GMR Infrastructure Limited

Corporate Identity Number (CIN): L45203MH1996PLC281138
Registered Office: Naman Centre , 7th Floor, Opp. Dena Bank, Plot No. C-31 , G Block ,
Bandra Kurla Complex, Bandra (East) , Mumbai , Mumbai City, Maharashtra , India - 400051
Phone: +91-22-42028000 Fax: +91-22-42028004
Email: adiseshavataram.cherukupalli@gmrgroup.in Website: www.gmrgroup.in

PART I

Statement of Standalone financial results for the quarter and year ended March 31, 2016

(In Rs. crore)

S.No	Particulars	Quarter ended			Year ended	
		March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
		Refer Note 25	Unaudited	Refer Note 25	Audited	Audited
1	Income from operations					
	(a) Sales / income from operations	112.35	24.42	46.47	178.01	164.89
	(b) Other operating income (refer Note 28)	174.81	157.41	128.03	621.09	484.85
	Total income from operations	**287.16**	**181.83**	**174.50**	**799.10**	**649.74**
2	**Expenses**					
	(a) Cost of materials consumed	12.12	3.57	7.57	27.57	33.30
	(b) Subcontracting expenses	54.28	17.70	14.60	97.70	90.83
	(c) Employee benefits expenses	27.27	4.52	4.26	39.25	25.03
	(d) Depreciation and amortisation expenses	3.86	3.91	5.70	15.77	20.03
	(e) Other expenses	20.04	2.32	19.85	46.39	50.87
	Total expenses	**117.57**	**32.02**	**51.98**	**226.68**	**220.06**
3	**Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)**	**169.59**	**149.81**	**122.52**	**572.42**	**429.68**
4	Other income					
	a) Foreign exchange fluctuation gain (net)	(2.00)	2.43	0.07	0.63	6.67
	b) Other income - others	0.94	2.07	6.13	14.44	12.81
5	**Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	**168.53**	**154.31**	**128.72**	**587.49**	**449.16**
6	Finance costs	142.18	141.08	130.59	514.88	537.29
7	**Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)**	**26.35**	**13.23**	**(1.87)**	**72.61**	**(88.13)**
8	Exceptional items					
	Provision for dimunition in value of investments/advances in subsidiaries/associate (Refer Note 10, 21, 22 and 24)	(1,530.80)	(15.64)	(262.40)	(1,576.93)	(262.40)
9	**(Loss)/ Profit from ordinary activities before tax (7 ± 8)**	**(1,504.45)**	**(2.41)**	**(264.27)**	**(1,504.32)**	**(350.53)**
10	Tax expenses / (credit)	14.58	-	(1.81)	14.58	2.12
11	**Net (Loss) / Profit from ordinary activities after tax (9 ± 10)**	**(1,519.03)**	**(2.41)**	**(262.46)**	**(1,518.90)**	**(352.65)**
12	Paid-up equity share capital (Face value - Re. 1 per share)	603.59	603.59	436.13	603.59	436.13
13	Paid-up debt capital (refer Note 27)				830.00	967.50
14	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				8,818.26	7,883.47
15	Debenture Redemption Reserve (included in reserves in S.No 14 above)				125.44	121.33
16	Weighted average number of shares used in computing Earning Per Share	6,035,945,275	6,035,945,275	4,361,247,379	5,663,023,512	4,232,805,171
17	Earnings per share (of Re. 1 each) (not annualised) Basic and Diluted	(2.52)	(0.00)	(0.60)	(2.68)	(0.83)
18	Debt Equity Ratio (refer Note 26)				0.61	0.46
19	Debt Service Coverage Ratio ('DSCR') (refer Note 26)				(0.65)	0.09
20	Interest Service Coverage Ratio ('ISCR') (refer Note 26)				(1.92)	0.35

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

GMR Infrastructure Limited

Report on Standalone Segment Revenue, Results and Capital Employed

(In Rs. crore)

S.No	Particulars	Quarter ended			Year ended	Year ended
		March 31, 2016	December 31, 2015	March 31, 2015	March 31, 2016	March 31, 2015
		Refer Note 25	Unaudited	Refer Note 25	Audited	Audited
1	**Segment Revenue**					
	a) EPC	112.35	24.42	46.47	178.01	164.89
	b) Others	174.81	157.41	128.03	621.09	484.85
	Total	**287.16**	**181.83**	**174.50**	**799.10**	**649.74**
	Less: Inter Segment	-	-	-	-	-
	Net Segment Revenue	**287.16**	**181.83**	**174.50**	**799.10**	**649.74**
2	**Segment Results**					
	a) EPC	(2.01)	(2.35)	15.38	(5.38)	(1.49)
	b) Others	170.54	156.66	113.34	592.87	450.65
	Total	**168.53**	**154.31**	**128.72**	**587.49**	**449.16**
	Less: Finance costs	142.18	141.08	130.59	514.88	537.29
	Add/(less): Exceptional Items					
	Provision for dimunition in value of investments/advances in subsidiaries/associate (Refer Note 10, 21, 22 and 24)	(1,530.80)	(15.64)	(262.40)	(1,576.93)	(262.40)
	(Loss) / Profit before tax	**(1,504.45)**	**(2.41)**	**(264.27)**	**(1,504.32)**	**(350.53)**
3	**Capital employed**					
	(Segment Assets - Segment Liabilities)					
	a) EPC	124.86	(24.56)	177.68	124.86	177.68
	b) Others	14,839.84	16,723.79	14,280.77	14,839.84	14,280.77
	c) Unallocated	(5,542.85)	(5,753.84)	(3,970.77)	(5,542.85)	(3,970.77)
	Total	**9,421.85**	**10,945.39**	**10,487.68**	**9,421.85**	**10,487.68**

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP
Bengaluru

Notes to the standalone financial results for the quarter and year ended March 31, 2016

1. Statement of assets and liabilities

(In Rs. crore)

	Particulars	As at	
		March 31, 2016	March 31, 2015
		Audited	Audited
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	603.59	1,572.80
	(b) Reserves and surplus	8,818.26	7,883.47
	(c) Money received against share warrants	-	141.75
	Sub-total	**9,421.85**	**9,598.02**
2	**Share application money pending allotment**	-	889.66
3	**Non-current liabilities**		
	(a) Long-term borrowings	5,296.62	3,365.98
	(b) Other long-term liabilities	140.52	22.72
	(c) Long-term provisions	2.74	1.74
	Sub-total	**5,439.88**	**3,390.44**
4	**Current liabilities**		
	(a) Short-term borrowings	137.45	146.03
	(b) Trade payables	106.38	160.80
	(c) Other current liabilities	688.80	988.86
	(d) Short-term provisions	15.38	12.79
	Sub-total	**948.01**	**1,308.48**
	Total	**15,809.74**	**15,186.60**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets	75.78	83.28
	(b) Non-current investments	7,703.86	9,025.56
	(c) Long-term loans and advances	5,998.63	4,125.24
	(d) Trade receivables	43.17	52.40
	(e) Other non-current assets	317.27	761.42
	Sub-total	**14,138.71**	**14,047.90**
2	**Current assets**		
	(a) Current investments	155.64	100.00
	(b) Inventories	8.73	4.55
	(c) Trade receivables	124.72	147.95
	(d) Cash, cash equivalents and other bank balances	329.99	398.64
	(e) Short-term loans and advances	469.26	228.18
	(f) Other current assets	582.69	259.38
	Sub-total	**1,671.03**	**1,138.70**
	Total	**15,809.74**	**15,186.60**

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

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. The Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made investments of Rs. 396.81 Crore (USD 5.94 Crore) (including equity share capital of Rs. 154.24 Crore (USD 2.31 Crore) and subordinate loans and interest accrued thereon of Rs. 242.57 Crore (USD 3.63 Crore) towards 77% holding in GMR Male International Airport Private Limited ('GMIAL') and GIML has placed fixed deposits of Rs. 864.90 Crore (USD 12.95 Crore) with lenders towards loans taken by GMIAL. Further the Company has given a corporate guarantee of Rs. 2,620.72 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 ('MIA') for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession Agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter.

   Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. On June 18, 2014, the tribunal delivered its award declaring that the Concession Agreement was not void ab initio and is valid and binding on the parties. Further, the tribunal declared that the Government of Maldives ('GoM') and MACL are jointly and severally liable 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 26, 2014, GoM and MACL 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

GMR INFRASTRUCTURE LIMITED

R. Batliboi & Associates LLP Bengaluru

the timetable had been agreed by the parties for hearing of the preliminary issue in the first half of 2015.

On June 17, 2015, the tribunal issued its decision in respect of the preliminary issue stating that the limit to damages recoverable in the aforementioned award was intended to apply from the date of the Concession Agreement has been repudiated and also that the limit to recoverable damages identified in the aforementioned award means all damages recoverable by GMIAL and not only contractually contemplated damages. Accordingly, on October 1, 2015, GMIAL served the amended schedule of loss to the tribunal and a five day hearing has now been set for the quantum hearing from August 8, 2016 to August 12, 2016. In view of the aforesaid matter GMIAL continues to reflect assets amounting to Rs. 1,594.68 Crore (USD 23.88 Crore) including claim recoverable of Rs. 1,273.14 Crore (USD 19.08 Crore) at their carrying values as at March 31, 2016, 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'), a subsidiary of the Company and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to the aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 Crore as at March 31, 2016 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognized as at March 31, 2016 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, 2016 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.

5. The Company along with its subsidiaries has investments of Rs. 394.17 Crore (including investments in equity / preference shares of Rs. 244.70 Crore made by the Company and its subsidiaries and loans and interest accrued thereon of Rs. 149.47 Crore) in GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') a subsidiary of the Company as at March 31, 2016. GACEPL has been incurring losses since the commencement of its commercial operations. The management believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads. The matter is currently under arbitration and the arbitration tribunal has passed an interim order staying the payment of negative grant which was due during the years ended March 31, 2014, March 31, 2015 and March 31, 2016 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 investments in GACEPL has been carried at cost and no provision for diminution in the value of investments has been made as at March 31, 2016. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

GMR INFRASTRUCTURE LIMITED

S. R. Batliboi & Associates LLP Bengaluru

Notes to the standalone financial results for the quarter and year ended March 31, 2016

6. In view of lower supplies / availability of natural gas to the power generating companies in India, the Company's subsidiaries GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GMR Rajahmundry Energy Limited ('GREL') are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL has not generated and sold electrical energy since April 2013 and GVPGL has not generated and sold electrical energy since May 2013 till 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 had not commenced commercial operations pending linkages of natural gas supply from the Ministry of Petroleum and Natural Gas till the period ended September 30, 2015 and accordingly the consortium of lenders had approved the reschedulement of Commercial Operation Date ('COD') of GREL to October 22, 2015 and repayment of project loans and have agreed for further funding of Rs.707.00 Crore to meet its cost overruns on account of delays in commissioning of its power plant.

   In March 2015, the Ministry of Power, Government of India ('GoI') issued a scheme for utilization of the gas based power generation capacity for the years ended March 31, 2016 and 2017. The scheme envisages supply of imported spot RLNG "e –bid RLNG" to the stranded gas based plants as well as plants receiving domestic gas, upto the target Plant load factor (PLF), selected through a reverse e-bidding process and also intervention / sacrifices to be collectively made by all stakeholders. The aforementioned gas based power plants of the 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 emerged as successful bidders in the auction process organised by the Ministry of Power in May 2015, September 2015 and March 2016 and have been awarded the Letter of Intent for gas allocation for 4 months period ended September 2015, for 6 months period ended March 2016 and September 2016 respectively, which has facilitated the operations of both GREL and GVPGL at varying capacity and accordingly GVPGL and GREL have commenced operations on an intermittent basis from August 2015 and October 2015 respectively. There has been a significant decline in the price of imported gas and in view of the proposed amendment to the Central Sales Tax Act with regard to gas sold or purchased and transported through a common carrier pipeline or any other common transport distribution systems,.the management believes that these would result in significant reduction in the costs of imported gas.

   The management 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.

   The management carried out valuation assessment of these gas based companies which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff and other operating parameters, which it believes reasonably reflect the future expectations from these projects. The management will monitor these aspects closely and take actions as are considered appropriate and is confident that these gas based entities will be able to generate sufficient profits in future years and meet their financial obligations as they arise. Based on the aforementioned reasons, business plans and a valuation assessment by an external expert, the management is of the view that the carrying value of the investments (including advances) made by the Company in these aforesaid gas based companies as at March 31, 2016 is appropriate and these standalone financial results 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 these companies as may be required 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, also refer Note 23.

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

Notes to the standalone financial results for the quarter and year ended March 31, 2016

7. As at March 31,2016, the Company through its subsidiary, GEL has investments of Rs. 3,411.83 Crore (including investments in equity/preference share capital, share application money pending allotment, subordinate loans and interest accrued thereon) in GMR Chhattisgarh Energy Limited ('GCHEPL'), a subsidiary of the Company and has also provided corporate / bank guarantee towards loan taken by GCHEPL from the project lenders.

   GCHEPL has experienced certain delays and incurred cost overruns in the completion of the project including additional claims from EPC contractors. As per the management of GCHEPL, additional claims from EPC contractors are not expected to be material. GCHEPL has obtained provisional Mega Power status certificate from the Ministry of Power, GoI, vide letter dated September 8, 2011 and accordingly has availed an 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. During the year ended March 31, 2015, GCHEPL was allotted two coal mines to meet its fuel requirements. GCHEPL has declared commercial operations of Unit I and coal mine on November 1, 2015 and Unit II on March 31, 2016 of its 1,370 MW coal based thermal power plant at Raipur district, Chhattisgarh.

   GCHEPL does not have power purchase agreements ('PPAs') currently and is taking steps to tie up the power supply through power supply agreements on a long/medium term basis with various customers including State Electricity Boards. Though the COD for Unit I was declared from June 1, 2015, GCHEPL commenced generation of power on November 1, 2015 and sold power on a merchant basis. As a result, during the year, GCHEPL has incurred losses of Rs. 454.50 Crore and has accumulated losses of Rs. 494.84 Crore as at March 31, 2016.

   GCHEPL's future revenues, profitability of operations and servicing of its debts is dependent upon tying up of its entire generation capacity for profitable rates through long term and medium term PPAs in a power scarce market, achievement of higher PLF and refinancing of existing loans with lower interest rates with banks and successful gains from the government announced initiatives of tolling linkage. Considering the improvement in the power market in India, GCHEPL is hopeful of tying up its significant generation through profitable long term PPAs, tolling linkage and also obtaining Mega Power Status along with refinancing of loans and reduction in interest rates on borrowings. GCHEPL is in active discussion with the lenders to restructure its loans and towards funding of cost overruns. Due to these reasons and based on business plans and valuation assessment by an external expert, the management is of the view that the carrying value of its investments in GCHEPL as at March 31, 2016 is appropriate. In estimating the future cash flows, the management has, in the absence of medium/long term PPAs', made certain key assumptions relating to the future revenues based on externally available information, restructuring of loans by the lenders, continued financial support by the Company and operating parameters which the management believes reasonably reflect the future expectations of these items. In view of the above, 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.

8. As at March 31, 2016, the Company through its subsidiary, GEL, has investments of Rs. 1,191.84 Crore (including investments in equity / preference share capital and subordinate loans and interest accrued thereon) in GMR Warora Energy Limited ('GWEL') ('Formerly known as EMCO Energy Limited) a subsidiary of the Company and has also provided corporate / bank guarantee towards loans taken by GWEL from the project lenders. GWEL is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600MW situated at Warora. GWEL has accumulated losses of Rs. 1,084.16 Crore as at March 31, 2016 which has resulted in erosion of GWEL's entire net worth. GWEL has achieved the COD of Unit I in March 2013 and of Unit II in September 2013 and has tied up entire power supplies capacity with customers and has completed the refinancing of its term and other loans with the lenders which has resulted in the reduction in the rate of interest and extended repayment period. Though the networth of GWEL is fully eroded, the losses have reduced and are Rs.

GMR INFRASTRUCTURE LIMITED

Batliboi & Associates Bengaluru

158.05 Crore for the year ended March 31, 2016 vis a vis losses of Rs. 370.61 Crore for the year ended March 31, 2015. Accordingly, the management of GWEL expects that the plant will generate sufficient profits in the future years and based on business plans and valuation assessment by an external expert, is of the view that the carrying value of the investments in GWEL as at March 31, 2016 is appropriate.

9. As at March 31, 2016, the Company through its subsidiary GEL, has investments of Rs. 2,530.93 Crore (including investments in equity share capital, subordinate loans and interest accrued thereon) in GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of the Company 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. 1,613.03 Crore as at March 31, 2016, which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. However, the losses have reduced and are Rs. 269.67 Crore for the year ended March 31, 2016 vis a vis losses of Rs. 853.78 Crore for the year ended March 31, 2015. Further, pursuant to the Reserve Bank of India's framework for revitalizing distressed assets in the economy (including strategic debt restructuring scheme), the consortium of bankers have amended the rupee term loan agreement on June 29, 2015 and accordingly loan is to be repaid in 66 quarterly structured instalments from October 1, 2017. During the year ended March 31, 2016, GKEL has received favourable orders with regard to its petition for 'Tariff Determination' in case of PPA with GRIDCO Limited and for 'Tariff Revision' in case of PPAs with Haryana DISCOMS through PTC India Limited from Central Electricity Regulatory Commission ('CERC'). In view of these matters, business plans, valuation assessment by an external expert and continued financial support by the Company, the management is of the view that the carrying value of the investments in GKEL as at March 31, 2016 is appropriate.

10. During the year ended March 31, 2015 and March 31, 2016, based on a valuation assessment of its investments in GMR Highways Limited ('GMRHL'), subsidiary of the Company, the Company made a provision for diminution in the value of investments / advances of Rs. 262.40 Crore and Rs. 261.23 Crore which is disclosed as an 'exceptional item' in the standalone financial statements of the Company for the year ended March 31, 2015 and March 31, 2016 respectively. The diminution in value has primarily arisen on account of the diminution in the value of investments / advances in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL') and other road projects for reasons stated in (a), (b) and (c) below.

a) The Company along with its subsidiaries have made investments of Rs. 680.10 Crore (including investments in equity / preference shares of Rs. 302.03 Crore made by the Company and its subsidiary and loans of Rs. 378.07 Crore) 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 by an external expert of GHVEPL, the Company made a provision for diminution in the value of investments in GMRHL amounting to Rs. 131.41 Crore which was disclosed as an 'exceptional item' in the standalone financial statements of the Company for the year ended March 31, 2015.

   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 on account of bifurcation of State of Andhra Pradesh and ban imposed 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 filed its claim for the loss of revenue till the

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

year ended March 31, 2015 with NHAI. During the year ended March 31, 2016, NHAI rejected the aforementioned claims and consequently GHVEPL has invoked dispute resolution process as per the provisions of the Concession Agreement. Subsequently, NHAI has intimated GHVEPL that conciliation has failed and the management of GHVEPL is in the process of initiating the arbitration. Accordingly, based on its internal assessment, the Company has made a further provision for diminution in the value of investments / advances amounting to Rs. 96.98 Crore and Rs. 137.67 Crore during the quarter and year ended March 31, 2016 respectively which has been disclosed as an 'exceptional item'. The management of the Company is confident that it will be able to claim compensation from the relevant authorities for the loss it has suffered due to aforementioned reasons and based on valuation assessment which is significantly dependent on the fructification of the aforesaid claims believes that no further provision for diminution in the value of investments is necessary as at March 31, 2016. 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 made investments of Rs. 735.80 Crore in GKUAEL, a subsidiary of the Company, (including loans of Rs. 35.80 Crore and investments in equity / preference shares of Rs. 700.00 Crore made by the Company and its subsidiary), which is primarily utilized by GKUAEL towards payment of capital advance of Rs. 590.00 Crore to its EPC contractors and Rs. 137.47 Crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). GKUAEL has also provided a bank guarantee of Rs. 269.36 Crore to National Highways Authority of India ('NHAI'). GKUAEL had entered into a Concession Agreement with 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 the 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. NHAI in their letter dated January 17, 2013 to GKUAEL also indicated of making good the alleged defaults of NHAI within the cure period of 90 days. The management of 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. Considering that the efforts for revival of the project did not succeed, GKUAEL issued a notice of dispute to NHAI dated February 16, 2015 invoking arbitration provisions of the Concession Agreement. Both the parties have appointed their arbitrators and the arbitration process is pending commencement. GKUAEL had approached the Hon'ble High Court of Delhi seeking an injunction against invocation of the aforementioned performance bank guarantee by NHAI which has not been accepted by the Hon'ble High Court of Delhi.

In addition, GKUAEL awarded the EPC contract to GMR Projects Private Limited ('GPPL') and had given an advance of Rs. 590.00 Crore as stated above. Pursuant to the notice of dispute, GKUAEL has terminated the contract on May 15, 2015. During the year ended March 31, 2016, GKUAEL has received a claim of Rs. 840.76 Crore from the EPC contractor, however no such claim relating to the termination of contract has been recognized by GKUAEL as at March 31, 2016 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. 137.47 Crore and advances amounting to Rs 5.70 Crore (including Rs. 6.74 Crore and Rs. 12.18 Crore during the quarter ended and year ended March 31, 2016 respectively) which has been disclosed as an 'exceptional item'.

GMR INFRASTRUCTURE LIMITED

Batliboi & Associates Bengaluru

Further, based on an internal assessment and a legal opinion, 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 is of the view that no further provision for diminution in the value of investments is necessary as at March 31, 2016. The statutory auditors have qualified their Audit Report in this regard.

c) During the year ended March 31, 2016, based on an internal assessment of its investments in certain road projects, the Company has made a provision for diminution in the value of investments of Rs. 111.38 Crore which has been disclosed as an 'exceptional item' in the standalone financial results of the Company for the quarter and year ended March 31, 2016.

11. As at March 31, 2016, the Company along with its subsidiary has investments of Rs. 369.80 Crore (including investments in equity share capital and subordinate loan and interest accrued thereon) in GMR Badrinath Hydro Power Generation Private Limited ('GBHPL'), a subsidiary of the Company. GBHPL is in the process of setting up 300 MW hydro based power plant in Alaknanda river, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended March 31, 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. However, based on its internal assessment and a legal opinion, the management of GBHPL is confident of obtaining the requisite clearances and based on business plan and a valuation assessment by an external expert, the management of the Company is of the view that the carrying value of the investments in GBHPL as at March 31, 2016 is appropriate.

12. a) The Company through its subsidiaries has investments of Rs. 414.44 Crore (USD 6.21 Crore) (including loan and interest accrued there on) in PT Dwikarya Sejati Utama ('PTDSU') as at March 31, 2016. The Company through its subsidiaries acquired PTDSU for a consideration of USD 4.00 Crore and a deferred consideration to be determined and paid on achievement of certain conditions as specified in the share purchase agreement. PT Duta Sarana Internusa ('PTDSI'), a step down subsidiary of PTDSU had pledged 60% shares of PT Barasentosa Lestari ('PTBSL') with the sellers of PTDSU. The achievement of aforementioned conditions for settlement of deferred consideration had been under dispute and pursuant to a settlement agreement dated June 25, 2014, the deferred consideration of USD 2.00 Crore was agreed with the sellers of PTDSU. As per the settlement agreement, USD 0.50 Crore was paid and the balance USD 1.50 Crore was to be paid in 16 equal quarterly instalments, commencing from June 30, 2015. Further, 35% shares of PTBSL are pledged as a security towards the payment of the balance instalments.

The consolidated financial statements of PTDSU and its subsidiaries PTBSL and PTDSI as at March 31, 2016 have accumulated losses of Rs. 30.67 Crore (USD 0.50 Crore). PTBSL, a coal property company commenced coal production on a trial basis and achieved a production of 28,000 MT during the year ended March 31, 2015. Though, these entities are currently unable to produce coal in view of limitations on transportation of coal due to water levels in Musi River, the management is hopeful of resuming production once the water levels are stabilized. In addition, the coal prices have significantly declined from May 2015 onwards. The management believes that the inability to produce coal as referred above and decline in the prices is expected to be temporary and as such do not have a significant impact on the ability of these entities to continue as a going concern. PTDSU and its subsidiaries are confident of raising finance as may be required for development of mines and continuance of their normal business operations. Based on these factors and valuation assessment by an external expert, the management is of the

GMR INFRASTRUCTURE LIMITED

R. Batliboi & Associates LLP Bengaluru

view that the carrying value of the investments in PTDSU and its subsidiaries as at March 31, 2016 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

b) The Company through its subsidiary GMR Coal Resources Pte. Limited ('GCRPL') has investments of Rs. 3,384.71 Crore (USD 50.69 Crore) in PT Golden Energy Mines ('PTGEMS'), a jointly controlled entity of the Company as at March 31, 2016. PTGEMS along with its subsidiaries is engaged in the business of coal mining and trading activities. The Group has a Coal Supply Agreement ('CSA') with PTGEMS whereby the Group is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount. The Group has not significantly commenced the offtake of the coal under the CSA, however the management of the Group is of the view that the same will not have an impact on their total entitlements of offtake of coal under CSA. The management of the Group is also negotiating certain terms of the CSA which are pending conclusion. The coal prices have significantly declined from May 2015 onwards. However, the management of the Company believes that such decline in the prices is expected to be temporary and such decline has been compensated by favorable currency movements in Indonesia and cost efficiency measures in mining activities in PTGEMS. The Company along with GCRPL is also in active discussion with the lenders to restructure its loans. Based on these factors and valuation assessment carried out by an external expert, the management of the Company believes that the carrying value of the investments in PTGEMS as at March 31, 2016 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

13. Delhi International Airport Private Limited ('DIAL') has accumulated losses of Rs. 233.09 Crore as at March 31, 2016 which has resulted in part erosion of net worth of DIAL as at March 31, 2016. However, DIAL has earned profits during the quarter and year ended March 31, 2016 and March 31, 2015 and March 31, 2014 and has met all its obligations as at March 31, 2016.

The Airport Economic Regulatory Authority ('AERA') vide its powers conferred by Section 13(1)(a) of the AERA Act, 2008 passed an Aeronautical tariff order Viz. 03/2012-13 issued on April 24, 2012 which determined the Aeronautical tariff to be levied at Delhi Airport for the fourth and fifth year of tariff period of first five year control period (i.e. 2009 - 2014). The first five year control period referred to above ended on March 31, 2014.

DIAL had filed a writ petition before the Hon'ble High Court of Delhi seeking extension of existing tariff as allowed vide AERA order 03/2012-13 issued on April 24, 2012 till disposal of DIAL's appeal pending before Airports Economic Regulatory Authority Appellate Tribunal ('AERAAT'). Subsequently, Hon'ble High Court of Delhi vide its final order dated January 22, 2015 ordered that the tariff determined by AERA for the First Control Period vide Tariff Order No.03/2012-13 issued on April 24, 2012 shall continue till the disposal of the appeals pending against the said Tariff Order, by the AERAAT.

AERA has filed a Special Leave Petition (SLP) dated April 24, 2015 with Hon'ble Supreme Court of India, seeking interim relief from the final order of Hon'ble High Court of Delhi dated January 22, 2015. AERA has also filed an application before Hon'ble Supreme Court seeking directions for the implementation of its tariff order for second control period. The pleadings of the parties are complete and now listed for arguments on SLP and applications in due course.

Subsequently AERA released the tariff order No. 40/2015-16 dated December 08, 2015 (issued on December 10, 2015) for second control period i.e. 2014 -2019, which as per AERA order would be implemented upon the final outcome of the legal proceedings attached to that order. As per AERA order, tariff for aeronautical revenue will be reduced by 89.40% of the existing tariff (i.e. tariff as compared to the first control period).

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

Notes to the standalone financial results for the quarter and year ended March 31, 2016

DIAL has filed an appeal against the AERA order No. 40/2015-16 dated December 08, 2015 with AERAAT on January 11, 2016. In view of above legal proceedings, the implementation of AERA order for second control period, the said order cannot be implemented till the disposal of all legal issues associated with the order. The revenue so collected by DIAL during this interim period will be adjusted from the aggregate revenue requirement for the second control period w.e.f. April 1, 2014.

In the opinion of the management, in view of the profits earned over the last three financial years, DIAL's business plans, and cash flow projections for the next one year, DIAL expects to earn sufficient cash profits and does not foresee any difficulty in continuing its business / operations and meeting its financial obligations. Accordingly, financial statements of DIAL continue to be prepared on a going concern basis.

14. 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. Based on the confirmation received from GWT, the trust has utilised the proceeds of the loan received from the Company in the following manner:

(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 its 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" ("SEBI Regulations") whereby the 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. Recently, SEBI published Frequently Asked Question ("FAQ") on SEBI Regulations and clarified that appropriation of shares towards ESPS/ESOP/SAR/General Employee Benefits Scheme / Retirement Benefit Schemes by October 27, 2015 would be considered as compliance with proviso to regulation 3(12) of the SEBI Regulations. The Company may appropriate towards individual employees or sell in the market during next four years so that no unappropriated inventory remains thereafter. The shareholders have approved the revised terms and conditions of the scheme by passing a special resolution in the annual general meeting of the Company held on September 23, 2015 and that the Company will ensure compliance with other applicable provisions of the new regulations within the permissible time period. Further, as per the trust deed, GWT is constituted for undertaking only employee benefit schemes and hence the Company has not consolidated the financial results of GWT in the standalone financial results of the Company.

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

Notes to the standalone financial results for the quarter and year ended March 31, 2016

15. A search under Section 132 of the Income Tax Act, 1961 ('IT Act') 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 IT Act. The Income Tax Department has subsequently sought certain information / clarifications. During the years ended March 31, 2015 and March 31, 2016, block assessments have been completed for certain years and the Company has received orders /demand amounting to Rs 94.60 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 to 2013-14. The management of the Company has filed the appeals 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.

16. During the year ended March 31, 2014, the Company along with its subsidiaries entered into a definitive agreement ('SPA') with Malaysia Airports MSC Sdn Bhd ('Buyer') for sale of 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).

Pursuant to the SPA entered with the buyer, the Company along with its subsidiaries had provided a guarantee of Euro 4.50 Crore towards tax claims, as specified in the SPA for a period till May 2019.

17. During the year ended March 31, 2014, pursuant to the equity shareholders' approval obtained on March 20, 2014, the Company issued 11,366,704 Compulsorily Convertible Preference Shares ('CCPS') of face value of Rs. 1,000 each comprising of (a) 5,683,351 Series A CCPS each fully paid up, carrying a coupon rate of 0.001% per annum ('p.a.') and having a term of 17 months from the date of allotment and (b) 5,683,353 Series B CCPS each fully paid up, carrying a coupon rate of 0.001% p.a. and having a term of 18 months from the date of allotment, to IDFC Limited, Duncearn Investments (Mauritius) Pte Limited, GKFF Ventures, Premier Edu-Infra Solutions Private Limited and Skyron Eco-Ventures Private Limited. The Series A CCPS and Series B CCPS were convertible into equity shares upon the expiry of their respective terms in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital Disclosure Requirements) Regulations, 2009, as amended ('ICDR Regulations') on the basis of the minimum permissible price, computed in accordance with Regulation 76 read with Regulation 71(b) of the SEBI ICDR Regulations on the conversion date. Pursuant to the approval of the Management Committee of the Board of Directors dated August 26, 2015 and September 26, 2015, the Company approved the allotment for conversion of aforesaid Series A CCPS into 359,478,241 equity shares of face value of Re. 1 each at a price of Rs. 15.81 per equity share (including securities premium of Rs. 14.81 per equity share) and the Series B CCPS into 380,666,645 equity shares of face value of Re.1 each at a price of Rs. 14.93 per equity share (including Securities premium of Rs. 13.93 per equity share) respectively.

18. 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 securities 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 ICDR Regulations and provisions of all other applicable laws and regulations.

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

Notes to the standalone financial results for the quarter and year ended March 31, 2016

The details of utilization of rights issue as at March 31, 2016 is stated below :-

(Rs in Crore)

Particulars	Amount proposed to be utilised from Net proceeds	Amount utilised	Balance Amount as at March 31, 2016
Full or partial repayment or prepayment of borrowings and payment of interest, prepayment penalty or premium on borrowings	1,035.00	1,035.00	-
Extend facilities to Company's subsidiary towards part repayment of the subsidiary's borrowings	215.00	215.00	-
General corporate purpose	131.98	131.98	-
Issue related expenses	19.85	19.85	-
Total	**1,401.83**	**1,401.83**	-

19. Pursuant to the approval of the Management Committee of the Board of Directors dated December 10, 2015, the Company has issued 7.50% Foreign Currency Convertible Bonds ('FCCBs') of USD 30.00 Crore to Kuwait Investment Authority with a maturity period of 60 years.

20. On July 02, 2014, the Board of Directors of the Company 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 ICDR Regulations and provisions of all other applicable laws and regulations and accordingly the Company received an advance of Rs. 141.75 Crore against such share warrants. The shareholders approved the aforesaid issue of warrants through postal ballot on August 12, 2014. Pursuant to the approval of the Management Committee of the Board of Directors dated February 26, 2016 the outstanding warrants have been cancelled as the holders did not exercise the option within the due date of 18 months from the date of allotment, and Rs 141.75 Crore received as advance towards such warrants has been forfeited in accordance with the SEBI ICDR Regulations during the year ended March 31, 2016. The said amount has been credited to Capital Reserve account in the standalone financial results of the Company for the quarter and year ended March 31, 2016.

21. During the year ended March 31, 2016, the Company along with its subsidiary GMRHL, entered into a shares purchase agreement ('SPA') with Oriental Tollways Private Limited and Orbit Infraventures LLP for the divestment of 117,300,000 equity shares of Rs.10 each, representing their 51.00% stake in GMR OSE Hungud Hospet Highways Private Limited ('GOSHHEPL'), a subsidiary of the Company for a sale consideration of Rs 59.14 Crore held by both the Company and GMRHL. As at March 31, 2016, the transfer of 59,801,692 equity shares held by the Company is not completed. However, based on the SPA, the Company has made a provision for impairment of Rs. 29.65 Crore towards the diminution in the value of investments, which has been disclosed as an 'exceptional item' in the standalone financial results of the Company for the quarter and year ended March 31, 2016.

22. During the year ended March 31, 2016, the Company along with its subsidiaries GMRHL and GEL, entered into a SPA with India Infrastructure Fund for the sale of their entire equity stake of 26.00% in Ulundurpet Expressways Private Limited ('UEPL') for a sale consideration of Rs. 32.50 Crore. As at March 31, 2016, the sale transaction is not completed. However, based on the SPA the Company has made a provision for impairment of Rs. 1.05 Crore which has been

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

disclosed as an 'exceptional item' in the standalone financial results of the Company for the quarter and year ended March 31, 2016.

23. Pursuant to the approval of the Management Committee, the Company has entered into a Subscription and Shareholders Agreement dated May 9, 2016 with Tenaga Nasional Berhad and its affiliate, Power and Energy International (Mauritius) Limited ('Investors') whereby the investors will acquire 30% equity stake in a select portfolio of GEL assets on a fully diluted basis for a consideration of USD 30.00 crore through primary issuance of equity shares of GEL. The transaction is subject to the satisfactory completion of the various precedent conditions by both parties and is expected to be completed in 3-6 months. Further, investments in certain subsidiaries/ jointly controlled entities of GEL are to be transferred from GEL to the subsidiaries of the Company prior to the completion of the investment by Tenaga in GEL. The transfer of these investments is subject to obtaining necessary approvals of the lenders and regulatory authorities and the management of the Company is confident of obtaining the requisite approvals.

24. GMR Renewable Energy Limited (GREEL) and GEL, subsidiaries of the Company, made substantial investments in their subsidiaries/ associates which are implementing or operating various energy sector projects including mining operations. These two subsidiaries and some of their underlying subsidiaries/associates have been incurring losses and have made provision for diminution in the value of the investments. Based on the valuation assessment by the management with regard to future operations and revenue generation from these assets, a provision of Rs.1,285 Crore is made towards diminution in the value of investments in GREEL and GEL which has been disclosed as an 'exceptional item' in the standalone financial results of the Company for the quarter and year ended March 31, 2016.

25. 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 ended for respective years.

26. 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). Also refer note 10 and note 24.

27. Paid-up debt capital represents outstanding non-convertible debentures issued by the Company (excluding provision for redemption premium) as at March 31, 2016.

28. 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.

29. Employee benefits expenses and other expenses for quarter and year ended March 31, 2016 are net of Rs. 34.13 Crore and Rs.120.73 Crore, respectively, cross charged to certain subsidiaries of the Company.

30. The standalone financial statements of the Company for the quarter and year ended March 31, 2016 have been reviewed by the Audit Committee in their meeting on May 30, 2016 and approved by the Board of Directors in their meeting on May 30, 2016.

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP Bengaluru

Notes to the standalone financial results for the quarter and year ended March 31, 2016

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

S. R. Batliboi & Associates LLP
Bengaluru

For GMR Infrastructure Limited

Bengaluru
May 30, 2016

Grandhi Kiran Kumar
Managing Director

GMR INFRASTRUCTURE LIMITED

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th & 13th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru-560 001, India
Tel : +91 80 6727 5000
Fax : +91 80 2210 6000

Auditor's Report on Quarterly and Year to Date Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of GMR Infrastructure Limited

1. We have audited the standalone financial results of GMR Infrastructure Limited ("the Company") for the quarter and year ended March 31, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly standalone financial results are the derived figures between the standalone audited figures in respect of the year ended March 31, 2016 and the published year-to-date standalone figures up to December 31, 2015, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone financial results for the quarter and year ended March 31, 2016 have been prepared on the basis of the standalone financial results for the nine-month period ended December 31, 2015, the audited annual standalone financial statements as at and for the year ended March 31, 2016, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2015 which were prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual financial statements as at and for the year ended March 31, 2016; and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion

Basis for Qualified Opinion

3. As detailed in Note 4 to the accompanying statement of standalone financial results for the quarter and year ended March 31, 2016, the Company through its subsidiary, GMR Infrastructure (Mauritius) Limited ('GIML') has investments of Rs. 396.81 Crore (USD 5.94 Crore) (including equity share capital of Rs. 154.24 Crore (USD 2.31 Crore) and subordinate loans and interest accrued thereon of Rs. 242.57 Crore (USD 3.63 Crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL'). Further GIML, has placed fixed deposits of Rs. 864.90 Crore (USD 12.95 Crore) with lenders towards loan taken by GMIAL and the Company has given a corporate guarantee of Rs. 2,620.72 Crore (USD 39.25 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

S.R. Batliboi & Associates LLP Bengaluru

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 investments have been carried at cost in the standalone financial results as at March 31, 2016, as the management is of the view that GMIAL will be able to recover at least the carrying value of the assets of Rs. 1,594.68 Crore (USD 23.88 Crore) including claim recoverable of Rs. 1,273.14 Crore (USD 19.07 Crore) as at March 31, 2016.

Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion, and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and have received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognized in the standalone financial results of GMIAL as at March 31, 2016. 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 investments pertaining to the aforesaid entities and any other consequential impact that may arise in this regard on the accompanying standalone financial results for the quarter and year ended March 31, 2016. In respect of the above matter, our audit report for the year ended March 31, 2015 and limited review report for the quarters ended June 30, 2015, September 30, 2015 and December 31, 2015 were similarly qualified.

4. As detailed in Note 10 (b) to the accompanying statement of standalone financial results for the quarter and year ended March 31, 2016, the Company along with its subsidiary has made investments of Rs. 735.80 Crore in GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company (including loans of Rs. 35.80 Crore and investments in equity shares and preference shares of Rs. 700.00 Crore), which is primarily utilized by GKUAEL towards payment of capital advance of Rs. 590.00 Crore to its EPC contractor and Rs. 137.47 Crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). GKUAEL has also given a bank guarantee of Rs. 269.36 Crore to National Highways Authority of India ('NHAI'). GKUAEL issued a notice of intention to terminate the Concession Agreement and a notice of dispute to NHAI invoking arbitration provisions of the Concession Agreement during the earlier years. Both the parties have appointed their arbitrators and the arbitration process is pending commencement. Pursuant to the notice of dispute, GKUAEL terminated the EPC contract on May 15, 2015 and has received claims towards such termination. However, no such claims have been recognized in the standalone financial results of GKUAEL as at March 31, 2016.

   Based on its internal assessment, the management of the Company made a provision for diminution in the value of investments / advances amounting to Rs. 137.47 Crore and advances amounting to Rs 5.70 Crore (including Rs. 6.74 Crore and Rs. 12.18 Crore during the quarter ended and year ended March 31, 2016 respectively). However, the notice of dispute and initiation of arbitration proceedings indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of the GKUAEL. Having regard to this uncertainty, we are unable to comment on the final outcome of the matter and its consequential impact on the carrying value of the Company's investments in GKUAEL in the accompanying standalone financial results of the Company for the quarter and year ended March 31, 2016. In respect of the above matter, our audit report for the year ended March 31, 2015 and limited review report for the

S.R. Batliboi & Associates LLP Bengaluru

quarters ended June 30, 2015, September 30, 2015 and December 31, 2015 were similarly qualified.

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in paragraphs 3&4,these quarterly and year to date financial results of the Company;
   i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

   ii. give a true and fair view of the net loss and other financial information for the quarter and the year ended March 31, 2016.

Emphasis of Matter

6. We draw attention to the following matters in the notes to the accompanying standalone financial results for the quarter and year ended March 31, 2016:

   a) Note 5 regarding investments of Rs. 394.17 Crore (including investments in equity / preference shares of Rs. 244.70 Crore made by the Company and its subsidiaries and loans and interest accrued thereon of Rs. 149.47 Crore) as at March 31, 2016 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 investments have been carried at cost. Accordingly, no provision for diminution in the value of investments has been made in the accompanying standalone financial results for the quarter and year ended March 31, 2016.

   b) Note 6 regarding (i) cessation of operations and the losses, including cash 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 short term and long term obligations. The accompanying standalone financial results of the Company for the quarter and year ended March 31, 2016 do not include any adjustments that might result from the outcome of this significant uncertainty.

   c) Note 7 regarding uncertainties in tying up power supplies, achieving profitability in operations, mega power status, refinancing of existing loans at lower rates of interest, other key assumptions made in the valuation assessment of the investments in GMR Chhattisgarh Energy Limited ('GCHEPL'), a subsidiary of the Company. The carrying value of the investments in GCHEPL is critically dependent upon the achievement of the key assumptions as discussed in the aforesaid note. In the opinion of the management of the Company, no further provision for diminution in the value of investments (including loans) is considered necessary at this stage in the accompanying standalone financial results for the quarter and year ended March 31, 2016 for the reasons explained in the said note.

S.R. Batliboi & Associates LLP
Bengaluru

d) Note 10(a) regarding investments of Rs. 680.10 Crore (including investments in equity / preference shares of Rs. 302.03 Crore made by the Company and its subsidiary and loans of Rs. 378.07 Crore) as at March 31, 2016 in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), a subsidiary of the Company. GHVEPL has been incurring losses since the commencement of commercial operations and the Company has made a provision of Rs 269.08 Crore (including Rs. 96.98 Crore and Rs. 137.68 Crore during the quarter and year ended March 31, 2016 respectively) for the diminution in the value of the investments as at March 31, 2016. Based on a valuation assessment, a legal opinion and for reasons explained in the said note, management of the Company believes that no further provision for diminution in the value of investments is considered necessary in the accompanying standalone financial results for the quarter and year ended March 31, 2016.

e) Note 12(a) and 12(b) regarding the uncertainties pertaining to coal prices and other key assumptions made by the management in the valuation assessment of its investments in entities which are engaged in the operation and development of coal mines. In the opinion of the management of the Company, no further provision for diminution in the value of investments (including loans) is considered necessary at this stage in the accompanying standalone financial results for the quarter and year ended March 31, 2016 for the reasons explained in the said notes.

Our opinion is not qualified in respect of the aforesaid matters.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI firm registration number: 101049W / E300004
Chartered Accountants

S.R. Batliboi & Associates LLP
Bengaluru

per Sunil Bhumralkar
Partner
Membership number: 35141

Place: Bengaluru
Date: May 30, 2016

ANNEXURE I

GMR Infrastructure Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its standalone financial results for the quarter and year ended March 31, 2016

(In Rs. crore except for earning per share)

I.	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income (including other income)	814.17	814.17
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and minority interest before exceptional items)	(756.14)	(756.14)
	3	Exceptional items gain / (loss) (net)	(1,576.93)	(1,576.93)
	4	Net profit/(loss)	(1,518.90)	(1,518.90)
	5	Earnings per share (in Rs.) - Basic	(2.68)	(2.68)
	6	Total assets	15,809.74	15,809.74
	7	Total liabilities	6,387.89	6,387.89
	8	Net worth (refer note 1)	9,421.85	9,421.85
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter in the Auditor's Report on Quarterly and Year to Date Standalone Financial Results	

Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India.

II. **Audit Qualification (each audit qualification separately):**

(i) **Qualification 1**

a. Details of audit qualification:

As detailed in Note 10 (b) to the accompanying statement of standalone financial results for the quarter and year ended March 31, 2016, the Company along with its subsidiary has made investments of Rs. 735.80 Crore in GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company (including loans of Rs. 35.80 Crore and investments in equity shares and preference shares of Rs. 700.00 Crore), which is primarily utilized by GKUAEL towards payment of capital advance of Rs. 590.00 Crore to its EPC contractor and Rs. 137.47 Crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). GKUAEL has also given a bank guarantee of Rs. 269.36 Crore to National Highways Authority of India ('NHAI'). GKUAEL issued a notice of intention to terminate the Concession Agreement and a notice of dispute to NHAI invoking arbitration provisions of the Concession Agreement during the earlier years. Both the parties have appointed their arbitrators and the arbitration process is pending commencement. Pursuant to the notice of dispute, GKUAEL terminated the EPC contract on May 15, 2015 and has received claims towards such termination. However, no such claims have been recognized in the standalone financial results of GKUAEL as at March 31, 2016.

Based on its internal assessment, the management of the Company made a provision for diminution in the value of investments / advances amounting to Rs. 137.47 Crore and advances amounting to Rs 5.70 Crore (including Rs. 6.74 Crore and Rs. 12.18 Crore during the quarter ended and year ended March 31, 2016 respectively). However, the notice of dispute and initiation of arbitration proceedings indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of the GKUAEL. Having regard to this uncertainty, we are unable to comment on the final outcome of the matter and its consequential impact on the carrying value of the Company's investments in GKUAEL in the accompanying standalone financial results of the Company for the quarter and year ended March 31, 2016.

b. Type of audit qualification: Qualified opinion

c. Frequency of qualification: Since year ended March 31, 2015

d. For audit qualification where the impact is quantified by the auditor, management's views: Not quantifiable

e. For audit qualification where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not ascertainable

(ii) If management is unable to estimate the impact, reasons for the same:

b) The Company along with its subsidiary made investments of Rs. 735.80 Crore in GKUAEL, a subsidiary of the Company, (including loans of Rs. 35.80 Crore and investments in equity / preference shares of Rs. 700.00 Crore made by the Company and its subsidiary), which is primarily utilized by GKUAEL towards payment of capital advance of Rs. 590.00 Crore to its EPC contractors and Rs. 137.47 Crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). GKUAEL has also provided a bank guarantee of Rs. 269.36 Crore to National Highways Authority of India ('NHAI'). GKUAEL had entered into a Concession Agreement with 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 the 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. NHAI in their letter dated January 17, 2013 to GKUAEL also indicated of making good the alleged defaults of NHAI within the cure period of 90 days. The management of 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. Considering that the efforts for revival of the project did not succeed, GKUAEL issued a notice of dispute to NHAI dated February 16, 2015 invoking arbitration provisions of the Concession Agreement. Both the parties have appointed their arbitrators and the arbitration process is pending commencement. GKUAEL had approached the Hon'ble High Court of Delhi seeking an injunction against invocation of the aforementioned performance bank guarantee by NHAI which has not been accepted by the Hon'ble High Court of Delhi.

In addition, GKUAEL awarded the EPC contract to GMR Projects Private Limited ('GPPL') and had given an advance of Rs. 590.00 Crore as stated above. Pursuant to the notice of dispute, GKUAEL has terminated the contract on May 15, 2015. During the year ended March 31, 2016, GKUAEL has received a claim of Rs. 840.76 Crore from the EPC contractor, however no such claim relating to the termination of contract has been recognized by GKUAEL as at March 31, 2016 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. 137.47 Crore and advances amounting to Rs 5.70 Crore (including Rs. 6.74 Crore and Rs. 12.18 Crore during the quarter ended and year ended March 31, 2016 respectively) which has been disclosed as an 'exceptional item'.

Further, based on an internal assessment and a legal opinion, 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 is of the view that no further provision for diminution in the value of investments is necessary as at March 31, 2016. The statutory auditors have qualified their Audit Report in this regard.

(iii) Auditors' comments on (i) or (ii) above: Refer i(a) above.

STRUCTURE

R. Batliboi & Associates

Bengaluru

(ii) **Qualification 2**

a. Details of audit qualification:

As detailed in Note 4 to the accompanying statement of standalone financial results for the quarter and year ended March 31, 2016, the Company through its subsidiary, GMR Infrastructure (Mauritius) Limited ('GIML') has investments of Rs. 396.81 Crore (USD 5.94 Crore) (including equity share capital of Rs. 154.24 Crore (USD 2.31 Crore) and subordinate loans and interest accrued thereon of Rs 242.57 Crore (USD 3.63 Crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL'). Further GIML has placed fixed deposits of Rs. 864.90 Crore (USD 12.95 Crore) with lenders towards loan taken by GMIAL and the Company has given a corporate guarantee of Rs. 2,620.72 Crore (USD 39.25 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 investments have been carried at cost in the standalone financial results as at March 31, 2016, as the management is of the view that GMIAL will be able to recover at least the carrying value of the assets of Rs. 1,594.68 Crore (USD 23.88 Crore) including claim recoverable of Rs. 1,273.14 Crore (USD 19.07 Crore) as at March 31, 2016.

Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion, and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and have received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognized in the standalone financial results of GMIAL as at March 31, 2016. 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 investments pertaining to the aforesaid entities and any other consequential impact that may arise in this regard on the accompanying standalone financial results for the quarter and year ended March 31, 2016.

b. Type of audit qualification : Qualified opinion

c. Frequency of qualification: Since year ended March 31, 2013

d. For audit qualification where the impact is quantified by the auditor, Management's Views: Not quantifiable

e. For audit qualification where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not applicable

4. The Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made investments of Rs. 396.81 Crore (USD 5.94 Crore) (including equity share capital of Rs. 154.24 Crore (USD 2.31 Crore) and subordinate loans and interest accrued thereon of Rs 242.57 Crore (USD 3.63 Crore) towards 77% holding in GMR Male International Airport Private Limited ('GMIAL') and GIML has placed deposits of Rs. 864.90 Crore (USD 12.95 Crore) with lenders towards loans taken by GMIAL. Further the Company has given a corporate guarantee of Rs. 2,620.72 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 ('MIA') for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession Agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter.

Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. On June 18, 2014, the tribunal delivered its award declaring that the Concession Agreement was not void ab initio and is valid and binding on the parties. Further, the tribunal declared that the Government of Maldives ('GoM') and MACL are jointly and severally liable 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 26, 2014, GoM and MACL 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.

On June 17, 2015, the tribunal issued its decision in respect of the preliminary issue stating that the limit to damages recoverable in the aforementioned award was intended to apply from the date of the Concession Agreement has been repudiated and also that the limit to recoverable damages identified in the aforementioned award means all damages recoverable by GMIAL and not only contractually contemplated damages. Accordingly, on October 1, 2015, GMIAL served the amended schedule of loss to the tribunal and a five day hearing has now been set for the quantum hearing from August 8, 2016 to August 12, 2016. In view of the aforesaid matter GMIAL continues to reflect assets amounting to Rs. 1,594.68 Crore (USD 23.88 Crore) including claim recoverable of Rs. 1,273.14 Crore (USD 19.08 Crore) at their carrying values as at March 31, 2016, 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'), a subsidiary of the Company and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to the aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 Crore as at March 31, 2016 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognized as at March 31, 2016 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, 2016 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.

(iv) Auditors' Comments on (i) or (ii) above: Refer iii(a) above.

GMR INFRASTRUCTURE LIMITED

S.R. Batliboi & Associates LLP
Bengaluru

III.	**Signatories:**	
	Managing Director	Grandhi Kiran Kumar
	Group CFO	Madhva Bhimacharya Terdal
	Audit Committee Chairman	N.C. Sarabeswaran
	Statutory Auditor	S R Batliboi & Associates LLP Chartered Accountants ICAI Firm registration number: 101049W | E300004 per Sunil Bhumralkar Partner Membership number: 35141
	Place:	**Bengaluru**
	Date:	**May 30, 2016**