

GMR Infrastructure Limited
(Rs. in Crores)
Report on Consolidated Segment Revenue, Results and Capital Employed

	Quarter ended		Half year ended		Year ended
	Sept. 30, 2006, Reviewed	Sept. 30, 2005, Unaudited	Sept. 30, 2006, Reviewed	Sept. 30, 2005, Unaudited	March 31, 2006, Audited
1. Segment Revenue					
a) Airports	152.83	-	249.36	-	-
Less: Annual Fee to Airports Authority of India	70.57	-	115.38	-	-
Net Airports Revenue	82.26		133.98		
b) Power	197.86	181.14	516.21	410.23	907.01
c) Roads	36.06	38.51	73.27	76.28	150.53
d) Others	5.77	5.54	6.32	7.05	62.44
Total	321.95	225.19	729.78	493.56	1,119.98
Less: Inter-segment Revenue	0.88	0.88	1.75	1.75	55.92
Net Segment Revenue	321.07	224.31	728.04	491.80	1,064.06
2. Segment Result (Profit before tax and interest from each segment)					
a) Airports	13.58	0.00	18.62	-	-
b) Power	36.49	39.59	79.98	82.08	177.39
c) Roads	17.90	18.72	37.52	38.28	64.27
d) Others	5.31	3.05	5.24	4.18	(6.19)
Total	73.28	61.36	141.36	124.54	235.47
Less: Interest expenses	27.55	34.82	53.02	68.99	129.36
Profit before tax	45.73	26.54	88.34	55.55	106.11
3. Capital employed (Segment Assets - Segment Liabilities)					
a) Airports	568.62	279.68	568.62	279.68	297.35
b) Power	744.52	695.35	744.52	695.35	740.90
c) Roads	427.37	202.87	427.37	202.87	216.09
d) Others	701.40	(210.49)	701.40	(210.49)	(259.58)
Total	2,441.91	967.41	2,441.91	967.41	994.76

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Notes:**1. Consolidated Results:**

- a) The Company is a holding company with investments mainly in special purpose companies (subsidiaries) engaged in specific infrastructure projects. It carries out all its businesses through these subsidiaries which are formed and operated in accordance with the related concession agreements. Hence, the company does not have any independent business revenues other than the dividends from its subsidiaries, which are usually declared at the end of the financial year. Therefore, the company is presenting its consolidated results to give complete view of all its businesses operated through its subsidiaries and its standalone activities and the aggregate results of operations thereof.
- b) The consolidated results have been extracted from consolidated financial statements prepared in accordance with principles and procedures as set out in the Accounting Standard - 21 on 'Consolidated Financial Statements' and Accounting Standard - 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.
- c) During the period ended September 30, 2006, the Company has acquired 99.99% of the equity share capital of GVL Investments Private Limited (GVL). Consequently, GVL, Delhi International Airport Private Limited and Gateways for India Airports Private Limited have become subsidiaries of the Company. Hence, the consolidated results for the current period are not fully comparable with those of the corresponding period of the previous year.

2. Segment Reporting (consolidated)

- a) The segment report of the Company and its consolidated subsidiaries and associates has been prepared in accordance with Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
- b) The business segments comprise of the following:

Segment	Description of Activity
Airports	Development and operation of airports
Power	Generation of power
Roads	Development and operation of roadways
Others	Residual activities

3. Utilization of funds received through private placement (pre-IPO) and Initial Public Offer (IPO):

During the half year ended September 30, 2006, the company has allotted 28,510,206 equity shares of face value of Rs. 10 per share by way of pre-IPO private placement and 38,136,980 equity shares of face value of Rs. 10 per share by way of IPO. The details of funds received towards such allotment, including share premium thereon, and utilisation of such funds are given below:

(figures in rupees crores)

Particulars	Pre-IPO private placement	IPO
Funds received	544.25	792.57
Utilization		
(i) Investment in subsidiary companies (directly/through another subsidiary)	127.00	70.33
(ii) Repayment of Unsecured Loans taken for the purpose of investment in subsidiaries	109.30	66.51
(iii) Repayment of Unsecured Loans	63.47	55.00
(iv) Payment to GMR Holdings Private Limited and GMR Operations Private Limited for acquisition of equity shares of GVL Investments Private Limited	243.47	76.85
(v) Expenses in connection with the Initial Public Offer of equity shares of the Company	-	9.58
(vi) Repayment of unsecured loan taken for the purpose of incurring the expenses related to the Initial Public Offer	-	29.36
(vii) Corporate expenses	1.01	-
Total utilization	544.25	307.63
Balance of unutilised funds	-	484.94

- a) The funds received do not include arrears on allotment as at September 30, 2006 amounting to Rs. 2.35 Crores.
 - b) The balance of unutilised funds amounting to Rs. 484.94 Crores raised by way of Initial Public Offer have been temporarily invested in fixed deposits and other short term investments, pending utilisation for the objects of the issue.
4. **Investor complaints:** During the current quarter, 96 investor complaints were received and were resolved. There were no complaints pending, both at the beginning and at the end of the quarter.
 5. The stand alone and consolidated results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on October 26, 2006.
 6. **Limited review by auditors:** The statutory auditors of the company have carried out a Limited Review of the Unaudited Stand Alone and Consolidated Financial Results for the half year ended September 30, 2006.
 7. Figures pertaining to previous periods have been regrouped and reclassified, wherever necessary, to conform to the classification adopted in the current period.

8. Matters relating to subsidiaries

A. Airports

a) Delhi International Airport Private Limited (DIAL)

- (i) Pursuant to the Operation, Management and Development Agreement entered into with the Airports Authority of India dated April 4, 2006, the operations of the Delhi Airport have been taken over by DIAL with effect from May 3, 2006.
- (ii) In the matter of a special leave petition filed by one of the unsuccessful bidders in connection with the result of the bid relating to privatisation of the Delhi Airport, the Hon'ble Supreme Court has heard the arguments and the matter is pending with the Hon'ble Supreme Court.

b) GMR Hyderabad International Airport Limited (GHIAL)

- (i) GHIAL and Menzies Aviation PLC., have formed a joint venture company named "Cadence Cargo Private Limited" to carry out the cargo operations pursuant to an agreement dated April 28, 2006.
- (ii) GHIAL has granted the exclusive concessions to design, build, finance, operate and maintain the in-flight kitchen facilities at the Airport to LSG Sky Chefs (India) Private Limited and Sky Gourmet Private Limited, vide agreements dated August 31, 2006 and September 11, 2006 respectively. These agreements are for concession periods of 20 years from the date of commencement of commercial operations.

B. Roads Sector:

- a) GMR Tuni Anakapalli Expressways Private Limited and GMR Tambaram Tindivanam Expressways Private Limited, subsidiaries of the Company, have filed applications dated September 13, 2006 before the Hon'ble High Court of Andhra Pradesh for redemption of Preference Share Capital amounting to Rs. 77.78 Crores and Rs. 106.04 Crores respectively. The Company holds 74% of such Preference Share Capital.
- b) During the period April – October 2006, GMR Ambala Chandigarh Expressways Private Limited, GMR Jadcherla Expressways Private Limited, GMR Pochanpalli Expressways Private Limited and GMR Ulundurpet Expressways Private Ltd. subsidiaries of the Company, have achieved their financial closures.

C. Power Sector:

- a) GMR Energy Limited, a subsidiary of the Company, entered into a Memorandum of Understanding with the Government of Orissa on June 9, 2006, to set up a 1,000 MW coal based Thermal Power Plant at Dhenkanal District, Orissa and entered into Power Purchase Agreement (PPA) with Grid Corporation of Orissa Ltd., for part of the capacity.
- b) Vemagiri Power Generation Limited (VPGL), a subsidiary of the Company, has completed all the testing and commissioning activities witnessed by AP Transco, the off taker, required for declaration of commercial operation of its power generation facility. Official communication from AP Transco declaring September 16, 2006 as the commercial operation date is awaited. However, the working results have been prepared considering the date of commercial operation as September 16, 2006.

Bangalore
Dated: October 26, 2006


CBS Raju
Director and Group CFO

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