Management Discussion & Analysis

Forward-looking Statements

This document contains certain forward-looking statements based on the currently held beliefs and assumptions of the management of GMR Infrastructure Limited, which are expressed in good faith, and in its opinion and judgment, are fairly reasonable. For this purpose, forward-looking statements mean statements, remarks or forecasts that address activities, events, conditions or developments that the company expects or anticipates which may occur in the future. Because of the inherent risks and uncertainties in the social and economic scenarios the actual events, results or performances can differ materially and substantially from those indicated by these statements. GMR Infrastructure Limited disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Infrastructure Growth – a new beginning

Despite the global headwinds in the world economy due to Chinese slowdown and Eurozone and America still struggling to recover, Indian economy was the highest growing major economy with a growth rate of 7.6% in FY16 as against 7.2% in FY15. Over the year, the Inflation figures had been in the comfortable range of the RBI and this led RBI to reduce Repo rate by 150 basis points to 6.5% and SLR by 75 basis points to 21.25% to give impetus to the economy. The country received FDI to the tune of USD-55 bn, a jump of 22% from USD-45 bn a year ago, and our foreign exchange reserves were at the highest ever level of about 350 billion USD. Further, to strengthen the banking system, the Government provided ₹ 25,000 Crore of the overall ₹ 70,000 Crore promised to Public Sector Banks this year.

In the current Budget, continuing its focus on infrastructure, the Government allocated ₹ 2.21 Lakh Crore of public spending, 22.5% increase over the previous year. Outlay for road sector is ₹ 97,000 Crore whereas planned investment in Railways is ₹ 1.21 Lakh Crore in the current year. In the Airports sector, Government plans to revive some of the 160 airports and airstrips in partnership with the State Governments. Plan to achieve 100% village electrification by May 01, 2018 and UDAY scheme for the turnaround of discoms should be positive for the energy sector. Various initiatives planned such as introduction of Public Utility Bill, guidelines for re negotiation of PPP concession agreements, new credit rating systems of infra projects and LIC setting up dedicated fund to provide credit enhancement for infrastructure projects should be able to attract private investment through PPP channel going forward.

The outlook is favorable for the economy in the coming year on the basis of healthy monsoon projections, boost to consumption demand from implementation of 7th Pay Commission Recommendations and steps taken in the budget to increase the rural income, and continuing monetary policy accommodation by RBI. For the infrastructure sector, the increase in Government's planned expenditure and the initiatives as mentioned previously should be able to instill confidence of the private sector and revive the investment cycle.

The global economy is getting increasingly integrated and volatile. The volatility in oil prices and geopolitical issues such as ongoing conflict in Middle East can have potential impact on Indian economy and us. To be able to successfully navigate through such uncertainties, we continue to implement our Asset Light – Asset Right (ALAR) strategy. As a consequence, we will complete projects within time and budget, sweat existing operating assets and strategically look for business opportunities which are in sync with this strategy.

Airport Sector Outlook and Future Plan

Airport Sector

Indian aviation sector has witnessed a remarkable growth in the last decade and is likely to be the fastest growing aviation market in the world for the next 20 years. Indian airport system is poised to handle 336 million domestic and 85 million international passengers by 2020, from the current level of 137[1] million domestic and 50 million international passengers, making India the third largest aviation market. The Sector recorded an impressive growth in passenger and cargo traffic in 2015-16 and we expect the upward trajectory to continue buoyed by the strong macroeconomic environment.

We expect the growth in domestic traffic to be led by the LCC carriers – Indigo, Spicejet, Go Air, Air Asia as well as the regional players like Air Costa. The growth in traffic will continue to be aided by the prices of crude oil which is expected to hover around the USD 50/barrel price. In addition, the civil aviation policy has introduced the 0/20 rule and new regional connectivity guidelines- steps which should boost both domestic and international connectivity. We also expect steady growth on the freight front on account of spurt of growth in e-commerce and the boost to manufacturing and exports provided by the Make in India campaign.

On the economic regulation front, the Ministry of Civil Aviation has approved hybrid till regulation for Hyderabad Airport. With regards to Delhi airport, appeal has been filed against the tariff order proposed by Airport Economic Regulatory Authority of India (AERA) for the 2nd control period given that the key principles of tariff determination have not been resolved. The matter is pending before AERA Appellate Tribunal for decision on the tariff principles.

Growth Outlook – New Opportunities

After taking operational responsibility of Mactan Cebu Airport on November 01, 2014, your Company has done well to stabilize the operations of the airport and has received positive feedback from all stakeholders. Having stabilized the operations of Cebu, your Company is keenly scouting for new airport opportunities in Philippines and has qualified for the 5 regional airports in Philippines, expected to be bid out in FY17. Apart from this, your Company is actively participating in the bid for development of the Greenfield Airport at Mopa, Goa as well as Navi Mumbai Airport. In line with our Asset light strategy, your Company is actively scouting for advisory services in the field of concession management and IT in the Middle East and South East Asia.

1 AAI annual data forecast for the period April 2014 - March 2015

Indira Gandhi International Airport (DIAL) – Delhi Airport

Focus Areas for Financial Year (FY) 2016-17

The overall traffic growth in FY 16-17 would be led by higher rate of growth in domestic segment for Passenger, Cargo and ATM. DIAL, as part of its T3 commercial refresh project, has already started making significant changes in its retail product mix at the terminal and expects a significant increase in non-aeronautical revenues once T3 refresh project is completed. The aeronautical revenues may undergo revision during this year, subject to the orders passed by AERA Appellate Tribunal and Hon'ble Supreme Court.

On account of the rapidly growing passenger traffic, DIAL needs to undertake some expansion works – both on the airside and the landside. Our focus will be to finalize the master plan and, subject to approvals from shareholders and AAI, initiate the expansion works. DIAL is also working with Delhi Metro Rail Corporation to commission the metro connectivity to Terminal 1 which should ease congestion heading into the airport considerably.

DIAL had undertaken its first phase of land monetization in 2009 and monetized 45 acres of land as part of the hospitality district. On account of the weakness in the real estate market, DIAL could not proceed with the second phase of monetization. However with increased investor interest, DIAL is keen to complete its second phase of monetization of land during FY 17.

DIAL has been recognized as the World's best airport in the 25-40 million passenger category by ACI for 2 years in a row. As DIAL enters the category of 40+ million passengers, it is committed to continue making efforts to retain its ranking in the top 5 airports of the World.

DIAL has been working with all stakeholders, specifically airlines to establish IGI as an international hub airport for passenger and cargo. In line with this goal, the airline marketing team will continue to work with international carriers to boost long haul flights as well as dedicated freighters coming into Delhi.

Rajiv Gandhi International Airport (GHIAL) – Hyderabad Airport

GHIAL Focus Areas for FY 2016-17

During 2015-16, GHIAL successfully overcame the financial challenges imposed by the Single Till / Nil User Development Fee (UDF) regime through a combination of revenue enhancement, improvement in cost efficiencies, tight control over expenditure and cash flow management. The Interim Order from the Hyderabad High Court which restored Airport Charges (viz., UDF and PSF) with effect from November 05, 2015 has enhanced the cash flow position. GHIAL has expanded its catchment area and has succeeded in bringing in new airlines, passenger and cargo, as well as additional frequencies/ new routes from the existing airlines which has resulted in exponential traffic growth. During FY 2016-17, Indian economy will benefit from lower oil prices and will remain the fastest-growing large economy in the world, with GDP growth projected to increase to 7.5% this year. GHIAL intends to build on this platform to add more destinations and airlines in pursuit of its mission of turning Hyderabad Airport into South and Central India's Gateway and Hub of Choice. In line with the traffic growth, GHIAL will work towards expanding the terminal capacity and adopting the new technology solutions to meet future traffic demands and further improve the operational efficiency. GHIAL is pursuing with the AERA for aeronautical tariffs for second control period (2016-2021) as per due process.

GHIAL has always been recognized for its excellence in Service Quality as evidenced by the airport's continued success in Airports Council International (ACI) Airport Service Quality (ASQ) rankings where GHIAL has been ranked among the Top 3 Airports in the World in its category for the seventh consecutive year. GHIAL will continue to put sustained efforts towards maintaining and enhancing its level of Service Quality and Customer Delight.

GMR Hyderabad Airport City Development

GHIAL has been working to build a unique and first-of-its-kind 'Airport City' centered on the Hyderabad Airport. Consisting of various theme-based developments which together would form an integrated eco-system linked closely to the global economy through the enabling presence of Hyderabad Airport.

The early phase of infrastructure and facility development at Hyderabad Airport City has already been completed and initial set of tenants are already on-board. During FY 2015-16, Pratt & Whitney engine training center was inaugurated by Hon. Union Civil Aviation Minister. New land lease agreements have been signed with leading e-commerce player and manufacturer of imaging systems for use in aerospace and medical industry spread over 18 acres, marking a major milestone in the development of the planned 'Logistics and Business -ports'. For FY 2016-17, GHIAL plans to build on the momentum gathered and target a higher level of activity on the landside.

GMR Megawide Cebu Airport Corporation (GMCAC)

After taking operational responsibility of the existing terminal in Mactan Cebu Airport on November 01, 2014, your Company has done well to stabilize the operations of the airport and has received positive feedback from all stakeholders.

As per the concession agreement, GMCAC needs to commission the newly constructed Terminal 2 by June 2018. The project work is presently underway and the company expects to achieve the timeline despite the delay in handover of land by grantors.

Till the new terminal is commissioned, GMCAC's primary focus will be to increase passenger traffic – both domestic and international. In this regard, the Company is working with local tourism authorities and travel agents to boost tourist growth from China, Australia and Japan. As a result of its efforts, we expect to witness double digit traffic growth as far as international passengers are concerned.

Energy Sector Outlook for FY 2016-17 and Future Plan

Indian Economy - Power Sector Scenario

The Indian economy in 2015-16 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments and decline in prices of oil, coal and gas. The industrial growth picture as per the IIP suggests that industrial production which had gained once again in 2014-15, continued the same trend in 2015-16. The overall growth during FY 2016 has been 2.4% compared to 2.8% in the same period last year. Electricity (5.6%), coal (9.1%), and cement (7%) boosted the performance, while natural gas, fertilizers, crude oil, refinery products and steel accounted for moderation in growth. The improved performance in electricity is due to high growth in thermal generation; in coal mining due to higher production by Coal India Ltd. (CIL) and captive mining. With a target of 1137.50 billion units (BU) and achievement of 1107.39 BU, electricity generation by power utilities has almost achieved the target for FY 2016.

As on April 01, 2016 total installed capacity in India stands at 298 GW. Conventional energy sources accounted for 210 GW or 70.5% of the total capacity while renewable energy sources accounted for 38 GW. As against the capacity addition target of 16,894.1 MW in 2015-16, a total of 23,976.6 MW was added. Private sector once again led from the front by adding 13,131 MW (target: 6503 MW) which is 54.8% of the total. Capacity at the end of the 12th plan is expected to be 1.6 times that at the end of the 11th plan. Net capacity of about 98.18 GW has already been added up to March 2016 during the 12th plan, of which conventional energy and renewable energy sources comprise 79.07 GW and 14.32 GW respectively. Though the green shoots are visible in the economy but there are some concerns for the power sector:

1. Distribution sector accumulated losses are estimated to be around ₹ 380,000 Crore;
2. Commissioned but stranded power capacity stands at more than 33 GW (due to lack of fuel) which will result in non-performing assets with investments of over ₹ 100,000 Crore;
3. The Financial Restructuring of the State Distribution Companies scheme announced by the Government in 2012 has turned out to be non-starter, owing to non-fulfilment of necessary criteria, by eight states which account for 80% of the aggregate losses.

The Government, at the highest levels, has been considering various measures for addressing these issues. Among the policy decisions taken by the government E-Auction of coal blocks and Re-gassified Liquified Natural Gas (RLNG) are noteworthy. Through these steps Government has provided fuel security to coal based projects and a lifeline for stranded gas based capacities. The future coal supply scenario is also expected to improve over a period of time in view of the Union Government setting CIL an ambitious target of One Billion Tonne (BTs) by 2019-20. CIL is introducing a number of system improvements that would help it in realizing this challenging target. To facilitate evacuation of mined coal, recently Memorandum of Understanding (MoU) was signed between Ministry of Coal, Ministry of Railway and resource rich states like Odisha and Jharkhand.

The government has also come out with Ujwal Discom Assurance Yojana (UDAY) scheme to address financial and operational issues of State Distribution Companies. Discoms are the weakest link in the whole power value chain with losses of about ₹ 60,000 Crore annually and accumulated debt of ₹ 430,000 Crore. To make UDAY successful, GoI has announced various steps to reduce cost of power generation such as Coal linkage rationalization, liberally allowing coal swaps from inefficient plants to efficient plants and from plants situated away from mines to pithead plants to minimize cost of coal transportation. With 18 States agreeing to join this scheme, health of Discoms is likely to improve thereby giving strength to this segment which is the backbone of the whole power value chain.

Revised Tariff policy has been notified by the Government in January 2016. In the revised policy, a holistic view of the power sector has been taken and comprehensive amendments have been made in the Tariff policy 2006. Now clarity came on tariff setting authority for multi-State sales - Central Regulator is to determine tariff for composite schemes where more than 10% power is sold outside State. A significant addition to the objective of the policy is the promotion of renewable generation sources and hydroelectric power generation including pumped storage projects, efficiency in operations and improvement in quality and reliability of power supply. Revised Tariff policy has allowed hydro projects to get the tariff determination by the Appropriate Commission for long term power sale which can be extended upto the tenure of 50 years. The said policy also promotes power procurement from waste to energy and coal washery rejects plants.

The Country also witnessed a great emphasis on renewable energy by the new Government. To accelerate the development of solar capacity, The Ministry of New and Renewable Energy (MNRE) has come up with draft policy for development of solar parks and Ultra Mega Solar Power Projects. MNRE through this scheme plans to set up 25 solar parks, each with a capacity of 500 to 1000 MW and solar power projects with capacity greater than 1000 MW; thereby targeting around 20,000 MW of solar power installed capacity. Further, capacity is expected to come up under subsequent Jawaharlal Nehru National Solar Mission (JNNSM) phases.

Development of renewable energy will depend upon both supply side push through right policy measures and demand side pull through cost reduction, enforcement of RPO / SPO and setting up of transmission infrastructure for unhindered power flow in the grid. Creating an enabling environment for all stakeholders will be critical to achieving India's ambitious renewable target.

Transportation and Urban Infrastructure Sector Outlook and Future Plan

Transportation

Highways

With all the projects becoming operational during last FY, the focus of the business was primarily on Asset Management and Operational Excellence. Highways implemented several Continuous Improvement Projects (CIP) under Business Excellence framework to reduce overall operational expenditure.

Government has plans to award Highway projects worth ₹ 100,000 Crore in FY17. Most of these projects are expected to be awarded in EPC and Hybrid Annuity Model (HAM) modes. Based on our strategy of Asset – Light and Asset – Right we will bid for the right projects in both EPC and HAM modes of bidding.

Railways

Your company has entered Railways business in FY14 by wining 2 RVNL projects. We made a big leap into Railway projects in FY15 when we were awarded 2 packages on the eastern DFCC in the State of Uttar Pradesh worth ₹ 5,080 Crore. Government has announced 3 new Dedicated Freight Corridors during the current budget and we will pursue those opportunities which are viable and add value to shareholders.

Apart from freight corridors, we are also pursuing railway station development projects.

Urban Infrastructure

There has been a positive movement in the industrial environment with the campaigns like 'Make in India' and 'Invest India' gaining momentum and providing much required impetus on manufacturing in the country.

In Kakinada Special Economic Zone (SEZ) /Special Investment Region (SIR), we started the on-ground development and developed shovel-ready land parcels for industries to set up their operations.

Notable achievements in Kakinada SEZ / SIR during the FY under review were announcement of SEZ area spread in over 5,000 acres as operational SEZ, Commencement of Commercial Operations of Pals Plush, a global toy manufacturer and scaling up of Rural BPO operations in association with TATA Business Support Solutions (A TATA Group Company).

In Kakinada SIR, we would be focusing our efforts on business development, with specific geographic focus on China, Japan and India and the industry focus of food processing, pharma, oil and gas, etc.

In Krishnagiri SIR, we stepped up our marketing efforts in reaching out to various leading companies across the geographies to set up their manufacturing facilities in Krishnagiri SIR in line with GoI's thrust on boosting manufacturing ecosystem in the country.

We are now taking up for development phase 1A of the project spread over 275 acres. Necessary application to Statutory Authorities has been made and other clearances are being obtained concurrently.

In this FY also, we will continue with our efforts in creating a right ecosystem for leading companies to establish their facilities in Kakinada and Krishnagiri SIRs and contribute to socio-economic development of the respective regions.

Environmental Protection and Sustainability

As the Company operates in an increasingly resource-constrained world, being environmentally conscious and efficient are key to our operations. The Company has a Corporate Environment, Health, Safety and Quality (EHSQ) Policy to articulate, guide, and adopt an integrated approach towards implementing EHSQ objectives and the Company remains committed towards the said policy. These established systems certified by reputed certifying agencies have helped to monitor and manage our operations systematically, safely and in environmental friendly manner.

The company continues to abide by regulations concerning the environment by allocating substantial investments and resources on a continuous basis to adopt and implement pollution control measures. Our continuous endeavor to go beyond compliance and conserve natural resources helps to march towards attaining excellence in environmental management and efficient & sustainable operations as well.

GMR Energy sector has aligned its energy business with its comprehensive "EHS Framework", adopting best manufacturing practices, optimizing energy, natural resources and technology, best available practices, go beyond compliance, etc. The Company has adopted state-of-the-art systems and measures to control emissions and effluent in design stage itself. Hazardous wastes are being disposed through Central Pollution Control Board authorized agencies. Continuous Emission Monitoring System (CEMS) in all power plant stacks and Continuous Ambient Air Quality Monitoring Systems (CAAQMS) at all power plants have been set for proper monitoring of all vital pollution parameters on real time basis. All parameters like stack emissions, ambient air quality etc., are maintained well within the stipulated norms.

The Company has evolved as Sustainability leader by registering 7 CDM Projects with United Nations Framework Convention on Climate Change (UNFCCC). Terminal 3 (T3) of Indira Gandhi International Airport (IGIA) has become the first terminal in the world to have successfully registered its CDM project for its Greenhouse Gas (GHG) emission reduction initiatives with UNFCCC. DIAL is sustaining its "optimization Level" accreditation by ACI for its Carbon Management from 2013 and is currently aiming to achieve "Carbon Neutral" level, the highest level under ACI Carbon Accreditation Program. DIAL received Green Company Gold Level Award on June 25, 2015. DIAL was also awarded CII - Green Company Best Practices Award in the category "Renewable Energy" and "GHG Management" in June 2015. Besides these, DIAL also won CII- National Award for Excellence in Energy Management 2015 and Golden Peacock Sustainability Award 2015.

With the initiatives undertaken to ensure a sustainable airport operation, DIAL is seen as a role model organization in Aviation environment sustainability. DIAL further enhanced its reputation by publishing a knowledge sharing document on "Aviation Best Practices: Climate Change and Emission Reduction", along with the members of India GHG Program. DIAL has also been a member of Energy Security Steering Committee of TERI Council for Sustainable Development for leading Indian industries towards an energy secure India. Another major achievement in the year 2015-16 was, DIAL CEO represented International Aviation Community along with ICAO President Dr. Aliu at Conference of Parties (COP 21) in Paris on December 03, 2015.

GVPGL, GREL, Alaknanda hydro project, Bajoli-Holi hydro project, Gujarat solar Power project and Wind power projects at Gujarat and Tamil Nadu are registered as CDM Projects at UNFCCC.

GMR Energy Sector published its second Sustainability Report for FY 2014-15 as per GRI-G4 guidelines which is made available to all its relevant stakeholders and also available on company website.

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial position as at March 31, 2016 and performance of the Company and its subsidiaries, joint ventures and associates during the FY ended on that date are discussed hereunder:

A. Share capital: ₹ 603.59 Crore (March 31, 2015: ₹ 1,572.80 Crore)

As on March 31, 2016, share capital of the Company is ₹ 603.59 Crore against ₹ 1,572.80 Crore as on the previous year end. Change in the share capital was on account of conversion of CCPS shares and transfer of resultant share premium. This was compensated to certain extent by the Rights issue.

Company converted CCPS Series A and B preference shares of ₹ 568.33 Crore and ₹ 568.34 Crore respectively into equity shares. The preference share of Series A CCPS were converted into 35,94,78,241 equity shares of ₹ 1 each at a price of ₹ 15.81 (including premium of ₹ 14.81 per share) and Series B CCPS were converted into 38,06,66,645 equity shares of ₹ 1 each at a price of ₹ 14.93 (including premium of ₹ 13.93 per share). Accordingly, preference share capital had decreased by ₹ 1,136.67 Crore and equity share capital increased by ₹ 74.01 Crore.

Further, during the year, your Company issued 93,45,53,010 equity shares of face value of ₹ 1 each for cash at a price of ₹ 15.00 per equity share (including a premium of ₹ 14.00 per equity share) aggregating to ₹ 1,401.83 Crore on rights basis to the eligible equity shareholders of your company in the ratio of 3 equity shares for every 14 fully paid-up equity shares held by the eligible equity shareholders on the record date. Accordingly, equity share capital increased by ₹ 93.45 Crore.

B. Reserves and surplus: ₹ 4,356.74 Crore (March 31, 2015: ₹ 4,305.77 Crore)

A summary of reserves and surplus is as follows:

₹ in crore

Particulars	March 31, 2016	March 31, 2015
Capital reserve on forfeiture	141.75	-
Capital reserve on consolidation	125.87	125.87
Capital reserve on acquisition	3.41	3.41
Capital reserve government grant	65.49	65.49
Capital redemption reserve	28.53	28.53
Debenture redemption reserve	179.58	175.47
Securities premium	9,532.89	7,468.07
Foreign currency translation reserve	457.92	433.85
Foreign currency monetary items translation difference account	(0.93)	(0.05)
Special reserve u/s 45IC of RBI Act	19.52	12.02
Sub Total	**10,554.02**	**8,312.66**
Surplus/(Deficit) in the statement of profit and loss	(6,197.29)	(4,006.89)
Total	**4,356.74**	**4,305.77**

The reserves and surplus has increased from ₹ 4,305.77 Crore as at March 31, 2015 to ₹ 4,356.74 Crore as at March 31, 2016, mainly on account of –

i. Creation of capital reserve of ₹ 141.75 Crore on forfeiture of advance received against share warrants, as the warrant holders did not exercise the option with in the due date.

ii. Increase of ₹ 2,064.82 Crore in the securities premium account during the year on account of share premium of ₹ 1,308.37 Crore received on issue of equity shares under right issue, increase of ₹ 1,062.66 Crore on conversion of Series A and B CCPS into equity shares, off set by utilization of ₹ 39.43 Crores towards FCCBs issue expenses and ₹ 266.78 Crore towards shares/debenture issues expenses, redemption premium/ redemption of debentures/preference shares.

iii. Increase in deficit in the statement of profit and loss by ₹ 2,190.39 Crore, mainly on account of loss for the year of ₹ 2,161.00 Crore.

C. Minority interest: ₹ 1,644.03 Crore (March 31, 2015: ₹ 1,765.50 Crore)

The Minority interest decreased by ₹ 121.47 Crore mainly on account of sale of controlling stake in GOSEHHHPL and purchase of additional stake in DIAL.

D. Long-term borrowings, including current maturities of long term borrowings ₹ 47,550.11 (March 31, 2015: ₹ 44,296.75 Crore):

Increase in outstanding borrowings is mainly on account of issuance of FCCB of ₹ 2,003.10 Crore (USD 30.00 Crore) by the Company and additional loans drawn / loan re-financing by certain operating companies and project loans draw down in projects under construction like GMCAC.

E. Short-term borrowings ₹ 1,741.10 Crore (March 31, 2015: ₹ 3,511.18 Crore):

The decrease of ₹ 1,770.08 Crore is mainly on account of repayment / refinancing of short term loans by GPCL, GMCAC, GCHEPL, KSPL, GETL and GALM.

F. Fixed assets:

A statement of movement in fixed assets is given below:

₹ in crore

Particulars	March 31, 2016	March 31, 2015
Tangible assets	46,301.00	30,455.02
Intangible assets		
Goodwill on consolidation	4,537.16	3,844.40
Carriage ways	5,087.47	6,342.21
Others	1,754.15	1,672.59
Gross Block	**57,679.78**	**42,314.22**
Less: Accumulated depreciation / amortisation / impairment	10,450.76	8,131.47
Net Block	**47,228.99**	**34,182.75**
Add: Capital work in progress	4,053.49	16,838.99
Add: Intangible assets under development	526.69	408.45
Net Fixed Assets	**51,809.17**	**51,430.19**

- Gross block has increased mainly on account of capitalization on commissioning of GREL and GCHEPL energy plants and commissioning of new equipments / additional facilities in GKEL, DIAL and GHIAL
- Goodwill on consolidation has increased due to purchase of additional stake in DIAL and acquisition of RSSL.
- Capital work-in-progress has decreased due to capitalization in GCHEPL and GREL.

G. Trade receivables: ₹ 2,468.32 Crore (March 31, 2015: ₹ 1,624.27 Crore):

Trade receivable has increased mainly on account of GKEL, GCHEPL and GREL.

H. Cash and bank balances: ₹ 3,121.32 Crore (March 31, 2015: ₹ 3,904.04 Crore):

Cash and bank balance has decreased mainly on account of repayment of loans.

Overview of our results of operations

The following table sets forth information with respect to our revenues, expenditures and profits on a consolidated basis:

₹ in Crore

Particulars	For the year ended March 31,	
	2016	2015
Sales/ income from operations	13,248.18	10,935.25
Other operating income	109.48	152.43
Other income	454.27	327.46
Total Income (Including other income)	**13,811.93**	**11,415.14**
Expenditure		
Revenue share paid/ payable to concessionaire grantors	2,412.29	2,064.86
Consumption of fuel/ raw materials consumed	2,564.52	2,137.87
Purchase of traded goods/Increase in stock	807.21	1,024.18
Sub-contracting expenses	628.39	565.51
Employee benefits expenses	664.80	619.65
Other expenses	2,035.81	2,120.97
Finance Costs	4,057.69	3,571.86
Depreciation/ Amortisation expense	2,266.16	1,812.53
Exceptional items - (losses) / gains (net)	(149.79)	(304.12)
Total	**15,586.66**	**14,221.55**
(Loss) / profit before tax expenses, minority interest and share of (loss)/ profit of associates	**(1,774.73)**	**(2,806.41)**
Tax Expenses:		
Current tax (Including taxes of earlier years)	280.45	124.46
Less: MAT credit availed	(10.93)	(4.64)
Deferred tax	(45.31)	32.99
Total tax expenses	**224.21**	**152.81**
(Loss) / profit after tax expenses and before minority interest and share of (loss) / profit of associates	**(1,998.94)**	**(2,959.22)**
Minority interest - share of profits / (losses)	(156.54)	238.91
Share of (losses)/ profit of associates (net)	(5.52)	(12.98)
(Loss) / profit after minority interest and share of (loss) / profit of associates	**(2,161.00)**	**(2,733.29)**

Sales/Operating Income

The segment wise break-up of the Sales/Operating Income are as follows:

Particulars	For the year ended March 31			
	2016		2015	
	Amount (₹ in Crore)	% of Total Income	Amount (₹ in Crore)	% of Total Income
Revenue from Operations:				
Airports segment	6,540.58	48.97%	5,463.73	49.28%
Power segment	5,522.55	41.34%	4,450.58	40.14%
Road segment	761.41	5.70%	741.74	6.69%
EPC segment	179.13	1.34%	86.84	0.78%
Others segment	354.04	2.65%	344.79	3.11%
Total Revenue from operations	**13,357.66**	**100.00%**	**11,087.68**	**100.00%**

The total sales / operating income has increased by ₹ 2,269.98 Crore representing a growth of 20.47%.

There is a healthy distribution of business over various sectors. The detailed analysis on the sectoral revenues is as follows:

Operating income from airport segment

Income from our airport segment consists of income from aeronautical sources (principally consisting of landing and parking, passenger service fees and user development fees charged), non-aeronautical sources (consisting principally of income from rentals, trade concessionaires and ground handling) cargo operations and rentals received in connection with commercial development on land that is part of our airport projects.

Operating income from airport segment increased by 19.73% from ₹ 5,463.73 Crore in fiscal 2015 to ₹ 6,540.58 Crore in fiscal 2016, primarily as a result of increase in income of DIAL on account of increase in traffic and land lease and recovery of UDF in GHIAL from November, 2015.

Operating income from power segment

Income from our power segment consists of fixed and variable components of electricity tariff charged to the state electricity boards and distribution companies as per the terms of the respective power purchase agreements, sale of power on merchant basis, trading of power and sale of coal.

Income from power segment has increased by 24.07% from ₹ 4,450.58 Crore for fiscal 2015 to ₹ 5,522.55 Crore for fiscal 2016 mainly on account of increased revenues from GWEL and GKEL and commissioning of GCHEPL and GREL power plants. GKEL had also recognized additional revenue on account of the tariff orders received during the year.

Operating income from road segment

Income from our road operations is derived from annuity payments received from NHAI for our annuity projects and toll charges collected from road users of the toll road projects.

The operating income from road segment has marginally increased by 2.65% from ₹ 741.74 Crore for fiscal 2015 to ₹ 761.41 Crore for fiscal 2016, primarily on account of increase in traffic.

Operating income from EPC sector

Income from our EPC division is derived from the execution of engineering, procurement and construction works in connection with power, road, railways and other projects under implementation.

During the current year, the EPC sector has contributed ₹ 179.13 Crore to the operating income as against ₹ 86.84 Crore in the previous year. Increase is mainly on account of revenues from new projects.

Operating income from Other Sectors

Income from other sector includes management services income, investment income and operating income of our aviation and hotel businesses. During the current year, the other sector has contributed ₹ 354.04 Crore to the Operating Income as against ₹ 344.79 Crore in the previous year.

Other income

Other income includes income from investments, profit on sale of investments, reversal of provisions no longer required and other miscellaneous income. Other income has increased by 38.73 % from ₹ 327.46 Crore in fiscal 2015 to ₹ 454.27 Crore in fiscal 2016. Increase is mainly on account of higher investment income.

Expenditure

Revenue share paid/payable to concessionaire grantors

The revenue share paid/payable to various concessionaires has increased from ₹ 2,064.86 Crore in fiscal 2015 to ₹ 2,412.29 Crore in fiscal 2016 primarily on account of increase in operating income at DIAL and GHIAL.

Consumption of fuel/raw materials

The consumption of fuel and raw material increased from ₹ 2,137.87 Crore in fiscal 2015 to ₹ 2,564.52 Crore in fiscal 2016 primarily on account of operation of GWEL, GKEL and GVPGL at higher PLF and commissioning of GCHEPL and GREL.

Subcontracting expenses

Subcontracting expenses increased from ₹ 565.51 Crore in fiscal 2015 to ₹ 628.39 Crore in fiscal 2016, primarily on account of increase in operation and maintenance expense in power plants and road projects.

Employee benefits expenses

The increase in employee benefit costs is mainly on account of annual salary increments.

Other expenses

Following are the components of other expenses:

- Consumption of fuel and lubricants, water, salaries and wages of operational employees, technical consultancy fee, cost of variation works, insurance for plant and machinery, airport operator fee, cargo handling charges, lease rentals and repairs and maintenance to plant and machinery, office rental, travel, insurance, electricity, Legal and other professional charges, contributions to provident fund, provision for advances, claims and debts, losses on sale of fixed assets and investments, travelling and conveyance, communication, loss on foreign exchange and other miscellaneous expenses.

There is a marginal decrease in other expenses.

Financing costs

Financing costs increased mainly on account of commissioning of GREL and GCHEPL during the current FY and additional borrowings.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased mainly on account of GREL and GCHEPL which were commissioned and capitalized during the year.

Exceptional items

In fiscal 2016, we had net loss from exceptional items of ₹ 149.79 Crore, comprising loss of ₹ 39.22 Crore on impairment of assets in GUEPL, loss of ₹ 164.30 Crore on impairment of assets in PTBSL, GHOEL, GLHPPL, GKEPL and GCEPL, offset by profit of ₹ 51.42 Crore on recovery of transmission charges pertaining to previous years.

In fiscal 2015, we had net loss from exceptional items of ₹ 304.12 Crore, comprising loss of ₹ 35.94 Crore on impairment of assets in a subsidiary [GACEL and GATEL (MRO)], loss of ₹ 79.80 Crore on impairment of assets in a subsidiary (SJK), loss of ₹ 130.99 Crore on account of provision towards claims recoverable in GKUAEPL, loss of ₹ 91.83 Crore on breakage cost of Interest rate swap paid in DIAL, offset by profit of ₹ 34.44 Crore on divestment of stake held in DCSCPL and DFSPL.

Tax expenses

Tax expenses has increased from ₹ 152.81 Crore in fiscal 2015 to ₹ 224.21 Crore in fiscal 2016, mainly due to MAT credit reversal in DIAL.

Share of (loss) / profit of associates

In fiscal 2016, we have accounted share of losses from associates of ₹ 5.52 Crore as against ₹ 12.98 during fiscal 2015. The group has Jadcherla expressways, Ulundurpet expressways, GMR OSE Hungund Hospet Highways Private Limited and East Delhi Waste processing as associate companies during the year ended March 31, 2016.

(Loss) / profit after minority interest and share of (loss) / profit of associates

In fiscal 2016, we have recorded a net loss after minority interest of ₹ 2,161.00 Crore as against net loss after minority interest of ₹ 2,733.29 Crore in fiscal 2015.

Minority interest represents share of the profits and losses of various subsidiaries which relates to the minority shareholders. The share of profit to minority shareholders for the year 2015-16 amounts to ₹ 156.54 Crore as against share of loss of ₹ 238.91 Crore for the previous year. This variation is mainly on account of increase in profit in DIAL and GHIAL.

Corporate Social Responsibility

GMR Varalakshmi Foundation (GMRVF) is the corporate social responsibility arm of the GMR Group. Its vision is to make sustainable impact on the human development of under-served communities through initiatives in Education, Health and Livelihoods. GMRVF helps Group companies carry out their CSR mandates.

Towards this, GMRVF works with the communities neighboring GMR Group's businesses for their economic and social development thus supporting their development. The thrust areas enable the Foundation to develop need-based and locale - specific responses to the needs of the diverse communities it works with.

Currently, the Foundation is working in over 250 villages / urban communities across 26 locations. The locations spread across different states namely Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Delhi, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu, Telangana and Uttarakhand.

The activities of GMRVF for FY 2015-16 are given below:

Education: The Foundation sets up and runs quality educational institutions in under-served areas. It also works with the Government in making quality education accessible to all sections of the community. Towards this end:

- The Foundation is Running an Engineering College, Degree College and Polytechnic and several schools in the under-served areas. GMR Institute of Technology, the flagship educational institute of the Foundation, continues to remain its top ranking as one of the best colleges in Andhra Pradesh and India;
- Several scholarships and freeships are given for poor students from surrounding communities to these institutions;
- In addition, the Foundation supports about 350 Government schools with required inputs, ranging from Vidya Volunteers, Teaching and Learning Materials, After-School tuitions to Small infrastructure etc. This benefits about 35,000 children;
- Further, over 250 children have been sponsored to quality English Medium schools under the Gifted Children Scheme. Complete educational expenses of these children are borne by the Foundation;
- The Foundation also focuses on quality pre-school education and works with over 180 Anganwadis and Balabadis benefiting 3500 children;
- The Foundation is managing 39 IBM Kid Smart Early Learning Centers across different locations to provide technology enabled learning experience to primary school children;
- The Foundation is running 15 Tent Schools for the children of migrant labour which provide quality education, nutrition support and life skills for about 1000 children;
- Several other initiatives are taken up to make quality education accessible to the children which include providing transport support, boarding support, facilitating admissions in quality schools and access to scholarships etc.

Health, Hygiene and Sanitation: With the belief that health is a key dimension of well-being, GMRVF works towards better health and healthy lifestyles of the communities. GMRVF's initiatives in the area of health include:

- Running a 135-bed secondary care hospital in Srikakulam, one of the poorest districts of Andhra Pradesh, to serve the communities in this area by offering quality treatment at affordable prices. A robust concession scheme is in place to help all sections of communities to avail the services;
- Running 28 medical clinics in areas where medical facilities are inaccessible to the communities-offering services to over 7000 people per month;
- Running 4 Mobile Medical Units which take health care to the door steps of about 10000 elders every month;
- Running 2 Ambulances to provide emergency care for the communities;
- Constructed 27 Public Toilets and 14 School Toilet Complexes apart from supporting construction of over 750 Individual Sanitary Lavatories.

Empowerment and Livelihoods: The Foundation lays a major thrust on the economic and social empowerment of women and youth, and towards this it has taken up several initiatives which include:

- Running 10 vocational training centres to provide appropriate market-relevant skills to dropout youth to increase their employability. About 5,000 youth are trained every year through these centers and more than 80% of them are settled in wage or self-employment;
- GMRVF's vocational training initiative works towards bridging the skill gap between employers and those who seek employment. It actively seeks partnerships with different industry leaders for providing best quality training in different market relevant skills;
- Further, Foundation works with about 300 Self Help Groups of women and supports them for taking up income generation activities;
- Foundation initiated EMPOWER (Enabling Marketing of Products of Women Entrepreneurs) program to market the products made by under-privileged women through shops at Delhi and Hyderabad Airports, setting up of stalls and exhibitions, bulk orders for conferences and seminars, and through an online store www.empowershop.org;
- GMRVF also works with rural families to supplement their family incomes through several initiatives such as training in advanced farming practices, input support, skill building and enterprise promotion. Over 1700 families have been supported under this initiative.

Community Development: To meet the different emerging needs of the community, GMRVF takes up various community development initiatives based on the local needs. It runs about 80 community libraries, manages 100 children and youth groups and celebrates different days of significance with the community to improve their awareness on various social issues.

Employee Involvement: Social Responsibility is one of the core values of GMR Group and many of the employees of GMR Group actively participate in community development initiatives. Over the year, over 3,500 employees and their family members participated in more than 700 programs, contributing over 14,400 person hours of volunteer time and benefiting over 50,000 people.

As recognition for its corporate social responsibility initiatives, GMRVF has received the following awards during the year:

- PHD Chamber of Commerce Award for Outstanding Contribution to Social Welfare 2015-16
- Viswakarma Award for Social Impact and Development 2016 from Construction Industry Development Council

Risk Concerns and Threats

The Union Budget 2016-17 lays emphasis on government's 'Transform India' focus.

There is a massive increase in public spending on infrastructure by 22.5% over the previous year. Roads have been allocated ₹ 97,000 Crore and Railways allocated ₹ 121,000 Crore. There is a plan to revive over 160 airports and airstrips.

The positive impact of the Budget will take some time to materialize; therefore managing risks in a prudent manner is the mantra for sound development of our Group's businesses.

Identification, assessment, profiling, treatment and monitoring the risks

The Company has well-defined processes for risk identification, assessment, profiling, treatment and monitoring and review actions thereof. The Enterprise Risk Management (ERM) process has been rolled out with development of risk registers for Sectors and Key Business Units. The risks for each have been arrived at through aggregation and consolidation of the risks of their respective business units and functions.

As we move from project phase to operation phase in many of our businesses, the focus of Risk Management shifts to areas of efficiency, benchmarking, refinancing and asset churning.

The next stage of ERM deployment is in progress through setting up of Sector teams, conducting training programs for Senior Management and all Managers keeping in mind the philosophy of "Every Manager a Risk Manager", utilising support of outsourced Partners on need basis and e-enabling the risk capture and monitoring through a customised IT tool.

The ERM Framework deployment across the Group is independently assessed by Internal Team i.e. Management Assurance Group (MAG). Their inputs and recommendations serve as opportunities for improvements and also help create better alignment and learning across the Group.

Linkages: Strong linkage with Corporate Strategy enables sharper focus on key strategic risks. Detailed risk analysis is carried out during the formulation of the Company's Strategic Plan and Annual Operating plan. List of top risks are revised as a part of the Strategic plan exercise. ERM team also shares the results of its exercise with the MAG to enable it to draw plans for risk-based audit.

Business Resilience: For organization to quickly adapt to disruptions while maintaining continuous business operations and safeguarding people, assets and overall brand equity, we have detailed Business Continuity Plans (BCP) and Disaster Recovery Plans (DRP) in place for key assets. The plans identify potential vulnerabilities and puts in place appropriate processes and risk treatment plans to respond and minimize impact of disruptive events.

Risk Awareness: To cultivate and enhance the awareness of risk management, the ERM Team engages with businesses in live projects building an environment to challenge assumptions and promoting ownership and accountability, thus improving organization's risk culture.

Reporting: The ERM Team regularly presents the risk assessment and minimization procedures adopted to assess the reliability of the risk management structure and efficiency of the process to the Management and the Audit Committee of the Board.

Based on the above process, the management has taken cognizance of risks in the recent times, and for which appropriate plans and actions are being taken are as follows:

1. **Macroeconomic Risk factors:** The Indian economy is reviving, helped by positive policy actions and lower global oil prices. Macroeconomic factors in India have a significant impact on the operating performance of the Group. Revenue from our airport projects, merchant sale of electricity and our toll road projects are exposed to the changes in the economic environment and market demand. The diversified nature of our portfolio across different sub-sectors within the Infrastructure Sector and our revised strategies would help in mitigating some of these risks.

2. **Regulatory Risk:** Being in the Infrastructure Sector, we are extensively exposed to regulatory risks. For example like all other private operators, our Airports business is exposed to changes in regulations which would affect the revenue model assumed.

3. **Fuel availability risks:** E-auction of coal blocks has reduced fuel availability risks arising out of a shortfall in availability of domestic coal, by securing captive coal blocks through the auction route. For gas-based power plants, the Government approval to import gas for power generation and supply of such power through subsidy grant would result in optimal use of gas infrastructure. Moving forward, we aim to diversify our fuel mix through focusing on coal-based projects and hydroelectric projects thereby reducing our exposure to a single source of fuel.

4. **Project development, acquisition and management:** In an ever-changing world, quality of portfolio, profitability and liquidity continue to be the critical differentiators. In such an environment, proactive adaptability still holds the key to sustained financial performance. Based on the portfolio exercise being carried out every year at the Group level and the prevailing external environment, management has taken a conscious decision to follow an "Asset Light and Asset Right" model whereby we would be looking at divesting options for some of our non performing projects/assets as well as those projects that have created good value for themselves while simultaneously being selective in new bids and acquisition. The focus is, as always, on consolidation of our existing portfolio, sweating of assets and completion of the existing projects within time, cost and quality parameters. The Group has also initiated the outsourcing

of some of its non-core activities in Finance, HR, IT and Internal Audit function (Management Assurance Group) so as to gain more management bandwidth, improve productivity and efficiency in the Group's operations.

5. **Ability to finance projects at competitive rates:** Infrastructure projects are typically capital-intensive and require high levels of finance in a mix of debt and equity. We are continuously exploring innovative means to finance/refinance our projects with the aim to reduce the overall interest cost. For example, we are exploring and implementing the options of refinancing through bond issue, takeout finance, ECB loans (where we have a natural hedge to reduce the forex exposure) etc., wherever possible at competitive rates.

6. **Credit Risk:** Our exposure to merchant sale of electricity to private sector customers and weak financial health of airlines in the airports sector might expose us to credit risk of default in payments. We have developed models to check and regularly monitor the credit-worthiness of our customers. Also, all our receivables are being closely monitored and reviewed frequently by the top management.

7. **Interest Rate Risk:** Any increase in interest rate may adversely affect our profitability. We are continuously exploring and implementing innovative means of financing/refinancing our existing loan with the aim of reducing our interest costs. Also, with the divestments of some of our assets, we also aim to reduce our debt exposure and thereby the interest cost.

8. **Foreign Currency Exchange Rate Risk:** We are exposed to the vagaries of exchange rate risk, as we have some expenditure in foreign currencies for procurement of project equipment, but a majority of revenues are in Indian Rupees (though Airports and other international assets earn some foreign currency). We have in place a mechanism of having regular review of our foreign exposures including the sensitivity of our financials to the movements in exchange rate. However, we hedge our exposures and keep rolling them as a part of a robust foreign exchange risk management policy which is reviewed regularly and approved by the Board.

Internal control systems and their adequacy

Your Company has in place adequate systems and processes of internal control, which are commensurate with its size and nature of operations. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial information, monitoring of operations, protecting assets from unauthorized use or losses and compliances with statutes. All these controls and processes have been embedded and integrated with SAP and/or other allied IT applications (e.g. Legatrix, Ariba, etc.) which has been implemented across all Group companies. Some significant features of the internal control systems include the following:

- Review of Annual Operating Plans (AOPs) for all operating assets, projects across the Group by the Audit Committee and the Board of Directors.
- Defining appropriate organization structure and providing appropriate IT infrastructure to achieve your company's objectives.
- Formulation of appropriate policies and standard operating procedures and defining delegation of power and responsibility matrix with authority limits for incurring capital and revenue expenditure across the Group.
- Critical evaluation of bid documents / records of all new projects (including M&A deals) for probable risks.
- Identifying and mitigating key business and transactional risks through effective risk management process.
- A well-established Management Assurance Group (MAG), reporting directly to Audit Committee, which carries out review of internal controls and governance processes, across the Group, for their adequacy and operating effectiveness, as required by Companies Act, 2013 under "Internal Financial Controls" (IFC). The IFC Review encompass, amongst others, operating effectiveness over financial reporting, fraud risk and operational controls.
- Initiation of Talent Development and Retention through a structured Career Progression Program from MAG to F&A and F&A to MAG.
- These audits are carried out using a Risk Based Audit Plan, which is reviewed and approved by your Company's Audit Committee.
- Wherever expert talent is not available or scarce within MAG, such audits are undertaken using the expertise of third party outsourced audit firms.
- Effective steps are taken by the Management to enable continuous monitoring of lead control indicators and corrective action taken towards identified gaps. Respective functions and/or functional heads have been trained and equipped to enable continuous monitoring of exceptions by themselves to reduce surprises and enable corrective action on a timely and regular basis.
- Your Company's Audit Committee reviewed these findings and provided suggestions for improvement and are appraised periodically on the implementation status in respect of actionable items.
- IFC reviews, undertaken by Management through MAG and/or its outsourced audit firms have confirmed that internal financial controls are operating effectively across the Group.
- Concurrent audit of Prestigious World Bank Funded DFCC Project was initiated during the year.

Developments in Human Resources and Organization Development at GMR Group

"Leadership is taking responsibility for hard problems beyond having formal or informal authority" - Ronald A Heifetz

At the GMR Group we have always believed in Organization building and improving people capability. We continued doing this during the year through an established and robust process which worked around developing and deploying potential leaders in critical positions across the Enterprise. The emphasis was to groom leaders from within rather than hire from outside. The Group initiated an organization-wide job evaluation exercise which aimed at enhancing Organization Effectiveness through a process of realigning the roles to emerging business realities and helped place the right person in the right role.

The content of multi-tier leadership development program, focusing on entry level (Executive) to Senior levels (Vice-President) was redesigned based on GMR Group's Competency Framework.

Focus on Senior Leadership Team development continued through development centres and assessment centres based on which Individual Development Plans (IDPs) for employees were put in place. Senior Leadership Team was encouraged to invest in the development of their next in line functional managers with strong managerial and financial capabilities. A group wide metric based Goal setting process was automated to ensure a Top Down cascading of Goals.

In order to measure the effectiveness of Training, we adopted a two pronged approach which focused on Self Development as well as the impact on the business. All across the Group, the focus on measurement of self-development shifted from Training man days to Training needs identified Vs actual training undergone.

As part of the institutional building process, 'Leader-led Session' was introduced on Values and Beliefs (V&B) across the enterprise - facilitated by Senior Leadership Team (SLT). 171 leaders were developed internally who in turn trained approximately 4000 employees as part of the Humility and Entrepreneurship tenet. Over and above the Leader-led Sessions, e-learning courses on V&B as well as 'Code of Business Conduct and Ethics' were conducted throughout the year as refresher courses. The intent was to ensure that all employees of the organisation attend these two programmes as part of culture building.

240 e-learning modules covering both behavioral as well as technical programs including O&M capabilities were also developed across the Energy Assets. Basic as well as advanced programs of the O&M modules were developed in house and administered to all the Project based employees. In addition to this a series of CRT programs on O&M were delivered to the Project employees.

Leadership capability building is augmented with equal focus on Commercial and Contracts, Engineering, Procurement, Construction, Operations and Maintenance (CEPCOM) competencies, which are core to GMR as a leading infrastructure player. This year the emphasis has been on building competencies on Operation & Maintenance (O&M) for our Energy business.

With Internal communication being an imperative ingredient required to sustain vibrancy and organisational health, Town Hall meetings were conducted across the Group, where Group Holding Board (GHB) members and CEOs shared the Group's plans with employees and answered several queries. Quarterly newsletter from Group Chairman to all employees regularly brought out the key achievements and opportunities for improvement. Skip Level Meetings, a formal forum for employees to share specific views and opinions about the work environment to their skip level manager, were also conducted across the Group.

The Talent Review process was also reviewed to make it outcome based, realizing the goal of creating a robust talent pipeline for current and future requirements of the organisation.

Numerous Team Building and alignment activities in the form of offsite workshops were conducted throughout the year. These programmes helped in induction of new employees into the GMR culture thus improving their understanding and alignment to our core values and beliefs.