

May 29, 2019

National Stock Exchange of India Limited
Exchange Plaza
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

BSE Limited
Phiroze Jeejeebhoy
Towers
Dalal Street
Mumbai – 400 001

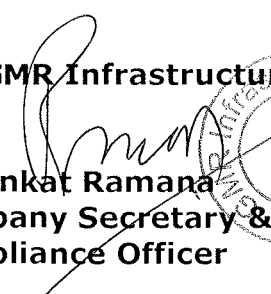
Dear Sir/ Madam,

Sub: Submission of Statement on impact of Audit Qualifications (in respect of modified opinion on standalone and consolidated Audited Financial Results) for the year ended March 31, 2019.

In furtherance to our letter dated May 29, 2019, please find enclosed the Statement on impact of Audit Qualifications (in respect of modified opinion on standalone and consolidated Audited Results) for the year ended March 31, 2019.

Please take the same on the record.

For GMR Infrastructure Limited


T. Venkat Ramana
Company Secretary &
Compliance Officer

Encl: As above

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 consolidated financial results for the year ended March 31, 2019

[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)	8,284.72	8,284.72
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and loss/profit from discontinued operations before exceptional items)	9,428.71	9,428.71
	3	Exceptional items (gain) / loss (net)	2,212.30	2,212.30
	4	Net profit/(loss)	(3,356.29)	(3,356.29)
	5	Earnings Per Share (in Rs.) - Basic		
	6	Total Assets	40,404.00	40,404.00
	7	Total Liabilities	39,162.11	39,162.11
	8	Net Worth (refer note 1)	1,241.89	1,241.89
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter paragraph in the Auditor's Report on Year to Date Consolidated 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 seperately) :			
(i)	Qualification 1			
	a. Details of audit qualification:			
	As detailed in note 6(a) and 10 to the accompanying consolidated Ind AS financial results for the quarter and year ended March 31, 2019, GMR Chhattisgarh Energy Limited ('GCEL') and certain other entities have been incurring losses for reasons as more fully discussed in the aforesaid notes. Based on the valuation assessment carried out by an independent expert during the year ended March 31, 2018, there existed a further diminution in the value of Rs 2,250.00 crore for the Group's investment in GCEL and certain other entities which was not accounted by the management during the year ended March 31, 2018 and has been charged in the statement of profit and loss in the current year. In our opinion, the aforesaid accounting treatment is not in accordance with the relevant accounting standards. Had the management provided for the aforesaid diminution in the previous year, the loss after tax and minority interest for the quarter and the year ended March 31, 2019, would have been lower by Rs 2,250.00 crore and the loss after tax and minority interest for the year ended March 31, 2018, would have been higher by Rs 2,250.00 crore with no consequential impact on the consolidated reserves as at March 31, 2019.			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Second year of qualification			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Management view is documented in note 6(a) and 10 of the accompanying consolidated Ind AS financial results for the quarter and year ended March 31, 2019			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable			
	(i) Management's estimation on the impact of audit qualification: Not applicable			
	(ii) If management is unable to estimate the impact, reasons for the same: Not applicable			
	(iii) Auditors' Comments on (i) above: Refer i(a) above			
	2a. Details of Audit Qualification:			
	As detailed in note 6(d) to the accompanying consolidated Ind AS financial results for the quarter and year ended March 31, 2019, GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGL') and GMR Rajahmundry Energy Limited ('GREL') have ceased operations and have been incurring significant losses with a consequential erosion of net worth resulting from the unavailability of adequate supply of natural gas. Further, GREL has rescheduled the repayment of project loans due to implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and has signed a Resolution Plan with the lenders to restructure its debt obligations during the year. Continued uncertainty exists as to the availability of adequate supply of natural gas which is necessary to conduct operations by GEL, GVPGL and GREL in the future. The carrying value of the investments in GEL, GVPGL and GREL is significantly dependent on the achievement of key assumptions around availability of natural gas, future tariff and the outcome of the sale of the Barge mounted power plant. Accordingly, we are unable to comment on the carrying value of the Group's assets (including advances)/ obligations in these entities as at March 31, 2019.			
	2b. Type of Audit Qualification : Qualified Opinion			
	2c. Frequency of qualification: Second year of qualification			
	2d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			



2e. For Audit Qualification(s) where the impact is not quantified by the auditor:

Management view is presented in Note 6(d) to the consolidated Ind AS financial statements. As detailed in the notes, on account of non availability of gas, both GVPGL and GREL plants were not operated for significant time resulting in erosion of economic value. Various stakeholders, including Central and State Governments have formulated schemes for efficient utilisation of these facilities, though these efforts have not brought in permanent resolutions to the operations. GREL have recently implemented resolution plan to restructure its debt obligation which would improve the profitability and consequently the carrying cost of these companies. Taking into account the uncertainties associated with the efforts of various stakeholders, management is not in a position to assess the impact of these measures on the carrying values.

(i) Management's estimation on the impact of audit qualification:

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

(iii) Auditors' Comments on (i) or (ii) above:

3a. Details of Audit Qualification:

As detailed in note 4 to the accompanying consolidated Ind AS financial results for the quarter and year ended March 31, 2019, the Group has acquired the Class A Compulsory Convertible Preference Shares ('CCPS') of GMR Airport Limited ('GAL'), a subsidiary of the Group for a consideration of Rs. 3,560 crore from Private Equity Investors as per the settlement agreement. The said CCPS were converted into equity shares of an equivalent amount as per the investor agreements. Further, the Group has recognised other financial asset of Rs. 3,560.00 crore by adjusting other equity towards the proposed sale of equity shares based on the binding term sheet entered during the year, even though the transaction towards sale of such equity shares is pending conclusion as at the year end. In our opinion, the aforesaid accounting treatment is not in accordance with the relevant accounting standards. Had the management accounted for the aforesaid obligation as per the relevant accounting standards, other equity would have been lower by Rs 3,560.00 crore and other financial assets would have been lower by Rs 3,560.00 crore with a consequential impact on segment assets of Airport sector as at March 31, 2019.

3b. Type of Audit Qualification : Qualified Opinion

3c. Frequency of qualification: First year of qualification

3d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Management view is documented in note 4 of the accompanying consolidated Ind AS financial results for the quarter and year ended March 31, 2019

3e. For Audit Qualification(s) where the impact is not quantified by the auditor:

Not Applicable

(i) Management's estimation on the impact of audit qualification:

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

(iii) Auditors' Comments on (i) or (ii) above:

4a. Details of Audit Qualification:

As detailed in note 5 to the accompanying consolidated Ind AS financial results for the quarter and year ended March 31, 2019, the tax authorities of Maldives have disputed certain transactions not considered by GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, in the computation of business profit taxes and withholding tax and have issued notice of tax assessments on business profit taxes and withholding tax together with the applicable fines and penalties. The management of the Group is of the view that such disputes from the tax authorities are not tenable and have considered the tax exposures as a contingent liability. In the absence of comprehensive analysis on the above tax exposures, we are unable to determine whether any adjustments might be necessary to the accompanying consolidated Ind AS financial results for the quarter and year ended March 31, 2019.

4b. Type of Audit Qualification : Qualified Opinion

4c. Frequency of qualification: Second year of qualification

4d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

AS detailed in Note 5, On 23rd May 2019, the Attorney General's office has issued statement on this matter to MIRA stating that in the event of the Maldives parties deducting any sum from this award in respect of taxes, the amount payable under the award shall be increased to enable the GMIAL to receive the sum it would have received if the payment had not been liable to tax. Accordingly, no adjustments have been made to the accompanying consolidated financial results of the Group for the quarter and year ended March 31, 2019

4e. For Audit Qualification(s) where the impact is not quantified by the auditor:

Not Applicable





(i) Management's estimation on the impact of audit qualification:

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

(iii) Auditors' Comments on (i) or (ii) above:



III. Signatories:

<p>Managing Director</p>	 <p>Grandhi Kiran Kumar</p>
<p>CFO</p>	 <p>Saurabh Chawla</p>
<p>Audit Committee Chairman</p>	 <p>N.C. Sarabeswaran</p>
<p>Statutory Auditor</p>	<p>S R Batliboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W / E300004</p>  <p>per Saddeek Karnani Partner Membership Number: 061207</p>
<p>Place:</p>	<p>New Delhi</p>
<p>Date:</p>	<p>May 29, 2019</p>



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 year ended March 31, 2019

(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)	1,148.90	1,148.90
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and minority interest before exceptional items)	1707.25	1,707.25
	3	Exceptional items (gain / (loss) (net)	(475.96)	(475.96)
	4	Net profit/(loss)	(1,034.31)	(1,034.31)
	5	Earnings Per Share (in Rs.) - Basic	(1.72)	(1.72)
	6	Total Assets	22389.94	22389.94
	7	Total Liabilities	10688.79	10,688.79
	8	Net Worth (refer note 1)	11701.15	11,701.15
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter paragraph in the Auditor's Report on Year to Date Consolidated 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) :			
	Qualification			
	a. Details of audit qualification:			
	GMR Energy Limited ('GEL'), GMR Vemagiri Power Generation Limited ('GVPGI') and GMR Rajahmundry Energy Limited ('GREL') have ceased operations and have been incurring significant losses with a consequential erosion of net worth resulting from the continued unavailability of adequate supply of natural gas. Further, GREL has rescheduled the repayment of project loans due to implementation of the Strategic Debt Restructuring Scheme to convert part of the debt outstanding into equity and has signed a Resolution Plan with the lenders to restructure its debt obligations during the year. The carrying value of the investments in these entities is significantly dependent on the achievement of key assumptions around availability of natural gas, future tariff and the outcome of the sale of the Barge mounted power plant. Accordingly, we are unable to comment on the carrying value of the investments (including advances)/ obligations in these entities as at March 31, 2019.			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Second year of qualification			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor			
	(i) Management's estimation on the impact of audit qualification:			
	Management view is presented in Note 6 (b) to the Standalone Ind AS financial statements. As detailed in the notes, on account of non availability of gas, both GVPGI and GREL plants were not operated for significant time resulting in erosion of economic value. Various stakeholders, including Central and State Governments have formulated schemes for efficient utilisation of these facilities, though these efforts have not brought in permanent resolutions to the operations. GREL have recently implemented resolution plan to restructure its debt obligation which would improve the profitability and consequently the carrying cost of these companies. Taking into account the uncertainties associated with the efforts of various stakeholders, management is not in a position to assess the impact of these measures on the carrying values.			
	(ii) If management is unable to estimate the impact, reasons for the same: Not Ascertainable			
	(iii) Auditors' Comments on (i) or (ii) above: As given above			



III. Signatories:	
Managing Director	 Grandhi Kiran Kumar
CFO	 Saurabh Chawla
Audit Committee Chairman	 N.C. Sarabeswaran
Statutory Auditor	S R Batliboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W / E300004  per Sandeep Karnani Partner Membership Number: 061207
Place:	New Delhi
Date:	May 29, 2019

