

June 1, 2018

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 Sir/ Madam,

**Subject:** Audit Qualification of Rs. 2,250 Crs - Non Provisioning of equity Investment in Chhattisgarh & Gas based Projects

We have seen Unusual price movements in the stock of GMR Infrastructure Limited and have received a few media enquiries as well. With a view to contain any speculative actions and to protect the interests of the investors we are providing the following clarification through the Stock Exchanges.

Group has invested Rs. 3,386 Crs as equity in Chhattisgarh and already more than 60% % i.e., Rs. 1,883 Crs has been provided for till March, 2018. Chhattisgarh is currently undergoing Resolution Plan through Bid process led by the lenders and the last date of submission of Final Bids is 11<sup>th</sup> June, 2018. Both Lenders and GMR are expecting a competitive binding bids by high quality investors who participated in non-binding stage and therefore, GIL will be able to sustain the equity carrying cost once this resolution plan is completed.

With respect to Gas Based Projects, substantial equity has been already written off in the book and we are expecting the operationalization of one of the plants this quarter which should improve the viability of the project and the carrying value in the balance sheet.





As these processes are likely to be resolved soon, we have chosen to accept the qualification in consultation with the auditors. We would like to emphasize that there is a full agreement between management and auditors on this position and depending upon the developments, GMR is committed to make appropriate provisions, if necessary, in June, 2018 quarter which would result into withdrawal of the auditors' qualification.

Thanking you,

**for GMR Infrastructure Limited**

A handwritten signature in blue ink, appearing to read 'T. Venkat Ramaña'.

**T. Venkat Ramaña**  
**Company Secretary & Compliance Officer**