

# GMR Infrastructure Limited

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

## PART I

### Statement of Standalone financial results for the quarter and year ended March 31, 2013

( In Rs. crore)

S.No	Particulars	Quarter ended			Year Ended	
		March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012
		Refer Note 13	Unaudited	Refer Note 13	Audited	Audited
<b>1</b>	<b>Income from operations</b>					
	(a) Sales/ income from operations	239.14	198.99	305.72	1,142.17	1,091.04
	(b) Other operating income (refer Note 16)	83.00	82.01	65.14	290.62	290.83
	<b>Total income from operations</b>	<b>322.14</b>	<b>281.00</b>	<b>370.86</b>	<b>1,432.79</b>	<b>1,381.87</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	45.12	58.00	106.20	289.25	334.62
	(b) Subcontracting expenses	111.62	108.83	155.42	622.72	544.81
	(c) Employee benefits expenses	20.52	17.87	21.97	72.47	89.31
	(d) Depreciation and amortisation expenses	2.06	2.12	2.12	8.31	7.58
	(e) Foreign exchange fluctuation loss (net)	3.24	-	15.87	-	-
	(f) Other expenses	22.75	19.35	41.59	87.57	115.76
	<b>Total expenses</b>	<b>205.31</b>	<b>206.17</b>	<b>343.17</b>	<b>1,080.32</b>	<b>1,092.08</b>
<b>3</b>	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>116.83</b>	<b>74.83</b>	<b>27.69</b>	<b>352.47</b>	<b>289.79</b>
<b>4</b>	<b>Other income</b>					
	a) Foreign exchange fluctuation gain (net)	-	5.72	-	26.27	46.41
	b) Miscellaneous income	0.08	1.80	0.38	2.31	2.00
<b>5</b>	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>116.91</b>	<b>82.35</b>	<b>28.07</b>	<b>381.05</b>	<b>338.20</b>
<b>6</b>	<b>Finance costs</b>	96.05	100.48	51.07	374.43	197.35
<b>7</b>	<b>Profit / (Loss) from ordinary activities after finance costs and before exceptional items (5 - 6)</b>	<b>20.86</b>	<b>(18.13)</b>	<b>(23.00)</b>	<b>6.62</b>	<b>140.85</b>
<b>8</b>	<b>Exceptional items (refer Note 10)</b>	75.83	-	-	75.83	-
<b>9</b>	<b>Profit / (Loss) from ordinary activities before tax (7 ± 8)</b>	<b>96.69</b>	<b>(18.13)</b>	<b>(23.00)</b>	<b>82.45</b>	<b>140.85</b>
<b>10</b>	<b>Tax expenses</b>	25.26	(5.61)	15.52	29.00	20.55
<b>11</b>	<b>Net Profit / (Loss) from ordinary activities after tax (9 - 10)</b>	<b>71.43</b>	<b>(12.52)</b>	<b>(38.52)</b>	<b>53.45</b>	<b>120.30</b>
<b>12</b>	<b>Paid-up equity share capital (Face value - Re. 1 per share)</b>	389.24	389.24	389.24	389.24	389.24
<b>13</b>	<b>Paid up debt capital (refer Note 15)</b>				1,587.50	1,024.13
<b>14</b>	<b>Reserve excluding Revaluation Reserves as per balance sheet</b>				6,796.49	6,838.03
<b>15</b>	<b>Debenture Redemption Reserve (Included in S. No 14 above)</b>				118.47	58.60
<b>16</b>	<b>Weighted average number of shares used in computing Earning Per Share</b>	3,89,24,32,532	3,89,24,32,532	3,89,24,32,532	3,89,24,32,532	3,89,24,32,532
<b>17</b>	<b>Earnings per share (of Re. 1/- each) (not annualised)</b>					
	Basic and Diluted	0.18	(0.03)	(0.10)	0.14	0.31
<b>18</b>	<b>Debt Equity Ratio (refer Note 14)</b>				0.59	0.41
<b>19</b>	<b>Debt Service Coverage Ratio (DSCR) (refer Note 14)</b>				0.17	0.39
<b>20</b>	<b>Interest Service Coverage Ratio (ISCR) (refer Note 14)</b>				1.02	1.71

<b>PART II</b>						
<b>Select Information for the quarter and year ended March 31, 2013</b>						
S.No	Particulars	As at quarter ended			As at year ended	
		March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>					
1	Public shareholding					
	- Number of shares	1,10,37,02,750	1,10,39,46,750	1,11,20,12,950	1,10,37,02,750	1,11,20,12,950
	- Percentage of shareholding	28.36%	28.36%	28.57%	28.36%	28.57%
2	Promoters and Promoter Group Shareholding					
a)	Pledged / Encumbered					
	- Number of shares	1,02,66,31,555	87,31,64,991	89,10,30,809	1,02,66,31,555	89,10,30,809
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	36.81%	31.31%	32.05%	36.81%	32.05%
	- Percentage of shares (as a % of the total share capital of the Company)	26.38%	22.43%	22.89%	26.38%	22.89%
b)	Non - encumbered					
	- Number of shares	1,76,21,00,477	1,91,53,23,041	1,88,93,91,023	1,76,21,00,477	1,88,93,91,023
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	63.19%	68.69%	67.95%	63.19%	67.95%
	- Percentage of shares (as a % of the total share capital of the Company)	45.26%	49.21%	48.54%	45.26%	48.54%

	Particulars	Quarter ended March 31, 2013
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	-
	Received during the quarter	26
	Disposed of during the quarter	26
	Remaining unresolved at the end of the quarter	-

<b>GMR Infrastructure Limited</b>						
<b>Report on Standalone Segment Revenue, Results and Capital Employed</b>						
<b>( In Rs. crore)</b>						
S.No	Particulars	Quarter ended			Year Ended	
		March 31, 2013	December 31, 2012	March 31, 2012	March 31, 2013	March 31, 2012
		Refer Note 13	Unaudited	Refer Note 13	Audited	Audited
1	<b>Segment Revenue</b>					
	a) EPC	239.14	198.99	305.72	1,142.17	1,091.04
	b) Others	83.00	82.01	65.14	290.62	290.83
	<b>Total</b>	<b>322.14</b>	<b>281.00</b>	<b>370.86</b>	<b>1,432.79</b>	<b>1,381.87</b>
	Less: Inter Segment	-	-	-	-	-
	<b>Net Segment Revenue</b>	<b>322.14</b>	<b>281.00</b>	<b>370.86</b>	<b>1,432.79</b>	<b>1,381.87</b>
2	<b>Segment Results</b>					
	a) EPC	42.90	(0.96)	(0.70)	85.31	55.36
	b) Others	74.01	83.31	28.77	295.74	282.84
	<b>Total</b>	<b>116.91</b>	<b>82.35</b>	<b>28.07</b>	<b>381.05</b>	<b>338.20</b>
	Less: Finance costs	96.05	100.48	51.07	374.43	197.35
	Add: Exceptional items (refer Note 10)	75.83	-	-	75.83	-
	<b>Profit / (Loss) before tax</b>	<b>96.69</b>	<b>(18.13)</b>	<b>(23.00)</b>	<b>82.45</b>	<b>140.85</b>
3	<b>Capital employed (Segment Assets - Segment Liabilities)</b>					
	a) EPC	233.28	218.18	282.11	233.28	282.11
	b) Others	11,234.08	10,841.37	9,860.78	11,234.08	9,860.78
	c) Unallocated	(4,281.63)	(3,888.15)	(2,915.62)	(4,281.63)	(2,915.62)
	<b>Total</b>	<b>7,185.73</b>	<b>7,171.40</b>	<b>7,227.27</b>	<b>7,185.73</b>	<b>7,227.27</b>

Notes to the standalone results for the quarter and year ended March 31, 2013

1. Statement of assets and liabilities

( In Rs. crore)

Particulars		As at	
		March 31, 2013	March 31, 2012
		Audited	Audited
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital		389.24	389.24
(b) Reserves and surplus		6,796.49	6,838.03
	<b>Sub-total</b>	<b>7,185.73</b>	<b>7,227.27</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings		3,015.83	1,904.63
(b) Deferred tax liabilities (net)		-	3.90
(c) Other long-term liabilities		-	14.89
(d) Long-term provisions		0.89	0.39
	<b>Sub-total</b>	<b>3,016.72</b>	<b>1,923.81</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings		751.20	852.00
(b) Trade payables		162.55	172.26
(c) Other current liabilities		966.22	592.06
(d) Short-term provisions		67.72	22.88
	<b>Sub-total</b>	<b>1,947.69</b>	<b>1,639.20</b>
	<b>Total</b>	<b>12,150.14</b>	<b>10,790.28</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets		108.90	103.04
(b) Non-current investments		6,845.88	6,692.26
(c) Deferred tax assets (net)		18.32	-
(d) Long-term loans and advances		2,982.03	1,683.09
(e) Trade receivables		111.38	79.53
(f) Other non-current assets		422.81	6.10
	<b>Sub-total</b>	<b>10,489.32</b>	<b>8,564.02</b>
<b>2 Current assets</b>			
(a) Current investments		67.70	211.51
(b) Inventories		87.22	31.71
(c) Trade receivables		206.79	295.44
(d) Cash, cash equivalents and other bank balances		205.36	525.15
(e) Short-term loans and advances		746.74	904.74
(f) Other current assets		347.01	257.71
	<b>Sub-total</b>	<b>1,660.82</b>	<b>2,226.26</b>
	<b>Total</b>	<b>12,150.14</b>	<b>10,790.28</b>

## Notes to the standalone results for the quarter and year ended March 31, 2013

2. Investors can view the standalone results of GMR Infrastructure Limited (“the Company” or “GMR”) on the Company’s website [www.gmrgroup.in](http://www.gmrgroup.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)).

### 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 pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). 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 has an investment of Rs. 341.56 crore (including loans of Rs. 104.97 crore, share application money pending allotment of Rs. 20.00 crore and investment in equity / preference shares of Rs. 216.59 crore made by the Company and its subsidiaries) in GMR Ambala Chandigarh Expressways Private Limited (GACEPL) as at March 31, 2013. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to loss of revenue arising as a result of diversion of partial traffic on parallel roads. Based on management’s internal assessment and a legal opinion, the management of GACEPL is confident that it will be able to claim compensation from relevant authorities for the loss it has suffered due to such diversion of traffic and accordingly, the investment in GACEPL has been carried at cost. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.
5. The Company’s subsidiaries GMR Energy Limited (‘GEL’) and GMR Vemagiri Power Generation Limited (‘GVPGL’) are engaged in the business of generation and sale of electrical energy from their two gas based power plants of 220MW and 387.63MW situated at Kakinada and Vemagiri respectively. Further, GMR Rajamundry Energy Limited (‘GREL’), a subsidiary, is constructing a gas based power plant. In view of lower supplies/ availability of natural gas to the power generating companies in India, these subsidiaries are facing shortage of natural gas supply and delays in securing gas linkages. During the year ended March 31, 2013, GEL and GVPGL have incurred losses resulting in erosion of network of these gas based power generating companies and GREL has not commenced commercial operations pending linkages of natural gas supply. Further, GREL for its 768 MW gas based power plant, which is under construction at Rajahmundry, has applied for allocation of gas and Ministry of Petroleum and Natural Gas (MoPNG) is yet to allocate the gas linkage. The consortium of lenders have approved the reschedulement of Commercial Operation Date (‘COD’) of the plant under construction to April 1, 2014 and repayment of project loans. GEL along with its subsidiaries is actively pursuing / making representations with various government authorities to secure the natural gas linkage / supply as the natural gas supplies from KG D6 basin have dropped significantly from September 2011 onwards. The Group and the Association of Power Producers are closely monitoring the macro situation and are evaluating various approaches / alternatives to deal with the situation and the management is confident that the Government of India would take necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. Based on business plan and valuation assessment, the management is confident that GEL and GVPGL will be able to generate sufficient profits in future years, GREL will achieve the COD as stated aforesaid and these gas based power generating companies would meet their financial obligations as they arise and hence the carrying value investments (including advances) made by the Company directly or indirectly through its subsidiaries (‘investments’) in above entities as at March 31, 2013 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Audit Report in this regard.

## Notes to the standalone results for the quarter and year ended March 31, 2013

6. The Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made an investment of Rs. 126.58 crore (USD 2.31 crore) towards 77% holding in GMR Male International Airport Private Limited ('GMIAL') and GIML has pledged deposits of Rs. 789.12 crore (USD 14.40 crore) towards loans taken by GMIAL from its lenders. Further the Company has given a guarantee of Rs 2,301.60 crore (USD 42 crore) to the lenders in connection with the borrowings made by GMIAL.

GMIAL entered into an agreement on June 28, 2010 with Maldives Airports Company Limited ('MACL') and Ministry of Finance and Treasury (MoFT), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of Male International Airport within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the Male International Airport and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and does not anticipate counter claims if any. The outcome of the arbitration is uncertain as at 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.

Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident of proving that the concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the concession agreement and accordingly these financial results of the Company do not include any adjustments that might result from the outcome of this uncertainty. The statutory auditors of the Company have modified their audit report in this regard.

7. The Company has given an interest free loan of Rs. 115.00 crore to Welfare Trust of GMR Infra Employees ('GWT') during the year ended March 31, 2011 for the purpose of employee benefit scheme. GWT has utilised the proceeds of the loan received from the Company in the following manner and the position as at March 31, 2013 is:

( In Rs. crore)

Equity shares of the Company	101.55
Equity shares of GMR Airports Limited (a subsidiary of the Company)	11.28
Others	2.17
<b>Total</b>	<b>115.00</b>

Securities and Exchange Board of India ('SEBI') has issued Circular No. CIR/CFD/DIL/3-2013 dated January 17, 2013 prohibiting listed entities from framing any employee benefit scheme involving acquisition of own securities from the secondary market. The management of the Company has submitted the details of the GWT to the stock exchanges and is in the process of complying with the requirements of the circular within the prescribed timelines. SEBI has issued Circular No. CIR/CFD/DIL/7-2013 dated May 13, 2013 extending the date of compliance to December 31, 2013.

8. The Company along with its subsidiary has made an investment of Rs. 484.45 crore in its joint venture Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatırım Yapım Ve İşletme Anonim Şirketi (ISG) as at March 31, 2013. The Company and its subsidiary's share of ISG's accumulated losses / negative reserves amounts to Rs. 436.42 crore. This has resulted in substantial erosion in net worth of ISG as at March 31, 2013. Based on ISG's business plan, the management of the Company is confident that ISG will be able to generate sufficient profits in future years and would meet its financial obligations as they arise, accordingly, the investment in ISG continues to be carried at cost as at the year end.

## Notes to the standalone results for the quarter and year ended March 31, 2013

9. A search under Section 132 of the Income Tax Act, 1961 was carried out at the premises of the Company by the Income Tax Authorities on October 11, 2012, followed by search closure visits on various dates thereafter, to check the compliance with the provisions of the Income Tax Act, 1961. The Income Tax Department has subsequently sought certain information / clarifications. The Company has not received any show cause notice/ demand from the Income Tax Authorities. The management of the Company believes that it has complied with all the applicable provisions of the Income Tax Act, 1961 with respect to its operations.
10. During the quarter ended March 31, 2013, the Company and GMR Infrastructure (Singapore) Pte Limited, a subsidiary of the Company have sold their share holding in GMR Energy (Singapore) Pte Limited (GESPL). The profit on such sale amounting to Rs. 75.83 crore has been disclosed as an exceptional item in the financial results. The Company has provided a guarantee of SGD 38.00 crore towards warranties as specified in the share purchase agreement (SPA) and other SPA transaction documents for a period till September 30, 2014 and in respect of tax claims, if any, the guarantee period is up to March 31, 2018.
11. During the quarter ended March 31, 2013, the Company and GMR Highways Limited, a subsidiary of the Company had entered into a definitive sale agreement for divestment of 74% share holding in GMR Jadcherla Expressways Private Limited (GJEPL), a subsidiary of the Company.
12. The Board of Directors of the Company have recommended a dividend of Re. 0.10 per equity share of Re. 1 each for the year ended March 31, 2013.
13. The figures of last quarter of current and previous years are the balancing figures between the audited figures in respect of the full financials years and the published unaudited year to date figures for nine months for respective years.
14. DSCR represents profit from ordinary activities before finance costs, exceptional items and tax expenses / finance costs plus principal repayment of loan funds during the period. ISCR represents profit from ordinary activities before finance costs, exceptional items and tax expenses / finance costs. Finance costs do not include debenture redemption premium which has been adjusted against the securities premium account as permitted by Section 78 of the Companies Act, 1956. Debt Equity Ratio represents loan funds (long term borrowings, short term borrowings and current maturities of long term borrowings included in current liabilities)/ Shareholder's funds (Equity Share Capital and Reserves and Surplus).
15. Paid up debt capital represents outstanding non convertible debentures issued by the Company (excluding provision for redemption premium) including non convertible debentures to GMR Airports Limited, a subsidiary of the Company.
16. Other operating income includes interest income, dividend income and profit on sale of current investments considering that the Company undertakes investment activities.
17. The financial results of the Company for the year ended March 31, 2013 have been reviewed by the Audit Committee at their meeting on May 30, 2013 and approved by the Board of Directors at their meeting on May 30, 2013.
18. Figures pertaining to previous periods/ year have been regrouped/ reclassified wherever necessary, to conform to the classification adopted in the current period/ year.

For GMR Infrastructure Limited

Bengaluru  
May 30, 2013

Sd/-  
G.M. Rao  
Executive Chairman