Moderator: Ladies and gentlemen good day and welcome to the GMR Infrastructure Limited’s Q1 FY11 conference call. As a reminder for the duration of this presentation, all participants’ lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today’s opening remarks. Should you need assistance during the conference, please signal an operator by entering * and then 0 on your touchtone phone. Please note that this conference is being recorded. I would now hand the conference over to Ms. Khushnum Pestonji of Citigate Dewe Rogerson, thank you and over to you.

Khushnum Pestonji: Thank you. Good afternoon everyone. We welcome you to this conference organized to discuss GMR Infrastructure Limited’s operating performance and financial results for the quarter ended June 30, 2010 which have been announced earlier. We have with us Mr. Subbarao and CFOs of GMR’s business verticals. Before we begin, I would state that some of the statements made in today’s discussions maybe forward looking in nature and may involve risks and uncertainties. I would request Mr. Subbarao to begin with the opening remarks, following with which we should start with the Q&A session.

Subbarao: Ladies and gentlemen Good afternoon. I am Subbarao here, glad to be with you again. I will not spend much time on the introduction and opening remarks. I would rather leave the space for Q&A, but I will briefly touch upon the highlights for the quarter.

The major highlight was winning Male Airport which is a 25 year construction; post the construction completion in 2014.

And second is shifting of the barge mounted plant from its old location near Mangalore to the new location KG basin. It started functioning from July onwards on a single cycle basis and it is ready to move on to the combined cycle anytime from now on. These are two major things.

The financial closure for the two-road projects have been achieved. I think these are the brief highlights and the financial highlights have already been given to you, the presentation with you and we will deal with your questions as and when you come up with those issues.

I think I will leave the floor open for the questions and we will address all the questions including whatever you have on Male and other projects.

Moderator: Thank you very much. Ladies and gentlemen we will now begin with the question and answer session. Our first question is from the line of Atul Tiwari of Citigroup.
Atul Tiwari: I have a couple of questions on InterGen, because we have been reading about this in newspapers. Recently, you refinanced the loan, could you throw some light on that aspect; what was the amount that was refinanced, what would be the new interest rates and was there any refinance fee involved?

Subbarao: The total amount that was to be refinanced was 837 million, of which 100 million was contributed from our sources, from our surplus funds as equity and the balance 737 was refinanced into trenches. And this has a two year moratorium period from the date of the closure of the loan and it is repayable from the third year onwards, third, fourth, and fifth in three installments.

Atul Tiwari: What would be the new interest rate from this refinanced amount?

Subbarao: The total is L + 425 basis points.

Atul Tiwari: And was there any refinance fee, or a one time fee for refinancing?

Subbarao: No, this is all inclusive.

Atul Tiwari: The equity of 100 million, will that be contributed by GMR Infrastructure or will the GMR holding company contribute it, because we understand that the legal ownership is with the GMR holding company?

Subbarao: No, it is GMR Infrastructure, as we said earlier, the beneficial owner for the entire structure is GMR Infra. All the accrued results would accrue to GMR Infra for this investment and hence it is GMR Infra which has made the investment in the past as well as it has made the investment now.

Atul Tiwari: Okay after the 100 million is included, your total equity investment will now be 150 million, including 50 million that you invested at the beginning of the deal, is that the right understanding?

Subbarao: Yes it is.

Atul Tiwari: How much dividend have you got from InterGen so far since you acquired the company?

Subbaraor: The total distribution is 65 million, out of which 32.5 million has accrued to GMR.

Atul Tiwari: Okay so the SPV that was acquired has received 32 million as dividend.

Subbarao: That’s right.

Atul Tiwari: It appears that over two years you would have paid more than 32 million rupees of interest in the SPV, is the understanding right because the interest rate or the interest outgo was lower than 32 million?

Subbarao: Yes it is correct; the interest outgo is higher than 32 million.

Atul Tiwari: So how did you pay the remaining interest amount?
Subbarao: We have funded.

Atul Tiwari: Funded as in you borrowed more money or have you invested equity from GMR Infrastructure?

Subbarao: We have invested out of the surplus funds, GMR Infra had.

Atul Tiwari: So then the total equity investment is more than 150 million?

Subbarao: Yes approximately, 200 now.

Atul Tiwari: So basically 50 million was the original investment, 50 million for interest payment and 100 million is the equity that you have put in now, that is a total of 200. Is that the right understanding?

Subbarao: Yes Atul the total is 300; 200 was the earlier investment and 100 now, so we have increased the actual investment, the total investment is 300 million.

Atul Tiwari: So the total equity investment before the refinancing was 200?

Subbarao: Yes, if we include interest that we have funded over the last two years it was 200; that was before making the 100 million investments. Inclusive of this 100 it is 300 now.

Atul Tiwari: So 50 million out of this unit was the original amount that you have put in and 150 million is the interest funding and plus 32 million whatever you got from the company as a dividend?

Subbarao: No, I am not sure where this 50 million original investment is coming from, it’s higher than 50 million, so the interest and the original investment put together was 32 million and 100 million additional equity now that has been put in, all together is 300 million.

Atul Tiwari: My final question is again on InterGen, so I mean we have been hearing in the newspapers that you are exploring options to sell that stake, so any indications regarding the timeline and the valuation that you are asking for, if there is any?

Subbarao: All that has happened is that we have received some enquiries, unsolicited enquiries from some parties. We have not taken any decision so far on what we need to do about it. When we take the right decision then we will come back to you on this.

Moderator: Our next question is from the line of Pramod Amte of RBS.

Pramod Amte: This is post the Temasek placement and the other placements, what will be the holding in the main energy holding company?

Subbarao: What we have issued to Temasek is compulsory convertible preference shares, there is no equity dilution as of now. GMR Infra continues to hold 100% in GMR Energy, the equity to Temasek or IDFC would be issued at the time of IPO, till that point of time, there won't be any dilution. GMR Infra will continue to hold 100% till IPO.
Pramod Amte: And with regards to the capital employed, there seems to be a sharp jump in the power vertical and the EPC, would you like to give some color, on what the reason is for the same on a quarterly basis?

Subbarao: The increase in the capital employed is on account of two sources, one is the increase in the CAPEX in various new projects that are going on, Kamalanga, Emco, and the 768 megawatt expansion that’s happening in KG basin for the existing facility in Vemagiri, and also the receipt of private equity, because these are the two sources, because of which the capital employed has gone up in energy verticals.

Moderator: Our next question is from the line of Shashikiran Rao of Standard Chartered.

Shashikiran Rao: Regarding InterGen has it now come to a stage where you will be consolidating your InterGen numbers into your quarterly, your annual numbers or will it still be…?

Subbarao: No, the entire investment is held in the form of compulsory convertible debentures which under the Indian GAAP is not necessary to consolidate, if and when we move to IFRS situation which is expected from the next financial year, yes, we need to consolidate we are evaluating the form of consolidation at that point, as of now it's not necessary to consolidate.

Shashikiran Rao: Can you shed some light on the half yearly results of InterGen, how is it performing?

Subbarao: The numbers are not out, they are expected to be released in the second week of August and first the process is that they have to share through a conference call with their bond holders then only we can share this with you.

Shashikiran Rao: But on a broader level, do you expect that going forward, your interest payment on the new refinanced loans will be funded largely through the dividends or will you be looking at further equity infusion in funding the interest of this venture?

Subbarao: See there could be timing mismatch, we may need to fund it first and then we may receive the dividend, but largely we expect that dividend phased to meet the interest payment in the coming year.

Shashikiran Rao: But how has that track record been so far, I mean in the sense of, over last two years since you acquired it?

Subbarao: Yes the first year, there couldn’t have been dividend received; in the second year, we have received 32.5 million of total 65 million dividend planned and the balance we expect to receive this year.

Shashikiran Rao: And what growth opportunity, do you see in this venture, you have some 4200 megawatts to be operational over the next few years, do you expect that to contribute to your earnings growth and consequent dividend growth, which can help you?
Subbarao: Yes absolutely. So the implementation goes on, so as and when this implementation starts generating the revenues, certainly it will add to the revenue growth as well as to the bottom line growth and dividend growth.

Shashikiran Rao: But as a privately held venture, do you expect any equity call further from being 50% partner in equity?

Subbarao: No equity calls are expected in the next two years.

Moderator: Our next question is from the line of Shankar K of Edelweiss.

Shankar K: I wanted the breakup of other income at the consolidated level, what has contributed to around 61 crore of other income?

Subbarao: There is a ‘Serve from India’ Scheme in the AIR Force which has contributed about 14 crore, one source of income and 24 crore on account of the mutual funds on the treasury funds that are deployed.

Subbarao: The ‘Serve from India’ Scheme it is in airports business, we have lot of foreign airlines, so in the kind of deemed exports when we earn the foreign exchange through airport services, and it is called Served from India Scheme. Based on the revenue earned, there is a percentage of concession, kind duty draw back that you are given, so that is recognized as income, it’s a recurring income.

Bhaskar Rao: We have forex fluctuation gain that is basically mark to market gain in some of the loans that are given by the companies of about 26 crore and we have investment income out of mutual fund which is about 27 crore.

Shankar K: Secondly, out of the cash and investments of roughly around 7,500 crore, how much are money which you can directly use as equity investments or as funding going towards as equity towards your pipeline projects, in that sense how much is unencumbered cash?

Subbarao: It is not 7,500, it’s totally 5,600 crore is the total money that’s available.

Shankar K: Plus I am adding the 1,600 crore in cash and bank balance.

Subbarao: The investments, they are not totally liquid investments, there are some long terms investments, so excluding that mutual fund investments which are liquid investments is about 4,000 crore and 1,500 crore cash approximately about 5,500 crore is the total cash that is available. Of which, the entire money is not encumbered and cumbered, of which about approximately 4,000 crore is available for equity investments and the balance 1,500 crore is a kind of interim money that is being drawn from the initiation which are waiting for the requirement in the projects.

Moderator: Our next question is from the line of Sandeep Bansal of UBS.

Sandeep Bansal: Can you give us an update on the process of land monetization near the Delhi Airport. And second on your capital raising plans in the airport holding company?
**Subbarao:** On land monetization as you know 45 acres of land we have already monetized which was to part fund the CAPEX of the airports T3 and the total expansion that we have taken. And there is no further monetization plan as of now, we are focusing on the stabilization of the T3 operations now. We will have to evaluate based on the situations later. As of now, there is no plan.

**Sandeep Bansal:** So in FY11, we do not expect to undertake any further monetization?

**Subbarao:** We haven’t decided anything as of now, we will take an appropriate decision after the stabilization of the T3 operations, first we are focusing on this and then we will decide on that.

**Sandeep Bansal:** The second question of raising capital in the airport holding company, because recently there has been some news flow around that, will it be possible for you to throw any light on this?

**Subbarao:** See we have started certain efforts to raise the capital before we went ahead with this QIP as well as the energy vertical private equity plan, so those efforts are still in the pipeline and perhaps the news has come out of that and we have not taking any definitive action in this regard to raise any further private equity in the airport holding company.

**Sandeep Bansal:** Would you be looking at raising some capital in this financial year?

**Subbarao:** I wouldn't be able to say anything at this juncture; there still a lot of ground needs to be covered.

**Moderator:** Our next question is from the line of Salil Desai of IDFC.

**Salil Desai:** Can you give me some numbers on Homeland, I understand now it's a subsidiary and we are consolidating it line by line, so are there any write offs that you have taken like in the earlier quarter.

**Subbarao:** As of now till the current quarter, till the first quarter that is June ended quarter, we have shown it as an associate and we had just 34% equity and which is now going up to 54% following a rights issue. And from the next quarter onwards, it would be line by line consolidation, and minority interest would be subtracted, now that there are certain expenses which are still continuing in the corporate office and elsewhere which are resulting in a net loss of about 3-4 crore per quarter, which would be consolidated and minority interest would be excluded overall.

**Salil Desai:** Alright, second is what will be the total debt in the GMR Infrastructure holding company?

**Subbarao:** It is 1,900 crore in the holding company.

**Salil Desai:** Are there any plans for any incremental borrowing now?

**Subbarao:** There is no incremental borrowing as of now.
Salil Desai: About our Delhi Airport, in the presentation at the financial overview, there is some restatement of cargo volumes in Q1 FY10; I wanted to check what has changed? The cargo volume tons, if I look at your Q1 FY10 numbers which were reported back then, it is shown as a comparable numbers in this quarter presentation, there is about 25,000 odd ton short, so any particular reason or what would have changed is what we are trying to figure out?

MS Narayana: We don’t have readily the answer, we will come back to you.

Salil Desai: My last question is in Vemagiri, now that we already applied to AP Transco for this hike, so when can we expect it and this is you said 20 paisa fixed cost hike, right, fixed tariff hike?

Subbarao: The matter is with APREC, so we have to wait for its adjudication, we can't give it definitive timeframe as to when it will give its judgment.

Moderator: Our next question is from the line of Vijay Kumar of Spark Capital.

Vijay Kumar: My question pertains to the plant at Kakinada, how are you selling the power and at what rates are you realizing the power sale at this point in time?

Subbarao: Which one the barge mounted plant?

Vijay Kumar: Yes.

Subbarao: First 100 megawatt has been in operation ever since we started the commissioning, so we are selling on monthly contract basis which are on 4.50 paisa approximately and it is ready for combined cycle commissioning at any point of time now. So we will continue to sell to AP Transco.

Vijay Kumar: This is on month ahead basis?

Subbarao: Yes.

Vijay Kumar: Can we expect that the entire 230 megawatts will be operational by the beginning of September?

Subbarao: No, it will be in the current month itself.

Vijay Kumar: And you are selling to AP Transco; I am little curious over here, in other plants AP is not allowing merchant tariff, for instance GVK’s plants, why is this treatment being given, is there any reason for this?

Subbarao: Vijay, we will not be able to comment on what they are doing with others but as far as we are concerned, yes we are able to sell.

Vijay Kumar: And then Vemagiri, you have asked for 20 paisa increase in fixed tariff, which is what you mentioned, right?

Subbarao: No, it's more than that to recover all the past losses it's 40 paisa per unit and the longer the delay in this the greater the increase.
Vijay Kumar: So based on your calculation, the 40 paisa increase will be applied prospectively from today, is that how it works?

D R S Krishnan: Yes that’s right.

Moderator: Our next question is from the line of Nimisha Agarwal of CRISIL Research.

Nimisha Agarwal: In your road segment, what is the debt equity ratio for your three recent projects the Hyderabad-Vijayawada, Hospet-Hungud, and Chennai-Outer Ring Road Project?

Amit: For Hyderabad it’s 3.35:1, Chennai is 1.59:1, Hospet is 1.9.

Nimisha Agarwal: What is the interest cost like?

Subbarao: It's 10.5.

Nimisha Agarwal: For all the three?

Amit: It is 10.75 for two projects, Hyderabad-Vijayawada, and Chennai-ORR. For Hospet, it will be 10.5, these are fixed during construction and would reset after COD.

Nimisha Agarwal: What is the land acquisition status in these two projects?

Amit: If you consider, Chennai-ORR almost 99% is over. With regard to Hyderabad-Vijayawada, it’s substantially done and we have already commissioned the construction. This one is yet to financially close, Hungud-Hospet, most probably as of now, it would be around 50%-60%, but 80% would be closed before the financial closure.

Nimisha Agarwal: In the airport segment, I would like to ask the traffic has grown by 19% year-on-year at Delhi Airport, while the non-aeronautical revenue has gone up only by 8%, would you be able to tell us what is like the non-aero revenue per passenger usually?

MS Narayanan: The non-aero revenue per passenger is around $10. There is no variation in that. What has happened in the non-aero segment is, if you see the year-on-year, the last year there is some contractual correction because it's the last quarter for the duty free; there is a reduction in the last quarter contractually. They are suppose to pay only the revenue share and there is no minimum guarantee.

Moderator: Our next question is from the line of Sanjay Chawla of Anand Rathi Securities.

Sanjay Chawla: On your EPC revenue which you have reported in EPC and other segment, which has grown to 40 crore this quarter, can just throw some color on what exactly is the nature of EPC services that you provide, are there any traded goods which you sell and what kind of margins should one assume on a sustainable basis on this EPC income?
Subbarao: First, there are no traded goods that we have. It is only services. We don’t book any trading income like buying and selling of material, we don’t book anything here. It is only completely services, so that is the first part. Second part, the margins would be approximately in the range of 10%-12% on an average. And the third, the EPC revenues have flown from the road projects as of now and which we are sharing part of the projects along with other reputed builders for these projects. So going forward the revenues would flow, EPC now is being done only for the captive projects and not for any outside projects and both from the road sector as well from the power sector the revenue would continue to flow.

Sanjay Chawla: Again in the same segment, you have reported investment in other operating income of 835 million, what exactly is the nature of this investment income, because you are also reporting some interest income in the net finance charges at the consolidated level whereas this particular investment income seems to be going directly at the EBITDA level, so what is the difference between the two financial incomes?

Bhaskar: The investment income actually comes in two different line items in the consolidation that’s primarily because we have certain operating companies and certain companies which are more like investment companies. So in case of a investment company income actually comes in the revenue line item and in case of operating companies it comes as other income. So the investment income would actually be divided between these two. So this 83.5 crore that is shown primarily consists of the investment income that has arisen in GIL it also has certain other components like some management fees that has also been raised and some interest on the CCD that is given to the InterGen investment company is also accounted in this line item.

Sanjay Chawla: Are you basically saying at the GIL Holdco level the treasury income is included in the revenue, right, but in the SPV that is part of other income?

Bhaskar: That’s right, because of the accounting requirement it is shown as revenue.

Sanjay Chawla: But what goes into the interest and finance charges in that case, that’s another line item where I presume you report net finance cost?

Bhaskar: The investment is in two forms, one investment in fixed deposits where interest is generated and another is most of the investments are in mutual fund as you can see. The mutual fund dividends and other income that arises comes into this investment in other operating income. The interest in finance charge net is actually an expense item net because whatever is the small interest that we would have got on the fixed deposit interest is netted off from it.

Sanjay Chawla: My third question is on your road segment, you have reported about 25% quarter-on-quarter increase in the toll revenues, can you break it down into volume growth and any toll increase?

MS Narayanan: I have the approximate figures with me, as far as annuity is concerned it is fixed, there is no change. There are three projects which are on toll, one is Ambala-Chandigarh; the second one is Jadcherla, the third one is Tindivanam-Ulundurpet. If you compare quarter-to-quarter for Tindivanam-
Ulundurpet, there was no operation during the first quarter of last year and this commissioned operation only towards the end of June of 2009. So the growth of last year first quarter cannot be compared. For Ambala-Chandigarh, there is a growth of about, if you see the vehicles roughly about 7%-8% growth in the traffic volume. And for Jadcherla, the traffic volume has grown roughly around 9%-10%, but if you want the exact volumes we can provide that to you category wise.

Sanjay Chawla: I was focusing more on the quarter-on-quarter change in the toll revenues which is around 25% this quarter, so if you could give, at the gross level breakdown into volume growth and toll revenue?

MS Narayanan: The main reason for growth is also we had accrued income for TNRDC which was not paying for the buses which have been passing through us, that has made a substantial change here, but for quarter-on-quarter growth, we will provide the class wise details to you.

Subbarao: From the immediate preceding quarter there is some indication in the presentation itself, but as compared to the corresponding quarter of the last year, we will come back with the details and in a while I will just answer that but from the immediate preceding quarter that is March quarter, it was say for example in Ambala-Chandigarh, it was 2,380 and the current quarter it was 2,537 and in Jadcherla, it was 2,859 and for the current quarter is 2,939 and Ulundurpet is 3,331 and for the March quarter it was 3,175, this is average funding, it is just multiplied with 1,000.

Sanjay Chawla: My last question is on your airport segment level, if I look at this quarter, Q1 FY11 EBITDA of 154 crore at the airport segment level, this 150 crore is the sum of your three airports, DIAL, HIAL and SGIA EBITDA, it's exactly equal to that. However if I look at fourth quarter FY10 number, if I add up the EBITDA from the three airports, Delhi, Hyderabad, and Turkey, it comes to 122 crore. But the actual segment level EBITDA that you have reported is around 154 crore, so there is 33 crore gap here, so can you explain where exactly this is coming from, which particular item and why is this number zero in this quarter, in the first quarter that is?

Subbarao: We have a lot of reach in the airport company like we have the Hyderabad Menzies Airport as Menzies Cargo and other such facility, so the net revenue comes from those particular project sites.

Sanjay Chawla: So are you looking at subsidiaries and also proportionate income from JVs?

Subbarao: Yes we actually account for it, in fact those JVs in which we hold more than 50% which is not much, we actually consolidate them line by line, but in other cases, we take proportionate consolidation. We take to the extent of our shares. We take them as both in topline as well as in the bottom line.

Sanjay Chawla: Right, so this number 33 crore EBITDA came from the subsidiaries and JVs in the fourth quarter, but why is this number zero in this quarter; EBITDA from your subsidiaries and JVs in the airport segment?

Bhaskar Rao: Are you referring to Q1 last year?
Sanjay Chawla: No, for Q1 this year

Bhaskar Rao: I do not have the EBITDA level for Q1 this year, let me just check that and get back to you.

Bhaskar Rao: I have though is that others revenue last quarter was 29 and this quarter is 36.9 crore actually and for the previous quarter 1 is 25.1 crore.

Bhaskar Rao: The EBITDA is very small actually in all that verticals. I will just check out and get back to you.

Subbarao: Before we go into another question, there was a query on the traffic, roads traffic, so we will just explain. In Ambala-Chandigarh, for the first quarter of the last year, average daily traffic was 26,000 vehicles and the current quarter it was about 28,500 per day. And Jadcherla, for the last quarter it was 25,000 approximately and the current quarter it's 32,200 per day, there is average daily volumes. Ulundurpet, corresponding quarter it was not there at all, in the current quarter it's about 36,600. It started operations after the last quarter. I think that answers the question that was asked earlier. We will move on to the next question.

Moderator: Our next question is from the line of Gautam Bafna of B&K Securities.

Gautam Bafna: My question is regarding InterGen, what is GMR’s direct stake in InterGen with our current investment of 100 million USD?

Subbarao: It continues to be 50%.

Gautam Bafna: That is through the convertible debentures, but what is the direct stake of GMR currently?

Subbarao: No, its entire stake is held either directly or indirectly is held by GMR Infra even GMR Holding it is holding 95%, the entire investment belongs to GMR Infra.

Gautam Bafna: And what is total CAPEX incurred on Delhi Airport till now?

Subbarao: Total project cost is 12,700 crore; most of it has been incurred already.

Moderator: Our next question is from the line of Gaurav Agarwal of CRISIL.

Gaurav Agarwal: My first question is on your traffic data, numbers of vehicle for three toll projects. I see there is some restatement of the vehicle data in your earlier presentation that is of your last quarter, the number of vehicles was 1,711 for Ambala-Chandigarh, whereas it is 2,380 now, so why is there restatement?

Subbarao: The difference between what we just said and what we have shown in the presentation is that what you are asking?

Gaurav Agarwal: No, I am asking that in your earlier presentation that is fourth quarter FY10 presentation.
Subbarao: Okay there is a restatement as compared to the earlier presentation that's what you are asking. I think I need to check and verify with the earlier presentation and get back to you. I will revert to you in a little while.

Gaurav Agarwal: And my second question is on your Turkey Airport, there is some tax payment despite the fact that there is still a loss on PBT level, may I ask why it is so?

Subbarao: No, it's not actual tax payment. It is an adjustment for the deferred tax.

Gaurav Agarwal: It's an adjustment, so this is a deferred tax item?

Subbarao: Yes.

Moderator: Our next question is from the line of Rakesh Gupta of Great Returns.

Rakesh Gupta: What's the latest on your Krishnagiri SEZ?

Subbarao: We are continuing the land procurement, I think by December we expect to complete the entire land acquisition of 1,500 acres.

Rakesh Gupta: You have so far acquired 1,500 acres, is it?

Subbarao: Rakesh the data is like this, we have already procured 1,700, we will complete 600 acquisition by December and TIDCO will give about 1,100 thereafter, so that completes entire land acquisition.

Rakesh Gupta: So you will get the TIDCO land also by December?

Subbarao: Yes, immediately after completion of this the TIDCO will give, their land is ready.

Rakesh Gupta: So it's about 3,400 acres in all?

Subbarao: Yes. We are also working on client's base there. First, we are working on the solar film manufacturing based on about 250 acres to begin with. The land acquisition details I have given and the on the tenant profile, so we are working on the solar film manufacturers profile. In about 250 acres, we are inviting solar film manufacturing at the anchor tenants, so we have to work on the rest of the land.

Moderator: Our next question is from the line of Rahul Agarwal of Anand Rathi.

Rahul Agarwal: The press release mentions that GMR has won two major 400 KV transmission projects on BOO basis in Rajasthan, I wanted to check, could you share some details on this, like what kind of equity investment would it attract and whom have we partnered with in this contract?

Raman BS: We won two projects out three where the L1 and letter of award is yet to be given by the RRVNL. It should be coming out hopefully towards the end of this month. The project cost there is about 280 crore and once we get the details of the LOI we will start planning for the project. And the commissioning is to be done in a period of 14 months from the date of award.
Rahul Agarwal: 280 crore is for both projects rights?

Raman BS: Yes it is for both the projects together.

Rahul Agarwal: And who are we partnering with for this?

Raman BS: We have not yet decided. When we quoted for the project, we had two-three people who had aligned themselves with us. Once we get the letter of award we will finalize the details.

Moderator: Our next question is from the line of Shashikiran Rao of Standard Chartered.

Shashikiran Rao: There is a question, on your tax rate on consolidated level, considering that you have losses in your airport segment, do you get a kind of carry forward for the tax that you paid at the consolidated level or because you hold most of your assets in SPV level the losses actually can be carried forward only at that particular SPV level.

Subbarao: The tax is always at the SPV level, so the tax at the consolidation level is just grossed up from the various SPVs, the tax credit would be applicable only for the SPVs and not at the consolidation levels.

Shashikiran Rao: Your actual tax credit, you would be availing only when you turn profitable in those particular SPVs?

Subbarao: Yes there is no group taxation concept in India, so the taxation, the credits would have to be cleared by the respective assesses which is respective SPVs.

Shashikiran Rao: Second question is on the traffic numbers that you gave in your presentation, are these vehicles in absolute numbers or is it passenger car units?

Subbarao: It’s passenger car unit that’s why they restatement also is there as compared to earlier quarters, so earlier quarters we have disclosed the total number of vehicles from the current quarter onwards we have disclosed number of PCUs.

Shashikiran Rao: So these are the actual chargeable in terms of, for example you have multi-axle vehicle they would be having higher weightage rather than…

Subbarao: Exactly it is PCUs it’s weighted average.

Moderator: Ladies and gentlemen due to time constraint that was the last question. I now hand the conference over to Mr. Subbarao to add closing comments.

Subbarao: Thank you all for participation. So if there are any queries, you can still e-mail to us or call us our Investor Relations Cell will be glad to answer. So thank you once again to all the participants.

Moderator: Thank you Mr. Subbarao, and members of the management team. Ladies and gentlemen on behalf of GMR Infrastructure Ltd. that concludes this conference. Thank you for joining us.