

# GMR Infrastructure Limited

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

## Unaudited Financial Results for the Quarter ended June 30, 2010

Particulars	<b>Consolidated Results</b>		
	(in Rs. Lakhs, except for share data)		
	Quarter ended June 30		Year ended March 31
	2010 Unaudited	2009 Unaudited	2010 Audited
<b>1. Revenue from Operations</b>			
Gross Sales/ Income from Operations	136,105	130,099	512,342
Less: Revenue share paid / payable to Concessionaire grantors	12,971	12,347	55,691
<b>Net Sales/ Income from Operations</b>	<b>123,134</b>	<b>117,752</b>	<b>456,651</b>
<b>2. Expenditure</b>			
a) Consumption of Fuel	29,862	37,086	138,692
b) (Increase) or Decrease in Stock in Trade	484	234	(1,552)
c) Generation and Operating Expenses	15,322	18,251	80,095
d) Purchase of Traded goods	27,490	16,472	40,424
e) Employees Cost	5,735	6,572	29,316
f) General and Administrative Expenditure	6,495	7,011	33,245
<b>Total Operating Cost</b>	<b>85,388</b>	<b>85,626</b>	<b>320,220</b>
<b>3. E B I D T A (1) - (2)</b>	<b>37,746</b>	<b>32,126</b>	<b>136,431</b>
4. Depreciation / Amortization	16,483	13,730	61,224
<b>5. Profit from Operations before Other Income, Interest and Exceptional items (3) - (4)</b>	<b>21,263</b>	<b>18,396</b>	<b>75,207</b>
6. Other Income	6,729	1,206	16,339
<b>7. Profit from Operations before Interest and Exceptional items (5) + (6)</b>	<b>27,992</b>	<b>19,602</b>	<b>91,546</b>
8. Interest (net)	23,831	15,975	72,233
<b>9. Profit / (Loss) from Ordinary Activities before tax (7) - (8)</b>	<b>4,161</b>	<b>3,627</b>	<b>19,313</b>
<b>10. Provision for Taxation</b>			
- Current Tax	901	1,913	7,076
- Less: MAT Credit entitlement	(204)	-	(441)
- Deferred Tax	285	(687)	(9,856)
<b>11. Net Profit/(Loss) from Ordinary Activities after tax and before minority interest and share of profit /(loss) from associates</b>	<b>3,179</b>	<b>2,401</b>	<b>22,534</b>
<b>12. Minority Interest</b>	231	148	4,536
<b>13. Share of Profit / (Loss) from associates</b>	(104)	-	(2,158)
<b>14. Net Profit/(Loss) from Ordinary Activities after tax and minority interest and share of profit /(loss) from associates</b>	<b>2,844</b>	<b>2,253</b>	<b>15,840</b>

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	Quarter ended June 30		Year ended March 31
	2010 Unaudited	2009 Unaudited	2010 Audited
15. Paid-up equity share capital (Face value - Re. 1 per share)	38,924	36,674	36,674
16. Reserves excluding Revaluation Reserves as per Balance Sheet			630,032
17. Earnings Per Share - Basic and Diluted - (Rs.) (not annualised )	0.07	0.06	0.43
Weighted average number of shares used in computing Earning Per Share	3,842,963,814	3,644,747,036	3,661,715,973
18. Public Shareholding			
- Number of shares	1,143,898,988	938,747,946	918,818,598
- Percentage of shareholding	29.39%	25.60%	25.05%
19. Promoters and Promoter Group Share Holding			
a) Pledged / Encumbered			
- Number of shares	410,683,558	368,683,558	410,683,558
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	14.94%	13.51%	14.94%
- Percentage of shares (as % of the total share capital of the Company)	10.55%	10.05%	11.20%
b) Non- Encumbered			
- Number of shares	2,337,852,236	2,359,922,888	2,337,852,236
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	85.06%	86.49%	85.06%
- Percentage of shares (as % of the total share capital of the Company)	60.06%	64.35%	63.75%

# GMR Infrastructure Limited

## Report on Consolidated Segment Revenue, Results and Capital Employed

(in Rs. Lakhs)			
Particulars	Quarter ended June 30		Year ended March 31,
	2010 Unaudited	2009 Unaudited	2010 Audited
<b>1. Segment Revenue</b>			
a) Airports	55,485	44,464	204,553
Less: Revenue share paid / payable to Concessionaire grantors	12,971	12,347	55,691
Net Airports Revenue	42,514	32,117	148,862
b) Power	58,379	62,932	203,947
c) Roads	9,838	7,642	34,607
d) EPC	4,047	11,500	40,985
e) Others	10,674	4,457	33,079
<b>Total</b>	<b>125,452</b>	<b>118,648</b>	<b>461,480</b>
Less: Inter Segment	2,318	896	4,829
<b>Net Segment Revenue</b>	<b>123,134</b>	<b>117,752</b>	<b>456,651</b>
<b>2. Segment Result [Profit before tax and interest (net of interest income)]</b>			
a) Airports	8,613	4,416	24,012
b) Power	5,443	6,079	25,983
c) Roads	4,871	3,525	16,092
d) EPC	697	2,725	14,444
e) Others	9,949	3,155	13,335
	29,573	19,900	93,866
Less: Inter Segment	1,581	298	2,320
<b>Net Segment Result</b>	<b>27,992</b>	<b>19,602</b>	<b>91,546</b>
Less: Interest expenses (net)	23,831	15,975	72,233
<b>Profit before tax</b>	<b>4,161</b>	<b>3,627</b>	<b>19,313</b>
<b>3. Capital employed (Segment Assets - Segment Liabilities)</b>			
a) Airports	295,888	298,601	299,035
b) Power	542,133	320,248	390,475
c) Roads	98,035	70,760	92,438
d) EPC	7,208	17,140	23,109
e) Others	730,170	593,670	575,581
	1,673,435	1,300,419	1,380,638
Less: Inter Segment	575,352	456,655	514,970
<b>Total</b>	<b>1,098,083</b>	<b>843,764</b>	<b>865,668</b>

## Notes to consolidated results:

### 1. Consolidation and Segment Reporting

- a. Pursuant to the provisions of Clause 41 of the Listing Agreement, GMR Infrastructure Limited ("the Company") has opted to publish only the consolidated results. The Company carries on its business in five business segments through various subsidiaries, joint ventures and associates (hereinafter referred to as "The Group"), being Special Purpose Vehicles exclusively formed to build and operate various infrastructure projects. While the full revenues, expenses and results of the subsidiaries are consolidated, those of the joint ventures are consolidated to the extent of the Company's shareholding in such joint ventures. The associates are accounted under the equity method as prescribed under Accounting Standard (AS) 23 'Accounting for Investment in Associates in Consolidated Financial Statements'. Investors can view the standalone results of the Company on the Company's website [www.gmrgroup.co.in](http://www.gmrgroup.co.in) or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nse-india.com](http://www.nse-india.com)).
- b. The above published consolidated results have been prepared in accordance with principles and procedures as set out in the 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 Venture', notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).
- c. The segment reporting of the Group has been prepared in accordance with AS 17 on 'Segment Reporting' notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

The business segments of the Group comprise of the following:

Segment	Description of Activity
<b>Airports</b>	Development and operation of airports
<b>Power</b>	Generation of power and provision of related services
<b>Roads</b>	Development and operation of roadways
<b>EPC</b>	Handling of engineering, procurement and construction solution in the infrastructure sector
<b>Others</b>	Urban Infrastructure and other residual activities

2. Subsequent to June 30, 2010, GMR Energy Limited ('GEL') has relocated its barge mounted power plant to Kakinada (Andhra Pradesh) and completed conversion to a natural gas fuel source power plant. Effective July 03, 2010, the plant is continuously operating on a single cycle basis and the preparations for combined cycle operations are in progress.
3. The Government of Karnataka vide its Order No. EN 540 NCE 2008 dated January 1, 2009 (the Order) invoked Section 11 of the Electricity Act, 2003 ('the Act') and directed GEL to supply power to the State Grid during the period January 01, 2009 to May 31, 2009 at a specified rate. The period was subsequently extended up to June 5, 2009 vide Order No. EN 325 NCE 2009 dated September 22, 2009. GEL had an existing contract with a buyer till January 31, 2009 at a selling rate higher than such specified rate and, as such, filed a petition before the Hon'ble High Court of Karnataka challenging the Order. Revenue recognition in respect of power supplied during January 2009 has been made in the books as per the original contracted rate, based on a legal opinion. The differential revenue, so recognised in the books, amounts to Rs. 4,404 Lakhs.

Based on the interim directions of the Hon'ble High Court of Karnataka in the month of March 2009, Karnataka Electricity Regulatory Commission ('KERC') has recommended a higher band of tariff than the specified rate in the Order. However, Revenue recognition for the four months ended June 05, 2009 has been made, on a prudent basis, as per the rate specified in the Order. Accordingly, the differential amount of Rs. 4,509 Lakhs,

considering the minimum rate prescribed by KERC, had not been recognised in the books as revenue.

The Hon'ble High Court of Karnataka, in its order dated March 26, 2010, has dismissed the petition of GEL challenging the Order invoking section 11(1) of the Electricity Act, 2003 with a direction that if the Order has any adverse financial impact on GEL, then a remedy is provided to GEL to approach the appropriate commission under the Act empowered to offset the adverse financial impact in such manner as it considers appropriate. On April 21, 2010, GEL has filed a Special Leave Petition before the Hon'ble Supreme Court of India to appeal against the said Order of the Hon'ble High Court of Karnataka, and has sought ex-parte ad-interim order staying the operation of the said Order and to direct ESCOMs to pay minimum rate prescribed by KERC.

In view of the recommendation of KERC on the interim directions of the Hon'ble High Court of Karnataka and the remedy provided by the Hon'ble High Court of Karnataka in the order dated March 26, 2010, the management is confident that there will not be any adverse financial impact to GEL with regard to these transactions and no adjustment has been made in these financial results pending final resolution of the matter.

4. Pursuant to the Resolution passed at the Meeting of the Management Committee of the Board of Directors held on April 21, 2010, 225,080,390 equity shares of face value of Re. 1 each have been allotted to Qualified Institutional Buyers at a premium of Rs. 61.20 per share on April 21, 2010 aggregating to a total consideration of Rs. 140,000 Lakhs.
5. During the quarter, GEL has issued 9,300,000 fully paid up compulsorily convertible cumulative preference shares of Rs.1,000 each to Claymore Investments (Mauritius) Pte Limited ("investor"), a wholly owned subsidiary of Temasek Holding (Private) Limited pursuant to the shareholders agreement with the investor.
6. Subsequent to the end of the quarter, GEL has issued 4,650,000 fully paid up compulsorily convertible cumulative preference shares of Rs.1,000 each to a group of Private equity investors. Additionally, GEL has also issued 1,000 equity shares of face value Rs.10 each to Infrastructure Development and Finance Company Limited.
7. During the quarter, GEL has entered into a shareholder's agreement with certain parties to form a joint venture for coal mining activity. GEL's share in such joint venture is 17.39% as at June 30, 2010.
8. Subsequent to the end of the quarter, GEL's equity holding in Homeland Energy Group (HEG) has increased from 33.47% to 55.84% upon subscription and allotment of rights shares and accordingly HEG has become a subsidiary of GEL.
9. In case of GMR Power Corporation Limited (GPCL), claims/counterclaims arising out of the Power Purchase Agreement (PPA) and Land Lease Agreement (LLA) in respect of the dues recoverable from Tamil Nadu Electricity Board (TNEB) on account of Sale of Energy including reimbursement towards Interest on Working Capital, Minimum Alternate Tax, Rebate, Start/Stop charges and payment of land lease rentals to TNEB respectively were pending settlement/reconciliation with TNEB. In this regard, GPCL had approached Tamil Nadu Electricity Regulatory Commission (TNERC) to resolve the aforementioned claims/counterclaims. TNERC had vide its order dated April 16, 2010 (hereinafter referred to as "order") directed GPCL to submit all of its claims calculated in accordance with the directions set forth in the order issued by TNERC within a period of two months from the date of the order. GPCL has filed its claim on April 30, 2010.

In view of the favorable order from TNERC, GPCL has written back provision amounting to Rs.3,032 Lakhs made against amounts recognized as due as per the terms of the PPA. However, pending acceptance of claims by TNEB, and in accordance with the Group's accounting policy, claims aggregating to Rs. 40,213 Lakhs have not been recognised in these financial statements.

10. During the quarter, one of the subsidiaries has received orders for refund of customs duty from the Director General of Foreign Trade, Government of India (GOI), New Delhi (DGFT) for Rs. 5,983 Lakhs paid earlier on the import of plant and machinery and capitalised as cost of assets. Against the refund order of Rs 5,983 Lakhs, the subsidiary has received a sum of Rs 2,938 Lakhs from the DGFT during the quarter and based on the decision of its Board of Directors it has been decided to pass the credit of amount received to the customer and accordingly such amount has been accounted as payable to the said customer.
11. The scheme of arrangement filed by GMR Hyderabad International Airport Limited ('GHIAL'), for demerging the Hotel Division of GHIAL, pursuant to which the demerged Hotel Division is proposed to be vested into GMR Hotels and Resorts Limited ('GHRL'), a wholly owned subsidiary of GHIAL, with the appointed date as April 01, 2009, was heard by the Hon'ble High Court of Andhra Pradesh. The Hon'ble High Court of Andhra Pradesh, on June 22, 2010, sanctioned the Scheme of Arrangement. However, pending receipt of Written Orders from the High Court and filing of the same with the Registrar of Companies, no effect has been given thereof in these financial results.
12. Consequent to the approval of the shareholders in their Annual General Meeting held on August 31, 2009, the Board of Directors had fixed record date October 5, 2009 for sub-division of Equity Shares of the Company of Rs. 2 each into 2 Equity Shares of Re. 1 each. Weighted average number of shares used in computing the Earnings Per Share is based on a face value of Re. 1 per share.
13. The Consortium consisting of GMR Infrastructure Limited and Malaysia Airports Holdings Berhad won the bid to expand, modernize and operate the MALE International Airport, Maldives. The Concession Agreement was signed on June 27, 2010.
14. The Company, through its step-down subsidiary, GMR Energy Global Limited, has entered into necessary arrangements to acquire 50% economic stake in Intergen NV by means of Compulsory Convertible Debentures (CCD). The Company has also given a corporate guarantee up to a maximum of USD 1.38 billion to the lenders on behalf of a fellow subsidiary to enable it to raise debt for financing the aforesaid acquisition. Intergen NV is a global energy company which operates 8,146 MW capacity across five countries in four continents and is further developing 4,400 MW. The financial results of Intergen NV have not been considered in the consolidated results of the Company pending conversion of such CCDs.
15. Interest and other finance charges are net of interest income, amounting to Rs. 3,085 Lakhs for the quarter ended June 30, 2010 (June 30, 2009: Rs. 2, 886 lakhs).
16. During the quarter, Chennai Outer Ring Road ('CORR') project in Tamilnadu being executed by GMR Chennai Outer Ring Road Private Limited has achieved its financial closure.
17. During the quarter, Karnali Transmission Company Private Limited and GMR Himtal Transmission Company (P) Limited have been incorporated as subsidiaries of GEL for transmission of power generated by GEL subsidiaries in Nepal.
18. In case of Delhi International Airport Private Limited ('DIAL'), accounts receivable as at June 30, 2010, include an amount of Rs.3,157 Lakhs recoverable from a customer, after adjusting Rs.4,800 Lakhs received as per the contract from the said customer. During the current quarter, DIAL has served legal notice for recovery of the dues. Based on a legal opinion obtained by DIAL, the management is confident of recovering the full amount.
19. Investor complaints / references: During the current quarter, 20 investor complaints / references were received and resolved. There were no complaints / references pending, both at the beginning and end of the quarter.

20. The consolidated results of the Group for the quarter ended June 30, 2010 have been reviewed by the Audit Committee at their meeting on August 06, 2010 and approved by the Board of Directors at their meeting on August 07, 2010.
21. The Statutory Auditors of the Company have carried out Limited Review of the above consolidated financial results of the Company for the quarter ended June 30, 2010. The auditors have also carried out the Limited review of the standalone results of the Company for quarter ended on that date published on Company's website and furnished to the stock exchanges.
22. Figures pertaining to previous periods have been regrouped, reclassified and restated, wherever necessary, to conform to the classifications adopted in the current quarter.

For GMR Infrastructure Limited

Sd/-

Bengaluru  
August 07, 2010

Srinivas Bommidala  
Managing Director