

GMR Infrastructure Limited

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

PART I

Statement of Standalone unaudited financial results for the quarter ended June 30, 2014

(In Rs. crore)

S.No	Particulars	Quarter ended			Year ended
		June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
		Unaudited	Refer Note 16	Unaudited	Audited
1	Income from operations				
	(a) Sales/ income from operations	68.56	139.80	170.99	468.67
	(b) Other operating income (refer Note 17)	92.60	65.60	92.41	317.62
	Total income from operations	161.16	205.40	263.40	786.29
2	Expenses				
	(a) Cost of materials consumed	7.95	3.06	50.62	92.08
	(b) Subcontracting expenses	55.79	139.67	94.62	308.55
	(c) Employee benefits expenses	8.02	25.43	16.07	69.72
	(d) Depreciation and amortisation expenses	5.18	2.11	2.08	8.42
	(e) Foreign exchange fluctuation loss (net)	-	-	-	-
	(f) Other expenses	10.48	15.55	14.93	55.04
	Total expenses	87.42	185.82	178.32	533.81
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	73.74	19.58	85.08	252.48
4	Other income				
	a) Foreign exchange fluctuation gain (net)	6.71	0.01	0.65	0.85
	b) Other income - others	0.11	1.35	1.41	3.92
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	80.56	20.94	87.14	257.25
6	Finance costs	137.24	125.42	80.02	408.71
7	(Loss) / Profit from ordinary activities after finance costs and before exceptional items (5 - 6)	(56.68)	(104.48)	7.12	(151.46)
8	Exceptional items				
	Profit on sale of investment in a subsidiary (refer Note 8)	-	-	13.28	13.28
	Profit on sale of investment in a jointly controlled entity (refer Note 9)	-	458.78	-	458.78
	Loss on redeemable preference shares (refer Note 11)	-	(131.25)	-	(131.25)
	Provision for diminution in the value of investment in a jointly controlled entity (refer Note 10)	-	(1.27)	-	(1.27)
9	(Loss)/ Profit from ordinary activities before tax (7 ± 8)	(56.68)	221.78	20.40	188.08
10	Tax expenses	2.56	12.01	5.14	22.18
11	Net (Loss) / Profit from ordinary activities after tax (9 - 10)	(59.24)	209.77	15.26	165.90
12	Paid-up equity share capital (Face value - Re. 1 per share)	389.24	389.24	389.24	389.24
13	Reserve excluding Revaluation Reserves as per balance sheet of previous year				6,874.74
14	Weighted average number of shares used in computing Earning Per Share	3,892,432,532	3,892,432,532	3,892,432,532	3,892,432,532
15	Earnings per share (of Re. 1 each) (not annualised)				
	Basic and diluted	(0.15)	0.54	0.04	0.43

PART II					
Select Information for the quarter ended June 30, 2014					
S.No	Particulars	Quarter ended			Year ended
		June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
A	PARTICULARS OF SHAREHOLDING				
1	Public shareholding				
	- Number of shares	1,101,590,935	1,101,590,935	1,103,702,750	1,101,590,935
	- Percentage of shareholding	28.30%	28.30%	28.36%	28.30%
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	1,664,235,438	1,785,342,465	1,115,108,239	1,785,342,465
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	59.63%	63.97%	39.99%	63.97%
	- Percentage of shares (as a % of the total share capital of the Company)	42.76%	45.87%	28.65%	45.87%
	b) Non - encumbered				
	- Number of shares	1,126,608,409	1,005,501,382	1,673,623,793	1,005,501,382
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	40.37%	36.03%	60.01%	36.03%
	- Percentage of shares (as a % of the total share capital of the Company)	28.94%	25.83%	42.99%	25.83%

	Particulars	Quarter ended June 30, 2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	-
	Received during the quarter	20
	Disposed of during the quarter	20
	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
		June 30, 2014	March 31, 2014	June 30, 2013	March 31, 2014
		Unaudited	Refer Note 16	Unaudited	Audited
1	Segment Revenue				
	a) EPC	68.56	139.80	170.99	468.67
	b) Others	92.60	65.60	92.41	317.62
	Total	161.16	205.40	263.40	786.29
	Less: Inter Segment	-	-	-	-
	Net Segment Revenue	161.16	205.40	263.40	786.29
2	Segment Results				
	a) EPC	(7.55)	(25.79)	(0.76)	(30.45)
	b) Others	88.11	46.73	87.90	287.70
	Total	80.56	20.94	87.14	257.25
	Less: Finance costs	137.24	125.42	80.02	408.71
	Add/less: Exceptional items				
	Profit on sale of investment in a subsidiary (refer Note 8)	-	-	13.28	13.28
	Profit on sale of investment in a jointly controlled entity (refer Note 9)	-	458.78	-	458.78
	Loss on redeemable preference shares (refer Note 11)	-	(131.25)	-	(131.25)
	Provision for diminution in the value of investment in a jointly controlled entity (refer Note 10)	-	(1.27)	-	(1.27)
	Profit /(Loss) before tax	(56.68)	221.78	20.40	188.08
3	Capital employed (Segment Assets - Segment Liabilities)				
	a) EPC	198.16	234.57	285.47	234.57
	b) Others	13,012.54	13,197.04	11,166.64	13,197.04
	c) Unallocated	(4,878.91)	(5,030.96)	(4,261.88)	(5,030.96)
	Total	8,331.79	8,400.65	7,190.23	8,400.65

Notes to the standalone unaudited financial results for the quarter ended June 30, 2014

1. 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).

2. 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, specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014). 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

3. The Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made investments of Rs. 218.91 crore (USD 3.62 crore) (including equity share capital of Rs. 139.73 crore and share application money, pending allotment of Rs. 79.18 crore) towards 77% holding in GMR Male International Airport Private Limited ('GMIAL') and GIML has pledged deposits of Rs. 871.06 crore (USD 14.40 crore) towards loans taken by GMIAL from its lenders. Further the Company has given a corporate guarantee of Rs. 2,540.58 crore (USD 42.00 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. However, 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). However, the final outcome of the arbitration is pending as at June 30, 2014. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs. 1,430.26 crore (USD 23.64 crore) including claim recoverable of Rs. 1,074.53 crore (USD 17.76 crore) at their carrying values as at June 30, 2014, net of assets written off of Rs. 202.61 crore during the year ended March 31, 2013. GMIAL's ability to continue its future business operations and consequential impact on 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

Notes to the standalone unaudited financial results for the quarter ended June 30, 2014

providers. GMIAL has received claims of around USD 8.00 crore up to June 30, 2014 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised as at June 30, 2014 since the amounts payable are not certain.

Based on the aforesaid award by the tribunal, internal assessment and a legal opinion obtained by GMIAL, the management of the 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 June 30, 2014 and accordingly, these unaudited 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 modified their limited review report in this regard.

4. The Company along with subsidiaries has an investment of Rs. 362.53 crore (including loans of Rs. 122.94 crore and investment in equity / preference shares of Rs. 239.59 crore made by the Company and its subsidiaries) in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') as at June 30, 2014. 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. Based on 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 June 30, 2014. The statutory auditors of the Company have drawn an Emphasis of Matter in their limited review report in this regard.
5. 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 387.63 MW situated at Kakinada and Vemagiri respectively. Further, GMR Rajahmundry Energy Limited ('GREL'), a subsidiary 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 entities' are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL and GVPGL have not generated and sold electricity since April 2013 and May 2013 respectively and have been incurring losses on account of the aforesaid shortage of natural gas supply, thereby resulting in erosion of net worth and usage of short term funds for long term purposes. GREL has not yet commenced commercial operations pending linkages of natural gas supply. These aforesaid entities 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. In absence of gas linkage, GREL has sought further extension of COD which has been approved by the lead bank and the management is confident of getting the approval from the other banks to the consortium. The Company, these aforesaid entities and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management is confident that the Government of India would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Despite the aforementioned reasons, based on business plan and valuation assessment, the management is confident that GEL and GVPGL will be able to generate sufficient profits in future years, GREL will get an extension of COD as stated aforesaid and these gas based power generating entities would meet their financial obligations as they arise and hence the going concern assumption of the aforesaid entities and carrying value of the investments (including advances) made by the Company directly or indirectly through its subsidiaries ('investments'), in GEL, GVPGL and GREL as at June 30, 2014 is appropriate and these unaudited standalone financial results of the Company do not include any adjustments that might result from the outcome of this uncertainty. In the

Notes to the standalone unaudited financial results for the quarter ended June 30, 2014

meantime, the Company has also committed to provide necessary financial support to GEL, GVPGL and GREL as may be required by these entities for continuance of their normal business operations. The statutory auditors of the Company have drawn an Emphasis of Matter in their limit review report in this regard.

6. 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 June 30, 2014 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

Securities and Exchange Board of India ('SEBI') had issued Circular No. CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed entities from framing any employee benefit scheme involving acquisition of own securities from the secondary market. SEBI had issued Circular No. 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. However, SEBI issued Circular No. CIR/CFD/POLICYCELL/3/2014 dated June 27, 2014 which stated that the SEBI Board has approved certain proposals for framing a new set of regulations concerning employee benefit schemes dealing in shares of the Company which will come into force as and when notified. In view of the above, SEBI extended the timeline for aligning the existing employee benefit schemes with SEBI (ESOS and ESPS) Guidelines, 1999 till the new regulations are notified. Further, as per the trust deed, GWT is constituted for undertaking only employee benefit schemes and hence the Company has not consolidated the financial results of GWT in these unaudited standalone financial results of the Company.

7. 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, to check the compliance with the provisions of the Income Tax Act, 1961. The Income Tax Department has subsequently sought certain information / clarifications. The Company has not received any show cause notice / demand from the Income Tax Authorities. The management of the Company believes that it has complied with all the applicable provisions of the Income Tax Act, 1961 with respect to its operations.
8. 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 results of the Company.

9. 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 Uluslararası Havalimani Yatırım Ve İşletme Anonim Şirketi ('ISG') and LGM Havalimani İşletmeleri Ticaret Ve Turizm Anonim Şirketi ('LGM') for a sale consideration of Euro 20.90 crore (net of equity gap adjustment of Euro 1.6 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

Notes to the standalone unaudited financial results for the quarter ended June 30, 2014

Rs. 12.43 crore) of Rs. 458.78 crore, which was disclosed as an exceptional item in the standalone financial results of the Company for the quarter and year ended March 31, 2014.

Further, pursuant to definitive agreement entered 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 modified their limited review report in this regard.

10. Pursuant to the aforesaid SPA as stated in Note 9, during the year ended March 31, 2014, the Company has provided Rs. 1.27 crore for the diminution in the value of investment of Istanbul Sabiha Gokcen Uluslararası Havalimani Yer Hizmetleri Anonim Sirketi ('SGH'), a subsidiary of ISG, which was disclosed as an exceptional item in the standalone financial results of the Company for the quarter and year ended March 31, 2014.
11. The Company had provided loan 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 the Company. 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 financial results for the quarter and 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.

12. 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 amortisation expenses for the quarter ended June 30, 2014 by Rs. 2.99 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. 3.50 crore (net of deferred tax charge of Rs. 1.81 crore) is adjusted against the surplus in the statement of profit and loss as on April 01, 2014.
13. a) Subsequent to the quarter ended June 30, 2014, 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.

Notes to the standalone unaudited financial results for the quarter ended June 30, 2014

b) Subsequent to the quarter ended June 30, 2014, the Board of Directors, on July 02, 2014, 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 of an aggregate nominal amount of Rs. 180,000,000 to GMR Infra Ventures LLP (forming part of promoter group) on a preferential basis under chapter VII of the SEBI Regulations and provisions of all other applicable laws. The Shareholders have approved the aforesaid issue of warrants through postal ballot on August 12, 2014.

14. During the quarter ended June 30, 2014, the Group along with Megawide Construction Corporation ('GMR Megawide Consortium') signed the Concession Agreement with Department of Transportation and Communications, Republic of Philippines and Mactan - Cebu International Airport Authority ("MCIAA") to plan, develop, construct, renovate, operate and maintain Mactan Cebu International Airport for a period of 25 years. As per terms of the Concession Agreement, GMR Megawide Consortium has paid a premium of Rs. 2,002.24 crore (Philippine Pesos 1,440.46 crore). As per the terms of the Shareholders Agreement dated April 8, 2014, the Group along with its affiliates will hold 40% of the share capital of the joint venture entity and the balance 60% of the share capital will be held by Megawide Construction Corporation.

A petition has been filed before the Supreme Court of the Republic of Philippines, Manila against MCIAA, the Pre-qualifications, Bids and Awards Committee for the Mactan Cebu International Airport ("AC"), GMR Megawide Consortium seeking direction restraining MCIAA from issuing an award or executing the Concession Agreement with the GMR Megawide Consortium in relation to the Mactan-Cebu International Airport Public-Private Partnership Project. The Group has not yet received any notice from the Supreme Court of the Republic of Philippines, Manila in this matter.

15. During the year ended March 31, 2013, the Company and GMR Infrastructure (Singapore) Pte Limited ('GISPL'), a subsidiary of the Company had sold their shareholding in GMR Energy (Singapore) Pte Limited ('GESPL'), which was engaged in the development of a 800MW combined cycle gas turbine power plant in Jurong Island, Singapore. Further, the Company had provided a guarantee of Singapore Dollars ('SGD') 38.00 crore towards warranties as specified in the Share Purchase Agreement ('SPA') and other SPA transaction document for a period till September 30, 2014 and in respect of tax claims, if any, the guarantee period is up to March 31, 2018.
16. The figures of last quarter ended March 31, 2014 are the balancing figures between the audited figures in respect of the full year financials up to March 31, 2014 and the published year to date figures for nine months up to December 31, 2013.
17. Other operating income includes interest income, dividend income and profit on sale of current investments considering that the Company undertakes investment activities.
18. The standalone financial results of the Company for the quarter ended June 30, 2014 have been reviewed by the Audit Committee at their meeting on August 12, 2014 and approved by the Board of Directors at their meeting on August 13, 2014.
19. The statutory auditors of the Company have carried out the Limited Review of the above standalone financials results of the Company for the quarter ended June 30, 2014.
20. Figure pertaining to previous periods / year have been re-grouped / reclassified, wherever necessary, to conform to the classification adopted in the current period.

For GMR Infrastructure Limited

Bengaluru
August 13, 2014

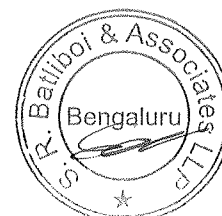
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G.M. Rao
Executive Chairman

Limited Review Report

Review Report to The Board of Directors of GMR Infrastructure Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of GMR Infrastructure Limited ('the Company') for the quarter ended June 30, 2014 (the "Statement"), included in the accompanying statement of unaudited standalone financial results, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *As detailed in Note 3 to the accompanying statement of unaudited standalone financial results for the quarter ended June 30, 2014, the Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made investments of Rs. 218.91 crore (USD 3.62 crore) (including in equity share capital of Rs. 139.73 crore and share application money, pending allotment of Rs.79.18 crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL') and has given a corporate guarantee of Rs. 2,540.58 crore (USD 42.00 crore) to the lenders in connection with the borrowings made by GMIAL. The Concession Agreement entered into between GMIAL, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years was declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the said agreement and on June 18, 2014, the tribunal delivered its award declaring that the Concession Agreement was not void ab initio and was valid and binding on the parties. However, the quantum of the damages is yet to be decided and accordingly, pending final outcome of the arbitration, such investment has been carried at cost in the unaudited standalone financial results as at June 30, 2014 as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets of Rs. 1,430.26 crore (USD 23.64 crore) including the claim recoverable of Rs. 1,074.53 crore (USD 17.76 crore) as at June 30, 2014.*

Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion, and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and have received claims from GADLIL and other service providers towards termination payments.



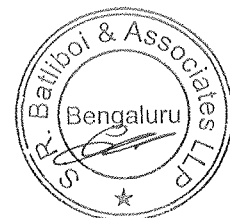
S.R. BATLIBOI & ASSOCIATES LLP

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However, no such claims relating to the termination of contracts have been recognised in the accompanying statement of unaudited standalone financial results as at June 30, 2014. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequential impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADLIL.

Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on its impact on the carrying value of the investment pertaining to the aforesaid entities and any other consequential impact that may arise in this regard on the unaudited standalone financial results for the quarter ended June 30, 2014. In respect of above matter, our audit report for the year ended March 31, 2014 was similarly modified.

4. *As detailed in Note 9 to the accompanying statement of unaudited standalone financial results for the quarter ended June 30, 2014, the management of the Company recognised the profit on sale of its investments in Istanbul Sabiha Gokcen Uluslararası Havalimani Yatırım Yapım Ve İşletme Anonim Şirketi ('ISG') of Rs 458.78 Crore (net of cost incurred towards sale of such investments) during the year ended March 31, 2014. In our opinion, since the sale consideration was received, the transfer of shares and certain regulatory approvals were obtained during the quarter ended June 30, 2014, recognition of the profit on sale of such investments in the standalone financial statements of the Company for the year ended March 31, 2014 was not in accordance with the relevant Accounting Standards and accordingly, should have been recognised in the unaudited standalone financial results for the quarter ended June 30, 2014. Accordingly, profit before tax for the year ended March 31, 2014 and loss before tax for the quarter ended June 30, 2014 would have been lower by Rs. 458.78 Crore. In respect of above matter, our audit report for the year ended March 31, 2014 was similarly modified.*
5. We draw attention to Note 4 to the accompanying statement of unaudited standalone financial results for the quarter ended June 30, 2014 in connection with an investment of Rs. 362.53 Crore (including loans of Rs. 122.94 Crore and investment in equity / preference shares of Rs. 239.59 Crore made by the Company and its subsidiaries) as at June 30, 2014 in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Company. Though GACEPL has been incurring losses since the commencement of commercial operations and the matter is currently under arbitration, based on management's internal assessment and legal opinion obtained by the management of GACEPL, such investment has been carried at cost. Accordingly, no provision for diminution in the value of investments has been made in the accompanying unaudited standalone financial results for the quarter ended June 30, 2014. Our conclusion is not qualified in respect of this matter.
6. We draw attention to Note 5 to the accompanying statement of unaudited standalone financial results for the quarter ended June 30, 2014 regarding (i) cessation of operations and the losses incurred by GMR Energy Limited ('GEL') and GMR Vemagiri Power Generation Limited ('GVPGL'), subsidiaries of the Company and the consequent erosion of net worth resulting from the unavailability of adequate supply of natural gas and (ii) rescheduling of the commercial operation date and the repayment of certain project loans by another subsidiary of the Company, GMR Rajahmundry Energy Limited ('GREL'), pending linkage of natural gas supply. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations at varying levels of capacity in the future and the appropriateness of the going concern assumption is dependent on the ability of the aforesaid entities to establish consistent profitable operations as well as raising adequate finance to meet their short term and long term obligations. The accompanying unaudited standalone financial results of the Company for the quarter ended June 30, 2014 do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not qualified in respect of this matter.

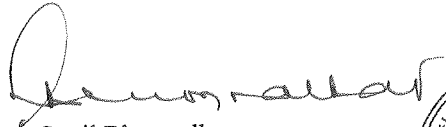


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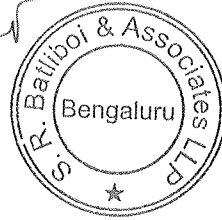
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7. Based on our review conducted as above, *except for the possible effect of the matter described in paragraph 3 and the effect of the matter described in paragraph 4*, nothing has come to our attention that causes us to believe that the Statement prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W
Chartered Accountants



per Sunil Bhumralkar
Partner
Membership Number: 35141



Place: Bengaluru
Date: August 13, 2014