

September 24, 2016

Mr. Sathya Kumaran K.S.
Assistant General Manager
Corporate Finance Department
Forensic Accounting Cell
Securities and Exchange Board of India
Plot No. C4-A, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

Dear Sir,

Sub: Disclosure of the Impact of Audit Qualifications in terms of SEBI Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016

Ref: CFD/CMD/PM/SKS/OW/20927/2016 dated July 25, 2016

With reference to the captioned subject, we were directed to submit impact of the Audit qualifications, instead of complying with SEBI Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016, for all the financial years during which the qualifications existed beginning from the Financial Year 2012-13.

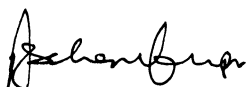
In this connection, please find enclosed herewith the following:

- (i) Statement on impact of Audit Qualifications (for audit report with modified opinion) of the Company for the consolidated financial statements for the year ended March 31, 2013, March 31, 2014 and March 31, 2015.
- (ii) Statement on impact of Audit Qualifications (for audit report with modified opinion) of the Company for the Standalone financial statements for the year ended March 31, 2013, March 31, 2014 and March 31, 2015.

Kindly take the above on record.

Yours faithfully,

for **GMR Infrastructure Limited**



A.S. Cherukupalli
Company Secretary & Compliance Officer



Encl: As above

CC:

Mr. Nehal Vora
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

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

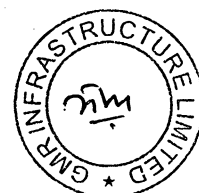
Registered Office:
Naman Centre, 7th Floor
Opp. Dena Bank, Plot No. C-31
G Block, Bandra Kurla Complex
Bandra (East), Mumbai
Maharashtra, India - 400051

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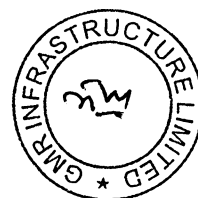
ANNEXURE I
GMR Infrastructure Limited

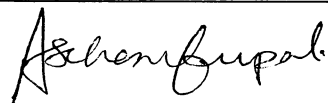
Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its consolidated financial statements for the year ended March 31, 2013

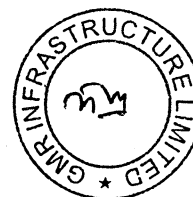
(in Rs. crore except for earning per share)				
I.	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover / total income (including other income)	10,252.06	10,252.06
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and minority interest before exceptional items)	(10,941.20)	(11,325.44)
	3	Exceptional items (gain / (loss) (net)	777.27	777.27
	4	Net profit/(loss)	88.13	(296.11)
	5	Earnings per share (in Rs.) - Basic	0.23	(0.76)
	6	Total assets	63,816.99	63,432.75
	7	Total liabilities	56,538.81	56,538.81
	8	Net worth (refer note 1)	7,278.18	6,893.94
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter in the Auditor's Report on Quarterly and Year to Date Consolidated Financial Results	
	Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India.			
II.	Audit Qualification (each audit qualification separately):			
(i)	Qualification 1			
	a. Details of audit qualification:			
	GMR Rajahmundry Energy Limited ('GREL'), a subsidiary of the Company has capitalised Rs. 282.39 crore for the period July 1, 2012 to March 31, 2013 towards indirect expenditure and borrowing costs incurred on a plant under construction where active construction work has been put on hold pending securing supply of requisite natural gas and has approached the Ministry of Corporate Affairs ('MCA') for clarification on the applicability of / relaxation from the provisions of Accounting Standard ('AS') -10 and AS -16 to the aforesaid capitalisation. However, in the opinion of the independent auditors, the capitalisation of such expenses is not in accordance with the relevant Accounting Standards. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended March 31, 2013 would have been lower by Rs. 276.49 crore.			
	b. Type of audit qualification : Qualified opinion			
	c. Frequency of qualification: First year of qualification			
	d. For audit qualification where the impact is quantified by the auditor, management's views:			
	GREL is constructing a gas based power plant in Rajahmundry. In view of lower supplies / availability of natural gas to the power generating companies in India, the Group is facing delays in securing gas linkages. Pending securing supply of requisite natural gas, the Group has put on hold the active construction work of the plant. The management of the Group believes that the indirect expenditure attributable to the construction of the project and borrowing costs incurred during the period of uncertainty around securing gas supplies qualifies for capitalisation under paragraphs 9.3 and 9.4 of AS -10 and paragraphs 18 and 19 of AS -16. The subsidiary company setting up the plant has approached the MCA seeking clarification / relaxation on applicability of the aforementioned paragraphs to the gas availability. The management of the Group is confident of obtaining necessary clarification / relaxation allowing such capitalisation. Pending receipt of requisite clarification / relaxation, the Group has capitalised aforesaid expenses amounting to Rs. 282.39 crore for the period July 1, 2012 to March 31, 2013 towards cost of the plant under construction.			
	e. For audit qualification where the impact is not quantified by the auditor: Not applicable			
	(i) Management's estimation on the impact of audit qualification: Not applicable			
	(ii) If management is unable to estimate the impact, reasons for the same: Not applicable			
	(iii) Auditors' comments on (i) or (ii) above: Not applicable			
(ii)	Qualification 2			
	a. Details of audit qualification:			
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company has issued a notice of intention to terminate the Concession Agreement with National Highways Authority of India ('NHAI') which has been disputed by NHAI. As at March 31, 2013, GKUAEL has incurred and capitalised indirect expenditure towards project and borrowing costs of Rs. 107.75 crore and has given capital advances of Rs.590.00 crore. In the opinion of the independent auditors, the aforesaid capitalisation of Rs 107.75 crore is not in accordance with the relevant Accounting Standards and such expenses should have been charged off in the consolidated financial statements. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended March 31, 2013 would have been lower by Rs. 107.75 crore. Further, having regard to the uncertainty in view of the dispute, the independent auditors are also unable to comment on the final outcome of the matter and any other consequential impact that may arise in this regard, on the consolidated financial statements for the year ended March 31, 2013.			
	b. Type of audit qualification: Qualified opinion			
	c. Frequency of qualification: First year of qualification			
	d. For audit qualification where the impact is quantified by the auditor, management's views: Not quantifiable			
	e. For audit qualification where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: Not ascertainable			



	(ii) If management is unable to estimate the impact, reasons for the same: GKUAEL had entered into a Concession Agreement with NHAI on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of mandatory 'conditions precedent' specified under the Concession Agreement within the due date, GKUAEL has issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. Further, NHAI in their letter dated January 17, 2013 to GKUAEL has also indicated of making good the alleged defaults of NHAI within the cure period of 90 days. The Company along with its subsidiary has made an investment of Rs. 700.00 crore in GKUAEL, which is primarily utilized towards payment of mobilization advance of Rs. 590.00 crore to its EPC contractors and Rs 107.75 crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). The management of the Group is confident of recovering the aforesaid mobilisation advance and does not anticipate any compensation to be payable to NHAI in view of the aforesaid dispute and continue to carry such project expenses as capital work in progress pending satisfactory resolution of the matter.
	(iii) Auditors' comments on (i) or (ii) above: Refer ii(a) above.
(iii)	Qualification 3 a. Details of audit qualification: The Concession Agreement entered into between GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT') for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated arbitration process to seek remedies under the said agreement and pending resolution of the dispute, continues to recognise the assets at their carrying values as at March 31, 2013 including the claim recoverable of Rs. 919.16 crore (USD 16.77 crore) as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets. Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and has received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the consolidated financial statements as at March 31, 2013. The takeover of MIA by MACL, indicate the existence of a material uncertainty about the going concern of GMIAL and GADLIL. However, the financial statements of GMIAL and GADLIL as at and for the year ended March 31, 2013 continue to be prepared on a going concern basis. Having regard to the uncertainty in view of the dispute and the final outcome of the matter, the independent auditors are unable to comment on its impact on the carrying value of the assets of GMIAL and GADLIL and any other consequential impact that may arise in this regard on the consolidated financial statements for the year ended March 31, 2013. b. Type of audit qualification : Qualified opinion c. Frequency of qualification: First year of qualification d. For audit qualification where the impact is quantified by the auditor, Management's Views: Not quantifiable e. For audit qualification where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not applicable
	(ii) If management is unable to estimate the impact, reasons for the same: GMIAL entered into an agreement on June 28, 2010 with MACL, MoFT and Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of MIA for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and does not anticipate counter claims if any. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs. 1,295.80 crore (USD 23.65 crore) including claim recoverable Rs. 919.16 crore (USD 16.77 crore) at their carrying values as at March 31, 2013, net of assets written off of Rs. 202.61 crore. Such assets written off are disclosed as an exceptional item in the consolidated financial statements. The outcome of the arbitration is uncertain as at March 31, 2013. GMIAL's ability to continue its future business operations is solely dependent on the outcome of arbitration and / or a negotiated settlement. However financial statements of GMIAL as at and for the year ended March 31, 2013 have been prepared and accordingly consolidated on a going concern basis in the consolidated financial statements.



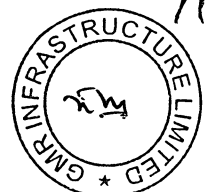
	Further, GMIAL has executed work construction contracts with GADLIL and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore during the year ended March 31, 2013 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised in the consolidated financial statements as at March 31, 2013 since the amounts payable are not certain. Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Group is confident of proving that the concession agreement was not void ab initio and that the Group would be entitled for compensation under the concession agreement. GADLIL is registered in the Republic of Maldives for upgrading of existing terminal and construction of new terminal at the MIA. As per the work construction contract dated October 25, 2010 entered into with GMIAL, the expected substantial completion date of the construction was July 01, 2014, and GADLIL's registration in the Republic of Maldives is valid till December 31, 2016. However, pursuant to the takeover of Male airport by MACL, GMIAL has terminated the work construction contract with GADLIL on December 10, 2012. These conditions indicate the existence of a material uncertainty about the going concern of GADLIL. However, the financial statements of GADLIL as at and for the year ended March 31, 2013 have been prepared and accordingly consolidated on a going concern basis.	
	(iv) Auditors' Comments on (i) or (ii) above: Refer iii(a) above.	
III.	Signatory:	
	Company Secretary & Compliance Officer	 Adi Seshavatham Cherukupalli
	Place: Delhi	
	Date: September 22, 2016	



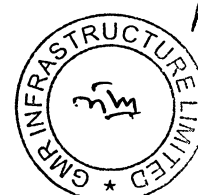
ANNEXURE I
GMR Infrastructure Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its consolidated financial statements for the year ended March 31, 2014

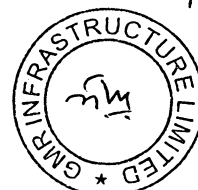
(in Rs. crore except for earning per share)				
I.	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover / total income (including other income)	10,969.09	10,969.09
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and minority interest before exceptional items)	(12,779.33)	(13,179.28)
	3	Exceptional items (gain / (loss) (net)	1,820.25	161.32
	4	Net profit/(loss)	10.01	(2,048.87)
	5	Earnings per share (in Rs.) - Basic	0.03	(5.26)
	6	Total assets	65,141.85	62,698.73
	7	Total liabilities	57,520.76	57,520.76
	8	Net worth (refer note 1)	7,621.09	5,177.97
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter in the Auditor's Report on Quarterly and Year to Date Consolidated Financial Results	
Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India.				
Note 2: The assets and Liabilities of ISG and LGM (refer qualification 4) has not been consolidated in the financials for the year ended March 31, 2014.				
II.	Audit Qualification (each audit qualification separately):			
(i)	Qualification 1			
	a. Details of audit qualification:			
	GMR Rajahmundry Energy Limited ('GREL'), a subsidiary of the Company has capitalised Rs. 397.56 crore and Rs.679.95 crore for the year ended and cumulatively upto March 31, 2014 respectively towards indirect expenditure and borrowing costs (net of income earned during aforementioned period) incurred on a plant under construction where active construction work has been put on hold pending securing supply of requisite natural gas and has approached the Ministry of Corporate Affairs for clarification on the applicability of / relaxation from the provisions of Accounting Standard ('AS') - 10 and AS -16 to the capitalisation. However, in the opinion of the independent auditors, the aforesaid capitalisation of such expenses is not in accordance with the relevant Accounting Standards. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended and cumulatively upto March 31, 2014 would have been lower by Rs.389.25 crore and Rs.665.74 crore respectively.			
	b. Type of audit qualification : Qualified opinion			
	c. Frequency of qualification: Qualified since year ended March 31, 2013			
	d. For audit qualification where the impact is quantified by the auditor, management's v iews:			
	GREL is constructing a gas based power plant in Rajahmundry Pending securing supply of requisite natural gas, the Group has put on hold the active construction work of the plant. The management of the Group believes that the indirect expenditure attributable to the construction of the project and borrowing costs incurred during the period of uncertainty around securing gas supplies qualifies for capitalisation under paragraphs 9.3 and 9.4 of AS -10 and paragraphs 18 and 19 of AS -16. The subsidiary company setting up the plant has approached the MCA seeking clarification / relaxation on applicability of the aforementioned paragraphs to the gas availability situation referred in 35(g)(x)(a) above. The management of the Group is confident of obtaining necessary clarification / relaxation allowing such capitalisation. Pending receipt of requisite clarification / relaxation, the Group has capitalised aforesaid expenses amounting to Rs.397.56 crore and Rs. 679.95 crore (March 31, 2013: ` 282.39 crore) for the year ended March 31, 2014 and cumulatively upto March 31, 2014 towards cost of the plant under construction.			
	e. For audit qualification where the impact is not quantified by the auditor: Not applicable			
	(i) Management's estimation on the impact of audit qualification: Not applicable			
	(ii) If management is unable to estimate the impact, reasons for the same: Not applicable			
	(iii) Auditors' comments on (i) or (ii) above: Not applicable			
(ii)	Qualification 2			
	a. Details of audit qualification:			
	GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAE'), a subsidiary of the Company has issued a notice of intention to terminate the Concession Agreement with National Highways Authority of India ('NHAI') which has been disputed by NHAI. Subsequently, the management of the Group has submitted the proposal for the continuance of the project subject to certain conditions which is pending acceptance by NHAI. As at March 31, 2014, GKUAE has incurred and capitalised indirect expenditure and borrowing costs of Rs.124.42 crore (including Rs. 16.67 crore incurred during the year ended March 31, 2014) and has given capital advances of Rs. 590.00 crore. In the opinion of the independent auditors, in view of the uncertainty as stated above such expenses of Rs. 124.42 crore should have been charged off in the consolidated financial statements. Had the aforesaid expenditure not been capitalised, profit after tax and minority interest of the Group for the year ended and cumulatively upto March 31, 2014 would have been lower by Rs.16.67 crore and Rs.124.42 crore respectively. Further, having regard to the uncertainty in view of the dispute, the independent auditors are also unable to comment on the final outcome of the matter and its consequential impact that may arise in this regard on the consolidated financial statements for the year ended March 31, 2014.			
	b. Type of audit qualification: Qualified opinion			
	c. Frequency of qualification: Since year ended March 31, 2013			



	d. For audit qualification where the impact is quantified by the auditor, management's views: Not quantifiable
	e. For audit qualification where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not ascertainable
	(ii) If management is unable to estimate the impact, reasons for the same: GKUAEL had entered into a Concession Agreement with NHAI on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of mandatory 'conditions precedent' specified under the Concession Agreement within the due date, GKUAEL has issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. Further, NHAI in their letter dated January 17, 2013 to GKUAEL had also indicated of making good the alleged defaults of NHAI within the cure period of 90 days. Further, the management of the Group has submitted the proposal for the continuance of the project subject to certain modifications in the financial and other terms in the Concession Agreement and is confident of obtaining approval of these modifications by NHAI. The Company along with its subsidiary has made an investment of Rs. 724.43 crore (including loans of ` 24.43 crore and investment in equity shares of Rs. 700.00 crore) (March 31, 2013: investments in equity shares of Rs. 700.00 crore) in GKUAEL, which is primarily utilized towards payment of capital advances of Rs. 590.00 crore (March 31, 2013: Rs. 590.00 crore) to its EPC contractors and Rs.124.42 crore (March 31, 2013: Rs. 107.75 crore) towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). The management of the Group is confident of recovering the aforesaid capital advance and does not anticipate any compensation payable to NHAI in view of the aforesaid dispute and continue to carry such project expenses as intangible assets under development pending satisfactory resolution of the matter.
	(iii) Auditors' comments on (i) or (ii) above: Refer ii(a) above.
(iii)	Qualification 3 a. Details of audit qualification: The Concession Agreement entered into between GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of the Company, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated arbitration process to seek remedies under the aforementioned agreement and pending resolution of the dispute, continues to recognise the assets at their carrying values of Rs.1,431.50 crore (USD 23.66 crore) as at March 31, 2014 including the claim recoverable of Rs.1,062.90 crore (USD 17.57 crore) as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets. Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and has received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the consolidated financial statements as at March 31, 2014. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequential impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADLIL. However, the financial statements of GMIAL and GADLIL as at and for the year ended March 31, 2014 continue to be prepared and consolidated on a going concern basis Having regard to the uncertainty in view of the dispute and the final outcome of the matter, the independent auditors are unable to comment on its impact on the carrying value of the assets of GMIAL and GADLIL and any other consequential impact that may arise in this regard on the consolidated financial statements for the year ended March 31, 2014.
	b. Type of audit qualification : Qualified opinion
	c. Frequency of qualification: Since year ended March 31, 2013
	d. For audit qualification where the impact is quantified by the auditor, Management's Views: Not quantifiable
	e. For audit qualification where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not applicable
	(ii) If management is unable to estimate the impact, reasons for the same: GMIAL entered into an agreement on June 28, 2010 with MACL and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of MIA for a period of 25 years ('the Concession Agreement'). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. On March 15, 2014, GoM and MACL have served a case summary which sets out a new case that the claimants wish to advance at trial and amended pleadings have been received on March 24, 2014. Subsequent to March 31, 2014, the hearings of liability issues have taken place from April 10, 2014 to April 16, 2014 and the tribunal has not specified any timescales to produce any award. GMIAL is in the process of seeking remedies under the aforesaid Concession agreement and the outcome of the arbitration is uncertain as at March 31, 2014. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs. 1,431.50 crore (USD 23.66 crore) including claim recoverable Rs. 1,062.90 crore (USD 17.57 crore) at their carrying values as at March 31, 2014, net of assets written off of Rs. 202.61 crore during the year ended March 31, 2013. Such assets written off were disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2013. GMIAL's ability to continue its future business operations and consequential impact on net assets / guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement. However financial statements of GMIAL as at and for the year ended March 31, 2014 have been prepared and accordingly consolidated on a going concern basis.



	Further, GMIAL has executed work construction contracts with GADLIL and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore as at March 31, 2014 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised in these consolidated financial statements as at March 31, 2014 since the amounts payable are not certain. Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Group is confident of proving that the Concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the Concession agreement atleast to the extent of the carrying value of the assets taken over by the GoM / MACL and the subsequent expenditure incurred by GMIAL and accordingly these consolidated financial statements of the Group do not include any adjustments that might result from the outcome of this uncertainty. The statement disclosed in note 30(h) of the consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to GMIAL. GADLIL is re-registered in the Republic of Maldives for upgrading of existing terminal and construction of new terminal at MIA. As per the work construction contract dated October 25, 2010 entered into with GMIAL, the expected substantial completion date of the construction was July 1, 2014, and GADLIL's registration in the Republic of Maldives is valid till December 31, 2016. However, pursuant to the takeover of MIA by MACL, GMIAL has terminated the work construction contract with GADLIL on December 10, 2012. These conditions indicate the existence of a material uncertainty about the going concern of GADLIL, which is fully dependent on the outcome of the arbitration process between GMIAL and GoM and MACL. However, the financial statements of GADLIL as at and for the year ended March 31, 2014 have been prepared and accordingly consolidated on a going concern basis.				
	(iv) Auditors' Comments on (i) or (ii) above: Refer iii(a) above.				
(iv)	Qualification 4 a. Details of audit qualification: The management of the Group has recognized the profit on sale of its investments in Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatırım Yapım Ve İşletme Anonim Şirketi ('ISG') and LGM Havalimanı İşletmeleri Ticaret Ve Turizm Anonim Şirketi ('LGM') of Rs.1,658.93 crore (net of cost incurred towards sale of shares) in the consolidated financial statements for the year ended March 31, 2014. In the opinion of the independent auditors, since receipt of purchase consideration, the transfer of shares and certain regulatory approvals were obtained subsequent to March 31, 2014, recognition of the profit on sale of such investments in the consolidated financial statements of the Group for the year ended March 31, 2014 is not in accordance with the relevant Accounting Standards. Accordingly, profit after tax and minority interest of the Group for the year ended March 31, 2014 would have been lower by Rs.1,652.96 crore with a consequential effect on the reserves of the Group as at the year end. b. Type of audit qualification: Qualified opinion c. Frequency of qualification: First year of qualification d. For audit qualification where the impact is quantified by the auditor, management's views: During the year ended March 31, 2014, the Company along with its subsidiaries GMR Infrastructure (Global) Limited ('GIGL') and GMR Infrastructure Overseas Limited ('GIOL') has entered into a definitive agreement with Malaysia Airports MSC Sdn Bhd ('buyer') for sale of their 40% equity stake in jointly controlled entities ISG and LGM for a consideration of Euro 20.90 crore (net of equity gap adjustment of Euro 1.60 crore and subject to debt and other working capital adjustments, which are currently under finalisation). The management based on its internal assessment and a legal opinion is of the view that all 'Conditions Precedent' were either fulfilled or waived or agreed to be not applicable as at March 31, 2014 except for the buyer to obtain approval from Bank Negara Malaysia which was obtained on April 3, 2014. Subsequently after receipt of the sale consideration, the shares were transferred to the buyer on April 30, 2014, in view of which, the Group has recognized the profit on the sale of its investment in ISG (net of cost of Rs. 164.98 crore incurred towards sale of such equity stake) of Rs. 1,658.93 crore, which has been disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2014. Further, pursuant to definitive agreement entered with the buyer, the Group has provided a guarantee of Euro 4.50 crore towards claims, as specified in the definitive agreement for a period till December 2015 and in respect of tax claims, if any, the guarantee period is upto May 2019. The statement disclosed in note 30(h) of the consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to ISG, LGM and Istanbul Sabiha Gokcen Uluslararası Havalimanı Yer Hizmetleri Anonim Şirketi ('SGH'). e. For audit qualification where the impact is not quantified by the auditor: Not applicable (i) Management's estimation on the impact of audit qualification: Not applicable (ii) If management is unable to estimate the impact, reasons for the same: Not applicable (iii) Auditors' Comments on (i) or (ii) above: Not applicable				
III.	Signatory: <table border="1"> <tr> <td></td><td>  Adi Seshavatham Cherukupalli </td></tr> <tr> <td>Company Secretary & Compliance Officer</td><td></td></tr> </table> Place: Delhi Date: September 22, 2016		 Adi Seshavatham Cherukupalli	Company Secretary & Compliance Officer	
	 Adi Seshavatham Cherukupalli				
Company Secretary & Compliance Officer					

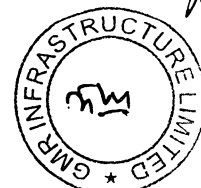


ANNEXURE I

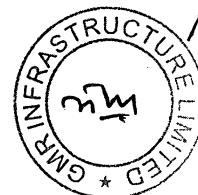
GMR Infrastructure Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its consolidated financial statements for the year ended March 31, 2015

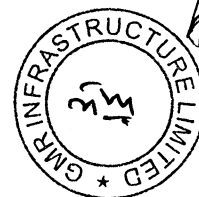
(in Rs. crore except for earning per share)				
I.	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover / total income (including other income)	11,415.14	11,415.14
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and minority interest before exceptional items)	(13,844.33)	(14,238.21)
	3	Exceptional items (gain / (loss) (net)	(304.12)	1,354.81
	4	Net profit/(loss)	(2,733.31)	(1,468.26)
	5	Earnings per share (in Rs.) - Basic	(6.46)	(3.47)
	6	Total assets	66,742.94	65,683.32
	7	Total liabilities	60,722.62	60,722.62
	8	Net worth (refer note 1)	6,020.32	4,960.70
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter in the Auditor's Report on Quarterly and Year to Date Consolidated Financial Results	
	Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India.			
II.	Audit Qualification (each audit qualification separately):			
(i)	Qualification 1			
	a. Details of audit qualification:			
	As detailed in Note 44(ii)(b) to the accompanying consolidated financial statements for the year ended March 31, 2015, GMR Rajahmundry Energy Limited ('GREL'), a subsidiary of GIL, not audited by us, has capitalised Rs. 424.97 crore and Rs. 1,104.92 crore for the year ended and cumulatively upto March 31, 2015 respectively towards indirect expenditure and borrowing costs (net of income earned during aforementioned period) incurred on a plant under construction where active construction work has been put on hold pending securing supply of requisite natural gas and has approached the Ministry of Corporate Affairs ('MCA') seeking clarification on the applicability of the General Circular 35/2014 dated August 27, 2014 issued by MCA. However, in our opinion, the aforesaid capitalisation of such expenses is not in accordance with the relevant Accounting Standards. Had the aforesaid expenditure not been capitalised, loss after tax and minority interest of the Group for the year ended and cumulatively upto March 31, 2015 would have been higher by Rs. 393.88 crore and Rs. 1,059.62 crore respectively. In respect of the above matter, our audit report for the year ended March 31, 2014 was similarly qualified.			
	b. Type of audit qualification : Qualified opinion			
	c. Frequency of qualification: Qualified since year ended March 31, 2013			
	d. For audit qualification where the impact is quantified by the auditor, management's v iews:			
	In respect of plant under construction at Rajahmundry, pending securing supply of requisite natural gas, the Group has put on hold active construction work of the plant. The management of the Group believes that the indirect expenditure attributable to the construction of the project and borrowing costs incurred during the period of uncertainty around securing gas supplies qualifies for capitalisation under paragraphs 9.3 and 9.4 of Accounting Standard ('AS')-10 and paragraphs 18 and 19 of AS-16. The subsidiary setting up the plant had approached the Ministry of Corporate Affairs ('MCA') seeking clarification / relaxation on applicability of the aforementioned paragraphs to the gas availability situation referred in note 44(ii)(a) of the consolidated financial statements. MCA vide its General Circular No. 35/2014 dated August 27, 2014 on capitalisation under AS-10 and capitalisation of borrowing cost during extended delay in commercial production has clarified that only such expenditure which increases the worth of the assets can be capitalised to the cost of the fixed assets as prescribed by AS-10 and AS-16. Further the circular states that cost incurred during the extended delay in commencement of commercial production after the plant is otherwise ready does not increase the worth of fixed assets and therefore such costs cannot be capitalised. The Group approached MCA seeking further clarification on the applicability of the said Circular to its Rajahmundry plant and pending receipt of requisite clarification, the Group has continued the capitalisation of the aforesaid expenses of Rs. 1,104.92 crore (including Rs. 424.97 crore for the current year) cumulatively upto March 31, 2015. Further as detailed in note 30 of the consolidated financial statements, during the year ended March 31, 2015, the Company received a letter from NSE whereby Securities and Exchange Board of India ('SEBI') has directed National Stock Exchange of India Limited ('NSE') to advise the Company to restate the consolidated financial statements of the Group for the year ended March 31, 2013 as regards the qualification on continuance of capitalization as stated aforesaid, post cessation of active construction work. SEBI advised the Company that the effect of these restatement adjustments may be carried out in the annual accounts of the financial year 2014-15, as a prior period item. The Company filed a writ petition with the Hon'ble High Court of Delhi in this regard. In response to the writ petition filed by the Company, the Hon'ble High Court of Delhi directed the Company that if the accounts for 2014-2015 are prepared, the aforementioned issue will be reflected in the accounts and the effect of both capitalisation and non-capitalisation on the net worth will also be disclosed in due prominence, in the financial accounts prepared by the Company.			
	e. For audit qualification where the impact is not quantified by the auditor: Not applicable			
	(i) Management's estimation on the impact of audit qualification: Not applicable			
	(ii) If management is unable to estimate the impact, reasons for the same: Not applicable			
	(iii) Auditors' comments on (i) or (ii) above: Not applicable			

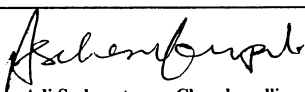


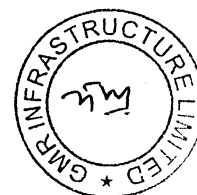
(ii)	Qualification 2 a. Details of audit qualification: As detailed in Note 43(iii) to the accompanying consolidated financial statements for the year ended March 31, 2015, GMR Kishangarh Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of GIL, not audited by us, issued a notice of intention to terminate the Concession Agreement with National Highways Authority of India ('NHAI') during the earlier year and a notice of dispute to NHAI invoking arbitration provisions of the Concession Agreement during the current year. Both the parties have appointed their arbitrators and the arbitration process is pending commencement. As at March 31, 2015, GKUAEL has incurred and capitalised indirect expenditure and borrowing costs of Rs. 130.99 crore (including Rs. 6.56 crore incurred during the year ended March 31, 2015) and has given capital advances of Rs. 590.00 crore to its EPC Contractor. The Group also provided a bank guarantee of Rs. 269.36 crore to NHAI. Pursuant to the notice of dispute, GKUAEL terminated the EPC contract on May 15, 2015, transferred the aforesaid project costs of Rs. 130.99 crore to claims recoverable and consequent to the letter received from National Stock Exchange of India Limited ('NSE'), as referred in note 30 to the accompanying consolidated financial statements, the Group has made a provision of Rs. 130.99 crore towards such claims recoverable including Rs 124.43 crore pertaining to earlier years. The notice of dispute and initiation of arbitration proceedings, indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of the GKUAEL and its impact on the net assets / bank guarantee provided by the Group. Having regard to the uncertainty, we are unable to comment on the final outcome of the matter and its consequential impact on the consolidated financial statements for the year ended March 31, 2015. In respect of the above matter, our audit report for the year ended March 31, 2014 was similarly qualified. b. Type of audit qualification: Qualified opinion c. Frequency of qualification: Since year ended March 31, 2013 d. For audit qualification where the impact is quantified by the auditor, management's views: Not quantifiable e. For audit qualification where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not ascertainable (ii) If management is unable to estimate the impact, reasons for the same: The Company along with its subsidiary has an investment of Rs. 729.43 crore (including loans of Rs. 29.43 crore and investment in equity/preference shares of Rs. 700.00 crore made by the Company and its subsidiary) in GKUAEL which is primarily utilised towards payment of capital advance of Rs. 590.00 crore to its EPC contractors and Rs. 130.99 crore (including Rs. 6.56 crore during the year ended March 31, 2015) towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). The Group has also provided a bank guarantee of Rs. 269.36 crore to NHAI. GKUAEL had entered into a Concession Agreement with NHAI on November 30, 2011 for six laning of Kishangarh-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of the mandatory 'Conditions Precedent' specified under the Concession Agreement within the due date, GKUAEL issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. NHAI in their letter dated January 17, 2013 to GKUAEL also indicated of making good the alleged defaults of NHAI within the cure period of 90 days. The management of GKUAEL had submitted the proposal for the continuance of the project subject to certain modifications in the financial and other terms in the Concession Agreement and held discussions with NHAI for revival of the project. Considering that the efforts for revival of the project did not succeed, GKUAEL issued a notice of dispute to NHAI dated February 16, 2015 invoking arbitration provisions of the Concession Agreement. Both the parties have appointed their arbitrators and the arbitration process is pending commencement. Pursuant to the issue of notice of dispute, GKUAEL transferred the aforesaid project costs of Rs. 130.99 crore to claims recoverable. Based on its internal assessment and in view of the letter received from NSE, as detailed in note 30 of the consolidated financial statement, the Group made a provision for such claims recoverable and has disclosed the same as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2015 including Rs 124.43 crore incurred prior to the year ended March 31, 2015, which is considered as a 'prior period item' in the consolidated financial statements. In addition, GKUAEL awarded the EPC contract to GMR Projects Private Limited ('GPPL') to whom GKUAEL has given an advance of Rs. 590.00 crore as stated above. Pursuant to the issue of notice of dispute as stated above, GKUAEL terminated the contract on May 15, 2015. GKUAEL is yet to receive any claim from the EPC contractor and no such claim relating to the termination of contract has been recognized by GKUAEL as at March 31, 2015 as the amounts payable are not certain. The termination of concession agreement with NHAI, initiation of arbitration proceedings and its consequential impact on the operations, indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of the GKUAEL and the consequential impact on the net assets / bank guarantee given by the Group and is solely dependent on the outcome of arbitration. Based on an internal assessment and a legal opinion, the management of GKUAEL is confident that it will be able to claim compensation from NHAI for the loss it has suffered due to termination of contract for reasons as stated aforesaid and accordingly considers that, no further adjustments have been considered necessary as at March 31, 2015. (iii) Auditors' comments on (i) or (ii) above: Refer ii(a) above.
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(iii)	Qualification 3
	a. Details of audit qualification: As detailed in Note 31(b) and Note 45(i) to the accompanying consolidated financial statements for the year ended March 31, 2015, the Concession Agreement entered into between GMR Male International Airport Private Limited ('GMIAL'), a subsidiary of GIL, not audited by us, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years was declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the said agreement and on June 18, 2014, the tribunal delivered its award declaring that the Concession Agreement was not void ab initio and was valid and binding on the parties. However, the quantum of the damages is yet to be decided and accordingly, pending final outcome of the arbitration, GMIAL continues to recognise the assets at their carrying values of Rs. 1,486.96 crore (USD 23.58 crore) as at March 31, 2015 including the claim recoverable of Rs. 1,145.16 crore (USD 18.16 crore) as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets. Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of GIL and other service providers for Rehabilitation, Expansion and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and has received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the accompanying consolidated financial statements for the year ended March 31, 2015. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequential impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADLIL. However, the financial statements of GMIAL and GADLIL as at and for the year ended March 31, 2015 continue to be prepared and consolidated on a going concern basis. Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on its impact on the carrying value of the assets in GMIAL and GADLIL and any other consequential impact that may arise in this regard on the consolidated financial statements for the year ended March 31, 2015. In respect of the above matter, our audit report for the year ended March 31, 2014 was similarly qualified.
	b. Type of audit qualification : Qualified opinion
	c. Frequency of qualification: Since year ended March 31, 2013
	d. For audit qualification where the impact is quantified by the auditor, Management's Views: Not quantifiable
	e. For audit qualification where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: Not applicable
	(ii) If management is unable to estimate the impact, reasons for the same: GMIAL entered into an agreement on June 28, 2010 with MACL and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of MIA for a period of 25 years ('the Concession Agreement'). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. On June 18, 2014, the tribunal delivered its award declaring that the Concession agreement was not void ab initio and is valid and binding on the parties. Further, the tribunal declared that the Government of Maldives ('GoM') and MACL are jointly and severally liable to GMIAL for loss caused by repudiation of the contract. The quantum of the damages is yet to be decided and the damages are limited to the sum which would have been recovered under clause 19.4.3(b) had the Concession Agreement been terminated on grounds of public interest pursuant to clause 19.2.1(h). On November 21, 2014 GMIAL served its schedule of loss on the tribunal and on GoM and MACL together with the termination date claim report and the expert report quantifying the losses incurred by GMIAL and which GMIAL assert are recoverable on account of the tribunal's award. Further, GoM and MACL, on November 26, 2014, served a letter on the tribunal and on GMIAL asserting that the parties to the arbitration have different interpretations of the limitation in Paragraph 167(1)(g) of the aforesaid award of the tribunal ('preliminary issue') and the timetable was agreed by the parties for hearing of the preliminary issue in the first half of 2015. Accordingly, after the tribunal has decided in respect of the preliminary issue, a timetable will be set for the hearing on the substantive quantum of the award. The final outcome of the arbitration is pending as at March 31, 2015. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs. 1,486.96 crore (USD 23.58 crore) including claim recoverable of Rs. 1,145.16 crore (USD 18.16 crore) at their carrying values as at March 31, 2015, net of assets written off of Rs. 202.61 crore during the year ended March 31, 2013. GMIAL's ability to continue its future business operations and consequential impact on net assets / guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement. However, financial statements of GMIAL as at and for the year ended March 31, 2015 have been prepared and accordingly consolidated on a going concern basis.

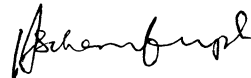


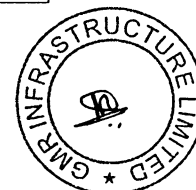
	Further, GMIAL had executed work construction contracts with GADLIL and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to the aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore as at March 31, 2015 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised in the consolidated financial statements as at March 31, 2015 since the amounts payable are not certain. Based on the aforesaid award by the tribunal, internal assessment and a legal opinion obtained by GMIAL, the management of the Group is confident that GMIAL would be entitled for compensation under the Concession agreement atleast to the extent of the carrying value of the assets taken over by the GoM / MACL and the subsequent expenditure incurred by GMIAL as at March 31, 2015 and accordingly the consolidated financial statements of the Group do not include any adjustments that might result from the outcome of this uncertainty. The statement disclosed in note 31(i) of the consolidated financial statements includes the revenue and expenses, the carrying amounts of the total assets and liabilities and cash flows of discontinuing operations with regard to GMIAL. GADLIL is re-registered in the Republic of Maldives for upgrading of existing terminal and construction of new terminal at the MIA. As per the work construction contract dated October 25, 2010 entered into with GMIAL, the expected substantial completion date of the construction was July 01, 2014, and GADLIL's registration in the Republic of Maldives is valid till December 31, 2016. However, pursuant to the takeover of MIA by MACL, GMIAL has terminated the work construction contract with GADLIL on December 10, 2012. These conditions indicate the existence of a material uncertainty about the going concern of GADLIL, which is fully dependent on the outcome of the arbitration process between GMIAL and GoM and MACL. However, based on internal assessment and business plans the financial statements of GADLIL as at and for the year ended March 31, 2015 have been prepared and accordingly consolidated on a going concern basis.
	(iv) Auditors' Comments on (i) or (ii) above: Refer iii(a) above.
(iv)	Qualification 4 a. Details of audit qualification: As detailed in Note 31(a) to the accompanying consolidated financial statements for the year ended March 31, 2015, the management of the Group recognized the profit on sale of its investments in Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim Yapim ve Isletme Anonim Sirketi ('ISG') and LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi ('LGM') of Rs 1,658.93 crore (net of cost incurred towards sale of investments) in the consolidated financial statements for the year ended March 31, 2014. In our opinion, since the sale consideration was received, the transfer of shares and certain regulatory approvals were obtained during the year ended March 31, 2015, recognition of the profit on sale of such investments in the consolidated financial statements of the Group for the year ended March 31, 2014 was not in accordance with the relevant Accounting Standards and accordingly, should have been recognized in the consolidated financial statements for the year ended March 31, 2015. Accordingly, profit before tax and minority interest of the Group for the year ended March 31, 2014 and loss before tax and minority interest of the Group for the year ended March 31, 2015 would have been lower by Rs.1,658.93 crore. In respect of above matter, our audit report for the year ended March 31, 2014 was similarly qualified. b. Type of audit qualification: Qualified opinion c. Frequency of qualification: Since year ended March 31, 2014 d. For audit qualification where the impact is quantified by the auditor, management's views: During the year ended March 31, 2014, the Company along with its subsidiaries GIGL and GIOL had entered into a definitive agreement ('SPA') with Malaysia Airports MSC Sdn Bhd ('the buyer') for sale of their 40% equity stake in jointly controlled entities ISG and LGM for a sale consideration of Euro 20.90 crore (net of equity gap adjustment of Euro 1.60 crore and subject to debt and other working capital adjustments). The management represented that no further working capital adjustments were made on account of the aforesaid sale transaction. The management based on its internal assessment and a legal opinion was of the view that all 'Conditions Precedent' were either fulfilled or waived or agreed to be not applicable as at March 31, 2014 except for the buyer to obtain approval from Bank Negara Malaysia which was obtained on April 3, 2014. Subsequently after receipt of the sale consideration, the shares were transferred to the buyer on April 30, 2014, in view of which, the Group recognized the profit on the sale of its shares in ISG (net of costs of Rs. 164.98 crore incurred towards such sale) of Rs. 1,658.93 crore, which was disclosed as an 'exceptional item' in the consolidated financial statements of the Group for the year ended March 31, 2014. Further, pursuant to the SPA entered with the buyer, the Group has provided a guarantee of Euro 4.50 crore towards claims, as specified in the SPA for a period till December 2015 and in respect of tax claims, if any, the guarantee period is upto May 2019. e. For audit qualification where the impact is not quantified by the auditor: Not applicable (i) Management's estimation on the impact of audit qualification: Not applicable (ii) If management is unable to estimate the impact, reasons for the same: Not applicable (iii) Auditors' Comments on (i) or (ii) above: Not applicable
III.	Signatory: Company Secretary & Compliance Officer  Adi Seshavaram Cherukupalli Place: Delhi Date: September 22, 2016



ANNEXURE I
GMR Infrastructure Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its standalone financial results for the year ended March 31, 2013

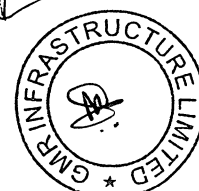
			(in Rs. crore except for earning per share)	
I.	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income (including other income)	1,461.37	1,461.37
	2	Total Expenditure (including finance cost, tax expenses, before exceptional items)	(1,483.75)	(1,483.75)
	3	Exceptional items gain / (loss) (net)	75.83	75.83
	4	Net profit/(loss)	53.45	53.45
	5	Earnings per share (in Rs.) - Basic	0.14	0.14
	6	Total assets	12,150.14	12,150.14
	7	Total liabilities	4,964.41	4,964.41
	8	Net worth (refer note 1)	7,185.73	7,185.73
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter in the Auditor's Report on Quarterly and Year to Date Standalone Financial Results	
	Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India.			
II.	Audit Qualification (each audit qualification separately):			
(i)	Qualification 1			
	a. Details of audit qualification: As detailed in note 43 to the Standalone financial statements for the year ended March 31, 2013, the Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made an investment of Rs. 126.58 Crore (USD 2.31 Crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL') and has given a corporate guarantee of Rs. 2,301.60 Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL. The Concession Agreement entered into between GMIAL, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT') for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the said agreement and pending resolution of the dispute, such investment has been carried at cost in the standalone financial statements as at March 31, 2013 as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets including the claim recoverable of Rs. 919.16 Crore (USD 16.77 Crore). Further, GMIAL has executed work construction contracts with GADL International Limited ('GADL International'), a subsidiary of the Company and other service providers for rehabilitation, expansion, and modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADL International and these service providers and have received claims from GADL International and other service providers towards termination payments. However, such claims relating to the termination of contracts have not been recognised since the amounts payable are not certain as at March 31, 2013. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequent impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADL International. Having regard to the uncertainty in view of the dispute and the final outcome of the matter, the independent auditors are unable to comment on its impact on the carrying value of investment pertaining to the aforesaid project and any other consequential impact that may arise in this regard on the standalone financial statements for the year ended March 31, 2013. b. Type of audit qualification: Qualified opinion c. Frequency of qualification: First year of qualification d. For audit qualification where the impact is quantified by the auditor, management's views: Not quantifiable e. For audit qualification where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not ascertainable (ii) If management is unable to estimate the impact, reasons for the same: The Company through its subsidiary GIML has made an investment of Rs. 126.58 Crore (USD 2.31 Crore) towards 77% holding in GMIAL and GIML has pledged deposits of Rs. 789.12 Crore (USD 14.40 Crore) towards loan taken by GMIAL from its lenders. Further, the Company has given a guarantee of Rs. 2,301.60 Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL. GMIAL entered into an agreement on June 28, 2010 with MACL and MoFT, Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of MIA for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and does not anticipate counter claims if any. The outcome of the arbitration is uncertain as at March 31, 2013. In view of the aforesaid matter, GMIAL continues to reflect assets including the claim recoverable of Rs. 919.16 Crore (USD 16.77 Crore) at their carrying values as at March 31, 2013, net of assets written off of Rs. 202.61 Crore. GMIAL's ability to continue its future business operations and consequential impact on investments made/ guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement. Further, GMIAL has executed work construction contracts with GADL International, a subsidiary of the Company and other service providers for rehabilitation, expansion, and modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADL International and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims from GADL International and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the standalone financial statements of GMIAL as at March 31, 2013 since the amounts payable are not certain. The takeover of MIA by MACL, indicate the existence of a material uncertainty about the going concern of GMIAL and GADL International. Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident of proving that the concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the concession agreement and accordingly the standalone financial statements of the Company do not include any adjustments that might result from the outcome of this uncertainty.			
	(iii) Auditors' comments on (i) above: Refer i(a) above			
III.	Signatory:			
	Company Secretary & Compliance Officer			
	Place:		New Delhi	
	Date:		September 22, 2016	



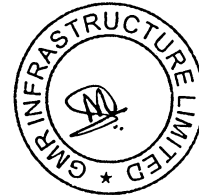
ANNEXURE I
GMR Infrastructure Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its standalone financial results for the year ended March 31, 2014

(in Rs. crore except for earning per share)				
I.	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income (including other income)	791.06	791.06
	2	Total Expenditure (including finance cost, tax expenses, before exceptional items)	(964.70)	(958.72)
	3	Exceptional items gain / (loss) (net)	339.54	(119.24)
	4	Net profit/(loss)	165.90	(286.90)
	5	Earnings per share (in Rs.) - Basic	0.43	(0.74)
	6	Total assets	14,321.91	13,869.11
	7	Total liabilities	5,921.26	5,921.26
	8	Net worth (refer note 1)	8,400.65	7,947.85
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter in the Auditor's Report on Quarterly and Year to Date Standalone Financial Results	
Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India.				
II.	Audit Qualification (each audit qualification separately):			
(i)	Qualification I			
a. Details of audit qualification: As detailed in Note 43 to the Standalone financial statements for the year ended March 31, 2014, the Company through its subsidiary GMR Infrastructure (Mauritius) Limited ('GIML') has made an investment of Rs.190.97 Crore (USD 3.16 Crore) (including in equity share capital of Rs. 139.73 Crore and share application money pending allotment of Rs.51.24 Crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL') and has given a corporate guarantee of Rs. 2,540.58 Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL. The Concession Agreement entered into between GMIAL, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years has been declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the said agreement and pending resolution of the dispute, such investment has been carried at cost in the financial statements as at March 31, 2014 as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets of Rs.1,431.50 Crore (USD 23.66 Crore) including the claim recoverable of Rs.1,062.90 Crore (USD 17.57 Crore) as at March 31, 2014. Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion, and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and have received claims from GADLIL and other service providers towards termination payments. However, such claims relating to the termination of contracts have not been recognised as at March 31, 2014. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequent impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADLIL. Having regard to the uncertainty in view of the dispute and the final outcome of the matter, the independent auditors are unable to comment on its impact on the carrying value of the investment pertaining to the aforesaid entities and any other consequential impact that may arise in this regard on the financial statements for the year ended March 31, 2014.				
b. Type of audit qualification: Qualified opinion				
c. Frequency of qualification: Second year of qualification				
d. For audit qualification where the impact is quantified by the auditor, management's views: Not quantifiable				
e. For audit qualification where the impact is not quantified by the auditor:				
(i) Management's estimation on the impact of audit qualification: Not ascertainable				
(ii) If management is unable to estimate the impact, reasons for the same: The Company through its subsidiary GIML has made an investment of Rs. 190.97 Crore (USD 3.16 Crore) (including equity share capital of Rs. 139.73 Crore and share application money, pending allotment of Rs. 51.24 Crore) towards 77% holding in GMIAL and GIML has pledged deposits of Rs.871.06 Crore (USD 14.40 Crore) towards loan taken by GMIAL from its lenders. Further the Company has given a corporate guarantee of Rs. 2,540.58 Crore (USD 42.00 Crore) to the lenders in connection with the borrowings made by GMIAL. GMIAL entered into an agreement on June 28, 2010 with MACL and MoFT, Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of MIA for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the concession agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of MIA within 7 days of the said letter. Though GMIAL denied that the contract was void ab initio, MACL took over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. On March 15, 2014, Government of Maldives ('GoM') and MACL have served a case summary which sets out a new case that the claimants wish to advance at trial and amended pleadings have been received on March 24, 2014. Subsequent to March 31, 2014, the hearings of liability issues have taken place from April 10, 2014 to April 16, 2014 and the tribunal has not specified any timescales to produce any award. GMIAL is in the process of seeking remedies under the aforesaid concession agreement and the outcome of the arbitration is uncertain as at March 31, 2014. In view of the aforesaid matter, GMIAL continues to reflect assets amounting to Rs.1,431.50 crore (USD 23.66 crore) including claim recoverable of Rs. 1,062.90 crore (USD 17.57 crore) at their carrying values as at March 31, 2014, net of assets written off of Rs. 202.61 crore during the year ended March 31, 2013. GMIAL's ability to continue its future business operations and consequential impact on investments made / guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement. Further, GMIAL had executed work construction contracts with GADLIL and other service providers for rehabilitation, expansion, modernization of Male International Airport. Pursuant to aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 crore as at March 31, 2014 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognised as at March 31, 2014 since the amounts payable are not certain. Based on an internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident of proving that the concession agreement was not void ab initio and that GMIAL would be entitled for compensation under the concession agreement atleast to the extent of the carrying value of the assets taken over by the GoM / MACL and the subsequent expenditure incurred by GMIAL as at March 31, 2014 and accordingly the Standalone financial statements of the Company do not include any adjustments that might result from the outcome of this uncertainty.				
(iii) Auditors' comments on (i) above: Refer i(a) above.				



(ii)	Qualification 2
	a. Details of audit qualification: As detailed in Note 26(3) to the standalone financial statements for the year ended March 31, 2014, the management of the Company has recognized the profit on sale of its investments in Istanbul Sabiha Gokcen Uluslararası Havalimanı Yatırım Yapım Ve İşletme Anonim Şirketi ('ISG') of Rs 458.78 Crore (net of cost incurred towards sale of shares) in the financial statements for the year ended March 31, 2014. In the opinion of the independent auditors, since the sale consideration was received, the transfer of shares and certain regulatory approvals were obtained subsequent to March 31, 2014, recognition of the profit on sale of such investments in the financial statements of the Company for the year ended March 31, 2014 is not in accordance with the relevant Accounting Standards. Accordingly, profit after tax for the year ended March 31, 2014 would have been lower by Rs 452.80 Crore with a consequential effect on the reserves of the Company as at the year end
	b. Type of audit qualification : Qualified opinion
	c. Frequency of qualification: First year of qualification
	d. For audit qualification where the impact is quantified by the auditor, Management's Views: Quantifiable
	e. For audit qualification where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	(ii) If management is unable to estimate the impact, reasons for the same: During the year ended March 31, 2014, the Company along with its subsidiaries has entered into a definitive agreement with Malaysia Airports MSC Sdn Bhd (Buyer) for sale of their 40% equity stake in their jointly controlled entities: ISG and LGM Havalimanı İşletmeleri Ticaret Ve Turizm Anonim Şirketi ('LGM') for a sale consideration of Euro 20.90 Crore (net of equity gap adjustment of Euro 1.6 Crore and subject to debt and other working capital adjustments, which are currently under finalisation). The management based on its internal assessment and a legal opinion is of the view that all "Conditions Precedent" were either fulfilled or waived or agreed to be not applicable as at March 31, 2014 except for the buyer to obtain approval from Bank Negara Malaysia which was obtained on April 3, 2014 and subsequently after receipt of the sale consideration, the shares were transferred to the buyer on April 30, 2014 in view of which, the Company has recognized the profit on the sale of its investment in ISG (net of cost incurred towards disposal of Rs. 12.43 Crore) of Rs. 458.78 Crore, which has been disclosed as an exceptional item in the financial statements of the Company for the year ended March 31, 2014.
	(iv) Auditors' Comments on (ii) a above:
III.	Signatories:
	
	Company Secretary & Compliance Officer
	Adi Seshavaram Cherukupalli
	Place:
	New Delhi
	Date:
	September 22, 2016

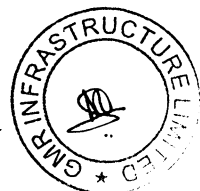


ANNEXURE I

GMR Infrastructure Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its standalone financial results for the year ended March 31, 2015

(in Rs. crore except for earning per share)				
I.	Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income (including other income)	669.22	669.22
	2	Total Expenditure (including finance cost, tax expenses, before exceptional items)	(759.47)	(759.47)
	3	Exceptional items gain / (loss) (net)	(262.40)	196.38
	4	Net profit/(loss)	(352.65)	106.13
	5	Earnings per share (in Rs.) - Basic	(0.83)	(0.83)
	6	Total assets	15,186.60	15,186.60
	7	Total liabilities	5,588.58	5,588.58
	8	Net worth (refer note 1)	9,598.02	9,598.02
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter in the Auditor's Report on Quarterly and Year to Date Standalone Financial Results	
Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India.				
II.	Audit Qualification (each audit qualification separately):			
(i)	Qualification 1			
	a. Details of audit qualification:			
	As detailed in Note 13(7) to the accompanying standalone financial statements for the year ended March 31, 2015, the Company through its subsidiary, GMR Infrastructure (Mauritius) Limited ('GIML') has investments of Rs. 228.21 Crore (USD 3.62 Crore) (including equity share capital of Rs. 145.67 Crore and share application money pending allotment of Rs. 82.54 Crore) towards 77% equity shareholding in GMR Male International Airport Private Limited ('GMIAL'). Further GIML has placed fixed deposits of Rs. 908.06 Crore (USD 14.40 Crore) with lenders towards loan taken by GMIAL and the Company has given a corporate guarantee of Rs. 2,475.11 Crore (USD 39.25 Crore) to the lenders in connection with the borrowings made by GMIAL. The Concession Agreement entered into between GMIAL, Maldives Airport Company Limited ('MACL') and Ministry of Finance and Treasury ('MoFT'), Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of Male International Airport ('MIA') for a period of 25 years was declared void ab initio by MACL and MoFT and MACL has taken possession of MIA with effect from December 8, 2012. GMIAL has initiated the arbitration process to seek remedies under the said agreement and on June 18, 2014, the tribunal delivered its award declaring that the Concession Agreement was not void ab initio and was valid and binding on the parties. However, the quantum of the damages is yet to be decided and accordingly, pending final outcome of the arbitration, such investment has been carried at cost in the standalone financial statements as at March 31, 2015 as the management is of the opinion that GMIAL will be able to recover at least the carrying value of the assets of Rs. 1,486.96 Crore (USD 23.58 Crore) including claim recoverable of Rs. 1,145.16 Crore (USD 18.16 Crore) as at March 31, 2015. Further, GMIAL has executed work construction contracts with GADL International Limited ('GADLIL'), a subsidiary of the Company and other service providers for Rehabilitation, Expansion, and Modernization of MIA. Pursuant to the aforesaid takeover of the airport by MACL, GMIAL has terminated the contracts with GADLIL and these service providers and has received claims from GADLIL and other service providers towards termination payments. However, no such claims relating to the termination of contracts have been recognised in the standalone financial statements of GMIAL as at March 31, 2015. The takeover of MIA by MACL, initiation of arbitration proceedings and its consequential impact on the operations indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of GMIAL and GADLIL. Having regard to the uncertainty in view of the dispute and the final outcome of the matter, we are unable to comment on its impact on the carrying value of the investment pertaining to the aforesaid entities and any other consequential impact that may arise in this regard on the standalone financial statements for the year ended March 31, 2015. In respect of the above matter, our audit report for the year ended March 31, 2014 was similarly qualified. In this regard also refer sub-paragraph (f) in the Emphasis of Matter paragraph.			
	b. Type of audit qualification: Qualified opinion			
	c. Frequency of qualification: Since year ended March 31, 2013			
	d. For audit qualification where the impact is quantified by the auditor, management's views: Not quantifiable			
	e. For audit qualification where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: Not ascertainable			
	(ii) If management is unable to estimate the impact, reasons for the same:			
	The Company through its subsidiary GIML has made investments of Rs. 228.21 Crore (USD 3.62 Crore) (including equity share capital of Rs. 145.67 Crore and share application money, pending allotment of Rs. 82.54 Crore) towards 77% holding in GMIAL and GIML has placed fixed deposits of Rs. 908.06 Crore (USD 14.40 Crore) with lenders towards loans taken by GMIAL. Further the Company has given a corporate guarantee of Rs. 2,475.11 Crore (USD 39.25 Crore) to the lenders in connection with the borrowings made by GMIAL. GMIAL entered into an agreement on June 28, 2010 with MACL and MoFT, Republic of Maldives for the Rehabilitation, Expansion, Modernization, Operation and Maintenance of MIA for a period of 25 years ("the Concession Agreement"). On November 27, 2012, MACL and MoFT issued notices to GMIAL stating that the Concession Agreement was void ab initio and that neither MoFT nor MACL had authority under the laws of Maldives to enter into the agreement. It was also stated that MACL would take over the possession and control of the MIA and GMIAL vacated the airport effective December 8, 2012. This has resulted in the GMIAL's principal activity becoming impossible from the date of takeover. The matter is currently under arbitration and the procedural meeting was held on April 10, 2013. On June 18, 2014, the tribunal delivered its award declaring that the Concession Agreement was not void ab initio and is valid and binding on the parties. Further, the tribunal declared that the Government of Maldives ('GoM') and MACL are jointly and severally liable to GMIAL for loss caused by repudiation of the contract. The quantum of the damages is yet to be decided and the damages are limited to the sum which would have been recovered under clause 19.4.3 (b) had the Concession Agreement been terminated on grounds of public interest pursuant to clause 19.2.1. (h). On November 21, 2014, GMIAL served its schedule of loss on the tribunal and on GoM and MACL together with the termination date claim report and the expert report quantifying the losses incurred by GMIAL and which GMIAL assert are recoverable on account of the tribunal's award. Further, GoM and MACL, on November 26, 2014, served a letter on the tribunal and on GMIAL asserting that the parties to the arbitration have different interpretations of the limitation in Paragraph 167(1) (g) of the aforesaid award of the tribunal ('preliminary issue') and the timetable had been agreed by the parties for hearing of the preliminary issue in the first half of 2015. Accordingly, after the tribunal has decided in respect of the preliminary issue, a time table will then be set for the hearing on the substantive quantum of the award. The final outcome of the arbitration is pending as at March 31, 2015. In view of the aforesaid matter GMIAL continues to reflect assets amounting to Rs. 1,486.96 Crore (USD 23.58 Crore) including claim recoverable of Rs. 1,145.16 Crore (USD 18.16 Crore) at their carrying values as at March 31, 2015, net of assets written off of Rs. 202.61 Crore during the year ended March 31, 2013. GMIAL's ability to continue its future business operations and consequential impact on investments made / guarantees given by the Company and GIML is solely dependent on the outcome of arbitration and / or a negotiated settlement. Further, GMIAL had executed work construction contracts with GADL International Limited ('GADLIL') and other service providers for rehabilitation, expansion, modernization of MIA. Pursuant to the aforesaid takeover of airport, GMIAL has terminated the contracts with GADLIL and these service providers. As per the terms of contracts, in the event of discontinuation of construction, GMIAL is required to pay termination payment to the service providers. GMIAL has received claims of around USD 8.00 Crore as at March 31, 2015 from GADLIL and other service providers. However, no such claims relating to the termination of contracts have been recognized as at March 31, 2015 since the amounts payable are not certain Based on the aforesaid award by the tribunal, internal assessment and a legal opinion obtained by GMIAL, the management of the Company is confident that GMIAL would be entitled for compensation under the Concession Agreement at least to the extent of the carrying value of the assets taken over by the GoM / MACL and the subsequent expenditure incurred by GMIAL as at March 31, 2015 and accordingly, the standalone financial statements of the Company do not include any adjustments that might result from the outcome of this uncertainty.			



	(iii) Auditors' comments on (i) above: Refer (a) above
(ii)	Qualification 2 a. Details of audit qualification: As detailed in Note 13(13(b)) to the accompanying standalone financial statements for the year ended March 31, 2015, the Company along with its subsidiary has made an investment of Rs. 729.43 Crore in GMR Kishanghar Udaipur Ahmedabad Expressways Limited ('GKUAEL'), a subsidiary of the Company (including loans of Rs. 29.43 Crore and investment in equity shares and preference shares of Rs. 700.00 Crore), which is primarily utilised by GKUAEL towards payment of capital advance of Rs. 590.00 Crore to its EPC contractor and Rs. 130.99 Crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). GKUAEL has also given a bank guarantee of Rs. 269.36 Crore to National Highways Authority of India ('NHAI'). GKUAEL issued a notice of intention to terminate the Concession Agreement during the earlier year and a notice of dispute to NHAI invoking arbitration provisions of the Concession Agreement during the current year. Both the parties have appointed their arbitrators and the arbitration process is pending commencement. Pursuant to the notice of dispute, GKUAEL terminated the EPC contract on May 15, 2015. As a result, based on internal assessment, the management of the Company made a provision for diminution in the value of investments/advances amounting to Rs 130.99 Crore during the year ended March 31, 2015. However, the notice of dispute and initiation of arbitration proceedings indicate the existence of a material uncertainty that may cast a significant doubt about the going concern of the GKUAEL. Having regard to this uncertainty, we are unable to comment on the final outcome of the matter and its consequential impact on the carrying value of the Company's investment in GKUAEL in the standalone financial statements of the Company for the year ended March 31, 2015. b. Type of audit qualification : Qualified opinion c. Frequency of qualification: First year of qualification d. For audit qualification where the impact is quantified by the auditor, Management's Views: Not quantifiable e. For audit qualification where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not applicable (ii) If management is unable to estimate the impact, reasons for the same: The Company along with its subsidiary made an investment of Rs. 729.43 Crore in GKUAEL (including loans of Rs. 29.43 Crore and investment in equity/preference shares of Rs. 700.00 Crore made by the Company and its subsidiary), which is primarily utilized by GKUAEL towards payment of capital advance of Rs. 590.00 Crore to its EPC contractors and Rs. 130.99 Crore towards indirect expenditure attributable to the project and borrowing costs ('project expenses'). GKUAEL has also provided a bank guarantee of Rs. 269.36 Crore to NHAI. GKUAEL had entered into a Concession Agreement with NHAI on November 30, 2011 for six laning of Kishanghar-Udaipur-Ahmedabad section of National Highways 79A, 79, 76 and 8. Pursuant to non-fulfillment of the mandatory 'Conditions Precedent' specified under the Concession Agreement within the due date, GKUAEL issued a notice to NHAI dated December 21, 2012 of its intention to terminate the Concession Agreement. In response, NHAI vide their letter dated January 1, 2013 termed the notice not maintainable both in law and in facts. NHAI in their letter dated January 17, 2013 to GKUAEL also indicated of making good the alleged defaults of NHAI within the cure period of 90 days. The management of GKUAEL had submitted the proposal for the continuance of the project subject to certain modifications in the financial and other terms in the Concession Agreement and held discussions with NHAI for revival of the project. Considering efforts for revival of the project did not succeed, GKUAEL issued a notice of dispute to NHAI dated February 16, 2015, invoking arbitration provisions of the Concession Agreement. Both the parties have appointed their arbitrators and the arbitration process is pending commencement. In addition, GKUAEL awarded the EPC contract to GMR Projects Private Limited ('GPPL') and had given an advance of Rs 590.00 Crore as stated above. Pursuant to the notice of dispute, GKUAEL has terminated the contract on May 15, 2015. GKUAEL is yet to receive any claim from the EPC contractor and as such, no such claim relating to the termination of contract has been recognised by GKUAEL as at March 31, 2015 as the amounts payable are not certain. Due to the termination of concession agreement with NHAI, initiation of arbitration proceedings and its consequential impact on the operations, the management of the Company, based on its internal assessment, has made a provision for diminution in the value of investments/advances amounting to Rs 130.99 Crore (including advances of Rs. 5.70 Crore) which is disclosed as an exceptional item in the standalone financial statements of the Company for the year ended March 31, 2015. Further, based on an internal assessment and a legal opinion, the management of GKUAEL is confident that it will be able to claim compensation from NHAI for the loss it has suffered due to termination of contract for reasons as stated aforesaid and accordingly considers that no further provision for diminution in the value of investments is necessary as at March 31, 2015. (iv) Auditors' Comments on (ii) above: Refer ii(a) above.
(iii)	Qualification 3 a. Details of audit qualification: As detailed in Note 26(2) to the accompanying standalone financial statements for the year ended March 31, 2015, the management of the Company recognised the profit on sale of its investments in Istanbul Sabiha Gokcen Uluslararası Havalimani Yatirim Yapim Ve Isletme Anonim Sirketi ('ISG') of Rs 458.78 Crore (net of cost incurred towards sale of investments) in the standalone financial statements for the year ended March 31, 2014. In our opinion, since the sale consideration was received, the transfer of shares and certain regulatory approvals were obtained during the year ended March 31, 2015, recognition of the profit on sale of such investments in the standalone financial statements of the Company for the year ended March 31, 2014 was not in accordance with the relevant Accounting Standards and accordingly, should have been recognised in the standalone financial statements for the year ended March 31, 2015. Accordingly, profit before tax for the year ended March 31, 2014 and loss before tax for the year ended March 31, 2015 would have been lower by Rs. 458.78 Crore. In respect of the above matter, our audit report for the year ended March 31, 2014 was similarly qualified. b. Type of audit qualification : Qualified opinion c. Frequency of qualification: Since year ended March 31, 2014 d. For audit qualification where the impact is quantified by the auditor, Management's Views: Not quantifiable e. For audit qualification where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: Not applicable (ii) If management is unable to estimate the impact, reasons for the same: During the year ended March 31, 2014, the Company along with its subsidiaries entered into a definitive agreement ('SPA') with Malaysia Airports MSC Sdn Bhd ('Buyer') for the sale of their 40% equity stake in their jointly controlled entities; ISG and LGM Havalimani Isletmeleri Ticaret Ve Turizm Anonim Sirketi ('LGM') for a sale consideration of Euro 20.90 Crore (net of equity gap adjustment of Euro 1.60 Crore and subject to debt and other working capital adjustments). The management has represented that there has been no further working capital adjustments made on account of the aforesaid sale transaction. Further, the management based on its internal assessment and a legal opinion was of the view that all "Conditions Precedent" were either fulfilled or waived or agreed to be not applicable as at March 31, 2014 except for the buyer to obtain an approval from Bank Negara Malaysia which was obtained on April 3, 2014 and subsequently after receipt of the sale consideration, the shares were transferred to the buyer on April 30, 2014, in view of which, the Company recognized the profit on the sale of its investment in ISG (net of cost incurred towards disposal of Rs. 12.43 Crore) of Rs. 458.78 Crore, which was disclosed as an exceptional item in the standalone financial statements of the Company for the year ended March 31, 2014. Further, pursuant to the SPA entered with the buyer, the Company along with its subsidiaries has provided a guarantee of Euro 4.50 Crore towards claims, as specified in the SPA for a period till December 2015 and in respect of tax claims, if any, the guarantee period is upto May 2019. (iv) Auditors' Comments on (iii) above: Refer iii(a) above.
III.	Signatories: Company Secretary & Compliance Officer Place: New Delhi Date: September 22, 2016  Adi Seshavaram Cherukupalli

