

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Independent auditor's certificate on the proposed accounting treatment included in the draft composite scheme of arrangement pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 read with SEBI Circular No. CFD/DIL3/CIR/2018/2 dated 3 January 2018 (and as further amended from time to time), sections 230 to 232 of the Companies Act, 2013, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

To,
The Board of Directors,
GMR Infrastructure Limited
New Udaan Bhawan, Opp. Terminal - 3
Indira Gandhi International Airport
New Delhi - 110037

1. This certificate is issued in accordance with the terms of our engagement letter dated 31 July 2020 with GMR Infrastructure Limited ('the Company' or 'the Demerged Company').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 20 and clause 31.1 of the draft composite scheme of amalgamation and arrangement between the Company, GMR Power Infra Limited ('Transferor Company') and GMR Power and Urban Infra Limited ('the Transferee Company') and their respective shareholders (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors in their meeting held on 27 August 2020, in terms of the provisions of the Securities and Exchange Board of India ('the SEBI') circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 read with SEBI Circular No. CFD/DIL3/CIR/2018/2 dated 3 January 2018 (and as further amended from time to time) ('the SEBI circulars'), Sections 230 to 232 of the Companies Act, 2013 ('the Act'), and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the rules') with reference to its compliance with the accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India. The relevant extract of Draft Scheme, as attached herewith in Appendix I, has been initialed and stamped by us for identification purpose only.

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Draft Scheme, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and circulars issued thereunder, and the applicable accounting standards, in relation to the Draft Scheme, and for providing all relevant information to the National Company Law Tribunal ('NCLT'), the SEBI, and the BSE Limited, and the National Stock Exchange of India Limited (hereinafter referred to as 'the stock exchanges').



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-11 Connaught Circus, New Delhi, 110001, India

Auditor's Responsibility

5. Pursuant to the requirements of the relevant laws and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in Clause 20 and Clause 31.1 of the Draft Scheme complies with the applicable accounting standards and other generally accepted accounting principles in India
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

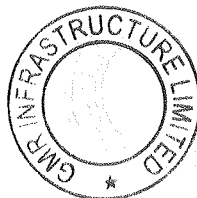
8. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the Management, in our opinion:
 - a. the proposed accounting treatment specified in clause 20 of the Draft Scheme attached herewith and stamped by us for identification only, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and circulars issued thereunder, and with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Act and other generally accepted accounting principles in India;
 - b. the proposed accounting treatment specified in clause 31.1 of the aforesaid Draft Scheme, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and circulars issued thereunder, and with the Indian Accounting Standards (Ind AS) as notified under Section 133 of the Act and other generally accepted accounting principles in India; Further, the treatment specified for the adjustment/reduction of balances forming part of reserves of the Demerged Company, including securities premium, on account of transfer of net assets or liabilities to the Resulting Company, as the case may be, is in compliance with Ind AS (to the extent applicable) and other generally accepted accounting principles in India.

Restriction on distribution or use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of the SEBI circulars, Sections 230 to 232 of the Act, and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for onward submission to the SEBI, the stock exchanges, and National Company Law Tribunal along with the Draft Scheme. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
10. This certificate is issued at the request of the Company's management for onward submission to the SEBI, the stock exchanges and National Company Law Tribunal along with the Draft Scheme. Accordingly, this certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandniok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013


Neeraj Sharma
Partner
Membership No. 502103
UDIN: 20502103AAAXBT3791



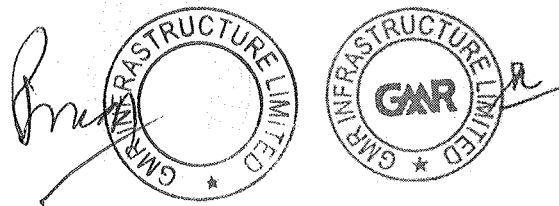


Place: New Delhi
Date: 27 August 2020

Appendix 1

Accounting treatment in the books of Amalgamated Company

- A. On the Scheme becoming effective, the Amalgamated Company shall account for Amalgamation in accordance with "Pooling of interest method" laid down by Appendix C of Ind AS 103 (Business combinations of entities under common control) notified under the provisions of the Act.
- B. The Amalgamated Company shall record all the assets, liabilities and reserves of the Amalgamating Company, vested in the Amalgamated Company pursuant to the Scheme, at their existing carrying amounts.
- C. The carrying amount of investments in the equity shares of Amalgamating Company as appearing in the books of the Amalgamated Company shall stand cancelled.
- D. If and to the extent there are inter corporate loans, deposits or balances as between the Amalgamated Company and the Amalgamating Company, the obligations in respect thereof, shall stand cancelled and there shall be no obligation/rights in that behalf.
- E. In case of any difference in accounting policies between the Amalgamated Company and the Amalgamating Company, the accounting policies followed by the Amalgamated Company will prevail and the impact of the difference will be quantified and adjusted to the reserves of GIL to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policies.
- F. All the cost and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of Scheme shall be debited to the statement of profit and loss of the Amalgamated Company
- G. The financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.
- H. The identity of the reserves, including retained earnings, shall be preserved and shall appear in the financial statements of the Amalgamated Company in the same form in which they appeared in the financial statements of the Amalgamating Company.
- I. The difference between the value of assets over the value of liabilities and reserves of the Amalgamating Company transferred to the Amalgamated Company pursuant to the Scheme, after adjusting any differences arising on the cancellation of investment in equity share capital of the Amalgamating Company as per Clause [19.1] and inter-company balances as per Clause [12.3] above, will be transferred to the capital reserve of the Amalgamated Company and presented separately from other Capital Reserve in the books of GIL with disclosure of its nature and purpose in the notes to the financial statements of GIL.



Accounting treatment in the books of Demerged Company.

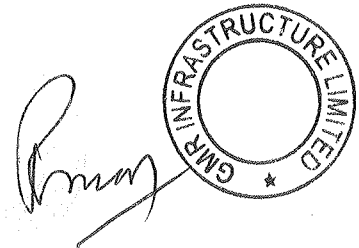
In accordance with the applicable accounting standards, the Act and generally accepted accounting principles in India, the Demerged Company shall provide the following accounting treatment in its books of account:

On the Scheme becoming effective, all the assets and liabilities pertaining to Demerged Undertaking (difference between the assets and liabilities hereinafter referred to as "Net assets"), shall cease to be the assets and liabilities of the Demerged Company and be transferred to the Resulting Company at carrying value in accordance with the Scheme. Accordingly, such Net assets would be de-recognized in the books of the Demerged Company with effect from the Effective Date.

- A. The Demerged Company shall adjust the difference between the carrying value of assets and liabilities to its reserves in the following order:
 - (a) adjustments shall be first made to de-recognize specific reserve balances pertaining to the Demerged Undertaking, to the extent identifiable.
 - (b) after taking effect of (a) above, in case of:
 - (i) unadjusted debits, adjustments shall be made as follows:
 - 1) to securities premium account, to the extent of balance therein; and then
 - 2) to retained earnings.
 - (ii) unadjusted credits, adjustments shall be recognized as capital reserve account.
- B. The adjustment/utilization of the securities premium, if any, as stated in the Clause 31.1(b)(i)(1) above and reduction thereof will be effected as a part of the Scheme, in accordance with Section 52 of the Act and the sanction order to this Scheme by the NCLT shall be deemed to be also the order under the applicable provisions of the Act, for confirming the utilization /reduction of securities premium account. The reduction in the securities premium account of the Demerged Company, shall be effected as an integral part of the Scheme, without any further act, instrument or deed on the part of the Demerged Company or its shareholders and without any approval or acknowledgement of any third party, and provisions of Section 66 of the Act shall not be required to be followed for such reduction. It is expressly clarified that the consent of the shareholders and the creditors of the Demerged Company to the Scheme shall be deemed to be sufficient for the purpose of effecting the above reduction of the securities premium account of the Demerged Company.
- C. All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the statement of profit and loss of the Demerged Company;
- D. Notwithstanding the above, the Board of the Demerged Company is authorised to account any of the balances for any amendments/ clarifications to the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, and in accordance with the other generally accepted accounting principles in India.

For GMR Infrastructure Limited


Saufabh Chawla
Chief Financial Officer



Place: New Delhi
Date: 27 August 2020

SIGN

GIRISH

MURTHY & KUMAR

Chartered Accountants

Independent Auditors' Certificate on the proposed accounting treatment in the draft composite scheme of arrangement pursuant to Securities and Exchange Board of India circular no.CFD/DIL3/CIR/2017/21 dated 10th March 2017 with SEBI circular no.CFD/DIL.3/CIR/2018/2 dated 3rd January 2018, Section 230 to Section 232 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamation) Rules 2016

To,

The Board of Directors,

GMR Power and Urban Infra Limited

Naman Centre, 7th Floor,

Opp. Dena Bank, Plot No.C-31,

G Block, Bandra Kurla Complex,

Bandra (East),

Mumbai, – 400051.

- 1 We, the statutory auditors of **GMR Power and Urban Infra Limited**, (hereinafter referred to as "the **Company**"), have examined the proposed accounting treatment specified in Clause 31.3 of the draft Composite Scheme of Amalgamation and Arrangement between the Company, GMR Infrastructure Limited ("**Demerged Company**"), and GMR Power Infra Limited ("**Transferor Company**") and their respective shareholders (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors in their meeting held on August 27, 2020, in terms of the provisions of the Securities and Exchange Board of India ('the SEBI') circular no.CFD/DIL3/CIR/2017/21 dated 10th March 2017 read with SEBI circular no.CFD/DIL.3/CIR/2018/2 dated 3rd January 2018 (and as further amended from time to time) ('the SEBI Circulars'), section 230 to section 232 of the Companies Act, 2013 ('the Act') and the Companies (Compromises, Arrangements and Amalgamation) Rules 2016 ('the Rules') with reference to its compliance with the applicable Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder and other Generally Accepted Accounting Principles in India. The relevant extract of the Draft Scheme, as attached at Appendix 1, has been initialed and stamped by us for identification purpose only.

Management's Responsibility

- 2 The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting

4502, High Point IV, 45, Palace Road, Bangalore - 560 001. Ph : 98452 55809 / 98452 55863



GIRISH

MURTHY & KUMAR

Chartered Accountants

Standards as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and the maintenance of internal controls relevant to the preparation of the Draft Scheme and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

- 3 The management is also responsible for ensuring that the Company complies with the requirements of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued thereunder, the applicable Accounting Standards, in relation to the Draft Scheme, and for providing all relevant information to the National Company Law Tribunal ('NCLT') the SEBI and the Stock Exchanges.

Auditors' Responsibility

- 4 Pursuant to the requirements of the relevant and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in clause 31.3 of the Draft Scheme complies with the applicable accounting standards and other generally accepted accounting principles in India.
- 5 We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India.
- 6 Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

Conclusion

- 7 Based on our examination as above and according to the information and explanations given to us, in our opinion
 - a. the proposed accounting treatment specified in clause 31.3 of the Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued thereunder, and with Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.

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GIRISH

MURTHY & KUMAR

Chartered Accountants

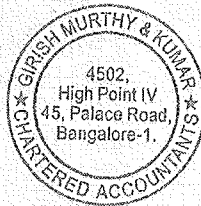
Restriction on Use

- b. This Certificate is issued at the request of the management of GMR Power and Urban Infra Limited in pursuance of proviso to Section 232 of the Companies Act, 2013 for onward submission with the National Company Law Tribunal ("NCLT"), or any other statutory body for the sole purposes of sanctioning of the Draft Scheme. This Certificate should not be used for any other purpose without our prior written consent.

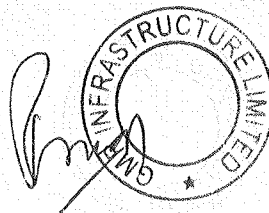
For **Girish Murthy & Kumar**
Chartered Accountants
ICAI Firm registration number: 000934S

A.v. Satish Kumar

SATISH KUMAR A.V.
Partner
Membership No.: 026526
UDIN : 20026526AAAADN2259



Place of signature: Bangalore
Date: 27th August 2020.



GMR Power and Urban Infra Limited



Registered Office:
Naman Centre, 7th Floor
Opp. Dena Bank, Plot No. C-31
G Block, Bandra Kurla Complex
Bandra(East), Mumbai
Maharashtra, India-400051
CIN: U45400MH2019PLC325541
T +91 22 4202 8000
F +91 22 4202 8004
E CSD-GROUP@gmrgroup.in

APPENDIX 1

ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

In accordance with the applicable accounting standards, Act and generally accepted accounting principles in India, the Resulting Company shall provide the following accounting treatment in its books of accounts:

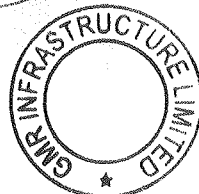
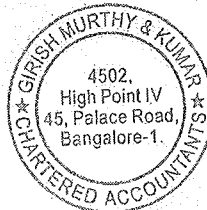
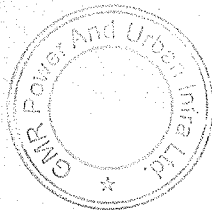
- A. On the Scheme becoming effective , the Resulting Company shall account for the Demerger as common control business combination in accordance with the "Pooling of Interest method", as per Appendix C of Ind-AS 103 'Business combinations' notified under the provisions of the Act read with relevant rules framed thereunder and other applicable accounting standards prescribed under the Act.
- B. The assets and liabilities pertaining to Demerged undertaking, transferred to the Resulting Company under the Scheme shall be recorded in the books of the Resulting Company at the values and in the same form as recorded in the books of Demerged Company subject to consistent accounting policies.
- C. The reserves adjusted by the Demerged Company shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company. The difference, if any, between the amount recorded as share capital issued, reserves transferred in the aforementioned manner and the assets and liabilities transferred by the Demerged Company to the Resulting Company shall be transferred to capital reserve and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- D. The consideration issued to the **shareholders of the Demerged Company** in the form of equity shares of the Resulting Company shall be credited to the share capital account at the nominal value of the equity shares issued by it.
- E. If and to the extent there are inter-corporate loans, deposits or balances as between the Resulting Company and Demerged Company, the obligations in respect thereof shall, stand cancelled and there shall be no obligation/rights in that behalf.
- F. The financial information in the financial statements in respect of prior periods shall be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if common control had occurred after that date, the prior period information shall be restated only from that date
- G. Upon the Scheme coming into effect, all equity shares of the Resulting Company held by the Demerged Company (directly and/ or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash or in kind whatsoever by the Resulting Company to the Demerged Company in lieu of such shares of the Resulting Company. For avoidance of doubt, it is clarified that the reduction of share capital of Resulting Company pursuant to such cancellation shall be effected as an integral part of this Scheme and Section 66 of the Act shall not apply to the Resulting Company to effectuate such reduction of capital.

for GMR Power and Urban Infra Limited

Srinivas

M V Srinivas
Director, (DIN: 02477894)

Date: August 27, 2020
Place: New Delhi



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