GMR Infrastructure Limited

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PART I

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

(In Rs. crore)

S.No	Particulars	Quarter ended			Year ended	
		March 31, 2015	December 31, 2014	March 31, 2014	March 31, 2015	March 31, 2014
		Refer note 22	Unaudited	Refer note 22	Audited	Audited
1	**Income from operations**					
	(a) Sales/ income from operations	46.47	30.18	139.80	164.89	468.67
	(b) Other operating income (refer Note 25)	128.03	140.91	65.60	484.85	317.62
	Total income from operations	**174.50**	**171.09**	**205.40**	**649.74**	**786.29**
2	**Expenses**					
	(a) Cost of materials consumed	7.57	11.14	3.06	33.30	92.08
	(b) Subcontracting expenses	14.60	14.21	139.67	90.83	308.55
	(c) Employee benefits expenses	4.26	6.22	25.43	25.03	69.72
	(d) Depreciation and amortisation expenses	5.70	4.70	2.11	20.03	8.42
	(e) Other expenses	19.85	11.14	15.55	50.87	55.04
	Total expenses	**51.98**	**47.41**	**185.82**	**220.06**	**533.81**
3	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	**122.52**	**123.68**	**19.58**	**429.68**	**252.48**
4	Other income					
	a) Foreign exchange fluctuation gain (net)	0.07	0.04	0.01	6.67	0.85
	b) Other income - others	6.13	0.15	1.35	12.81	3.92
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	**128.72**	**123.87**	**20.94**	**449.16**	**257.25**
6	Finance costs	130.59	142.64	125.42	537.29	408.71
7	**(Loss) / Profit from ordinary activities after finance costs and before exceptional items (5 - 6)**	**(1.87)**	**(18.77)**	**(104.48)**	**(88.13)**	**(151.46)**
8	Exceptional items					
	Profit on sale of investment in a subsidiary (refer Note 14)	-	-	-	-	13.28
	Profit on sale of investment in a jointly controlled entity (refer Note 15)	-	-	458.78	-	458.78
	Loss on redeemable preference shares (refer Note 17)	-	-	(131.25)	-	(131.25)
	Provision for diminuition in the value of investment in a jointly controlled entity (refer Note 16)	-	-	(1.27)	-	(1.27)
	Provision for dimunition in value of investments/advances in subsidiaries (Refer Note 10)	(262.40)	-	-	(262.40)	-
9	**(Loss)/ Profit from ordinary activities before tax (7 ± 8)**	**(264.27)**	**(18.77)**	**221.78**	**(350.53)**	**188.08**
10	Tax expenses/ (credit)	(1.81)	(5.87)	12.01	2.12	22.18
11	**Net (Loss) / Profit from ordinary activities after tax (9 ± 10)**	**(262.46)**	**(12.90)**	**209.77**	**(352.65)**	**165.90**
12	Paid-up equity share capital (Face value - Re. 1 per share)	436.13	436.13	389.24	436.13	389.24
13	Paid-up debt capital (refer Note 24)				967.50	1,152.50
14	Reserve excluding Revaluation Reserves as per balance sheet of previous year				7,883.47	6,874.74
15	Debenture Redemption Reserve (included in reserves in S.No 14 above)				121.33	118.22
16	Weighted average number of shares used in computing Earning Per Share	4,361,247,379	4,361,247,379	3,892,432,532	4,232,805,171	3,892,432,532
17	Earnings per share (of Re. 1 each) (not annualised) Basic and Diluted	(0.60)	(0.03)	0.54	(0.83)	0.43
18	Debt Equity Ratio (refer Note 23)				0.46	0.72
19	Debt Service Coverage Ratio ('DSCR') (refer Note 23)				0.09	0.42
20	Interest Service Coverage Ratio ('ISCR') (refer Note 23)				0.35	1.46

PART II

Select Information for the quarter and year ended March 31, 2015

S.No	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%	27.84%	33.87%	27.84%
2	Promoter 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 Standalone Segment Revenue, Results and Capital Employed

(In Rs. crore)

S.No	Particulars	Quarter ended			Year ended	
		March 31, 2015	**December 31, 2014**	**March 31, 2014**	**March 31, 2015**	**March 31, 2014**
		Refer note 22	**Unaudited**	**Refer note 22**	**Audited**	**Audited**
1	**Segment Revenue**					
	a) EPC	46.47	30.18	139.80	164.89	468.67
	b) Others	128.03	140.91	65.60	484.85	317.62
	Total	**174.50**	**171.09**	**205.40**	**649.74**	**786.29**
	Less: Inter Segment	-	-	-	-	-
	Net Segment Revenue	**174.50**	**171.09**	**205.40**	**649.74**	**786.29**
2	**Segment Results**					
	a) EPC	15.38	(8.18)	(25.79)	(1.49)	(30.45)
	b) Others	113.34	132.05	46.73	450.65	287.70
	Total	**128.72**	**123.87**	**20.94**	**449.16**	**257.25**
	Less: Finance costs	130.59	142.64	125.42	537.29	408.71
	Add/(less): Exceptional items					
	Profit on sale of investment in a subsidiary (refer Note 14)	-	-	-	-	13.28
	Profit on sale of investment in a jointly controlled entity (refer Note 15)	-	-	458.78	-	458.78
	Loss on redeemable preference shares (refer Note 17)	-	-	(131.25)	-	(131.25)
	Provision for diminuition in the value of investment in a jointly controlled entity (refer Note 16)	-	-	(1.27)	-	(1.27)
	Provision for dimunition in value of investments/advances in subsidiaries (Refer Note 10)	(262.40)	-	-	(262.40)	-
	(Loss) / Profit before tax	**(264.27)**	**(18.77)**	**221.78**	**(350.53)**	**188.08**
3	**Capital employed**					
	(Segment Assets - Segment Liabilities)					
	a) EPC	177.68	171.36	234.57	177.68	234.57
	b) Others	14,280.77	13,925.33	13,197.04	14,280.77	13,197.04
	c) Unallocated	(3,970.77)	(4,230.39)	(5,030.96)	(3,970.77)	(5,030.96)
	Total	**10,487.68**	**9,866.30**	**8,400.65**	**10,487.68**	**8,400.65**

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

1. Statement of assets and liabilities

(In Rs. crore)

	Particulars	As at	
		March 31, 2015	**March 31, 2014**
		Audited	**Audited**
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	1,572.80	1,525.91
	(b) Reserves and surplus	7,883.47	6,874.74
	(c) Money received against share warrants	141.75	-
	Sub-total	**9,598.02**	**8,400.65**
2	**Share application money pending allotment**	889.66	-
3	**Non-current liabilities**		
	(a) Long-term borrowings	3,365.98	3,778.43
	(b) Other long-term liabilities	22.72	2.88
	(c) Long-term provisions	1.74	1.35
	Sub-total	**3,390.44**	**3,782.66**
4	**Current liabilities**		
	(a) Short-term borrowings	146.03	215.64
	(b) Trade payables	160.80	206.95
	(c) Other current liabilities	988.86	1,651.78
	(d) Short-term provisions	12.79	64.23
	Sub-total	**1,308.48**	**2,138.60**
	Total	**15,186.60**	**14,321.91**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets	83.28	104.45
	(b) Non-current investments	9,025.56	9,519.39
	(c) Deferred tax assets (net)	-	2.12
	(d) Long-term loans and advances	4,125.24	2,306.78
	(e) Trade receivables	52.40	102.63
	(f) Other non-current assets	761.42	656.60
	Sub-total	**14,047.90**	**12,691.97**
		-	-
2	**Current assets**		
	(a) Current investments	100.00	15.54
	(b) Inventories	4.55	91.03
	(c) Trade receivables	147.95	145.86
	(d) Cash, cash equivalents and other bank balances	398.64	4.30
	(e) Short-term loans and advances	228.18	338.15
	(f) Other current assets	259.38	1,035.06
	Sub-total	**1,138.70**	**1,629.94**
	Total	**15,186.60**	**14,321.91**

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

3 **Segment Reporting**

a. The Company carries on its business in two business verticals viz., Engineering Procurement Construction ('EPC') and others.

b. The segment reporting of the Company has been prepared in accordance with Accounting Standard 17 on Segment Reporting, notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. The business segments of the Company comprise of the following:

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

4 a. The Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made investments of Rs. 228.21 crore (USD 3.62 crore) (including equity share capital of Rs. 145.67 crore and share application money, pending allotment of Rs. 82.54 crore) towards 77% holding in GMR Male International Airport Private Limited ('GMIAL') and GIML has pledged deposits of Rs. 908.06 crore (USD 14.40 crore) towards loans taken by GMIAL from its lenders. Further the Company has given a corporate guarantee of Rs. 2,475.11 crore (USD 39.25 crore) to the lenders in connection with the borrowings made by GMIAL.

GMIAL entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession Agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of Male International Airport within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the Male International Airport and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL 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 ('preliminary issue') and the timetable had been 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 time table 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 investments made / guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement.

Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL') and other service providers for rehabilitation, expansion, modernization of Male International Airport. Pursuant to 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 recognized 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 Company is confident that GMIAL would be entitled for compensation under the Concession Agreement at least 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, these standalone financial results of the Company do not include any adjustments that might result from the outcome of this uncertainty. The statutory auditors of the Company have qualified their audit report in this regard.

b. The Company has received a letter NSE/LIST/243830–W dated July 4, 2014 from the National Stock Exchange of India Limited ('NSE') whereby Securities and Exchange Board of India ('SEBI') has directed NSE to advise the Company to rectify the qualification in respect of the matter described in the paragraph on 'Basis for Qualified Opinion' in the Auditors' Report on the standalone financial statements of the Company for the year ended March 31, 2013, within the end of the next reporting period under paragraph 5(d)(iii) of the SEBI Circular Number CIR/CFD/DIL/7/2012 dated August 13, 2012. The Company is in the process of seeking clarifications from NSE in this regard. 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 has 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') as at March 31,2015. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to 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 March 31, 2015 till further orders. Based on an internal assessment and a legal opinion obtained by the management, the management of GACEPL is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the investment in GACEPL has been carried at cost and no provision for diminution in the value of investments has been made as at March 31, 2015. The statutory auditors of the Company have drawn an Emphasis of Matter in their audit report in this regard.

6 The Company's subsidiaries GMR Energy Limited ('GEL') and GMR Vemagiri Power Generation Limited ('GVPGL') are engaged in the business of generation and sale of electrical energy from its two gas based power plants of 220 MW and 387 MW situated at Kakinada and Vemagiri respectively. Further, GMR Rajahmundry Energy Limited ('GREL') is a subsidiary

which is constructing a gas based power plant. In view of lower supplies / availability of natural gas to the power generating companies in India, these aforesaid subsidiaries are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL and 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 net worth. GREL has not yet commenced commercial operations pending linkages of natural gas supply. These aforesaid companies are 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. GREL, 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 (‘MoPNG’) is yet to allocate the gas linkage. The consortium of lenders had 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 sought further extension of COD. 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’) has 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 gas based power plants of the aforesaid subsidiaries 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 organized 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% load factor. These gas based companies and the Association of Power Producers continue to monitor the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management is confident that 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 which includes certain assumptions relating to availability and pricing of gas, future tariff and other operating parameters which management believes reasonably reflect the future expectations from these projects. The management of the Company will monitor these aspects closely and take actions as is considered appropriate and is confident that these gas based companies will be able to generate sufficient profits in future years and meet their financial obligations as they arise. The management considers that the going concern assumption and carrying value of the investments (including advances) made by the Company directly or indirectly through its subsidiaries (‘investments’), in these aforesaid gas based companies as at March 31, 2015 is appropriate and these financial statements of the Company 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 the aforesaid gas based 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.

7 As at March 31, 2015, the Company through its subsidiary, has an investment of Rs. 2,760.39 crore (including investment in equity share capital, preference share capital, subordinate loans and interest accrued thereon) in GMR Chattisgarh Energy Limited (‘GCHEPL’) 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 power purchase agreement (‘PPA’) currently and is taking up steps to tie up power supply through power supply agreements on 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 is of the view that the carrying value of its investment in GCHEPL through its subsidiary 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 PPA’s, restructuring of loans to the lenders and operating parameters which the management believes reasonably reflects the future expectation of these items. In view of the above assumptions, the Company will monitor these assumptions closely on a periodic basis and take action as is considered appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their audit report in this regard.

8 As at March 31, 2015 the Company through its subsidiary, has an investment of Rs. 1,195.45 crore (including investment in equity share capital and subordinate loan/debentures) in EMCO Energy Limited (‘EMCO’) 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. EMCO has substantially completed the refinancing of its term and other loans with the lenders. 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 going concern basis and based on business plans and valuation assessment by an external expert, the management considers that the carrying value of its investment including subordinate loan in EMCO as at March 31, 2015 is appropriate.

9 The Company through its subsidiaries has an investment of Rs. 2,485.10 crore (including investments in equity share capital, subordinate loans and interest accrued thereon) in GMR Kamalanga Energy Limited (‘GKEL’) 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 with 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 for restructuring 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 that the carrying value of companies investment in GKEL as at March 31, 2015 is appropriate.

10 During the year ended March 31, 2015, based on a valuation assessment of its investments in GMR Highways Limited ('GHL'), subsidiary of the Company, the Company has made a provision for diminution in the value of investments of Rs. 262.40 crore which has been disclosed as an 'exceptional item' in the financial statements of the Company for the quarter and year ended March 31, 2015. The diminution in value has primarily arisen on account of the diminution in the value of investments in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') and GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL') for reasons stated in (a) and (b) below.

a) 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 GHVEPL, a subsidiary of the Company. GHVEPL has been incurring losses since the commencement of its commercial operations, as a result of which, based on a valuation assessment of GHVEPL, the Company has made a provision for diminution in the value of investments in GHL amounting to Rs 131.41 crore which has been disclosed as an exceptional item.

   Further, the management of GHVEPL believes that the said diminution in value is 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 and accordingly no further provision for diminution in the value of investment has been made as at March 31, 2015. The statutory auditors of the Company have drawn an Emphasis of Matter in their audit report in this regard.

b) The Company along with its subsidiary has made an investment of Rs. 729.43 crore in GKUAEL, a subsidiary of the Company, (including loans of Rs. 29.43 crore and investment in equity shares of Rs. 700.00 crore made by the Company and its subsidiaries), which is primarily utilized towards payment of capital advance of Rs. 590.00 crore to its EPC contractors and Rs. 130.99 crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). Further GKUAEL has given 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 GKUAEL 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 current 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, GKUAEL had awarded the EPC contract to GMR Projects Private Limited, (GPPL') to whom the GKUAEL had given an advance of Rs 590.00 crore as stated above, and has terminated the contract on May 15, 2015. GKUAEL is yet to receive any claim from the EPC contractor and as such no such claim relating to the termination of contract has been recognized in the financial statements of GKUAEL as at March 31, 2015 as the amounts payable are not certain.

Due to the termination of concession agreement with NHAI, initiation of arbitration proceedings and its consequential impact on the operations, the management of the Company, based on its internal assessment, has made a provision for diminution in the value of investments amounting to Rs 130.99 crore which has been disclosed as an exceptional item.

Further, based on 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 made as at March 31, 2015. The statutory auditors of the Company have qualified their audit report in this regard.

11 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 KPSL 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.

12 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 utilized 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')	11.28
Others	2.17
Total	**115.00**

SEBI had issued Circular CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed companies from framing any employee benefit scheme involving acquisition of 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 Company has not consolidated the financial statement of GWT in standalone financial Statements of the Company.

13 A search under Section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates thereafter during the year ended March 31, 2013 to check the compliance with the provisions of the Income Tax Act, 1961 ('IT Act'). The Income Tax Department has subsequently sought certain information / clarifications. During the year ended March 31, 2015, the Company received certain orders/demand amounting to Rs 5.83 crore under Section 143(3) r.w.s.153A of the IT Act from the Income Tax Authorities in respect to Assessment Years 2007-08 & 2008-09. The management of the Company has filed their appeal on April 16, 2015 against the above orders and believes that these demands are not tenable and it has complied with all the applicable provisions of the IT Act with respect to its operations.

14 During the year ended March 31, 2013, the Company and GMR Highways Limited ('GMRHL'), a subsidiary of the Company had entered into a definitive sale agreement for divestment of 74% shareholding in GMR Jadcherla Expressways Private Limited ('GJEPL'), a 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 above transaction was completed and the profit of Rs. 13.28 crore on redemption of preference shares held by the Company was disclosed as an exceptional item in the standalone financial statements of the Company for the year ended March 31, 2014.

15 During the year ended March 31, 2014, the Company along with its subsidiaries had entered into a definitive agreement ('SPA') with Malaysia Airports MSC Sdn Bhd ('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 and subsequently after receipt of the consideration, the shares were transferred to the buyer on April 30, 2014 in view of which, the Company recognized the profit on the sale of its investment in ISG (net of cost incurred towards sale of investment of Rs. 12.43 crore) of Rs. 458.78 crore, which was disclosed as an exceptional item in the standalone financial statements of the Company for the year ended March 31, 2014.

Further, pursuant to the definitive agreement entered into with the Buyer, the Company along with its subsidiaries has provided a guarantee of Euro 4.50 crore towards claims, as specified in the definitive agreement for a period till December 2015 and in respect of tax claims, if any, the guarantee period is upto May 2019. The statutory auditors of the Company have qualified their audit report for the year ended March 31, 2014 and March 31, 2015 in this regard.

16 Pursuant to the aforesaid SPA as stated in Note 15, during the year ended March 31, 2014, the Company provided Rs. 1.27 crore for the diminution in the value of investment of Istanbul Sabiha Gokcen Uluslararasi Havalimani Yer Hizmetleri Anonim Sirketi ('SGH'), a subsidiary of

ISG, which was disclosed as an exceptional item in the standalone financial statements of the Company for the year ended March 31, 2014.

17 The Company had provided loans aggregating to Rs. 1,476.46 crore to GEL, and had invested in 1% cumulative and non-cumulative redeemable preference shares aggregating to Rs. 626.85 crore including redemption premium of Rs.131.25 crore.

During the year ended March 31, 2011, GEL had issued 13,950,000 compulsorily convertible cumulative preference shares ('CCCPS') of Rs. 1,000 each to Claymore Investments (Mauritius) Pte. Limited, IDFC group investors (collectively called as PE Investors). These preference shares were convertible upon the occurrence of Qualifying Initial Public Offering ('QIPO') of equity shares of GEL. During the year ended March 31, 2014, GEL entered into negotiations with the PE investors pursuant to which the Company agreed to convert the loans given to GEL and investment in the preference shares of GEL into equity shares of Rs.10 each at a premium of Rs.17.50 per share. Accordingly, the Company converted loans given to GEL aggregating to Rs. 1,476.46 crore and 1% cumulative and non-cumulative redeemable preference shares aggregating to Rs. 495.60 crore (excluding redemption premium of Rs.131.25 crore) into 717,113,641 equity shares of GEL after obtaining the approval of the Board of Directors of the Company and class holders and shareholders of GEL.

The premium of Rs. 131.25 crore paid on investment in 1% non- cumulative redeemable preference shares was waived off by the Company and the loss of Rs.131.25 crore arising on account of the waiver of premium was disclosed as an exceptional item in the standalone financial statements for the year ended March 31, 2014. The conversion as stated aforesaid and the premium waiver was done to maintain optimum fair value per share at the time of conversion of CCCPS held by the PE investors. This arrangement enabled GEL and the Company to conclude the Amended and Restated Share Subscription and Shareholders Agreements with PE investors at favorable terms.

18 In accordance with the provisions of Schedule II of the Companies Act, 2013, the Company has revised the estimated useful lives of its fixed assets with effect from April 01, 2014. 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. 10.74 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. 5.31 crore is adjusted against the surplus in the statement of profit and loss as on April 01, 2014.

19 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 share 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.

20 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 the Company 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.

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

Considering that the Company 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.

21 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 the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the "SEBI Regulations") and provisions of all other applicable laws.

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

23 DSCR represents profit including exceptional items and other income and before finance costs, and tax expenses / finance costs plus principal repayment of loan funds during the period. ISCR represents profit including exceptional items and other income and before finance costs and tax expenses / finance costs. Finance costs do not include debenture redemption premium which has been adjusted against the securities premium account as permitted under Section 52 of the Companies Act, 2013. Debt-equity ratio represents loan funds (long term borrowings, short term borrowings and current maturity of long term borrowings included in current liabilities)/ shareholders' funds (equity shares + reserves and surplus + share application money pending allotment).

24 Paid-up debt capital represents outstanding non-convertible debentures issued by the Company (excluding provision for redemption premium) as at March 31, 2015.

25 Other operating income includes interest income, dividend income, income from management and other services and profit on sale of current investments considering that the Company undertakes investment activities.

26 Employee benefit expenses and other expenses are net of Rs. 166.67 crore cross charged to certain subsidiaries within the Group.

27 The standalone financial statements of the Company 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.

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

For GMR Infrastructure Limited

Sd/-
Grandhi Kiran Kumar
Managing Director

Bengaluru
May 30, 2015