

October 30, 2014

The Company Secretary
GMR Infrastructure Limited
Skip House, 25/1,
Museum Road,
Bangalore - 560025

Kind Attn: - Mr. C. P. Sounderarajan

Dear Sir,

Sub: - Manner of Dealing with the Qualified Audit Reports filed by the Listed Companies.

This has reference to SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013 on the captioned subject matter.

SEBI has informed the Exchange that based on the deliberations at QARC, the cases (Annexure I) were referred to FRRB for its opinion on the qualifications. Subsequently, SEBI is in receipt of opinion of FRRB in these cases.

SEBI has directed the Exchange to advise the company, with regard to restatement of Financial Statements pertaining to Financial Year 2012-13 in terms of Clause 5 (d) (ii) of the SEBI Circular dated August 13, 2012, June 05, 2013.

You are advised to ensure compliance of the said SEBI directives and report status of compliance to the Exchange.

Yours faithfully,
For National Stock Exchange of India Limited



Avinash Kharkar
Asst. Vice President

CC to: The Statutory Auditor
S.R. Batliboi & Associates LLP, Chartered Accountants
12th & 13th Floor, U B City, Canberra Block,
No. 24, Vittal Mallya Road,
Bengaluru - 560001



Name of the Company	Qualification	Opinion of FRRB	Action to be taken
GMR Infrastructure Limited	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.	Qualification is justified.	Restatement under Clause 5(d)(ii) of the SEBI Circular
	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.		