

Limited Review Report

Review Report to  
The Board of Directors of GMR Infrastructure Limited


1. We have reviewed the statement of unaudited consolidated financial results of GMR Infrastructure Limited ('the Company'), its subsidiaries and joint ventures (together, 'the Group' and individually as "component"), for the quarter ended September 30, 2011, (the "Statement"), included in the accompanying statement of unaudited consolidated financial results, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Company's Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion
3. (a) The financial results and other financial information of 2 subsidiaries, with total assets of Rs.15,373.19 Crore as at September 30, 2011, total revenue (including other income) of Rs.362.02 Crore and total losses of Rs.223.86 Crore for the quarter then ended (before adjustments on consolidation) have been reviewed jointly by S.R. Batliboi & Associates along with other auditors.  
  
(b) We did not review the financial results and other financial information of (i) 105 subsidiaries (including 10 subsidiaries consolidated for the period April 1, 2011 to June 30, 2011), with total assets of Rs.27,097.70 Crore as at September 30, 2011, total revenue (including other income) of Rs.833.82 Crore and total profits of Rs.33.48 Crore for the quarter then ended (before adjustments on consolidation); and (ii) 17 jointly controlled entities (including 2 jointly controlled entities consolidated for the period April 1, 2011 to June 30, 2011), with total assets of Rs.1,838.17 Crore as at September 30, 2011, total revenue (including other income) of Rs.250.68 Crore and total loss of Rs.15.05 Crore for the quarter then ended (before adjustments on consolidation). The financial results and financial information for these subsidiaries and joint ventures have been reviewed by the other auditors whose reports have been furnished to us, and our review report on the unaudited consolidated financial results is based solely on the reports of the other auditors.  
  
(c) We did not review the financial results and other financial information of 8 subsidiaries with total assets of Rs.26.49 Crore as at September 30, 2011, total revenue (including other income) of Rs.3.11 Crore, and total loss of Rs.0.17 Crore for the quarter then ended (before adjustments on consolidation). The financial results and other financial information for these subsidiaries have been incorporated in the consolidated financial results of the Group based on financial results and other financial information as provided by the management as reviewed financial results of such component entities as at and for the quarter ended September 30, 2011 are not available.

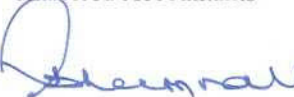


# S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

4. Without qualifying our conclusion, we draw attention to Note 5 to the unaudited consolidated financial results for the quarter ended September 30, 2011, which details the uncertainty regarding collection of Development Fee (DF) receivable, including interest to be paid on bridge financing loans related to DF in Delhi International Airport Private Limited ('DIAL'). The High Court of Delhi has granted a stay order on collection of DF from the embarking passengers from the Delhi Airport until the application for stay is dealt with by the AERA Appellate Tribunal. Pending final outcome pertaining to such order from the AERA Appellate Tribunal, the management is confident of recovering the above-mentioned DF receivable as at September 30, 2011.
5. Without qualifying our conclusion, we draw attention to Note 9 to the unaudited consolidated financial results for the quarter ended September 30, 2011 in connection with carrying value of net assets of Rs 189.11 Crore (after providing for losses till date of Rs.93.30 Crore) as regards investment in GMR Ambala Chandigarh Expressways Private Limited (GACEPL). Though GACEPL has been incurring losses since the commencement of commercial operations, based on management's internal assessment and legal opinion obtained by the management of GACEPL, the management is of the view that the carrying value of the net assets (after providing for losses till date) as regards investment in GACEPL is appropriate.
6. We report that the accompanying Statement of unaudited consolidated financial results for the quarter ended September 30, 2011 has been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated financial statements and AS 27 - Financial Reporting of Interests in Joint Ventures [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)].
7. Based on our review conducted as above and on consideration of reports of other auditors and certification by the management on the unaudited separate quarterly financial results and on the other financial information of the components, nothing has come to our attention that causes us to believe that the Statement prepared in accordance with recognition and measurement principles laid down in AS 25 Interim Financial Reporting [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

  
For S.R. Batliboi & Associates  
Firm registration number: 101049W  
Chartered Accountants

  
per Sunil Bhumralkar  
Partner  
Membership No.:35141



Bengaluru  
November 9, 2011

<b>GMR Infrastructure Limited</b>					
Registered Office: 25/1, Skip House, Museum Road, Bengaluru - 560 025					
<b>Unaudited Financial Results for the Quarter ended September 30, 2011</b>					
Particulars	Consolidated Results (in Rs. Crore, except for share data)				
	Quarter ended September 30,		Half Year ended September 30,		Year ended March 31,
	2011 Unaudited	2010 Unaudited	2011 Unaudited	2010 Unaudited	2011 Audited
<b>1. Revenue from operations</b>					
Gross sales/ Income from operations	2,019.90	1,358.31	4,102.03	2,719.36	6,425.04
Less: Revenue share paid/ payable to concessionaire grantors	207.65	136.60	426.21	266.31	651.26
<b>Net sales/ Income from operations</b>	<b>1,812.25</b>	<b>1,221.71</b>	<b>3,675.82</b>	<b>2,453.05</b>	<b>5,773.78</b>
<b>2. Expenditure</b>					
a) Consumption of fuel	319.01	299.20	771.06	597.82	1,283.65
b) (Increase) or Decrease in stock in trade	(25.91)	6.35	(1.09)	11.19	(84.24)
c) Generation and operating expenses	462.38	243.26	813.21	396.48	1,244.70
d) Purchase of traded goods	315.65	145.40	587.33	420.30	963.24
e) Employees cost	134.15	69.01	261.82	126.36	338.57
f) General and administrative expenditure	105.61	102.41	244.19	167.36	472.37
<b>Total operating cost</b>	<b>1,310.89</b>	<b>865.63</b>	<b>2,676.52</b>	<b>1,719.51</b>	<b>4,218.29</b>
<b>3. E B I D T A (1) - (2)</b>	<b>501.36</b>	<b>356.08</b>	<b>999.30</b>	<b>733.54</b>	<b>1,555.49</b>
4. Depreciation / Amortisation	267.51	199.26	543.31	364.09	860.92
<b>5. Profit/ (Loss) from operations before other income, Interest and Exceptional items (3) - (4)</b>	<b>233.85</b>	<b>156.82</b>	<b>455.99</b>	<b>369.45</b>	<b>694.57</b>
6. Other income	69.95	27.39	151.12	156.38	311.30
<b>7. Profit/ (Loss) from operations before Interest and Exceptional items (5) + (6)</b>	<b>303.80</b>	<b>184.21</b>	<b>607.11</b>	<b>525.83</b>	<b>1,005.87</b>
8. Interest	392.21	262.31	764.63	562.32	1,230.06
<b>9. Profit/ (Loss) after Interest but before Exceptional items (7) - (8)</b>	<b>(88.41)</b>	<b>(78.10)</b>	<b>(157.52)</b>	<b>(36.49)</b>	<b>(224.19)</b>
<b>10. Exceptional Items</b>					
a. Provision for diminution of investment - Refer Note 6	-	-	-	-	(938.91)
b. Amounts written off in earlier years written back - Refer Note 7	-	140.33	-	140.33	140.33
<b>11. Profit/ (Loss) from ordinary activities before tax (9) - (10)</b>	<b>(88.41)</b>	<b>62.23</b>	<b>(157.52)</b>	<b>103.84</b>	<b>(1,022.77)</b>
<b>12. Provision for taxation</b>					
- Current tax	43.86	23.54	88.36	32.55	114.04
- Less: MAT Credit entitlement	(7.54)	(3.84)	(9.93)	(5.88)	(16.34)
- Deferred tax	22.23	-	45.59	2.85	(73.80)
<b>13. Net Profit/ (Loss) from ordinary activities after tax and before minority interest and share of profit/ (loss) from associates</b>	<b>(146.96)</b>	<b>42.53</b>	<b>(281.54)</b>	<b>74.32</b>	<b>(1,046.67)</b>
14. Minority Interest	84.43	(25.98)	152.32	(23.67)	120.49
15. Share of profit / (loss) from associates	-	2.61	-	1.57	(3.46)
<b>16. Net Profit/ (Loss) from ordinary activities after tax and minority interest and share of profit/ (loss) from associates</b>	<b>(62.53)</b>	<b>71.12</b>	<b>(129.22)</b>	<b>99.56</b>	<b>(929.64)</b>

**GMR Infrastructure Limited**

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

**Unaudited Financial Results for the Quarter ended September 30, 2011**

Particulars	Consolidated Results (in Rs. Crore, except for share data)				
	Quarter ended September 30,		Half Year ended September 30,		Year ended March 31,
	2011 Unaudited	2010 Unaudited	2011 Unaudited	2010 Unaudited	2011 Audited
17. Paid-up equity share capital (Face value - Re. 1 per share)	389.24	389.24	389.24	389.24	389.24
18. Reserves excluding revaluation reserves as per balance sheet	7,663.40	7,700.05	7,663.40	7,700.05	7,278.02
19. Earnings per share - Basic and Diluted - (Rs.) (not annualised )	(0.16)	0.18	(0.33)	0.26	(2.40)
Weighted average number of shares used in computing Earning per share	3,892,432,532	3,892,432,032	3,892,432,532	3,867,833,082	3,880,098,989
<b>20. Public Shareholding</b>					
- Number of shares	1,112,595,950	1,143,878,988	1,112,595,950	1,143,878,988	1,122,095,312
- Percentage of shareholding	28.58%	29.39%	28.58%	29.39%	28.83%
<b>21. Promoters and promoter group share holding</b>					
<b>a) Pledged/ Encumbered</b>					
- Number of shares	793,555,360	475,271,165	793,555,360	475,271,165	630,181,498
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	28.55%	17.29%	28.55%	17.29%	22.75%
- Percentage of shares (as % of the total share capital of the Company)	20.39%	12.21%	20.39%	12.21%	16.19%
<b>b) Non- Encumbered</b>					
- Number of shares	1,986,283,472	2,273,284,629	1,986,283,472	2,273,284,629	2,140,157,972
- Percentage of shares (as % of the total shareholding of promoter and promoter group)	71.45%	82.71%	71.45%	82.71%	77.25%
- Percentage of shares (as % of the total share capital of the Company)	51.03%	58.40%	51.03%	58.40%	54.98%

**GMR Infrastructure Limited**  
**Report on Consolidated Segment Revenue, Results and Capital Employed**

(in Rs. Crore)

Particulars	Quarter ended September 30,		Half Year ended September 30,		Year ended March 31
	2011 Unaudited	2010 Unaudited	2011 Unaudited	2010 Unaudited	2011 Audited
<b>1. Segment Revenue</b>					
a) Airports	1,043.25	624.38	2,104.73	1,164.07	3,046.63
Less: Revenue share paid / payable to Concessionaire grantors	207.65	136.60	426.21	266.31	651.26
Net Airports Revenue	835.60	487.78	1,678.52	897.76	2,395.37
b) Power	543.12	494.24	1,230.68	1,078.03	2,185.84
c) Roads	100.21	94.51	200.48	192.89	390.25
d) EPC	290.27	75.92	498.68	116.39	515.58
e) Others	189.96	118.10	311.54	240.00	472.37
	1,959.16	1,270.55	3,919.90	2,525.07	5,959.41
Less: Inter Segment	146.91	48.84	244.08	72.02	185.63
<b>Net Segment Revenue</b>	<b>1,812.25</b>	<b>1,221.71</b>	<b>3,675.82</b>	<b>2,453.05</b>	<b>5,773.78</b>
<b>2. Segment Result</b>					
a) Airports	53.93	7.34	140.88	95.99	171.64
b) Power	76.82	203.45	174.13	258.47	422.03
c) Roads	56.51	45.09	107.61	93.80	194.52
d) EPC	19.26	9.99	31.67	16.96	60.52
e) Others	146.57	73.36	193.22	169.74	(652.46)
	353.09	339.23	647.51	634.96	196.25
Less: Inter Segment	49.95	27.84	83.56	43.64	143.00
<b>Net Segment Result</b>	<b>303.14</b>	<b>311.39</b>	<b>563.95</b>	<b>591.32</b>	<b>53.25</b>
Less: Interest expenses (net)	391.55	249.16	721.47	487.48	1,076.02
<b>Profit before tax</b>	<b>(88.41)</b>	<b>62.23</b>	<b>(157.52)</b>	<b>103.84</b>	<b>(1,022.77)</b>
<b>3. Capital employed</b>					
<b>(Segment Assets - Segment Liabilities)</b>					
a) Airports	16,432.27	15,106.05	16,432.27	15,106.05	15,311.23
b) Power	10,753.50	8,458.08	10,753.50	8,458.08	10,363.32
c) Roads	4,961.21	3,432.28	4,961.21	3,432.28	4,590.22
d) EPC	149.32	53.85	149.32	53.85	129.25
e) Others	10,140.00	10,306.08	10,140.00	10,306.08	12,516.80
	42,436.30	37,356.34	42,436.30	37,356.34	42,910.82
Less: Inter Segment	4,477.35	4,508.47	4,477.35	4,508.47	7,684.25
Unallocated Assets / (Liabilities)	(26,081.91)	(21,311.81)	(26,081.91)	(21,311.81)	(23,743.60)
<b>Total</b>	<b>11,877.04</b>	<b>11,536.06</b>	<b>11,877.04</b>	<b>11,536.06</b>	<b>11,482.97</b>

Notes to consolidated results:

1. Statement of assets and liabilities

(in Rs. Crore)

Particulars	As at September 30, 2011 (Unaudited)	As at September 30, 2010 (Unaudited)
Shareholders' funds		
Share capital	389.24	389.24
Reserves and surplus	7,847.58	7,706.78
Employee stock options outstanding	0.96	-
Preference shares issued by a subsidiary company	1,958.15	1,595.00
Minority interest	1,865.29	1,851.77
Loan funds	26,356.55	21,425.26
Deferred payment liability - Negative grant/ Utilisation fees	242.01	351.25
Foreign currency monetary item translation difference account	7.59	
<b>Total</b>	<b>38,667.37</b>	<b>33,319.30</b>
Fixed assets (net)	21,620.10	16,708.00
Capital work in progress including capital advances	14,387.32	9,758.39
Investments	1,643.09	3,749.77
Deferred tax asset (net)	105.63	73.83
Foreign currency monetary item translation difference account	-	6.73
<b>Current assets, loans and advances</b>		
Inventories	249.86	222.62
Sundry debtors	1,686.61	922.70
Cash and bank balances	3,612.10	2,530.40
Other current assets	677.93	102.93
Loans and advances	2,271.89	2,024.03
	8,498.39	5,802.68
<b>Less: Current liabilities and provisions</b>		
Current liabilities	7,494.48	2,479.07
Provisions	284.45	301.03
	7,778.93	2,780.10
Profit and Loss Account (Debit balance)	191.77	-
<b>Total</b>	<b>38,667.37</b>	<b>33,319.30</b>

2. Consolidation and Segment Reporting

- a. GMR Infrastructure Limited (“the Company”) carries on its business through various subsidiaries, joint ventures and associates (hereinafter referred to as “the Group”), being special purpose vehicles exclusively formed to build and operate various infrastructure projects. The above published consolidated results have been prepared in accordance with the principles and procedures as set out in the Accounting Standard (AS) - 21 on ‘Consolidated Financial Statements’, AS - 23 on ‘Accounting for Investments in Associates in Consolidated Financial Statements’ and AS – 27 on ‘Financial Reporting of Interests in Joint Venture’, notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

- b. The segment reporting of the Company and its Group has been prepared in accordance with AS - 17 on Segment Reporting notified pursuant to the Companies (Accounting Standard) Rules, 2006 (as amended).

The business segments of the Group comprise of the following:

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

- c. Investors can view the standalone results of the Company 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. During the quarter, the Group won the bid for six laning of 555 km long Kishangarh – Udaipur – Ahmedabad highway.
  4. During the quarter, the Group has agreed to sell 30% stake in GMR Energy (Singapore) Pte. Limited ('GESPL') to Petronas International Corporation Limited subject to obtaining approval of the lenders. GESPL is implementing a 800 MW combined cycle gas turbine power plant in Jurong Island, Singapore.
  5. The Delhi High Court vide its interim order dated June 1, 2011, has stayed collection of Development Fees ('DF') by Delhi International Airport Private Limited (DIAL) from passengers until the application for stay is dealt with by the AERA Appellate Tribunal. Further, due to suspension of DF, DIAL has made an application to AERA on July 11, 2011, for permission to recover additional interest liability, as well as any further liability arising out of delayed collection of DF from certain airlines, from the DF receipts. The management is of the view that the High Court order is on technical grounds and is confident on recoverability of DF outstanding as at September 30, 2011, including interest on bridge financing related to DF amounting to Rs. 588.84 Crore (September 30, 2010: Rs. 13.98 Crore). The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review report.
  6. As at September 30, 2011, the power segment companies have receivables (including unbilled revenue) from Tamil Nadu Electricity Board ('TNEB') and TANGENDCO Limited ('TANGENDCO') aggregating to Rs. 612.63Crore. Based on internal assessment and various discussions that the Group had with TNEB and TANGENDCO, the management is confident of recovery of such receivables.
  7. During the year ended March 31, 2011, pursuant to the sale of the Group's 50% economic stake in InterGen N.V, the Group made a provision of Rs. 938.91 Crore towards diminution in the value of its investment in Compulsory Convertible Debentures (CCD), which is disclosed as an exceptional item in the consolidated financial results for the year ended March 31, 2011.
  8. During the year ended March 31, 2011, the Group has disclosed as an exceptional item, reversal of impairment loss of Rs. 140.33 Crore (SGD 42.40 million) recorded earlier, on revival of the project and restoration of the advance paid by GESPL to its EPC Vendors.

9. The Group has an investment of Rs 282.41 Crore (including loans of Rs 65.82 Crore) in GMR Ambala Chandigarh Expressways Private Limited (GACEPL), a subsidiary of the Company. GACEPL has been incurring losses since the commencement of commercial operations. The management believes that these losses are primarily attributable to a loss of revenue arising as a result of diversion of partial traffic on parallel roads. Based on an 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 management is of the view that the carrying value of net assets of Rs. 189.11 Crore (after providing for losses till date of Rs. 93.30 Crore) as regards investment in GACEPL as at September 30, 2011 is appropriate. The statutory auditors of the Company have drawn an Emphasis of Matter in their Limited Review report.
10. The carrying cost of investment in Homeland Energy Group Limited ('HEGL'), a subsidiary of the Company as at September 30, 2011 amounting to Rs. 335.56 Crore ( including a loan of Rs. 167.62 Crore) substantially exceeds the net worth/ market value of shares in HEGL. The management is of the view that such shortfall in the net worth/decline in market value of shares in HEGL is purely temporary in nature and the mines owned by HEGL have significant reserves and value potential which reflect intrinsic value in excess of carrying value of investments and loan in HEGL and accordingly, the management is of the view that the carrying value of net assets of Rs. 318.89 Crore after providing for losses till June 30, 2011, (considering that HEGL along with the subsidiaries and joint ventures is consolidated on a three months lag) as regards investment in HEGL as at September 30, 2011 is appropriate.
11. As at September 30, 2011, the domestic airport companies have receivables (including unbilled receivable) from National Aviation Company India Limited (NACIL) aggregating to Rs. 271.74Crore (September 30, 2010: Rs78.64Crore). Based on internal assessment and various discussions that the Group had with NACIL and other Governmental authorities, the management is confident of recovery of such receivables.
12. The Group has revised the estimatedusefullife of plant and machinery in the power segment from minimum rate prescribed under Schedule XIV of the Companies Act, 1956 to the rates prescribed under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation, 2009 in terms of MCA Circular No: 31/2011 dated May 31, 2011. Accordingly, the written down value of plant and machinery as at April 1, 2011, is being depreciated on a prospective basis over the remaining estimated useful life.This change in estimated useful life has resulted in a decrease in depreciation charge and consequent increase in profit from ordinary activities before taxes by Rs. Rs.8.16Crore for the quarter ended September 30, 2011.
13. During the quarter, GMR Energy Limited, a subsidiary of the Company has entered into a definitive agreement to acquire a 30% equity stake in PT Golden Energy Mines Tbk ("GEMS"), a Sinar Mas Group company based in Indonesia, through its overseas subsidiary domiciled in Singapore, which entitles it to purchase coal over next 25 years, subject to the fulfillment of certain conditions precedent to the acquisition.
14. Information pertaining to the Company on standalone basis:

(inRs.Crore)

	Quarter ended September 30		Half year ended September 30		Year ended March 31
	2011	2010	2011	2010	2011
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(a) Revenue from operations	348.25	127.05	615.05	203.74	727.40
(b) Profit / (loss) before tax	62.80	9.29	94.49	2.07	65.97
(c) Profit / (loss) after tax	58.36	8.97	82.85	2.01	58.88



15. Investor complaints / references: During the quarter 23 investor complaints / references were received and resolved. There were no complaints / references pending, both at the beginning and end of the quarter.
16. The consolidated results of the Group for the quarter ended September 30, 2011 have been reviewed by the Audit Committee in their meeting on November 9, 2011 and approved by the Board of Directors in their meeting held on November 9, 2011.
17. The Statutory Auditors of the Company have carried out the Limited Review of the above consolidated financial results of the Group for the period ended September 30, 2011. The auditors have also carried out the Limited Review of the standalone results of the Company for period ended on that date published on Company's website and furnished to the stock exchanges.
18. Figures pertaining to previous periods have been regrouped, reclassified and restated, wherever necessary, to conform to the classifications adopted in the current period.

For GMR Infrastructure Limited

Bengaluru  
November 09, 2011

B V NageswaraRao  
Managing Director