Management Discussion and 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

After inheriting an economy with low sentiments and adverse macroeconomic indicators, the new government has vastly improved the credibility of Indian economy over this fiscal. Inflation has declined by over 6 percentage points since late 2013, and the current account deficit has shriveled from a peak of 6.7 percent of GDP (in Q3, 2012-13) to an estimated 1.0 percent in the coming fiscal year. Foreign portfolio flows (of US$ 38.4 billion since April 2014) have stabilized the rupee, exerting downward pressure on long-term interest rates, reflected in the yield on 10-year government securities, and contributed to the surge in equity prices (31 percent since April in rupee terms, and even more in US dollars, ranking it the highest amongst emerging markets).

The outlook is favourable for the current account and it's financing. A likely surfeit, rather than scarcity, of foreign capital will complicate exchange rate management. Risks from a shift in US monetary policy and turmoil in the Eurozone need to be watched but could remain within control.

Reforms have been initiated in a number of areas and major ones are on the horizon. The macroeconomic response to the favourable terms of trade shock has led to an appropriately prudent mix of increased government savings and private consumption. The government has further decided to address 5 key areas: agricultural income under stress, increasing investment in infrastructure, decline in manufacturing, and resource crunch in view of higher devolution in taxes to states while maintaining fiscal discipline.

With a view to incentivize investment in infrastructure, the Budget announced by honourable FM Arun Jaitley earlier in the year has proposed a number of welcome measures which would kick-start investment in infrastructure. The sector is expected to improve significantly due to these. Some of them are: the Setting up of the National Investment and Infrastructure fund (NIIF), with an annual flow of ₹ 20,000 Crore expected to aid the same while allowance for tax free infrastructure bonds in rail, road and irrigation projects will boost investor sentiment and ease funding gaps if any. Raising the total investment in infra to ₹ 1.25 Lakh Crore out of which ₹ 70,000 Crore is for the current budget. Roads sector is expected to see an investment of ₹ 14031 Crore to sanction 1 Lakh Kilometers, in addition to the existing 1 Lakh Kilometers: A significant announcement as we plan to achieve the ambitious target of 30 KM construction of Roads & Highway per day.

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. Having recognized this early on, your company had adopted the Asset Light – Asset Right (ALAR) strategy and has now evolved to a continued focus on asset growth to cash growth.

As a consequence, your company has won the following this year:

- The railway EPC project for Rail Vikas Nigam Limited (RVNL) for 417 km (in 2 packages) in the Mughalsarai – New Bhaupur Section (including) of Eastern Dedicated Freight Corridor (DFCC);
- The railway EPC project for RVNL for the 77 Km (in 3 packages) in Secundarabad and Hyderabad Divisions of South Central Railway, Andhra Pradesh, India from RVNL;
- Won 2 coal blocks, Talabira in Sambalpur district of Orissa with 28.7 MT extractable reserves and Ganeshpur in Latehar district of Jharkhand with extractable reserves of 91.8 MT during recently conducted coal auction.

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 million domestic and 50 million international passengers, making India the third largest aviation market. Your company recorded an impressive growth in passenger and cargo traffic in 2014-15 and we expected the upward trajectory to continue (albeit a bit moderately) in 2015-16.

The growth in traffic will be aided by the addition of new routes by carriers such as Tata Vistara, Air Asia India, Air Costa as well as recovery by Spicejet subsequent to infusion of funds by the new promoters. In addition, steps being taken by the government to do away with the 5/20 rule and linking overseas flying rights with a points system which rewards airlines for flying on tier II and tier III routes should help improve connectivity both on the domestic and international front. We expect steady growth on the freight front as well given the general improvement in the broader economy and the spurt of growth in e-commerce.

After winning the concession for Mactan Cebu Airport in December of 2013, your company formally signed the concession agreement in April 2014 and took over operational responsibility on 1st November 2014. Having stabilized the operations of Cebu, your company is keenly scouting for new airport opportunities in line with ALAR strategy in South East. Apart from this, your company will be actively pursuing airport privatization opportunities in India and has submitted the pre-qualification documents for all of the airports. Apart from this, your company is also closely monitoring developments pertaining to Goa and Navi Mumbai airport.

On the economic regulation front, the Ministry of civil aviation is working on developing comprehensive guidelines on tariff regulation for the airport sector and has held consultation meetings with various stakeholders. This will be a key value driver for your company and we have shared our views with the Ministry of Civil Aviation. In the meantime, your company is awaiting the constitution of the AERA appellate tribunal so that the appeals filed against the tariff orders of Delhi and Hyderabad airports can be heard.

Indira Gandhi International Airport (DIAL) - Delhi Airport

The overall traffic growth for the financial year 15-16 is expected to be moderate with higher growth expected in domestic passenger segment (pax) and cargo segment. Your company is in the process of making significant changes to the retail product mix at the terminal and expected to increase non aeronautical revenues to increase by 15%. However on an overall basis, there is expected to be a substantial decrease in revenue due to lower aeronautical tariffs which may be implemented during the course of the year. On the cost front, your company expected a rise in Operating Expenses mainly on account of Repairs and Maintenance (R&M) Expenses, Airport Operator Fee and Utility Charges (net of recovery) resulting in a lower EBITDA margin.

Focus Areas for FY 2015-16

To address and contain the fall in revenues measures like maximizing non-aero revenue and enhancing cargo tonnage throughput are being undertaken. In this regard, your company has invested in Air Freight stations in areas like Kanpur and Ludhiana in order to tap cargo volumes outside of NCR.

In order to augment non-aeronautical revenues, an international consultancy firm has been engaged. Based on their inputs, a significant change is being made to the product mix and the passenger path coupled with a refresh of visual merchandize so as to enhance consumer connect.

On the operational front, your company is reworking its processes to further reduce the Minimum Connecting Time (MCT) so as to maximize revenue from transfer passengers.

Apart from P&L related efforts, your company realizes the importance of customer service and has achieved the 1st rank for Air Service Quality in a survey conducted by Airports Council international. In order to sustain our focus, the culture of Business Excellence (BE) and customer focus is being actively nurtured and institutionalized.

Future Growth Plans

IGIA is set to become an international hub for passenger traffic and cargo movement propelled by Air India's entry in Star Alliance. The domestic traffic is also expected to get a fillip by launch of services of Air Vistara and Air Asia India from Delhi.

DIAL has developed a Commercial Property Development (CPD) monetization plan including developing Office space, F&B Districts, Convention Districts and 5 Star Deluxe / Budget Hotel / service Apartments in the remaining 184 acres in four phases in the coming decade.

An Air Cargo Logistic Center is being developed adding air freight stations, road feeder service and TP cargo being provided, Pharma, perishable goods and ecommerce cargo are also being promoted.

To maximize the value from the existing assets DIAL is undertaking a capacity and demand study for T1 and T3 along with a review of the master plan for the airport. The airside infrastructure is also being expanded based on the traffic growth. On the technology front, the Delhi airport team is working towards simplifying the check in process through CUSS (Common Use Self Service) as well check in trough technology / tablet and mobile phones as well as facilities like self-baggage drop and electronic security clearance.

Your company has been lauded by Delhi Government for its efficient water consumption and using recycled water. In line with its environment focus, your company will continue to implement carbon neutral initiatives and focus on rain water harvesting to minimize water consumption.

Rajiv Gandhi International Airport (GHIAL) - Hyderabad Airport

GHIAL Focus Areas for FY 2015-16

During 2014-15, GHIAL's concerted efforts to enhance the airport's connectivity and expand its catchment area succeeded in bringing in 2 new international passenger airlines, 2 new international cargo airlines and 1 new domestic passenger airline to Hyderabad Airport. During FY2015-16, 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.

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 once again been ranked among the Top 3 Airports in the World in its category for the 6th consecutive year. In order to sustain and improve its level of Service Quality and Customer Delight, GHIAL plans to upgrade its passenger facilities to provide enhanced customer experience.

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 2014-15, Indian Campus of the prestigious Schulich School of Business, Canada was inaugurated within Hyderabad Airport City, marking a major milestone in the development of the planned 'Edu-port'. For FY 2015-16, GHIAL plans to build on the momentum gathered and target a higher level of activity on the landside.

GMR Aviation Private Limited

GMR Aviation Private Limited operates and owns one of the youngest fleets in the country and addresses the growing need for charter services in the country. The operations are managed by professionals with robust processes and systems to ensure highest levels of efficiency and safety. The company has two aircraft (1 Falcon, 1 Hawker) and 1 twin engine Bell 412 helicopter in its fleet. Due to slow down of Indian Economy, the overall business for internal as well as external has come down, which resulted in a loss of ₹ 20.73 Crore.

ENERGY SECTOR OUTLOOK FOR FY15-16 AND FUTURE PLAN

Indian Economy - Power Sector Scenario

The Indian economy in 2014-15 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 oil prices. The industrial growth picture as per the IIP suggests that industrial production which had slowed down since 2011-12, reversed the trend in 2014-15. The overall growth in eight core industries during April-December 2014-15 has improved marginally to 4.4 per cent compared to 4.1 per cent in the same period last year. Electricity (9.7 per cent), coal (9.1 per cent), and cement (7.9 per cent) 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 to higher production by Coal India Ltd. (CIL) and captive mining. With a target of 1023 billion units (BU) and achievement of 1048.40 BU, electricity generation by power utilities has exceeded the target for April'14-March'15.

As on April 01, 2015 total installed capacity in India stands at 267 GW. Conventional energy sources accounted for 189 GW or 70.7% of the total capacity while renewable energy sources accounted for 32 GW.As against the capacity-addition target of 17,830.3 MW in 2014-15 total 22,566.31 MW was added, private sector once again led from the front by adding 13,285 MW (target: 5696 MW) which is 58.8% of the total. Capacity at the end of the 12thplan is expected to be 1.6x times that at the end of the 11thplan. Net capacity of about 61.01 GW has already been added up to March 2015 during the 12thplan, of which conventional energy and renewable energy sources comprise 57.72 GW and 6.08 GW respectively. According to Draft 12thFive Year Plan, of the expected capacity addition, approximately 60% is expected to come from coal based plants, 25% from renewable energy sources, 9% from hydroelectricity, 4% from nuclear energy and around 2% from gas and lignite based thermal plants. Private sector is expected to contribute approximately 53% of the additional capacity from conventional energy sources. From a demand perspective, the incremental peak load requirement is expected to be 69.5 GW and 83.9 GW in the 12th and 13th Five-year Plans respectively:

1. Though the green shoots are visible in the economy but there are some concerns for the power sector;
2. Distribution sector accumulated losses are estimated to be around INR 200,000 Crore (FY13);
3. 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 INR 1 lakh Crore;
4. 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 andRegassifiedLiquified 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 systems 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 recently.

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 500 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 last financial year, 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.

Keeping in mind the focus on operational excellence, GMR Highways team has won three Awards (as mentioned below) in three different categories in 7th Construction Industry Development Council (CIDC) Vishwakarma Awards 2015:

- GMR Highways Limited has won the "Best Professionally Managed Company" Award;
- GMR OSE Hungund Hospet Highways Pvt. Ltd. has won the "Award in Best Constructed Project";
- CIDC Chairman's commemorative award to CEO - Highways.

Along with this your company won prestigious Dun & Bradstreet's Infra Award 2014 for exemplary performance in CORR project for usage of fly ash during construction of the project.

On operational front your company achieved final Commercial Operations for Hungund Hospet project in last financial year, which further enhanced its revenues as the 3rd Toll Plaza became operational with final COD. Major maintenance works for Tambaram Tindivanam, Tuni Anakapalli, Pochanpalli and Ambala Chandigarh Project as per provisions of Concession Agreement were also completed.

Future outlook - Railways

Nearly all of the infrastructure sectors present excellent opportunities, with roads & highways, airports and railways standing out as particular bright spots, with staggering sums of investment planned in five year plan.

In line with "Asset Light and Asset Right" Strategy of the group, Highways division will continue to pursue 'sweating' of existing assets as well as exploring bidding for good opportunities in both BOT and EPC segment.

Along with this, we will continue to focus on receivables against Change of Scope works in completed projects and our claims in Kishangarh Udaipur Ahmedabad and Chennai Outer Ring Road Project due to delays in approvals from respective clients.

For Railways business, your company will continue to bid for EPC projects in Railways vertical from both DFCC and RVNL.

With Indian Railways also looking for private partners in modernizing railway stations to world-class levels, your company will also explore these opportunities with suitable partner.

Urban Infrastructure

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

In Kakinada 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 SIR during the FY under review were operationalizing the Rural BPO in association with TATA Business Support Solutions (A TATA Group Company) and providing all related infrastructure to a leading Chinese toy manufacturer in starting its training centre to train the community in toy-making. The Chinese toy manufacturing firm will commence its operations in the FY 16 from the manufacturing facility being developed in Kakinada SIR and will employ these trainees.

In Kakinada SIR, we are also centring our efforts in bringing high end equipment manufacturing companies from China.

We are also planning to conduct Public hearing for our Seaport in Kakinada SIR during FY 16.

In Krishnagiri SIR, during the FY under review, we could handover the developed land parcel to Toyota Boshuko India Limited (TBIL) ahead of the agreed schedule, for the company to develop its facility and commence its operations in Krishnagiri SIR.

Last year, we also 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.

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 remains committed to our Corporate Environment, Health, Safety and Quality (EHSQ) Policy to articulate, guide, and adopt an integrated approach towards implementing EHSQ objectives. 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 continual 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 in alignment with comprehensive "EHS Framework", adopting best manufacturing practices, optimizing energy, natural resources & 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 is 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. DIAL has been certified as "Green Company" by CII at Gold Level, thus becoming first airport in India to achieve this landmark in March 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. GVPGL sold its accumulated CER's of about 3,15,320 to M/s British Petroleum Energy Asia Pte Ltd., Singapore and fetched a revenue of about ₹ 34.89 Lakhs.

GMR Energy Sector has published its first ever Sustainability Report for FY 13-14 as per GRI-G4 guidelines and is made available to all its relevant stakeholders.

Discussion and Analysis of Financial Condition and Operational Performance

The consolidated financial position as at March 31, 2015 and performance of the Company and its subsidiaries/joint ventures and associates during the Financial Year ended on that date are discussed hereunder:

A. Share capital: ₹ 1,572.80 Crore (March 31, 2014: ₹ 1,525.91 Crore)

During the year, the Company issued 468,817,097 equity shares of ₹ 1 each, at an issue price of ₹ 31.50 per equity share (including share premium of ₹ 30.50 per share) aggregating to ₹ 1,476.77 Crore (including share premium of ₹ 1,429.89 Crore) to qualified institutional buyers ('QIB'). Accordingly, share capital has increased by ₹ 46.89 Crore to ₹ 1,572.80 Crore.

B. Reserves and surplus: ₹ 4,305.77 Crore (March 31, 2014: ₹ 6,095.18 Crore)

A summary of reserves and surplus is as follows:

₹ in Crore

Particulars	March 31, 2015	March 31, 2014
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	175.47	172.36
Employee stock option outstanding	-	0.96
Securities premium	7,468.07	6,460.49
Foreign currency translation reserve	433.85	419.06
Foreign currency monetary items translation difference account	(0.05)	2.37
Special reserve u/s 45IC of RBI Act	12.02	0.20
Sub Total	**8,312.66**	**7,278.74**
Surplus/(Deficit) in the statement of profit and loss	(4,006.89)	(1,183.56)
Total	**4,305.77**	**6,095.18**

The reserve and surplus has decreased from ₹ 6,095.18 Crore as at March 31, 2014 to ₹ 4,305.77 Crore as at March 31, 2015.

Major reasons for changes in reserves and surplus position are as under:

i. Increase of ₹ 1,007.58 Crore in the securities premium account during the year on account of share premium ₹ 1,429.89 Crore received on issue of equity shares to QIB, increase of ₹ 27.89 Croreon account of transfer from minority interest, offset by decrease on account of utilization of ₹ 450.20 Crore towards debenture / share issue expenses and debenture/preference redemption premium and redemption of preference shares issued (net of taxes and MAT Credit) in the Company and its subsidiaries.

ii. Deficit in the statement of profit and loss has increased by ₹ 2,823.33 Crore mainly on account of:

- Loss for the year of ₹ 2,733.29 Crore [exceptional items of ₹ 304.12 Crore on account of provision made for claims recoverable in GKUAEPL, Loss on impairment of assets in SJK, Breakage cost of interest rate swap in DIAL, Loss on impairment of assets in MRO (GAECL & GATL) and Profit on divestment of stake in DCSCPL and DFSPL].
- Redemption premium paid to Preference shareholders of ₹ 13.39 Crore.
- Allocation of loss to minority on dilution of interest in subsidiaries/ joint ventures of ₹ 7.81 Crore.
- Appropriation of preference dividend and dividend distribution tax amounting to ₹ 12.45 Crore on account of declaration of dividend by the subsidiaries.
- Appropriation of ₹ 5.49 Crore towards equity dividend of ₹ 0.10 per equity share and dividend distribution tax applicable thereon, paid pursuant to issuance of equity shares to QIB before the record date, for the year ended March 31, 2014.
- Transfer of Net book value of assets whose useful life have expired as at April 1, 2014 as per Companies Act, 2013 (net) ₹ 36.92 Crore.
- Transferred to special reserve u/s 45-IC of RBI Act: ₹ 11.82 Crore.

iii. Debenture redemption reserve balance has increased on account of additional reserves of ₹ 3.11 Crore (net) by way of transfer from statement of profit and loss in GIL.

iv. Foreign currency translation reserve balance has increased by ₹ 14.79 Crore on account of additions to reserve from consolidation of overseas entities.

C. Money received against share warrants: ₹ 141.75 Crore (March 31, 2014: Nil)

During the year, the Company issued 180,000,000 warrants having an option to apply for and be allotted equivalent number of equity shares of face value of ₹ 1 each on a preferential basis and received an advance of ₹ 141.75 Crore against such share warrants.

D. Share application pending allotment: ₹ 889.66 Crore (March 31, 2014: Nil)

The Company proposed an issue of 93,45,53,010 equity shares of face value of ₹ 1.00 for cash at a price of ₹ 15.00 per equity share (including a premium of ₹ 14.00 per equity share) not exceeding ₹ 1,401.83 Crore on a rights basis to the eligible equity shareholders in the ratio of 3 equity shares for every 14 fully paid-up equity shares held by the eligible equity shareholders and filed the Letter of Offer on March 5, 2015. As on March 31, 2015, the Company had received ₹ 889.66 Crore towards the share application money and subsequently, the issue was successfully concluded in the month of April 2015.

E. Minority interest: ₹ 1,765.50 Crore (March 31, 2014: ₹ 2,008.64 Crore)

The Minority interest decreased by ₹ 243.14 Crore mainly on account of share of losses during the year in GHIAL, GKEL and GEL, offset by current year share of profits to minority in DIAL and DDFS.

F. Long-term borrowings (including current maturities of long term borrowings)

i. Secured loans: ₹ 43,272.88 Crore (March 31, 2014: ₹ 38,087.34 Crore)

The increase of ₹ 5,185.54 Crore is mainly on account of project loan draw downs in projects under construction like GCHEL, additional loans in GEL, GREL, GKEL, EMCO and GHIAL.

ii. Unsecured loans: ₹ 954.25 Crore (March 31, 2014 : ₹ 1,365.22 Crore)

The decrease of ₹ 410.97 Crore is mainly due to restructuring of unsecured loans in GHIAL on account of refinancing and repayment of certain loans by the Company.

G. Other long-term liabilities: ₹ 2,064.07 Crore (March 31, 2014: ₹ 2,398.71 Crore)

The decrease is mainly on account of reduction in retention money payable by GCHEPL and GCORR.

H. Short-term borrowings ₹ 3,511.18 Crore (March 31, 2014: ₹ 5,588.17 Crore)

The decrease of ₹ 2,076.99 Crore is mainly on account of decrease in short term loans of GCHEPL, GREL, DIAL and GHIAL.

I. Fixed assets

A statement of movement in fixed assets is given below:

₹ in Crore

Particulars	March 31, 2015	March 31, 2014
1) Tangible assets	30,455.02	29,440.46
2) Intangible assets		
Goodwill on consolidation	3,844.40	3,561.17
Carriage ways	6,342.21	5,990.18
Others	1,672.59	797.44
Gross Block	**42,314.22**	**39,789.25**
Less: Accumulated depreciation / amortisation / impairment	8,131.47	6,149.99
Net Block	**34,182.75**	**33,639.26**
Add: Capital work in progress	16,838.99	14,908.85
Add: Intangible assets under development	408.45	824.99
Net Fixed Assets	**51,430.19**	**49,373.10**

- Gross block has increased by ₹ 2,524.97 Crore mainly on account of capitalization consequent to additional capital expenditure / commissioning of additional facilities in GKEL, DIAL, ATSCL, MTSCL, GCHEPL, GOSEHHHPL and GSPHPL and acquisition of additional stake in GAEL and DAPSL, partially offset by reduction on account of divestment of DCSCPL and DFSPL.
- Capital work-in-progress has increased due to additions in GCHEPL and GREL.
- Intangible assets under development have decreased on account of capitalization in GOSEHHHPL.

J. Current assets

i. Cash and bank balances: ₹ 3,904.04 Crore (March 31, 2014: ₹ 3,321.19 Crore)

Cash and bank balance has increased mainly on account of receipt of share application money for rights issue.

ii. Other current assets: ₹ 1,077.94 Crore (March 31, 2014: ₹ 2,655.44 Crore)

Other current assets have decreased mainly on account of receipt of proceeds from ISG divestment undertaken during last year.

Overview of our results of operations

The following table sets forth information with respect to our revenue, expenditure and profit/(loss) on a consolidated basis:

₹ in Crore

Particulars	For the year ended March 31,	
	2015	2014
Sales/ income from operations	10,935.25	10,566.97
Other operating income	152.43	86.25
Other income	327.46	315.87
Total Income (Including other income)	**11,415.14**	**10,969.09**
Expenditure		
Revenue share paid/ payable to concessionaire grantors	2,064.86	1,943.69
Consumption of fuel/ raw materials consumed	2,137.87	1,815.12
Purchase of traded goods/Increase in stock	1,024.18	1,030.64
Sub-contracting expenses	565.51	522.87
Employee benefits expenses	619.65	574.22
Other expenses	2,120.97	2,015.09
Finance Costs	3,571.86	2,971.88
Utilisation fees	-	186.18
Depreciation/ Amortisation expense	1,812.53	1,454.99
Exceptional items - (losses) / gains (net)	(304.12)	1,820.25
Total	**14,221.55**	**10,694.43**
(Loss) / profit before tax expenses, minority interest and share of (loss)/ profit of associates	**(2,806.41)**	**274.66**
Tax Expenses:		
Current tax (Including taxes of earlier years)	124.46	217.04
Less: MAT credit availed	(4.64)	(82.87)
Deferred tax	32.99	32.08
Total tax expenses	**152.81**	**166.25**
(Loss) / profit after tax expenses and before minority interest and share of (loss) / profit of associates	**(2,959.22)**	**108.41**
Minority interest - share of (profits)/losses	238.91	(98.40)
Share of (losses)/ profit of associates (net)	(12.98)	-
(Loss) / profit after minority interest and share of (loss) / profit of associates	**(2,733.29)**	**10.01**

Sales/Operating Income

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

Particulars	For the year ended March 31			
	2015		2014	
	Amount (₹ in Crore)	% of Total Income	Amount (₹ in Crore)	% of Total Income
Revenue from Operations:				
Airports segment	5,463.73	49.28%	5,996.12	56.28%
Power segment	4,450.58	40.14%	3,342.61	31.38%
Road segment	741.74	6.69%	737.88	6.93%
EPC segment	86.84	0.78%	239.75	2.25%
Others segment	344.79	3.11%	336.86	3.16%
Total Revenue from operations	**11,087.68**	**100.00%**	**10,653.22**	**100.00%**

The total sales/operating income has increased by ₹ 434.46 Crore representing a growth of 4.08%.

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 decreased by 8.88% from ₹ 5,996.12 Crore in fiscal 2014 to ₹ 5,463.73 Crore in fiscal 2015, primarily as a result of decrease in income due to divestment of ISG, non-levy of UDF in GHIAL, partially offset by increase in income of DIAL on account of increase in traffic.

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 33.15 % from ₹ 3,342.61 Crore for fiscal 2014 to ₹ 4,450.58 Crore for fiscal 2015 mainly on account of increased revenues from EMCO and GKEL.

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 increased by 0.54 % from ₹ 737.88 Crore for fiscal 2014 to ₹ 741.74 Crore for fiscal 2015, primarily on account of increase in traffic, coupled with commissioning of 3rd toll plaza of GOSEHHHPL.

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 and road projects under implementation.

During the current year, the EPC sector has contributed ₹ 86.84 Crore to the operating income as against ₹ 239.75 Crore in the previous year. Decrease is mainly on account of completion of the projects during the previous year.

Operating income from Other Sector

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 ₹ 344.79 Crore to the Operating Income as against ₹ 336.86 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 3.67 % from ₹ 315.87 Crore in fiscal 2014 to ₹ 327.46 Crore in fiscal 2015.

Expenditure

Revenue share paid/payable to concessionaire grantors

The revenue share paid/payable to various concessionaires has increased from ₹ 1,943.69 Crore in fiscal 2014 to ₹ 2,064.86 Crore in fiscal 2015 primarily on account of increase in operating income at DIAL and GHVEPL.

Consumption of fuel/raw materials

The consumption of fuel and raw material increased from ₹ 1,815.12 Crore in fiscal 2014 to ₹ 2,137.87 Crore in fiscal 2015 primarily on account of full year operation of EMCO and GKEL which were commissioned during the previous year.

Subcontracting expenses

Subcontracting expenses increased from ₹ 522.87 Crore in fiscal 2014 to ₹ 565.51 Crore in fiscal 2015, primarily on account of increase in operation & maintenance expense in Power plants and road projects.

Employee benefits expenses

The increase in employee benefit costs is mainly on account of periodic increase in employee expenses.

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, consultancy 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 increase in other expenses.

Financing costs

Financing costs increased mainly on account of full capacity operation of EMCO, GKEL for entire year, operation of 3rd toll plaza of GOSEHHHPL, and operation of ATSCL, MTSCL.

Utilization fees

As ISG was divested during last year, there is no utilization fee in current year.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased mainly on account of EMCO, GKEL and GCORRPL which were commissioned and capitalized during previous year and capitalization of 3rd toll plaza of GOSEHHHPL, ATSCL and MTSCL during current year.

Exceptional items

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 (GAEL), loss of ₹ 79.80 Crore on impairment of assets in subsidiaries (SJK & GGSPPL), 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.

In fiscal 2014, we had net gains from exceptional items of ₹ 1,820.25 Crore, comprising profit of ₹ 1,658.93 Crore on sale of our 40% equity stake injointly controlled entities ISG and LGM, profit of ₹ 100.54 Crore on sale of coal minesof HEGL and profit of ₹ 69.73 Crore on divestment of 74% stake held in each of GJEPL and GUEPL.

(Loss) / profit before tax expenses, minority interest and share of (loss) / profit of associates

In fiscal 2015, we have recorded a loss before tax & minority interest of ₹ 2,806.41 Crore as against Profit before tax & minority interest of ₹ 274.66 Crore in fiscal 2014.

Tax expenses

Tax expenses has decreased from ₹ 166.25 Crore in fiscal 2014 to ₹ 152.81 Crore in fiscal 2015, mainly due to the decrease in current taxes by ₹ 92.58 Crore in fiscal 2015, and offset by decrease in MAT credit of ₹ 78.23 Crore during the year.

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

In fiscal 2015, we have recorded a loss after tax and before minority interest of ₹ 2,959.22 Crore as against Profit after tax and before minority interest of ₹ 108.41 Crore in fiscal 2014.

Share of (loss) / profit of associates

In fiscal 2015, we have accounted share of losses from associates of ₹ 12.98 Crore as against ₹ Nil during fiscal 2014. The group has Jadcherla expressways, Ulundurpet expressways and East Delhi Waste processing as associate companies during the year ended March 31, 2015.

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

In fiscal 2015, we have recorded a net loss after minority interest of ₹ 2,733.29 Crore as against net profit after minority interest of ₹ 10.01 Crore in fiscal 2014.

Minority interest represents share of the profits and losses of various subsidiaries which relates to the minority shareholders. The share of loss to minority shareholders for the year 2014-15 amounts to ₹ 238.91 Crore as against profit of ₹ 98.40 Crore for the previous year.

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 neighbouring GMR Group's businesses for their economic and social development thus supporting their development, even as the businesses grow. 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 200 villages / urban communities across 23 locations. The locations spread across different states namely Andhra Pradesh, Arunachal Pradesh, Chhattisgarh, Delhi, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Tamil Nadu, Telangana and Uttarakhand.

The activities of GMRVF for FY 14-15 are given below:

Education: 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. The Foundation's flagship institution, GMR Institute of Technology was ranked 62 in Top 100 Engineering Colleges in India by Dataquest. Further, it has been ranked 64 among top 75 colleges of the country by Outlook. The institute has also graded AAA+ by Careers 360 Magazine in May 2014;
- Several scholarships and freeships are given for poor students from surrounding communities to these institutions;
- In addition, 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;
- Foundation also focuses on quality pre-school education and works with over 180 Anganwadis and BalaBadis benefiting 3500 children;
- Managing 39 IBM Kid Smart Early Learning Centers across different locations to provide technology enabled learning experience to primary school children. 10 of these Centers have been initiated during 2014-15;
- 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 3 Mobile Medical Units which take health care to the door steps of about 7000 elders every month;
- Running 3 Ambulances to provide emergency care for the communities;
- Constructed 25 Public Toilets and 14 School Toilet Complexes apart from supporting construction of over 650 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 8 vocational training centres to provide appropriate market-relevant skills to dropout youth to increase their employability. About 4,500 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 00 employees and their family members participated in more than 500 programs, contributing over 10,000 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.

- International Aviation Award for Corporate Social Responsibility Activities at Delhi International Airport Private Limited;
- CSR Best Practice Awards from Think Media Inc. (for the activities implemented around GMR Kamalanga Energy Limited).

Risk and Concerns

The Union Budget 2015-16 has announced measures like increased outlay for the infrastructure sector, lowering of corporate tax, etc., and the improving macro-economic situation will not only improve the ease of doing business in India but also set a clear road-map for double digit growth.

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.

ERM Process Maturity

The Company has well-defined processes for risk identification, assessment, profiling, treatment and monitoring & review actions thereof. The Enterprise Risk Management (ERM) process has been rolled out with development of risk registers for Sectors, Key Business Units and Corporate functions. The risks for each sector and Group Corporate Services 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 & 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 STRAT plan exercise. ERM team also shares the results of its exercise with the Management Assurance Group (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) & Disaster Recovery Plans (DRP) in place for key assets. The plans identify potential vulnerabilities and puts in place appropriate processes & 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. The ERM Team also publishes newsletters and circulates relevant articles and case studies.

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.

Risks and Concerns

Some of the additional emerging risks that the management has taken cognizance of in the recent times, and for which appropriate plans and actions are being taken are as follows:

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.

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.

Fuel availability risks: E-auction of coal blocks have 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 the commissioning of coal-based projects and initiating construction of hydroelectric projects thereby reducing our exposure to a single source of fuel.

Project development, acquisition and management: 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.

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 project 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.

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.

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.

Foreign Currency Exchange Rate Risk: We are exposed to the vagaries of exchange rate risk, as we have some expenditures 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

The Company has in place adequate systems of internal control. It has documented procedures covering all financial, operating and management functions. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with best practices in these areas as well. All these controls and processes have been embedded and integrated with SAP system which has been implemented across all group companies. Some significant features of the internal control systems include the following:

- A well-established multi-disciplinary internal audit team, which carries out audit of functions across the sectors, report to audit committee, gives assurance and support to management with the objective to add value, improve organization's operations and accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;
- Delegation of power and responsibility matrix with authority limits defined for incurring capital and revenue expenditure;
- Corporate policies on accounting and major processes;
- Well-defined processes for formulating and reviewing annual and long-term business plans and strategies;
- Preparation and monitoring of annual budgets for all operating activities, projects and service functions;
- Bid documents / records of all new projects including M&A deals are being critically reviewed for probable risks;
- Effective project management and technical audits are being carried out;
- Identifying and mitigating key business and transactional risks through effective risk management process;

- A well-established process to ensure that the Corporate Governance and statutory compliance processes are at the highest levels.

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 mandays 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.