
c) Cost of materials consumed	11.30	16.57	8.06	46.81	60.65
d) Purchase of traded goods	306.90	183.22	263.81	1,044.18	1,045.06
e) (Increase) or Decrease in stock in trade	15.80	(7.58)	14.73	(20.00)	(14.42)
f) Sub-contracting expenses	170.04	140.69	207.73	565.51	522.87
g) Employee benefits expenses	141.24	165.61	144.94	619.65	574.22
h) Depreciation and amortisation expenses	415.63	468.96	437.69	1,812.53	1,454.99
i) Utilisation fees	-	-	51.87	-	186.18
j) Other expenses	581.60	507.28	591.74	2,068.07	2,015.09
k) Foreign exchange fluctuations loss (net)	10.59	30.07	-	52.90	-
Total expenses	**2,648.29**	**2,559.26**	**2,707.14**	**10,345.57**	**9,542.80**
3. Profit / (Loss) from operations before other income, finance costs and exceptional items (1) - (2)	**264.62**	**202.04**	**253.61**	**742.11**	**1,110.42**
4. Other income					
a) Foreign exchange fluctuations gain (net)	-	-	20.32	-	29.12
b) Other income - others	84.82	81.46	85.74	327.46	286.75
Total other income	**84.82**	**81.46**	**106.06**	**327.46**	**315.87**
5. Profit / (Loss) from operations before finance costs and exceptional items (3) + (4)	**349.44**	**283.50**	**359.67**	**1,069.57**	**1,426.29**
6. Finance costs	967.61	927.56	918.51	3,571.86	2,971.88
7. (Loss) / Profit after finance costs but before exceptional items (5) - (6)	**(618.17)**	**(644.06)**	**(558.84)**	**(2,502.29)**	**(1,545.59)**
8. Exceptional items					
a) Profit on dilution in subsidiaries - Refer Note 14 and 15	-	-	14.65	-	69.73
b) Profit on sale of jointly controlled entities - Refer Note 3	34.44	-	1,658.93	34.44	1,658.93
c) Profit on sale of assets held for sale - Refer Note 13	-	-	63.52	-	100.54
d) Loss on impairment of assets in subsidiaries - Refer Note 19, 22 and 33	(79.80)	-	(8.95)	(79.80)	(8.95)
e) Loss on impairment of assets in subsidiaries - Refer Note 35	-	-	-	(35.94)	-
f) Loss on account of provision towards claims recoverable - Refer Note 7	(130.99)	-	-	(130.99)	-
g) Breakage cost of interest rate swap - Refer note 32	(91.83)	-	-	(91.83)	-
9. (Loss) / Profit from ordinary activities before tax (7) ± (8)	**(886.35)**	**(644.06)**	**1,169.31**	**(2,806.41)**	**274.66**
10. Tax expenses/ (credit)	62.75	24.70	(15.05)	152.81	166.25
11. Net (Loss) / Profit from ordinary activities after tax but before minority interest and share of loss from associates (9) ± (10)	**(949.10)**	**(668.76)**	**1,184.36**	**(2,959.22)**	**108.41**
12. Share of loss / (profit) from associates	12.98	-	-	12.98	-
13. Minority interest - share of (profit) / loss	70.18	30.43	(14.18)	238.91	(98.40)
14. Net (Loss) / Profit after tax, minority interest and share of loss of associtaes (11) ± (12) ± (13)	**(891.90)**	**(638.33)**	**1,170.18**	**(2,733.29)**	**10.01**
15. E B I T D A (3) + (2(h)) + (4(a))	**680.25**	**671.00**	**711.62**	**2,554.64**	**2,594.53**
16. Paid-up equity share capital (Face value - Re. 1 per share)	**436.13**	**436.13**	**389.24**	**436.13**	**389.24**
17. Reserves excluding revaluation reserves as per consolidated statement of assets and liabilities				**4,305.78**	**6,095.18**
18. Weighted average number of shares used in computing Earnings per share	**4,361,247,379**	**4,361,247,379**	**3,892,432,532**	**4,232,805,171**	**3,892,432,532**
19. Earnings per share - Basic and Diluted - (Rs.) (not annualised)	**(2.05)**	**(1.46)**	**3.01**	**(6.46)**	**0.03**

PART II					
Select Information for the quarter and year ended March 31, 2015					
Particulars	**Quarter ended**			**Year ended**	
	March 31, 2015	**December 31, 2014**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
A. PARTICULARS OF EQUITY SHAREHOLDING					
1. Public Shareholding					
- Number of equity shares	1,477,160,289	1,515,815,289	1,083,591,135	1,477,160,289	1,083,591,135
- Percentage of equity shareholding	33.87%	34.76%	28.30%	33.87%	27.84%
2. Promoters and promoter group equity shareholding					
a) Pledged/ Encumbered					
- Number of equity shares	2,535,332,661	2,229,411,593	1,785,342,465	2,535,332,661	1,785,342,465
- Percentage of equity shares (as a % of the total equity shareholding of promoter and promoter group)	88.46%	78.85%	63.97%	88.46%	63.97%
- Percentage of equity shares (as a % of the total equity share capital of the Company)	58.13%	51.12%	45.87%	58.13%	45.87%
b) Non-Encumbered					
- Number of equity shares	330,754,629	598,020,697	1,005,501,382	330,754,629	1,005,501,382
- Percentage of equity shares (as a % of the total equity shareholding of promoter and promoter group)	11.54%	21.15%	36.03%	11.54%	36.03%
- Percentage of equity shares (as a % of the total equity share capital of the Company)	7.58%	13.71%	25.83%	7.58%	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
- Percentage of equity shareholding	0.42%	0.41%	0.46%	0.42%	0.46%

Particulars	**Quarter ended March 31, 2015**
B. INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	52
Disposed of during the quarter	52
Remaining unresolved at the end of the quarter	-

GMR Infrastructure Limited					
Report on Consolidated Segment Revenue, Results and Capital Employed					
Particulars	**Quarter ended**			**Year ended**	
	March 31, 2015 Refer note 41	**December 31, 2014 Unaudited**	**March 31, 2014 Refer note 41**	**March 31, 2015 Audited**	**March 31, 2014 Audited**
1. Segment Revenue					
a) Airports	1,437.78	1,421.28	1,548.05	5,468.64	6,023.01
b) Power	1,173.71	1,061.81	984.60	4,454.49	3,342.61
c) Roads	193.10	185.95	249.55	766.98	737.88
d) EPC	46.47	30.18	139.80	164.89	468.67
e) Others	186.69	194.03	150.19	707.07	570.98
	3,037.75	2,893.25	3,072.19	11,562.07	11,143.15
Less: Inter Segment	124.84	131.95	111.44	474.39	489.93
Segment revenue from operations	**2,912.91**	**2,761.30**	**2,960.75**	**11,087.68**	**10,653.22**
2. Segment Results					
a) Airports	260.41	245.95	324.39	913.53	1,309.33
b) Power	(46.09)	(104.34)	(96.33)	(403.29)	(438.37)
c) Roads	23.39	50.98	99.60	208.59	324.30
d) EPC	15.26	(8.66)	(27.52)	(3.18)	(40.84)
e) Others	121.99	140.62	61.84	480.46	271.52
	374.96	324.55	361.98	1,196.11	1,425.94
Less: Inter Segment	79.82	83.91	47.44	294.63	149.73
Net Segment Results	**295.14**	**240.64**	**314.54**	**901.48**	**1,276.21**
Less: Finance costs (net)	913.31	884.70	873.39	3,403.77	2,821.80
Add/ (Less) : Exceptional items					
a) Profit on dilution in subsidiaries - Refer Note 14 and 15	-	-	14.65	-	69.73
b) Profit on sale of jointly controlled entities - Refer Note 3	34.44	-	1,658.93	34.44	1,658.93
c) Profit on sale of assets held for sale - Refer Note 13	-	-	63.52	-	100.54
d) Loss on impairment of assets in subsidiaries - Refer Note 19, 22 and 33	(79.80)	-	(8.95)	(79.80)	(8.95)
e) Loss on impairment of assets in subsidiaries - Refer Note 35	-			(35.94)	
f) Loss on account of provision towards claims recoverable - Refer Note 7	(130.99)			(130.99)	
g) Breakage cost of interest rate swap - Refer note 32	(91.83)			(91.83)	
(Loss) /Profit before tax	**(886.35)**	**(644.06)**	**1,169.31**	**(2,806.41)**	**274.66**
	(0.00)	0.00	(0.00)	-	-
3. Capital employed					
(Segment Assets - Segment Liabilities)					
a) Airports	15,757.40	15,818.39	15,147.06	15,757.40	15,147.06
b) Power	28,717.08	28,549.73	26,936.82	28,717.08	26,936.82
c) Roads	5,247.52	5,511.68	5,868.42	5,247.52	5,868.42
d) EPC	278.08	273.54	385.11	278.08	385.11
e) Others	16,575.99	16,095.90	15,082.99	16,575.99	15,082.99
	66,576.07	66,249.24	63,420.40	66,576.07	63,420.40
Less: Inter Segment	7,677.94	7,670.20	6,187.27	7,677.94	6,187.27
Unallocated Assets / (Liabilities)	(49,238.40)	(48,544.83)	(46,447.80)	(49,238.40)	(46,447.80)
Total	**9,659.73**	**10,034.21**	**10,785.33**	**9,659.73**	**10,785.33**

Notes to consolidated financial results for the quarter and year ended March 31, 2015

1. Consolidated Statement of Assets and Liabilities

[in Rs. crore]

Particulars	**As at March 31, 2015 Audited**	**As at March 31, 2014 Audited**
Equity and Liabilities		
Shareholders' funds		
Share capital	1,572.79	1,525.91
Reserves and surplus	4,305.78	6,095.18
Money received against share warrants	141.75	-
	6,020.32	7,621.09
Preference shares issued by subsidiary companies	984.25	1,155.60
Share application pending allotment	889.66	-
Minority interest	1,765.50	2,008.64
Non-current liabilities		
Long-term borrowings	38,690.38	33,599.28
Deferred tax liability (net)	73.36	73.27
Trade payables	21.03	20.97
Other long-term liabilities	2,064.07	2,398.71
Long-term provisions	59.39	78.45
	40,908.23	36,170.68
Current liabilities		
Short-term borrowings	3,511.18	5,588.17
Trade payables	2,035.08	1,759.31
Other current liabilities	10,357.52	10,547.84
Short-term provisions	271.20	290.52
	16,174.98	18,185.84
TOTAL	**66,742.94**	**65,141.85**
Assets		
Non-current assets		
Fixed assets	47,822.11	45,911.95
Goodwill on consolidation	3,608.08	3,461.15
Non-current investments	210.86	104.22
Deferred tax asset (net)	19.04	44.57
Long-term loans and advances	2,384.75	2,441.08
Trade receivables	97.16	171.76
Other non-current assets	3,900.83	3,802.93
	58,042.83	55,937.66
Current assets		
Current investments	1,201.82	775.35
Inventories	304.85	358.92
Trade receivables	1,624.27	1,600.14
Cash, cash equivalents and other bank balances	3,904.04	3,321.19
Short-term loans and advances	587.19	493.15
Other current assets	1,077.94	2,655.44
	8,700.11	9,204.19
TOTAL	**66,742.94**	**65,141.85**

Notes to the consolidated financial results for the quarter and year ended March 31, 2015

2. **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).

3. 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 have qualified their Audit Reports for the years ended March 31, 2014 and March 31, 2015.

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

   (in Rs. crore)

	Quarter ended March 31, 2014	**Year ended March 31, 2014**
Total income	157.97	674.10
Loss after tax (before consolidation adjustments)	(14.54)	(70.23)

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

   (in Rs. crore)

	Quarter ended March 31, 2014	**Year ended March 31, 2014**
Total income	18.72	70.13
Loss after tax (before consolidation adjustments)	(2.55)	(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:

Notes to the consolidated financial results for the quarter and year ended March 31, 2015

(in Rs. crore)

	Quarter ended March 31, 2014	Year ended March 31, 2014
Total income	-	-
(Loss) / profit after tax (before consolidation adjustments)	(0.37)	3.54

4. 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.

   In response to its representations made, the Company received a letter from SEBI dated April 27, 2015, whereby SEBI has re-iterated its earlier advice for restatement of financial results, in terms of the aforementioned circulars. Further, SEBI has advised the Company to restate financial results for financial year 2012-13 and 2013-14 and the effect of these restatement adjustments may be carried out in the annual accounts of the financial year 2014-15, as a prior period item in terms of the aforementioned circulars. With regard to matter described in Note 7, the Group has made requisite adjustments in the accompanying financial results for the quarter and year ended March 31, 2015. With regard to the matter described in Note 11(b), the Hon'ble High Court of Delhi, while hearing the writ petition filed by the Group in this regard, directed SEBI not to insist on restatement of accounts till the next hearing date, which is scheduled on September 4, 2015. Further, the High Court of Delhi directed the Company that if the accounts for 2014-15 are prepared, the aforementioned issue will be reflected in the accounts and the effect of both capitalisation and non-capitalisation on the networth will also be disclosed in due prominence, in the financial accounts prepared by the Company. Refer note 11(b).

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

5. The Company along with its subsidiaries have an investment of Rs. 389.52 crore (including loans of Rs. 149.93 crore, and interest accrued thereon 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 March 31, 2015. 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 years ended March 31, 2014 and March 31, 2015 till further orders. Based on an internal assessment and a legal opinion, the management of the Group is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the carrying value of net assets of Rs. 208.51 crore (after providing for losses till date of Rs. 181.02 crore) as regards investment in GACEPL as at March 31, 2015 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

6. 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 asserts 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 (‘preliminary issue’) and the timetable was agreed by the parties for hearing of the preliminary issue in the first half of 2015. Accordingly, after the tribunal has decided in respect of the preliminary issue, a timetable will be set for the hearing on the substantive quantum of the award. The final outcome of the arbitration is pending as at March 31, 2015. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs. 1,486.96 crore (USD 23.58 crore) including claim recoverable of Rs. 1,145.16 crore (USD 18.16 crore) at their carrying values as at March 31, 2015, 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 is solely dependent on the outcome of arbitration and / or a negotiated settlement. However, financial statements of GMIAL as at and for the year ended March 31, 2015 have been prepared and accordingly consolidated on a going concern basis.

Further, GMIAL had 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 March 31, 2015 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised as at March 31, 2015 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 as at March 31, 2015 and accordingly, the 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 Audit 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 year ended March 31, 2015 are as follows:

(in Rs. crore)

	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
Total income	0.24	0.35	0.07	25.05	1.51
Profit/ (loss) after tax and minority interest (before consolidation adjustments)	(4.99)	(11.93)	(91.48)	(12.66)	(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 year ended March 31, 2015 have been prepared and accordingly consolidated on a going concern basis. The statutory auditors of the Company have qualified their Audit Report in this regard.

7. The Company along with its subsidiary has made an investment of Rs. 729.43 crore (including loans of Rs. 29.43 crore and investment in equity shares of Rs. 700.00 crore made by the Company and its subsidiaries) in

GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company, which is primarily utilised towards payment of capital advance of Rs. 590.00 crore to its EPC contractors and Rs. 130.99 crore (including Rs. 2.42 crore during the quarter ended March 31, 2015) towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). Further, the Group has provided a performance guarantee of Rs. 269.36 crore to NHAI. 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 had issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. 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 had submitted the proposal for the continuance of the project subject to certain modifications in the financial and other terms in the Concession Agreement and held discussions with NHAI for revival of the project. As efforts for revival of the project did not succeed, on February 16, 2015, GKUAEL has issued a notice of dispute to NHAI invoking arbitration provisions of the Concession Agreement. Both the parties have appointed their arbitrators and the arbitration process is pending commencement.

During the quarter ended March 31, 2015, pursuant to the issue of notice of dispute, GKUAEL has transferred the aforesaid project costs of Rs. 130.99 crore to claims recoverable as the management believes that it will be able to recover the expenditure incurred on the project. Further, based on its internal assessment and in view of the letter received from NSE, as detailed in note 4, the Group has made provision for such claims recoverable and has disclosed the same as an 'exceptional item' in the consolidated financial results of the Group for the quarter and year March 31, 2015.

Further, GKUAEL had awarded the EPC contract to GMR Projects Private Limited, ('GPPL') to whom the GKUAEL has given an advance of Rs. 590.00 crore as stated above. GKUAEL has terminated the contract on May 15, 2015. GKUAEL is yet to receive any claim from the EPC contractor and no such claim relating to the termination of contract has been recognized in the financial statement of GKUAEL as at March 31, 2015 as the amounts payable are not certain. The termination of concession agreement with NHAI, 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 the GKUAEL and the consequential impact on the net assets / performance guarantee given by the Group and is solely dependent on the outcome of arbitration. Based on an internal assessment and a legal opinion obtained by the management, the management of GKUAEL is confident that it will be able to claim compensation from NHAI for the loss it has suffered due to termination of contract for reasons as stated aforesaid and accordingly, no further adjustments have been considered necessary as at March 31, 2015. The statutory auditors of the Company qualified their Audit Report in this regard.

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.

   During the year ended March 31, 2014, the fuel supplier had 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 year ended March 31, 2015, 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. Further, GEL has filed its statement of defense and counter claim amounting to Rs. 35.96 crore along with interest at the rate of 18% per annum. 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 consolidated financial results of the Group and the claim from the fuel supplier has been considered as a contingent liability as at March 31, 2015.

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 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. GPCL and TAGENDCO have filed their respective petitions before TNERC during August 2014.

   GPCL was availing tax holiday under Section 80IA of the Income Tax Act, 1961 (‘IT Act’) in respect of its income from power generation. Considering that the substantial amount, though under protest, has been received by GPCL, based on an expert opinion, GPCL 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 Audit Report in this regard.

10. The Company through its subsidiary has an investment of Rs. 164.98 crore in the equity share capital of GPCL. The PPA entered into by GPCL with TAGENDCO for 15 years expired on February 14, 2014 and was extended for a year, which expired on February 14, 2015. There has been no further renewal of the PPA post February 14, 2015. The going concern assumption of GPCL is significantly dependent upon its PPA arrangements, achievement of business plans and continued availability of funds. The management of GPCL is in discussion with TAGENDCO and several industrial consumers for the supply of its power and is confident of executing its PPA and obtaining financial assistance from GEL to meet its financial commitments. In view of these aspects and a valuation assessment by an external expert, the management of the Group believes that the carrying value of its net assets in GPCL as at March 31, 2015 is appropriate.

11. 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 387MW 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 till the year ended March 31, 2015 and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply, thereby resulting in erosion of networth. 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 the Ministry of Petroleum and Natural Gas is yet to allocate the gas linkage. The consortium of lenders have approved the reschedulement of Commercial Operation Date ('COD') of plant under construction and repayment of project loans. GREL in the absence of gas linkage sought further extension of COD. However, the project lenders have agreed for further funding of Rs. 457.00 crore to GREL to meet its cost overruns on account of delays in commissioning of the plant. During March 2015, the Ministry of Power, Government of India ('GoI') issued a scheme for utilization of the gas based power generation capacity for the years ended March 31, 2016 and 2017. The scheme envisages supply of imported spot RLNG 'e-bid RLNG' to the stranded gas based plants as well as plants receiving domestic gas, upto the target plant load factor ('PLF'), selected through a reverse e-bidding process and also intervention / sacrifices to be collectively made by all stakeholders. The aforementioned gas based power plants of the Group are included in the list of stranded gas based power plants and are entitled to participate in the e-bidding process. GVPGL and GREL have emerged as successful bidders in the auction process organised by the Ministry of Power in May 2015 and have been awarded the Letter of Intent for gas allocation for 4 months from June to September, 2015 which would facilitate the commissioning of GREL and operations of both GREL and GVPGL at 25% PLF. The Group and the Association of Power Producers continue to monitor the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management of the Group is confident that GoI would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Based on the aforementioned reasons, business plans and valuation assessment by an external expert includes certain assumptions relating to availability and pricing of gas, future tariff and other operating parameters, which management of the Group believes reasonably reflect the future expectations from these projects. The management of the Group will monitor these aspects closely and take actions as is considered appropriate and is confident that these gas based entities will be able to generate sufficient profits in future years and meet their financial obligations as they arise. 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 March 31, 2015 is appropriate and these 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 also committed to provide necessary financial support to these companies as may be required by these Companies for continuance of their normal business operations. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit 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 11(a) above. MCA vide its General Circular No. 35/2014 dated August 27, 2014 on capitalisation under AS-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 had 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. 1,104.92 crore (including Rs. 107.35 crore for the current quarter) cumulatively upto March 31, 2015. The statutory auditors of the Company have qualified their Audit Report in this regard. Also refer note 4.

12. The Company through its subsidiary has an investment of Rs. 2,485.10 crore (including investments in equity share capital, subordinate loans and interest accrued on loans) in GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of the Company as at March 31, 2015 and 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. GKEL has accumulated losses of Rs. 1,343.36 crore which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. GKEL is in active discussion with the lenders to restructure its loans. GKEL's petition for 'Tariff Determination' in case of PPA with GRIDCO Limited and 'Tariff Revision' in case of PPA with PTC India Limited is pending before CERC for disposal. GKEL is hopeful of a favourable order in due course. In view of these matters, business plans and valuation assessment by an

external expert and continuing financial support by GEL, the financial statements of GKEL have been prepared on a going concern basis and the management of the Group is of the view that the carrying value of its net assets in GKEL as at March 31, 2015 is appropriate.

13. 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 Homeland Energy Global Limited (‘HEGL’), a subsidiary of the Company, subject to obtaining necessary approvals. During the year ended March 31, 2014, the sale transaction was completed for the coal mines of HEGL 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 year ended March 31, 2015, 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 March 31, 2015 are as follows:

(in Rs. crore)

	Quarter ended March 31, 2015	**Quarter ended December 31, 2014**	**Quarter ended March 31, 2014**	**Year ended March 31, 2015**	**Year ended March 31, 2014**
Total income	-	-	51.39	0.23	100.54
Profit/(loss) after tax and minority interest (before consolidation adjustments)	(4.55)	(14.88)	79.75	(24.36)	64.12

14. During the year ended March 31, 2013, the Group had entered into definitive sale agreements for divestment of 74% stake in Jadcherla Expressways Private Limited (‘JEPL’) (formerly known as ‘GMR Jadcherla Expressways Private Limited’), 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.

15. During the year ended March 31, 2014, the Group had divested 74% of its stake in Ulundurpet Expressways Private Limited (‘UEPL’) (formerly known as ‘GMR Ulundurpet Expressways Private Limited’), 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 March 31, 2015, the Group has provided a loan of Rs.74.43 crore to UEPL carrying an interest rate of 0.01% p.a. The loan is repayable by January 22, 2027.

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

(in Rs. crore)

	Quarter ended March 31, 2014	**Year ended March 31, 2014**
Total income	12.60	83.37
Profit/ (loss) after tax and minority interest (before consolidation adjustments)	0.90	3.07

16. During the quarter and year ended March 31, 2015, GKEL has recognised revenue of Rs. 104.64 crore and Rs. 313.13 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. 99.81 crore and Rs. 340.96 crore for the quarter and year ended March 31, 2015 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.

Notes to the consolidated financial results for the quarter and year ended March 31, 2015

17. During the quarter ended March 31, 2015, GMR Hotels and Resorts Limited ('GHRL'), a subsidiary of GMR Hyderabad International Airport Limited ('GHIAL'), has incurred net loss of Rs. 4.15 crore and has accumulated losses of Rs. 129.19 crore as at March 31, 2015, 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 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.

18. The Company through its subsidiary has an investment of Rs. 1,195.45 crore (including investments in equity share capital, debentures, subordinate loans and interest accrued on loans) in EMCO Energy Limited ('EMCO'), a subsidiary of the Company, as at March 31, 2015 and has also provided corporate / bank guarantee towards loan taken by EMCO from the project lenders. EMCO is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600MW situated at Warora. EMCO has accumulated losses of Rs. 926.11 crore 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. EMCO has tied up entire power sale capacity with customers. However, it has substantially completed the refinancing of its term and other loans with the lenders. Though the networth of EMCO is fully eroded, the management of EMCO expects that the plant will generate sufficient profits in the future years, and as such the financial statements of EMCO for the year ended March 31, 2015 have been prepared on a going concern basis and based on business plans and a valuation assessment by an external expert, the management of the Group consider that the carrying value of the net assets in EMCO as at March 31, 2015 is appropriate.

19. The Group through its subsidiary has investments of Rs. 65.00 crore (including goodwill of Rs. 61.80 crore) in equity share capital of SJK Powergen Limited ('SJK'), a subsidiary of the Company as at March 31, 2015. SJK is in the early stage of developing a 2*660 MW imported coal based power plant at Village Lalapur, Madhya Pradesh. During the year ended March 31, 2015, based on an internal assessment, the Group has provided for impairment in the value of goodwill in full and has disclosed the same as an 'exceptional item' in the consolidated financial results of the Group.

20. Kakinada SEZ Private Limited ('KSPL'), a subsidiary of the Company, is acquiring land for implementing a Multi-Product Special Economic Zone within the meaning of Special Economic Zone Act, 2005. KSPL has obtained an initial notification from the Ministry of Commerce, GoI vide notification no. 635(E) dated April 23, 2007 to the extent of 1,035.67 hectares, the formal approval for which was initially granted for three years from June 2006. The said formal approval has been extended till August 2015. KSPL, has obtained further notification from GoI vide notification no. 342(E) dated February 6, 2013 to the extent of 1,013.64 hectares and the formal approval was initially granted for 3 years from February 2012, which on application by KSPL has been extended further by one year upto February 2016. KSPL upon completion of acquisition of the desired land plans to apply for an appropriate notification, pending which the entire land that has been acquired till date by KSPL is treated as land acquired for the purpose of implementation of Special Economic Zone awaiting notification. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

21. The Company along with its subsidiaries have an investment of Rs. 663.65 crore (including loans of Rs. 361.12 crore and investment in equity / preference shares of Rs. 302.53 crore made by the Company and its subsidiaries) in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') a subsidiary of the Company. GHVEPL has been incurring losses since the commencement of its commercial operations. The management of the Group believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic arising out of bifurcation of State of Andhra Pradesh and ban on sand mining in the region. The management based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to the claim for losses suffered on account of the aforementioned reasons. Based on the aforementioned internal assessment, legal opinion and the claim filed, the management of the Group is confident that the carrying value of net assets of Rs. 453.60 crore (after providing for losses till date of Rs. 210.05 crore) as regards investment in GHVEPL as at March 31, 2015 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

Notes to the consolidated financial results for the quarter and year ended March 31, 2015

22. During the year ended March 31, 2015, based on a valuation assessment of its investments including unsecured loans in GMR Gujarat Solar Power Private Limited (‘GGSPPL’), a subsidiary of the Company, the Group has made an impairment provision of Rs. 18.00 crore towards the carrying value of the net assets of GGSPPL, which has been disclosed as an ‘exceptional item’ in the consolidated financial results of the Group for the quarter and year ended March 31, 2015.

23. The Company through its subsidiaries has an investment of Rs. 499.58 crore (USD 7.92 crore) including loan and interest accrued thereon in PT Dwikarya Sejati Utama (‘PTDSU’) as at March 31, 2015. 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 paid 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 March 31, 2015 have accumulated deficit of Rs. 31.62 crore (USD 0.50 crore). PTBSL, a coal property company has commenced coal production and achieved 28,000 MT during the year ended March 31, 2015 and PTDSU and its subsidiaries are proposing to ramp up the production to 2.5 Million MT in a 2 year timeframe. PTDSU and its subsidiaries are dependent on financial support from the Company. 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. Based on these factors and valuation assessment carried out by an external expert, the Group believes that the carrying value of its net assets in PTDSU and its subsidiaries as at March 31, 2015 is appropriate.

24. a) 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 (except certain power sector Companies, as detailed in note 24(b) below) and certain assets in Companies in airport sector as stated in note 24(c) 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 year ended March 31, 2015 by Rs. 245.69 crore. Further, in case of fixed assets whose useful life on such reassessment had expired as of April 01, 2014, net book value of Rs. 36.92 crore (net of deferred tax charge of Rs. 7.35 crore) is adjusted with the deficit in the consolidated statement of profit and loss as of April 01, 2014.

    b) The Group has revised the estimated useful lives of its fixed assets with effect from April 01, 2014 from the rates prescribed as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 to the provisions of Schedule II of the Companies Act, 2013, in case of certain domestic power sector Companies, except in case of plant and machinery for which useful life is considered as 25 years as prescribed by Central Electricity Regulatory Commission being the regulatory authority in the energy sector. 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 decrease in depreciation and amortization expenses for the year ended March 31, 2015 by Rs. 53.69 crore, respectively.

    c) 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.

25. 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 had presented its report before the Rajya Sabha on August 17, 2012 wherein they had made certain observations on Delhi International Airport Limited (‘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 consolidated financial results of the Group for the quarter and year ended March 31, 2015.

26. 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. During the year ended March 31, 2015, block assessments have been completed for some of the companies of the Group and appeals have been filed with the Income Tax department against the disallowances made in the assessment orders. The management of the Group believes that it has complied with all the applicable provisions of the IT Act with respect to its operations.

27. 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 March 31, 2015 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, including obtaining of shareholders' approval by passing a special resolution in the forthcoming annual general meeting of the Company. 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 consolidated financial results of the Group.

28. As at March 31, 2015, the Company through its subsidiaries has an investment of Rs. 343.53 crore (including investment in equity share capital of Rs 5.00 crore and subordinate loan of Rs. 338.53 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. Based on its internal assessment and a legal opinion, 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. 277.49 crore of GBHPL is appropriate. Accordingly, no adjustments have been made in these accompanying consolidated financial results of the Group for the year ended March 31, 2015. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

29. GMR Infrastructure (Cyprus) Limited, a subsidiary of the Company, has fixed deposits of Rs. 609.16 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.

30. The Company through its subsidiary has an investment of Rs. 2,760.39 crore (including investments in equity share capital, preference share capital, subordinate loans and interest accrued thereon) in GMR Chhattisgarh Energy Limited ('GCHEPL'), a subsidiary of the Company as at March 31, 2015 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 at Raipur district, Chhattisgarh. GCHEPL has obtained provisional Mega Power status certificate from the Ministry of Power, GOI, vide letter dated September 8, 2011 and accordingly has availed exemption of customs and excise duty against bank guarantees and pledge of deposits. The management of GCHEPL is certain of obtaining Mega Power status, pending which cost of customs and excise has not been considered as cost of the project.

GCHEPL has experienced certain delays in the completion of construction and incurred costs overruns including additional claims from the EPC contractor which are pending settlement as at March 31, 2015. As per the management of GCHEPL, the additional claims are not expected to be material and expect to complete the development of the project within the revised costs approved by the lenders. GCHEPL is in active discussion with the lenders to restructure its loans. During the year ended March 31, 2015, GCHEPL has been allotted two coal mines to meet its fuel requirements. GCHEPL does not have a PPA currently and is taking up steps to tie up power supply through power supply agreements on a long term basis with various customers including State Electricity Boards and is expected to commence generation of power in the earlier part of the ensuing financial year. Due to these reasons, the financial statements of GCHEPL have been prepared on a going concern basis and based on business plans and valuation assessment by an external expert, the management of the Group is of the view that the carrying value of its net assets in GCHEPL as at March 31, 2015 is appropriate. In estimating the future cash flows, the management has, based on externally available information, made certain key assumptions relating to the future revenues in the absence of PPAs, restructuring of loans to the lenders and operating parameters which the management believes reasonably reflect the future expectation of these items. In view of the estimation uncertainties, the Company will monitor these assumptions closely on a periodic basis and take action as it considers appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

31. 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 year ended March 31, 2015, does not comprise any income from PSF (FC) and UDF.

    This has significantly impacted the profitability and cash flows of GHIAL for the year ended March 31, 2015 and will continue to have significant impact on the profitability and cash flows of GHIAL for the period from April 1, 2015 to March 31, 2016. GHIAL has filed an appeal challenging the aforesaid AERA order with the AERA tribunal. Due to non-constitution of Airports Economic Regulatory Authority Appellate Tribunal ('AERAAT') bench, AERA tribunal has refused to hear the appeal and hence, GHIAL has filed a writ petition with the Hon'ble High Court of Hyderabad and undertaken certain steps towards strategic cash management. During the year ended March 31, 2015, 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 and its subsidiary GMR Airports Limited, have also agreed to provide necessary financial support, should the necessity arise.

32. 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 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 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). DIAL has filed its reply to AERA with respect to the consultation paper. 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.

Based on the above, the profit earned over the last three financial years, DIAL's business plans, and cash flow projections prepared by the management for the next one year, the management expects to earn cash profits during 2015-16; and do not foresee any difficulty in continuing its business / operations and meeting its financial obligations for a period till March 31, 2016. Accordingly, financial statements of DIAL for the year ended March 31, 2015 have been prepared and accordingly consolidated on a going concern basis.

33. 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.

34. During the quarter ended March 31, 2015, the Group has divested 26% of its stake in Delhi Cargo Service Center Private Limited to India Infrastructure Fund – II and 40% of its stake in Devyani Food Street Private Limited to Devyani International Limited and realised a profit of Rs. 34.44 crore on such divestment, which has been disclosed as an 'exceptional item' in the consolidated financial results of the Group for the quarter and year ended March 31, 2015.

35. During the year ended March 31, 2015, GMR Aero Technic Limited ('GATL') (formerly known as 'MAS GMR Aero Technic Limited'), a subsidiary of the Company, has incurred net loss of Rs. 68.66 crore and has accumulated losses of Rs. 295.13 crore as at March 31, 2015, 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 year ended March 31, 2015 towards impairment in the carrying value of net assets and which has been disclosed as an 'exceptional item' in the consolidated financial results of the Group for the year ended March 31, 2015. 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 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.

36. 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 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 year ended March 31, 2015, 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 consolidated financial results of the Group for the year ended March 31, 2015. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

37. DIAL has issued 6.125% senior secured notes due 2022 of USD 28.88 crore on February 3, 2015 to refinance its existing external commercial borrowings. As a result of such refinancing, certain Interest Rate Swap ('IRS') which were outstanding on the existing external commercial borrowings of USD 28.88 crore, prior to refinancing were cancelled and DIAL paid Rs. 91.83 crore towards such cancellation of IRS. The same has been disclosed as an 'exceptional item' in the consolidated financial results of the Group for the quarter and year ended March 31, 2015.

38. 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 quarters and year ended March 31, 2015, the allotment of shares against such warrants would decrease the loss per share for the quarters and year ended March 31, 2015 and accordingly has been ignored for the purpose of calculation of diluted earnings per share.

    c) Pursuant to the approval of the management committee of the Board of Directors dated April 18, 2015, the Company approved the allotment of 934,553,010 equity shares of face value of Re.1 each at a price of Rs. 15 per equity share (including share premium of Rs. 14 per equity share) for an amount aggregating to Rs. 1,401.83 crore to the existing equity shareholders of the Company on rights basis in the ratio of 3 equity shares for every 14 equity shares held by equity shareholders under chapter IV of SEBI Regulations and provisions of all other applicable laws.

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

(in Rs. crore)

	Quarter ended			Year ended	
	March 31, 2015	**December 31, 2014**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
	Refer Note 40	**Unaudited**	**Refer Note 40**	**Audited**	**Audited**
(a) Revenue from operations	174.50	171.09	205.40	649.74	786.29
(b) Profit / (loss) before tax and after exceptional items	(264.27)	(18.77)	221.78	(350.53)	188.08
(c) Profit / (loss) after tax	(262.46)	(12.90)	209.77	(352.65)	165.90

40. 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.

41. The figures of last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financial years and the published unaudited year to date figures for nine months for respective years.

42. The consolidated financial results of the Group for the year ended March 31, 2015 have been reviewed by the Audit Committee at their meeting on May 30, 2015 and approved by the Board of Directors at their meeting on May 30, 2015.

Notes to the consolidated financial results for the quarter and year ended March 31, 2015

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

For GMR Infrastructure Limited

Sd/-
Grandhi Kiran Kumar
Managing Director

Bangalore
May 30, 2015