

November 9, 2017

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

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

Dear Sirs,

Sub: Press Release

Intimation under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that the Company is proposing to issue Press Release on ***“clarification with reference to certain section of media reports and articles on Paradise Papers alleging that the group has number of overseas subsidiaries in attempt of tax avoidance through offshore entities”***.

a copy of which is enclosed.

This is for your information and record.

Thanking you,

Yours faithfully,

For GMR Infrastructure Limited



A.S. Cherukupalli
Company Secretary & Compliance Officer

Encl: Press Release [Three Pages]

Press Note:

GMR Infrastructure Limited, a listed entity, would like to clarify with reference to certain section of media reports and articles on Paradise Papers alleging that the group has number of overseas subsidiaries in attempt of tax avoidance through offshore entities:

GMR Infrastructure is a listed entity governed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and strict disclosure requirements of SEBI, FEMA and RBI guidelines. It has followed the requisite governing practices and statutory/regulatory requirements in setting up overseas subsidiaries in various countries for running its business ventures. As the company is involved in developing and operating capital intensive infrastructure projects, which require multiple partners of global repute, setting up subsidiaries in various countries becomes a business necessity and the group has followed the established principles and practices that are in consonance with rules and regulations. Further the investments into these projects need to be made from countries having good trade and tax relations and treaties with the country requiring multiple entities.

The group has followed all established practices in addition to statutory procedures in declaring the relevant income of various companies in applicable jurisdictions and discharged all tax obligations as and when they arose. Necessary disclosures on the investment structures and shareholding interests were made to all authorities and financial institutions at various times, and at times have approached the appropriate authorities for their clearance prior to setting up such structures. Most of the investments require various statutory approvals in the relevant country, whether it is Anti-Trust or competition commission or national security clearance and in the process GMR Group has submitted complete details till the ultimate

beneficial ownership to such authorities at the time of transactions and only on obtaining the approvals from the relevant authorities in these countries such investments were possible for the group.

On account of continued difficult business scenario post the financial turmoil of 2007, the group exited from its investment in Intergen NV and consequent to this, other overseas investments were to be restructured so as to ensure that the shareholders' interests are protected and the cost of operations are optimised. This reorganization was done consistent with all local and international tax and corporate laws and with the necessary approvals of regulatory authorities. At each stage reputed international financial and legal firms were duly consulted and ensured that the transactions are well within the permissible means and in legal compliance of applicable rules and regulations. Such changes in holding structures are expected of any business group who work for maximizing the returns to its shareholders and investors.

The Group booked for Falcon aircraft to cater to the NSOP operations and over the period of time remitted 11 Mn USD to Dassault as advance for purchase of aircraft. However in the changed business scenario in India and overseas, the group decided not to buy aircraft and taken up Dassault for return the advance. Dassault has not agreed for the same and insisted on taking delivery. Hence it was decided to explore opportunities to sell the aircraft after taking delivery. The negotiations for sale were going on while the aircraft was getting ready for delivery and finally sale was completed immediately after delivery. As explained above the group has no option but to take delivery and sell in the market in Dec 2013 to avoid forfeiture of 11 mn USD of advance paid to Dassault. As flying the aircraft into India, getting it registered and then selling would have been a costly option in terms of time and costs, we explored ways to sell overseas. In line with this plan, aircraft was purchased by overseas company and sold to buyer soon after taking delivery. Thus we could reduce the loss to only

\$4.5 mn instead of forfeiture of \$11 mn and also avoided attendant litigation expenses with Dassault for not accepting the delivery of plane.

GMR Group's shareholding and structures has always been in public domain and the group has been prompt in making necessary disclosures and also in providing periodical updates and information not only to statutory authorities but also to various financial institutions who are governed by RBI and US regulations. The complete list of overseas subsidiaries/joint ventures and their financial results are being incorporated in the Annual Reports of GMR Infrastructure, copies of which are sent to all shareholders and also made available on the website of the company.

GMR group would like to emphasize that all overseas investments were conducted well within the permissible limits of FEMA, Income Tax Act, Companies Act, 2013, SEBI and RBI regulations. Further all its business activities and investments in overseas entities are in conformity with well-established norms and are in compliance with all applicable Tax laws in respective countries. GMR group has not involved in or made any attempts of tax avoidance in any country as allegedly reported in certain section of media.

For Further details, please contact:

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