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Independent Auditor's Report on the Standalone Special Purpose Interim Financial Statements for the nine months period ended 31 December 2021

To the Board of Directors of GMR Power And Urban Infra Limited

Qualified Opinion

1. We have audited the accompanying Standalone Special Purpose Interim Financial Statements of GMR Power And Urban Infra Limited ('the Company'), which comprise the Standalone Special Purpose Interim Balance Sheet as at 31 December 2021, the Standalone Special Purpose Interim Statement of Profit and Loss, the Standalone Special Purpose Interim Statement of Changes in Equity, the Standalone Special Purpose Interim Statement of Cash Flows for the nine month period then ended, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as 'standalone special purpose interim financial statements') which have been prepared by the Company's management in accordance with the basis of preparation specified in note 2.1 to the standalone special purpose interim financial statements.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying standalone special purpose interim financial statements are prepared, in all material respects, in accordance with the basis of preparation as described in note 2.1 to these standalone special purpose interim financial statements.

Basis for Qualified Opinion

3. As stated in note 5.2 to the accompanying standalone special purpose interim financial statements, the Company has invested in GMR Generation Assets Limited ('GGAL') and GMR Energy Projects Mauritius Limited ('GEPML'), subsidiaries of the Company, which have further invested in step-down subsidiaries and joint ventures. Further, the Company has outstanding loan (including accrued interest) amounting to Rs. 168.73 crore (net of impairment) recoverable from GGAL as at 31 December 2021. Also, the Company together with GGAL and GEPML has investments in GMR Energy Limited ('GEL'), a joint venture of the Company, amounting to Rs. 988.27 crores and has outstanding loan (including accrued interest) amounting to Rs. 1,078.94 crores (net of impairment) recoverable from GEL as at 31 December 2021. GEL has further invested in GMR Vemagiri Power Generation Limited ('GVPGL'), GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL') and GMR Kamalanga Energy Limited ('GKEL'), subsidiaries of GEL. The aforementioned investments are carried at their respective fair values in the accompanying standalone special purpose interim financial statements as per Ind AS 109 – 'Financial Instruments'.

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As mentioned in note 5.6, GVPGL has ceased operations due to continued unavailability of adequate supply of natural gas and other factors mentioned in the said note and have been incurring significant losses, including cash losses with consequential erosion of their respective net worth.

The carrying value of the investment of the Company in GEL, to the extent of amount invested in GVPGL is significantly dependent on the achievement of key assumptions considered in the valuation performed by the external expert particularly with respect to availability of natural gas, future tariff of power generated and realization of claims for losses incurred in earlier periods from the customer as detailed in the aforementioned note.

As mentioned in note 5.5, the management has accounted the investment in GKEL based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, rescheduling/refinancing of existing loans at lower rates amongst other key assumptions and the uncertainty and the final outcome of the litigations with the capital creditors as regards claims against GKEL.

Further, as mentioned in note 5.7, GBHPL has stopped the construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand, since 7 May 2014 on directions of Hon'ble Supreme Court of India ('the Supreme Court'). The carrying value of the investments in GBHPL is significantly dependent on obtaining requisite approvals from Supreme court, environmental clearances, availability of funding support for development and construction of the aforesaid power plant and achievement of the other key assumptions made in the valuation assessment done by an external expert.

Accordingly, owing to the aforementioned uncertainties, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid loans and investments and the consequential impact on the accompanying standalone special purpose interim financial statements.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone special purpose interim financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. In addition to the matters described in paragraph 3 above, we draw attention to note 5.3 and 5.4 to the accompanying standalone special purpose interim financial statements, in relation to the investment made by the Company in GEL amounting to Rs. 988.27 crore as at 31 December 2021. The recoverability of such investment is further dependent upon various claims, counter claims and other receivables from customers of GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, which are pending settlement / realization as on 31 December 2021, and certain other key assumptions as considered in the valuation performed by an external expert, including capacity utilization of plant in future years, management's plan for entering into a new long-term power purchase agreement ('PPA') to replace the PPA expired in June 2020 with one of its customers and the pending outcome of the Prudential Framework for Stressed Assets as prescribed by the Reserve Bank of India ('RBI'), being discussed with the lenders of GWEL, as explained in the said note.

The above claims also include disputed claims pertaining to recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited (`MSEDCL') by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. Based on the Order of the Appellate Tribunal for Electricity (`APTEL') (`the Order') dated 8 May 2015, currently contested by MSEDCL in the Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges in the Statement of Profit and Loss amounting to

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Rs. 616.33 crore for the period from 17 March 2014 to 31 December 2021 (Rs. 4.75 crore recognised during the period ended 31 December 2021) and transmission charges invoiced directly to MSEDCL by Power Grid Corporation Limited for the period December 2020 to December 2021 as contingent liability, as further described in aforesaid note.

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Company in GEL, taking into account the matters described above in relation to the investments made by GEL in its aforementioned subsidiaries, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying standalone special purpose interim financial statements for the nine month period ended 31 December 2021. Our opinion is not modified in respect of this matter.

6. We draw attention to note 41 of the accompanying standalone special purpose interim financial statements, which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of its impact on the investments which are carried at fair value in the standalone special purpose interim financial statements as at 31 December 2021. Our opinion is not modified in respect of this matter.

7. We draw attention to note 42 to the accompanying standalone special purpose interim financial statements in relation to the recoverability of sale consideration receivable as at 31 December 2021 amounting to Rs. 313.21 crore pursuant to the sale of equity stake and inter-corporate deposits given to KSEZ which is dependent on the achievement of the milestones as detailed in the aforementioned note. Such achievement of milestones is significantly dependent on future development in the Kakinada SEZ and basis independent assessment by property consultancy agency, the management is confident of achieving such milestones and is of the view that no adjustment to the aforesaid balance is required to be made in the accompanying standalone special purpose interim financial statements. Our opinion is not modified in respect of this matter.

8. We draw attention to note 43 to the accompanying standalone special purpose interim financial statements, which describes the impact of amalgamation of GMR Power Infra Limited with GMR Infrastructure Limited ('GIL') and demerger of Engineering, procurement and construction (EPC) business and Urban Infrastructure Business of GIL (including Energy Business) into the Company, pursuant to the Composite scheme of amalgamation and arrangement (the 'Scheme') approved by the National Company Law Tribunal vide its order dated 22 December 2021 as further described in the aforesaid note. Our opinion is not modified in respect of this matter.

Emphasis of Matter - Basis of preparation and restriction on distribution or use

9. Without modifying our opinion, we draw attention to note 2.1 to the standalone special purpose interim financial statements, which describes the basis of its preparation. These standalone special purpose interim financial statements have been prepared by the Company's management, solely for the purpose of inclusion in Information Memorandum to be submitted with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the listing of its equity shares of the Company on BSE and NSE pursuant to the Scheme as stated in paragraph 8 above, and also prepared for its submission to existing lenders of the Company and its subsidiaries/associates/Joint ventures. Therefore, these standalone special purpose interim financial statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purposes and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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Responsibilities of Management and Those Charged with Governance for the standalone special purpose interim financial statements

10. The accompanying standalone special purpose interim financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation of these standalone special purpose interim financial statements in accordance with the basis of preparation specified in note 2.1 to the standalone special purpose interim financial statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone special purpose interim financial statements that are, in all material respects, in accordance with the basis of preparation specified in aforementioned note 2.1 and are free from material misstatement, whether due to fraud or error.

11. In preparing the standalone special purpose interim financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

12. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Special Purpose Interim Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the standalone special purpose interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone special purpose interim financial statements.

14. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management; and

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

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our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

15. We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Neeraj Sharma
Partner
Membership No. 502103

UDIN: 22502103ACUTGQ2618

Place: New Delhi
Date: 16 February 2022

GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Standalone Special Purpose Interim Balance Sheet as at December 31, 2021

	Notes	(Rs. In crore) December 31, 2021
I ASSETS		
(1) Non-current assets		
Property, plant and equipment	3	109.66
Intangible assets	4	3.11
Financial assets		
Investments	5	4,644.58
Trade receivables	6	175.21
Loans	7	1,559.54
Other financial assets	8	140.08
Other non-current assets	9	5.04
		6,637.22
(2) Current assets		
Inventories	10	108.49
Financial assets		
Investments	5	0.20
Trade receivables	6	80.77
Cash and cash equivalents	11A	13.70
Bank balances other than cash and cash equivalents	11B	48.59
Loans	7	352.82
Other financial assets	8	1,241.81
Other current assets	9	83.70
		1,930.08
Total assets (1 + 2)		8,567.30
II EQUITY AND LIABILITIES		
(1) Equity		
Equity share capital	12	-
Equity share pending issuance	13	301.80
Other equity	14	1,047.21
Total equity		1,349.01
Liabilities		
(2) Non-current liabilities		
Financial liabilities		
Borrowings	15	3,613.50
Other financial liabilities	16	53.25
Provisions	17	1.36
		3,668.11
(3) Current liabilities		
Financial liabilities		
Borrowings	15	1,196.29
Trade payables	18	
(a) Total outstanding dues of micro enterprises and small enterprises		95.49
(b) Total outstanding dues of creditors other than (a) above		466.35
Other financial liabilities	16	1,741.97
Other current liabilities	19	46.52
Provisions	17	3.56
		3,550.18
Total equity and liabilities (1+2+3)		8,567.30
Summary of significant accounting policies	2.2	

The accompanying notes are an integral part of the Standalone Special Purpose Interim Financial Statements

This is the Standalone Special Purpose Interim Balance Sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number: 001076N/N500013

Neeraj Sharma
Partner
Membership number: 502103

Place: New Delhi
Date: February 16, 2022

For and on behalf of the Board of Directors of
GMR Power and Urban Infra Limited

Srinivas Bommidala
Managing Director
DIN: 00061464

Grandhi Kiran Kumar
Non-Executive Director
DIN: 00061669

Suresh Bagrodia
Chief Financial Officer

Vimal Prakash
Company Secretary
Membership Number: A20876

Place: New Delhi
Date: February 16, 2022

GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Standalone Special Purpose Interim Statements of Profit and Loss for the nine month period ended December 31, 2021

	Notes	(Rs. in crore) December 31,2021
I Income		
Revenue from operations	20	846.74
Other operating income	21	294.84
Other income	22	7.04
Total income		**1,148.62**
II Expenses		
Cost of material consumed	23	464.40
Sub-contracting expense		203.29
Employee benefit expense	24	22.24
Finance costs	25	462.34
Depreciation and amortisation expenses	26	14.40
Other expenses	27	74.68
Total expenses		**1,241.35**
III Loss before exceptional items and tax (I- II)		**(92.73)**
IV Exceptional items - Expense	28	57.74
V Loss before tax (III - IV)		**(150.47)**
VI Tax expense:	29	
(1) Current tax		-
(2) Deferred tax		-
Total tax expenses		-
VII Loss for the period (V- VI)		**(150.47)**
VIII Other comprehensive (loss)/ income		
(A) (i) Items that will not be reclassified to profit or loss		
-Re-measurement gains on defined benefit plans		(0.45)
-Net gain on fair valuation through other comprehensive income (FVTOCI) of equity securities		1,389.98
(ii) Income tax effect		(829.85)
Total other comprehensive income for the period		**559.68**
IX Total comprehensive income for the period (VII + VIII)		**409.21**
X Earnings per equity share (nominal value of share Rs 5 each)	30	
Basic & Diluted		(2.50)

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the Standalone Special Purpose Interim Financial Statements

This is the Standalone Special Purpose Interim Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number: 001076N/ N500013

Neeraj Sharma
Partner
Membership number: 502103

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: February 16, 2022

For and on behalf of the Board of Directors of
GMR Power and Urban Infra Limited

Srinivas Bommidala
Managing Director
DIN: 00061464

Grandhi Kiran Kumar
Non-Executive Director
DIN: 00061669

Suresh Bagrodia
Chief Financial Officer

Vimal Prakash
Company Secretary
Membership Number: A20876

GMR POWER AND URBAN INFRA LTD. *

Place: New Delhi
Date: February 16, 2022

GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Standalone Special Purpose Interim Cash Flows Statement for the nine month period ended December 31, 2021

Particulars	(Rs. in crore) December 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES	
loss before tax	**(150.47)**
Adjustments for:	
Depreciation and amortisation expenses	14.40
Exceptional items	57.74
Net foreign exchange differences (unrealised)	(2.67)
Gain on disposal of assets (net)	(0.08)
Reversal of upfront loss on long term construction cost	(12.86)
Profit on sale of current investments	(0.66)
Finance income (including finance income on finance asset measured at amortised cost)	(294.18)
Finance costs	462.34
Operating profit before working capital changes	**73.56**
Working capital adjustments:	
Change in inventories	(29.81)
Change in trade receivables	224.60
Change in other financial assets	(190.98)
Change in other assets	31.32
Change in trade payables	68.33
Change in other financial liabilities	(53.39)
Change in provisions	0.06
Change in other liabilities	(45.16)
Cash generated used in operations	**78.53**
Income taxes (paid) (net)	(0.02)
Net cash used in operating activities	**78.51**
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	(1.75)
Proceeds from sale of property, plant and equipment	0.17
Purchase of non-current investments (including advances paid)	(253.60)
Proceeds from redemption/sale of non-current investments	59.76
Proceeds from sale of current investments (net)	0.66
Investment in bank deposit (having original maturity of more than three months) (net)	(6.84)
Loans given to group companies	(1,395.55)
Loans repaid by group companies	1,493.44
Interest received	86.11
Net cash generated from investing activities	**(17.60)**
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from long term borrowings	840.98
Repayment of long term borrowings (including current maturities of long term borrowings)	(772.91)
Repayment of short term borrowings (net) (excluding current maturities of long term borrowings)	179.58
Finance costs paid	(319.01)
Net cash used in financing activities	**(71.36)**
Net decrease in cash and cash equivalents	(10.45)
Cash and cash equivalents at the beginning of the period	24.15
Cash and cash equivalents at the end of the period	**13.70**

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GMR POWER AND URBAN INFRA LTD. *

GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Standalone Special Purpose Interim Cash Flows Statement for the nine month period ended December 31, 2021

(Rs. in crore)

Particulars	December 31, 2021
Component of Cash and Cash equivalents	
Balances with banks:	
– On current accounts	13.51
Deposits with original maturity of less than three months	0.14
Cash on hand	0.05
	13.70

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the Standalone Special Purpose Interim Financial Statements

This is the Standalone Special Purpose Interim Cash flow Statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number: 001076N/ N500013

Neeraj Sharma
Partner
Membership number: 502103

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: February 16, 2022

For and on behalf of the Board of Directors of
GMR Power and Urban Infra Limited

Srinivas Bommidala
Managing Director
DIN: 00061464

Grandhi Kiran Kumar
Non-Executive Director
DIN: 00061669

Suresh Bagrodia
Chief Financial Officer

Vimal Prakash
Company Secretary
Membership Number: A20876

Place: New Delhi
Date: February 16, 2022

GMR POWER AND URBAN INFRA LTD. *

GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Standalone Special Purpose Interim Statements of changes in equity for the nine month period ended December 31, 2021

a. Equity share capital:

	Number of shares	Rs. in crore
Authorised share capital:		
As at April 1, 2021	50,000,000	50.00
Add: Increase during the period [Refer note 12]	1,050,000,000	500.00
As at December 31, 2021	1,100,000,000	550.00

	Number of shares	Rs. in crore
Issued equity capital		
As at April 1, 2021	100,000	0.10
Shares cancelled pursuant to scheme of arrangement [Refer note 13(i)]	(100,000)	(0.10)
As at December 31, 2021	-	-

	Rs. in crore
b. Equity share pending issuance	
As at April 1, 2021 [Refer note 13(i)]	301.80
Change during the period	-
As at December 31, 2021	301.80

c. Other equity

(Rs. in crore)

Particulars	Capital reserve	Equity component of related party loan	Fair valuation through other comprehensive income ('FVTOCI')	Reserves and surplus			Total other equity
				Securities premium	Retained earnings	Foreign currency monetary translation difference account ('FCMTR')	
As at April 1, 2021	(301.80)	1.24	(10,420.34)	10,013.96	1,266.05	(159.35)	399.76
Loss for the period	-	-	-	-	(150.47)	-	(150.47)
Other comprehensive income/(loss)	-	-	560.13	-	(0.45)	-	559.68
Total comprehensive income/(loss)	-	-	560.13	-	(150.92)	-	409.21
Exchange difference on foreign currency convertible bond ('FCCB') recognised during the period	-	-	-	-	-	(29.69)	(29.69)
FCMTR amortisation during the period	-	-	-	-	-	5.65	5.65
Equity contribution from related party loan	-	262.28	-	-	-	-	262.28
As at December 31, 2021	(301.80)	263.52	(9,860.21)	10,013.96	1,115.13	(183.39)	1,047.21

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the Standalone Special Purpose Interim Financial Statements

This is the Standalone Special Purpose Interim Statement of Changes in Equity referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number: 001076N/ N500013

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Neeraj Sharma
Partner
Membership number: 502103

Place: New Delhi
Date: February 16, 2022

For and on behalf of the Board of Directors of
GMR Power and Urban Infra Limited

Srinivas Bommidala
Managing Director
DIN: 00061464

Grandhi Kiran Kumar
Non-Executive Director
DIN: 00061669

Suresh Bagrodia
Chief Financial Officer

Vimal Prakash
Company Secretary
Membership Number: A20876

GMR POWER AND URBAN INFRA LTD.

Place: New Delhi
Date: February 16, 2022

GMR Power and Urban Infra Limited
Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

1. Corporate information

GMR Power And Urban Infra Limited ('GPUIL' or 'the Company') is a public limited Company incorporated under the provisions of the Companies Act, 2013 on May 17, 2019. The Company is domiciled in India and has its registered office located at Naman Center 7th Floor, Opp. Dena Bank, Plot No.C-31 G Block, Bandra Kurla Complex, Mumbai, Maharashtra-400051.

a. Engineering Procurement Construction (EPC)

The Company is engaged in handling EPC solutions in the infrastructure sector.

b. Others

The Company's business also comprises of investment activity and corporate support to various infrastructure Special Purpose Vehicles (SPV).

Other explanatory information to the Standalone Special Purpose Interim Financial Statements comprises of notes to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021.

The Standalone Special Purpose Interim Financial Statements were approved by the Board of Directors and authorised for issue in accordance with a resolution of the directors on February 16, 2022.

2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its Standalone Special Purpose Interim Financial Statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these Standalone Special Purpose Interim Financial Statements, unless otherwise indicated below:

2.1. Basis of Preparation

These Special Purpose Interim Standalone Financial Statements of the Company comprising the Balance Sheet as at December 31, 2021, Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Cash Flow Statement for the nine month period December 31, 2021, and a summary of significant accounting policies and other explanatory information have been prepared by the Company in accordance with the Indian Accounting Standards 34,'Interim Financial Reporting' (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), for inclusion in Information Memorandum, to be submitted / filed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) (together 'the Stock Exchanges') for the proposed listing of equity shares of the Company on the Stock Exchanges and for submission to existing lenders of the Company and its Subsidiaries/Associates/Joint Ventures. However, comparative figures have not been included in these financial statements as per the requirements of Ind AS 34, since these are prepared for the limited purposes as specified above. These Special Purpose Interim Standalone Financial Statements have been prepared by giving effect to the Composite scheme of amalgamation and arrangement (the 'Scheme') (Refer note 43) in accordance with Appendix C of Ind AS 103 from the earliest period presented consequent upon receipt of approval to the Scheme from National Company Law Tribunal (NCLT).

These Special Purpose Interim Standalone Financial Statements of the Company are also compliant with the disclosure requirements made applicable to companies with effect from April 1, 2021 vide amendments to Schedule III of Companies Act, 2013 dated March 24, 2021, as considered applicable for the preparation of these financial statements.

2.2. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the Standalone Special Purpose Interim Financial Statements based on current/ non-current classification. An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
ii. Held primarily for the purpose of trading,
iii. Expected to be realised within twelve months after the reporting period, or

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR POWER AND URBAN INFRA LTD. ★

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle,
ii. It is held primarily for the purpose of trading,
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Fair value measurement of financial instruments

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Special Purpose Interim Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Standalone Special Purpose Interim Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

c. Revenue from contracts with customer

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

Revenue from operations

Revenue from operation is exclusive of goods and service tax (GST). Revenue includes adjustments made towards liquidated damages and variation wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers are not taken into account.

Revenue from construction/project related activity is recognised as follows:

1. **Cost plus contracts:** Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

2. **Fixed price contracts:** Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

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Impairment loss (termed as provision for foreseeable losses in the Standalone Special Purpose Interim Financial Statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Company recognises impairment loss (termed as provision for expected credit loss on contract assets in the Standalone Special Purpose Interim Financial Statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Income from management/ technical services
Income from management/ technical services is recognised as per the terms of the agreement on the basis of services rendered.

Interest income
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except the interest income received from customers for delayed payments which are accounted on the basis of reasonable certainty / realisation.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is included in other operating income in the Standalone Special Purpose Interim Statement of Profit and Loss.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

d. Taxes on income

Current income tax
Tax expense for the period comprises current and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation

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authorities. The Company's liability for current tax is calculated using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Standalone Special Purpose Interim Financial Statements and the corresponding tax bases used in the computation of the taxable profit and is accounted for using the balance sheet liability model. Deferred tax liabilities are generally recognised for all the taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

e. Non-current assets held for sale/ disposal

The Company classifies non-current assets as held for sale/ disposal if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,

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c) The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Standalone Special Purpose Interim Financial Statements.

f. Property, plant and equipment

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category of asset*	**Estimated useful life**
Plant and equipment	4 – 15 years*
Office equipment's	5 years
Furniture and fixtures	10 years
Vehicles	8 – 10 years
Computers	3 years

* The Company, based on technical assessment made by the technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

Further, the management has estimated the useful lives of asset individually costing Rs 5,000 or less to be less than one year, whichever is lower than those indicated in Schedule II. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Special Purpose Interim statement of profit and loss when the asset is derecognised.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period with the effect of any change in the estimate being accounted for on a prospective basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the standalone special purpose interim statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the standalone special purpose interim statement of profit and loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Other concession and operator rights	Definite (25 years)	Straight-line basis	Acquired

h. Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

i. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

The Company as a lessee

Till previous year, assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rental are charged to Standalone Special Purpose Interim Statement of Profit and Loss on straight-line basis except where scheduled increase in rent compensate the lessor for expected inflationary costs.

For any new contracts entered into on or after April 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

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At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).
The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any

reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset. The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Standalone Special Purpose Interim Financial Statements of Profit and Loss on a straight-line basis over the lease term.

The Company as a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

j. Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred that relate to future activities on the contract are recognised as "Contract work in progress".

Contract work in progress comprising construction costs and other directly attributable overheads is valued at lower of cost and net realisable value.

k. Impairment of non-financial assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, investment property, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

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(i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value in use; and

(ii) in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net fair value less costs of disposal and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Standalone Special Purpose Interim Statements of Profit and Loss.

l. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Standalone Special Purpose Interim Statements of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Standalone Special Purpose Interim Financial Statements.

Provisions and contingent liability are reviewed at each reporting date.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund, pension fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund, pension fund and superannuation fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet reporting date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the

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contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.
The Company presents the leave as a current liability in the standalone balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method using actuarial valuation to be carried out at each balance sheet date

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

a. The date of the plan amendment or curtailment, and
b. The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Standalone Special Purpose Interim statement of Profit and Loss:

a. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
b. Net interest expense or income.

n. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment. On de-recognition of such financial instruments in its entirety, the difference between the carrying amount measured at the date of de-recognition and the consideration received is adjusted with equity component of the investments.

Pursuant to change in accounting policy as detailed above, the Company has made an irrevocable election to measure investments in equity instruments issued by subsidiaries, associates and joint ventures at Fair Value Through Other

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Comprehensive Income (FVTOCI). Amounts recognised in OCI are not subsequently reclassified to the statement of profit and loss.

Investment in preference shares/ debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(a) Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the Standalone Special Purpose Interim Statements of Profit and Loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the Standalone Special Purpose Interim Statements of Profit and Loss.

The Company recognises impairment loss on trade receivables using expected credit loss model, which involves use of provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109 – Impairment loss on investments.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

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If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognised in Standalone Special Purpose Interim Statement of Profit and Loss.

For trade and other receivables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Special Purpose Interim Statement of Profit and Loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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o. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

p. Convertible preference shares/ debentures

Convertible preference shares/debentures are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares/debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for conversion right. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares/debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

q. Cash and cash equivalents

Cash and cash equivalent in the standalone balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Foreign currencies

In preparing the Standalone Special Purpose Interim Financial Statements, transactions in the currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in the foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on translation of long term foreign currency monetary items recognised in the Standalone Special Purpose Interim Financial Statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-"First time adoption of Indian Accounting Standard" are recognised directly in equity or added/ deducted to/ from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the Standalone Special Purpose Interim Statement of Profit and Loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the Standalone Special Purpose Interim Statement of Profit and Loss for the period.

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s. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

t. Exceptional items

An item of income or expense which due to its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the Standalone Special Purpose Interim Financial Statements.

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3. Property, plant and equipment

(Rs. in crore)

Particulars	Freehold land	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Computers	Total
Gross carrying amount							
As at April 1, 2021	0.25	243.98	4.09	5.37	4.53	8.56	266.78
Additions	-	1.75	0.01	0.01	-	-	1.77
Disposals	-	0.35	0.03	-	0.13	-	0.51
As at December 31, 2021	0.25	245.38	4.07	5.38	4.40	8.56	268.04
Accumulated depreciation							
As at April 1, 2021	-	123.78	3.16	4.98	4.25	8.46	144.63
Charge for the period	-	13.70	0.16	0.19	0.06	0.06	14.17
Disposals	-	0.26	0.03	-	0.13	-	0.42
As at December 31, 2021	-	137.22	3.29	5.17	4.18	8.52	158.38
Net carrying amount							
As at December 31, 2021	0.25	108.16	0.78	0.21	0.22	0.04	109.66

Note:.
(i) Refer note 15 for information on property, plant and equipment pledged as security by the Company.

4. Intangible assets

(Rs. in crore)

Particulars	Other concession and operator rights	Total
Gross carrying amount		
As at April 1, 2021	5.22	5.22
Additions	-	-
Disposals	-	-
As at December 31, 2021	5.22	5.22
Accumulated amortisation		
As at April 1, 2021	1.88	1.88
Charge for the period	0.23	0.23
Disposals	-	-
As at December 31, 2021	2.11	2.11
Net carrying amount		
As at December 31, 2021	3.11	3.11

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GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

5 Financial assets - Investments

(Rs. in crore)

Particulars	Non-current December 31, 2021
A. Investments measured at Fair Value through Other Comprehensive Income (FVTOCI) (Fully paid up)	
Unquoted equity shares	
i. Subsidiary companies	
- Domestic Companies	
GMR Pochanpalli Expressways Private Limited ('GPEPL') [8] [2,070,000 equity shares of Rs. 10 each]	5.38
GMR Aviation Private Limited ('GAPL') [244,080,868 equity shares of Rs. 10 each]	131.99
GMR Ambala Chandigarh Expressways Private Limited ('GACEPL')[1,8] [47,495,280 equity shares of Rs. 10 each]	-
Gateways for India Airports Private Limited ('GFIAL') [8,649 equity shares of Rs. 10 each]	2.78
GMR Highways Limited ('GMRHL')[1] [699,895,741) equity shares of Rs. 10 each]	-
GMR Chennai Outer Ring Road Private Limited ('GCORRPL')[1] [12,300,000 equity shares of Rs. 10 each]	15.53
GMR Energy Trading Limited ('GETL') [59,939,897 equity shares of Rs. 10 each]	134.51
Dhruvi Securities Private Limited ('DSPL') [168,059,694 equity shares of Rs. 10 each]	16.28
GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL) [2,050,000 equity shares of Rs. 10 each]	1.56
GMR Aerostructure Services Limited ('GASL) [50,000 equity shares of Rs. 10 each]	82.15
GMR Generation Assets Limited ('GGAL')[1,2,3,4,5,6,7] [1,617,295,559 equity shares of Rs. 10 each]	-
	390.18
- Overseas companies	
GMR Infrastructure (Mauritius) Limited ('GIML') [181,236,001 equity shares of USD 1 each]	2,057.34
GMR Infrastructure (Overseas) Limited ('GIOL') [100 equity shares of USD 1 each]	1,329.87
	3,387.21
ii. Joint ventures/ associates	
GMR Energy Limited ('GEL')[1,2,3,4,5,6,7,8] [1,057,369,038 equity shares of Rs. 10 each]	404.57
GMR Energy (Mauritius) Limited ('GEML') [5 equity share of USD 1 each]	5.29
GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL') [7] [4,900 equity shares of Rs. 10 each]	-
	409.86
Total investment in equity	**4,187.25**

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GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

5 **Financial assets - Investments contd**

Particulars	Non-current December 31, 2021
B. Investment in preference shares (Fully paid up)	
i. Investment in preference shares (in the nature of equity) of subsidiary companies measured at Fair Value through OCI (FVTOCI)	
GMR Pochanpalli Expressways Private Limited ('GPEPL') [4,450,000 0.01% compulsorily convertible non- cumulative preference shares of Rs. 100 each]	20.76
Dhruvi Securities Private Limited ('DSPL')[9]	132.46
	153.22
ii. Investment in preference shares of subsidiary companies at amortised cost	
GMR Chennai Outer Ring Road Private Limited ('GCORRPL') [2,192,500 0.01% compulsorily convertible non-cumulative preference shares of Rs. 100 each]	12.27
Dhruvi Securities Private Limited ('DSPL') [42,000,000 8% compulsorily convertible preference shares of Rs. 10 each]	86.24
GMR Hyderabad Vijaywada Expressway Private Limited ('GHVEPL') [8,152,740 6% non-cumulative redeemable/ convertible preference shares of Rs. 100 each]	57.10
	155.61
Less: provision for diminution in value of investments in preference shares at amortised cost	(57.10)
Total investment in preference shares	**251.73**
C. Investment in debentures (Fully paid up)	
i. Investment in debentures (in the nature of equity) measured at FVTOCI	
a. Subsidiary companies	
GMR Aerostructure Services Limited ('GASL) (0.001% 100,000,000 units of CCDs having face value of Rs. 10 each)	100.00
ii. Investment in debentures (in the nature of equity) measured at amortised cost	
b. Joint venture/associates	
GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	105.60
	205.60
Total investment in debentures	**205.60**
Total investments (A+B+C+D)	**4,644.58**
Aggregate amount of unquoted investments	4,701.68
Aggregate amount of impairment in the value of investments	(57.10)

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(Rs. in crore)

Particulars	Current December 31, 2021
Investments in Mutual Funds	
Union Medium Duration Fund- Regular Plan - Growth 199,990 units of Rs. 10.2045 each	0.20
	0.20

5 **Financial assets - Investments contd**

1 Details of investments pledged at face value as security in respect of the loans availed by the Company and the investee Companies.
The following unquoted investments included above have been pledged as security in respect of the borrowings of the Company or the investee Companies:

Description	Decemebr 31,2021
GMRHL [209,968,722 equity share of Rs.10 each]	209.97
GACEPL [23,272,687 equity shares of Rs.10 each]	23.27
GCORRPL [3,487,500 equity shares of Rs.10 each]	3.49
GEL [305,059,169 equity share of Rs. 10 each]	305.06
GGAL [1,555,061,813 equity shares of Rs.10 each]	1,555.06
GCAPL [4,999,990 equity shares of Rs.10 each]	5.00

2 The Company has invested in GMR Generation Assets Limited ("GGAL") which has further invested in step down subsidiaries and joint ventures. Further, the Company has outstanding loan (including accrued interest) amounting to Rs. 168.73 crores recoverable from GGAL as at December 31, 2021. Also, the Company together with GGAL and GMR Energy Projects Mauritius Limited has investments in GMR Energy Limited ("GEL") amounting Rs. 988.27 crore and has outstanding loan (including accrued interest) amounting to Rs. 1078.94 crore in GEL as at December 31, 2021. GEL and GGAL have certain underlying subsidiaries/ associates/ joint ventures which are engaged in energy sector including mining operations. GEL, GGAL and some of the underlying subsidiaries/ associates/ joint ventures as further detailed in note 5(3), 5(4), 5(5), 5(6), and 5(7) below have been incurring losses resulting in substantial erosion in their net worth. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the period ended December 31, 2021, the management of the Company has fair valued its investments and for reasons as detailed in 5(3), 5(4), 5(5), 5(6), and 5(7) below, the management is of the view that the fair values of the Company's investments in GGAL and GEL are appropriate.

3 GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora. GWEL, has accumulated losses of Rs.763.23 crore as at December 31, 2021, which has resulted in substantial erosion of GWEL's net worth and its current liabilities exceed current assets. There have been delays in receipt of the receivables from customers which has resulted in delays of repayment of dues to the lenders GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ('PPA') and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 756.20 crore and the payment from the customers against the claims including interest on such claims which are substantially pending receipt. Based on certain favorable interim regulatory orders, the management is confident of a favorable outcome towards the outstanding receivables.

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Further, GWEL received notices from one of its customer disputing payment of capacity charges of Rs. 132.01 crore for the period March 23, 2020 to September 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof. Accordingly, during the period ended March 31, 2021, GWEL filed petition with Central Electricity Regulatory Commission ('CERC') for settlement of the dispute. The management based on its internal assessment and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable. Further, in view of the ongoing COVID-19 pandemic and expiry of the PPA with one of the customer availing 200 MW of power in September 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of GWEL. Further, GWEL basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by RBI on December 30, 2020 in respect of all the facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by GWEL as on the invocation date. In this regard, all the lenders of GWEL have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021 and a Resolution Plan was to be implemented within 180 days from the invocation date in accordance with the framework issued by RBI. Considering that the proposed resolution plan did not meet certain minimum rating criteria under Resolution Framework for COVID-19 related stress, the said resolution process was failed. Further most of the borrowing facilities of GWEL have become Special Mention Account-2/Non Performing Assets, accordingly resolution process under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI on June 07, 2019 has been invoked on June 29, 2021 by default. ICA has been executed on July 27, 2021 by majority of lenders with 180 days timeline for resolution plan implementation. The initial timeline for implementation of Resolution plan expires on January 24, 2022. The management of GWEL confirms that such expiry of timelines will result in applicability of provisions pertaining to ' Delayed Implementation of the resolution plan' as per prudential framework for resolution of stressed asset, as prescribed by RBI on June 7, 2019 and further confirms that lender are in advance stage of implementation of resolution plan subsequent to report date.

During year ended 31 March 2021, GWEL filed petition with CERC for settlement of the dispute. The management based on its internal assessment and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable. Further, in view of the expiry of the PPA with one of the customer availing 200 MW of power in June 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of GWEL.
However, GWEL has certain favourable interim orders towards the aforementioned claims. Also during the current period, GWEL has entered into a new PPA with Gujarat Urja Vikas Nigam Limited ('GUVNL') for the supply of 150 MW of power from October 2021 to July 2023.

Accordingly, the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the period ended December 31, 2021, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the pending outcome of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management of the Group is of the view that the carrying value of the net assets in GWEL by GEL as at December 31, 2021 is appropriate.

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4 GWEL entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with APTEL. APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claim of Rs. 614.59 crore towards reimbursement of transmission charges from March 17, 2014 till December 31, 2021. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) are being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period December 2020 to December 2021. Though there is a change in the invoicing mechanism, the final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favorable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 616.33 crore relating to the period from March 17, 2014 to December 31, 2021 (including Rs. 4.75 crore for the nine months period ended December 31, 2021) in the financial results of GWEL.

5 GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of GEL, is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of Rs. 1,748.22 crore as at December 31, 2021, which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. Further, GKEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 1,411.18 crore as at December 31, 2021, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt as at December 31, 2021. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favorable outcome towards the outstanding receivables of GKEL.

GKEL in view of the Supreme Court Order in Energy Watchdog vs CERC and others and CERC order in its own case for Haryana Discoms had sought legal opinion from the legal counsel on certainty of the claims with Bihar Discom. Considering opinion received from legal counsels that GKEL has good tenable case with virtual certainty with respect to coal cost pass through and favourable Order from APTEL dated December 21, 2018 and CERC judgment in GKEL's own case for Haryana Discom where the computation methodology of coal cost pass through was decided, the management was virtually certain on receipt of the GKEL's claim of revenue on coal cost pass through and was of the opinion that no contingency was involved in this regard. GKEL has now received a favourable order on September 16, 2019 whereby the CERC has allowed the coal cost pass through to be charged to the Bihar Discom, based on a certain methodology. However, GKEL has filed a review petition with Hon'ble Appellate Tribunal for Electricity dated November 14, 2019 against this methodology on the grounds that the methodology stated in this order, even though favourable, is contradictory to the methodology stated in the earlier order of CERC in GKEL's case with Haryana Discom. Accordingly, GKEL continued to recognize the income on Coal Cost Pass Through claims of Rs 19.25 crore for the period ended December 31, 2021. The total outstanding receivables (including unbilled revenues) amount to Rs. 1,411.18 crore as on December 31, 2021.

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GKEL has accounted for transportation cost of fly ash as change in law event as the same was agreed in principle by CERC vide Order 131/MP/2016 dated February 21, 2018 and on March 22, 2021 in case no 405/MP/2019, CERC allowed to recover ash transportation costs including GST from Bihar and Haryana Discoms. Similarly, CERC in its order dated April 8, 2019 has allowed Maithan Power Limited in case no – 331/MP/2018 to recover the actual ash disposal expenses from its beneficiaries (DVC).
Based on the above orders of CERC, GKEL has recognised revenue amounting to Rs 23.20 crore for GRIDCO during the period ended December 31, 2021 post complying with the conditions mandated in this regard. GKEL has filed petition with CERC for determination of compensation of transportation charges of fly ash as per Order.

Further, as detailed below there are continuing litigations with SEPCO Electric Power Construction Corporation (SEPCO) ('Capital Creditors') which are pending settlement. Further during the previous year, GKEL has won the bid for supply of balance 150 MW to Haryana Discom. GKEL has signed fuel supply agreement with Coal India Limited for supply of coal from its Mahanadi Coal Field Mines for 0.36 crore ton which is within a distance of 15 KM from the plant site. In addition to above, GKEL has won the bid (Shakti-III) for supply of 0.04 crore ton of coal for balance 150 MW. GKEL is actively pursuing its customers for realization of claims and selling its untied capacity in exchange market to support the GKEL's ability to continue the business without impact on its operation.

Further, GKEL had entered agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. The Arbitral Tribunal has issued an opinion (the Award) on September 7, 2020 against GKEL. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) immediately applied for correction of the award under Section 33 of the Arbitration & Conciliation Act 1996 (as amended). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020. GKEL already accounted for the aforementioned liability in excess of the amount as per the award pertaining to the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL has challenged the award under section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Orissa on February 15, 2021. Based on the legal opinion obtained, GKEL has good arguable case under section 34 of the Act to challenge the Award and seek setting aside of the same as thus the is not expecting cash outflow in this matter.

In view of these matters, business plans (including expansion and optimal utilization of existing capacity, rescheduling/ refinancing of existing loans at lower rates), valuation assessment by an external expert during the period ended December 31, 2021, the management is of the view that the carrying value of the investments in GKEL held by GEL as at December 31, 2021 is appropriate.

6 In view of lower supplies / availability of natural gas to the power generating companies in India, GMR Vemagiri Power Generation Limited ('GVPGL'), a subsidiary of GEL and GEL are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL has not generated and sold electrical energy since April 2013. GVPGL emerged as successful bidders in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 and October 2015 respectively till September 2016 by using Re-gasified Liquefied Natural Gas ('RLNG') as natural gas. This entity has ceased operations and has been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply.

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(i) During the year ended March 31, 2018, pursuant to the appeal filed by Andhra Pradesh Discoms ('APDISCOMs'), the Hon'ble Supreme Court held that RLNG is not natural gas and accordingly GVPGL cannot be entitled for capacity charges based on availability declaration for generation of power on the basis of RLNG. GVPGL had also filed petition claiming losses of Rs. 447.00 crore pertaining to capacity charges pertaining to period 2006 to 2008 before Andhra Pradesh Electricity Regulatory Commission ('APERC'). Over the years, the case was heard for deciding the jurisdiction to adjudicate the proceedings. During the year ended March 31, 2019, the Hon'ble High Court of Andhra Pradesh passed its Judgment and held that the Central Electricity Regulatory Commission ('CERC') has the jurisdiction to adjudicate the aforesaid claims of GVPGL. Further, during the year ended March 31, 2020, the Andhra Pradesh DISCOMs (APDISCOMs') appealed against, the aforesaid judgement before the Hon'ble Supreme Court. The Supreme Court vide its order dated February 4, 2020 dismissed the aforesaid petition of the DISCOMs and held that CERC will have jurisdiction to adjudicate the disputes in the present case and directed CERC to dispose off the petition filed before it within six months. The matter is pending to be heard before the CERC as at December 31, 2021.

Additionally, during the year ended March 31, 2020, in case of GVPGL's litigation with APDISCOMs, wherein APDISCOMS refused to accept declaration of capacity availability on the basis of deep water gas citing that natural gas for the purpose of PPA does not include Deep Water Gas and consequent refusal to schedule power from GVGPL and pay applicable tariff including capacity charges, CERC has passed order dated January 28, 2020, declaring that natural gas for the purpose of PPA includes Deep Water Gas. Accordingly, GVGPL is entitled to claim capacity charges from APDISCOMs from October 2016 based on availability declaration for generation of power on the basis of deep water gas, along with late payment surcharge.

GVGPL has calculated a claim amount of Rs. 741.31 crore for the period from November 2016 till February 2020. GVPGL has not received any of the aforesaid claims and is confident of recovery of such claims in the future based on CERC order.

(ii) Further, the management of the Company is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management of the Company carried out a valuation assessment of GVPGL during the period ended December 31, 2021 which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff, tying up of PPA, realization of claims for losses incurred in earlier periods and current period from the customer and other operating parameters, which it believes reasonably reflect the future expectations from these projects. The management of the Company will monitor these aspects closely and take actions as are considered appropriate and is confident that these gas based entities will be able to generate sufficient profits in future years and meet their financial obligations. Based on the aforementioned reasons, claims for capacity charges and business plans, the management is of the view that the carrying value of the investment in GVPGL by GEL as at December 31, 2021 is appropriate

7 GMR Badrinath Hydro Power Generation Private Limited ('GBHPL') a subsidiary of GEL, is in the process of setting up 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended March 31, 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. During the year ended March 31, 2018, the validity of Environmental Clearance ('EC') granted to GBHPL by the MoEF ceased to exist. Pursuant to an application made by GBHPL, the MoEF vide its letter dated April 17, 2018, proposed to extend the EC granted to GBHPL for a period of 3 years, subject to the final outcome of the matter pending before the Court. Based on its internal assessment and a legal opinion, the management of GBHPL is confident of obtaining the requisite clearances and based on business plan and a valuation assessment carried out by an external expert during the year ended December 31, 2021, the management of the Company is of the view that the carrying value of the investments in GBHPL by GEL as at December 31, 2021 is appropriate.

8 This includes share held by others on behalf of the company.

9 This amount pertaining to equity component of 8% compulsorily convertible preference shares issued by Dhruvi Securities Private Limited ("DSPL") have been extended for further period of 9 years at mutually agreed terms and conditions. Considering the extention of CCPS, equity component of preference shares amounting to ` 132.46 crore has been recognised.

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6 Trade receivables

(Rs. in crore)

		Non-current December 31, 2021	Current December 31, 2021
Unsecured, considered good			
Receivable from related parties (refer note 32)		-	80.01
Other trade receivables		175.21	0.76
	(A)	**175.21**	**80.77**
Trade receivables- credit impaired			
Other trade receivables		28.79	3.18
	(B)	**28.79**	**3.18**
Loss allowance			
Less: Trade receivables - loss allowances (refer note 36)	(C)	(28.79)	(3.18)
Total trade receivables (A+B+C)		**175.21**	**80.77**

(i) Trade receivables ageing schedule is as follows:

Particulars	As at December 31 2021					
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	92.33	37.21	27.31	29.89	69.24	255.98
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	31.97	31.97
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

7 Loans

(Rs. in crore)

	Non-current December 31, 2021	Current December 31, 2021
Unsecured, considered good		
Loan to related parties (also refer note no 32)	1,559.54	352.82
	1,559.54	**352.82**
Loans receivables - credit impaired- related parties (refer note 32)	453.21	629.58
	453.21	**629.58**
Loss allowance		
Less: Loans receivables - credit impaired - related parties (refer note 32)	(453.21)	(629.58)
	1,559.54	**352.82**
Total loans	**1,559.54**	**352.82**

(i) Loans are non-derivative financial instruments which generate a fixed or variable interest income for the Company. The carrying value may be affected by the changes in

(ii) No loans are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

Type of borrower	Amount of loan in the nature of loan outstanding	Percentage to the total loan in the nature of loans
Promoters	-	-
Directors	-	-
KMP's	-	-
Related Parties	1,912.36	100%

8 Other financial assets

(Rs. in crore)

	Non-current December 31, 2021	Current December 31, 2021
Unsecured, considered good unless stated otherwise		
Non-current bank balances (refer note 11 (b))	43.60	-
Unbilled revenue (refer note 32)	-	640.96
Interest accrued on fixed deposits	-	1.95
Interest accrued on loans and debentures to related parties (also refer note 32)	-	295.18
Security deposit with others considered good	-	2.36
Other receivable (also refer note 32)*	96.48	301.36
Total other financial assets	**140.08**	**1,241.81**

* Includes receivable against sale of 8,422,314.44 Compulsory Convertible Debentures (CCDs) of Rs. 10 each amounting to Rs. 313.21 crore (net of amount received) issued by KSL. Also refer note 42.

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9 Other assets

(Rs. in crore)

		Non-current December 31, 2021	Current December 31, 2021
Advances other than capital advances			
Unsecured, considered good			
Advance to suppliers		-	49.19
Advance to employees		-	0.65
	(A)	-	**49.84**
Other advances			
Prepaid expenses		-	2.16
Balances with statutory/ government authorities		5.04	31.60
Generation Based Incentive Receivable (*)		-	0.10
	(B)	**5.04**	33.86
Total other assets (A+B)		**5.04**	**83.70**

(*) Generation Based Incentive is receivable for Genertion of Renewable energy.There are no unfullfiled conditions or contingencies attached to these grants.

10 Inventories

(Rs. in crore)

	December 31, 2021
Raw materials (valued at lower of cost and net realizable value)	108.49
Total inventories	**108.49**

11 (a) Cash and cash equivalents

(Rs. in crore)

		Non-current December 31, 2021	Current December 31, 2021
Cash and cash equivalents			
Balances with banks:			
– in current accounts		-	13.51
– deposits with original maturity of less than or equal to three months[1]		-	0.14
Cash on hand		-	0.05
	(A)	-	**13.70**
11 (b) Other bank balances			
– deposits with remaining maturity for more than three months but less than or equal to twelve months[1,2]		-	48.59
– deposits with remaining maturity for more than twelve months[1]		43.60	-
	(B)	**43.60**	**48.59**
Amount disclosed under non-current financial assets		(43.60)	-
	(C)	**(43.60)**	-
Total (A+B+C)		-	**62.29**

1. A charge has been created over the deposits of Rs. 92.33 crore towards various loans, guarantees, letter of credit facilities, working capital facilities, bank performance gurantee and Debt Service Reserve Account ('DSRA') maintained by the Company for loans availed by the Company from banks and financial institutions.

2. Includes deposits with original maturity of more than 3 months but less than 12 months of Rs. 48.59 crore.

3. For the purpose of the standalone statement of cash flows, cash and cash equivalents comprise the following:

(Rs. in crore)

Particular	**December 31, 2021**
Balances with banks:	
- On current accounts	13.51
Deposits with original maturity of less than three	0.14
Cash on hand	0.05
Cash and cash equivalents for cash flow statement	**13.70**

Note : Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn. Accordingly, the Company has considered only such bank overdrafts which fluctuates from being positive to overdrawn often.

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12 Equity Share Capital

	Equity Shares	
	Number of shares	(Rs. in crore)
<u>Authorised share capital:</u>		
At April 1, 2021	**50,000,000**	**50.00**
Increase during the period*	1,050,000,000	500.00
At December 31, 2021	**1,100,000,000**	**550.00**

* Pursuant to Composite Scheme of Amalgamation and Arrangement as sanctioned by the Hon'ble National Company Law Tribunal, Bench at Mumbai vide its order dated December 22, 2021, the authorised share capital was altered from Rs. 50,00,00,000 divided into 5,00,00,000 Equity Shares of face value of Rs. 10/- each to Rs. 550,00,00,000 divided into 110,00,00,000 Equity Shares of face value of Rs. 5/- each on effectiveness of the Scheme.

a. Issued equity capital

	Number of shares	(Rs. in crore)
At April 1, 2021	100,000	0.10
Shares cancelled pursuant to scheme of arrangement [refer note 13(i)]	(100,000)	(0.10)
At December 31, 2021	-	-

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5 per share. Every member holding equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

The company has not made any buy-back of shares, nor has there been an issue of shares by way of bonus share or issue of share pursuant to contract without payment being received in cash since the incorporation of the Company.

13 Equity share pending issuance

	December 31, 2021
Equity shares to be issued pursuant to scheme of arrangement [note refer (i)]	301.80
	301.80

(i) The National Company Law Tribunal ("NCLT"), Mumbai vide its order pronounced on December 22, 2021 had sanctioned the Composite Scheme of Arrangement. The Scheme have been made effective from December 31, 2021 and as per Scheme the existing paid up share capital of Rs. 0.10 crore held by GMR Infrastructure Limited (GIL) stands cancelled. In terms of the Scheme the Company had alloted 1 shares of Rs. 5/- each to shareholders of GIL for every 10 shares held in GIL. Accordingly on January 12, 2022 6,03,594,528 equity shares of Rs. 5/- each aggregating Rs. 301.80 crores have been alloted and the shares held by GIL stands cancelled.

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14 Other Equity

		(Rs. in crore)
A) Capital reserve		
Balance as at April 1, 2021		**(301.80)**
Movement during the period		-
Balance as at December 31, 2021	**(A)**	**(301.80)**
B) Equity component of Related party loan		
Balance as at April 1, 2021		**1.24**
Add: Equity contribution from related party loan		262.28
Balance as at December 31, 2021	**(B)**	**263.52**
C) Fair valuation through other comprehensive income ('FVTOCI')		
Balance as at April 1, 2021		**(10,420.34)**
Add: Loss on FVTOCI on equity securities		560.13
Balance as at December 31, 2021	**(C)**	**(9,860.21)**
D) Securities premium		
Balance as at April 1, 2021		**10,013.96**
Balance as at December 31, 2021	**(D)**	**10,013.96**
E) Retained earnings		
Balance as at April 1, 2021		**1,266.05**
Loss for the period		(150.47)
Add: Re-measurement gains on defined benefit plans		(0.45)
Balance as at December 31, 2021	**(E)**	**1,115.13**
F) Foreign currency monetary translation difference account ('FCMTR')		
Balance as at April 1, 2021		**(159.35)**
Add: Exchange difference gain on FCCB recognised during the period		(29.69)
Less: FCMTR amortisation during the period		5.65
Balance as at December 31, 2021	**(F)**	**(183.39)**
Total other equity (A+B+C+D+E+F)		
Balance as at December 31, 2021		**1,047.21**

(i) Capital reserve
Capital reserve created pursuant to scheme of arrangement. [refer note 13(i)]

(ii) Equity component of related party loan
Equity component created on interest free loan provided by related parties.

(iii) FVTOCI equity securities
The Company has elected to recognise changes in the fair value of investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserves within equity.

(iv) Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(v) Retained Earnings are the profits of the Company earned till date net of appropriations.

(vi) FCMTR represents unamortised foreign exchange differences arising on translation of long-term foreign currency monetary items.

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15 Financial liabilities - Borrowings

(Rs. in crore)

	Non-current	Current
	December 31, 2021	December 31, 2021
A. Long term borrowings:		
Debentures / Bonds		
275 7.5% Foreign Currency Convertible Bonds ('FCCBs') of USD 1,000,000 each (unsecured)[1]	2,004.16	-
Term Loans		
From banks		
Indian rupee term loans (secured)[2,3,4,5]	711.70	152.78
From financial institutions		
Indian rupee term loans (unsecured)[6]	87.54	86.77
Others		
Loans from related parties (unsecured)[7,8,9,12,13,14]	810.10	174.18
Loan repayable on demand		
Bank Overdraft (secured)[10]	-	256.58
Working capital loan (secured)[10]	-	74.21
Loans from related parties (unsecured)[11]	-	451.77
	3,613.50	**1,196.29**
The above amount includes		
Secured borrowings	711.70	483.57
Unsecured borrowings	2,901.80	712.72
	3,613.50	**1,196.29**

1 (a). Pursuant to the approval of the Management Committee of the Board of Directors dated December 10, 2015, the Company has issued 7.50% Unlisted FCCBs of USD 30.00 crore to Kuwait Investment Authority with a maturity period of 60 years which has outstanding amount Rs. 2,044.21 crore. The subscriber can exercise the conversion option on and after 18 months from the closing date upto close of business on maturity date. Interest is payable on annual basis. The FCCBs are convertible at Rs. 18 per share which can be adjusted at the discretion of the Company, subject to the regulatory floor price. The exchange rate for conversion of FCCBs is fixed at Rs 66.745/USD. As at December 31, 2021, FCCB holders have not exercised the conversion option. The Company needs to take necessary steps in case the bondholders direct the Company to list the FCCBs on the Singapore Exchange Trading Limited.

(b). The GIL had issued 6 (six) Foreign Currency Convertible Bonds (FCCBs) of USD 5.00 crore each, aggregating to USD 30.00 crore due 2075 to the Kuwait Investment Authority ("KIA") on December 10, 2015. The NCLT, Mumbai vide its order pronounced on December 22, 2021 had sanctioned the Composite Scheme of Amalgamation and Arrangement amongst GMR Power Infra Limited, GIL and GMR Power and Urban infra Limited (" Scheme"). The Scheme inter-alia provides for Demerger of EPC and Urban Infra business of GIL into the Company. In accordance with the requirements of Section 2(19AA) of the Income Tax Act, 1961, part of the liability pertaining to the outstanding FCCBs of GIL attributable to the Demerged Undertaking stands vested to the Company pursuant to the Demerger. Thus upon effectiveness of the Scheme, subject to necessary regulatory approval, FCCBs of USD 27.50 crore stands vested to the Company. To give effect to the split of FCCBs between GIL and the Company, GIL, KIA and the Company had entered into agreement on January 12, 2022 inter-alia for redenomination of the FCCBs into a total of 300 FCCBs, each having a face value of USD 1,000,000, from 6 FCCBs of USD 50,000,000 each and split of FCCBs between GIL and the Company such that GIL will retain FCCBs of USD 2.50 crore and remaining FCCBs of USD 27.50 crore which stands vested to the Company. Both GIL and the Company are in process of obtaining the requisite regulatory approval for the Split of FCCBs pursuant to the Scheme.

Pursuant to Composite Scheme of Amalgamation and Arrangement as sanctioned by the Hon'ble National Company Law Tribunal, Bench at Mumbai vide its order dated December 22, 2021,the company is in the process of executing gurantee agreements with the lenders, giving effect to the transfer of guarantees from GIL to the Company as may be applicable.

2. Indian rupee term loan from a bank of Rs. 19.08 crore carries interest @ base rate of lender plus spread of 1.25% p.a. and interest is payable on a monthly basis. The loan is secured by i) 10% of cash margin on the outstanding amount in the form of lien on fixed deposits in favour of the lender ii) an exclusive charge on assets created out of underlying facility by GISPL in favour of lender approved correspondent bank iii) second charge on cash flows of GISPL from coal trading under Coal Sales and Purchase Agreement with GCRPL iv) exclusive charge on loans given to GEL v) DSRA covering interest payment for the next three months and vi) securities as set out in note 15(15). The loan is repayable in fourteen unequal semi-annual instalments commencing after twelve months from the date of first disbursement. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof. Further, during current year, the bank has converted interest accrued during the moratorium period amounting to Rs 2.73 crores into funded interest term loan.The terms and conditions of the said loan will remains same as original loan.

3. Indian rupee term loan from a bank of Rs. 534.08 crore carries interest @ lender's marginal cost of funds based lending rate ('MCLR') plus spread of 3.10% p.a. and interest is payable on a monthly basis. The loan is secured by (i) first charge on the assets taken on loan by the Company to provide minimum cover of 1.00 times of the facility outstanding (ii) extension of pledge over 20% shares of GEL along with all beneficial/economic voting rights (already cross collateralized for existing term loan facilities at the Company, RSSL, GGAL (Term Loan-I) GMRHL (Term Loan-I)) (iii) additional pledge over 8% shares of GEL along with all beneficial/economic voting rights and non disposal undertaking over 2% shares of GEL (prior to disbursement) (iv) pledge over 26% shares of GMR Airports Limited along with all beneficial/economic voting rights (v) margin of 19.14% of outstanding amount (in form of FD/cash or any other instrument to the satification of the lender). The loan is repayable in fourteen half yearly structured instalments commencing after a moratorium period of one year from the date of first disbursement. Further the lender has certain mandatory prepayment rights as per the terms of the agreements. Further, during current year, the bank has converted interest accrued during the moratorium period amounting to Rs 35.99 crores into funded interest term loan. The terms and conditions of the said loan will remains same as original loan.

4. Indian rupee term loan from a bank of Rs. 224.20 crore carries interest @ MCLR plus spread of 1.45% p.a. and interest is payable on a monthly basis. The loan is secured by i) first charge on assets created out of this facility ii) 10% of cash margin on the outstanding amount in the form of lien on fixed deposits in favour of the lender and iii) securities as set out in note 15(15). The loan is repayable in twenty eight structured quarterly instalments commencing from October 2017. Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof. Further, during current year, the bank has converted interest accrued during the moratorium period amounting to Rs 17.28 crores into funded interest term loan.The terms and conditions of the said loan will remains same as original loan.

5. Indian rupee term loan from a bank of Rs. 72.73 crore carries interest @ base rate of lender plus spread of 4.75% p.a. payable on a monthly basis. The loan is secured by (i) first pari passu charge on 357.605 acres of land held by GKSIR. The loan is repayable in twelve structured quarterly instalments commencing from April 25, 2021 and ending on January 25, 2024 as per the revised agreement dated May 27, 2016. (iii) first ranking pledge/NDU over 49% of equity shares of GGAL iv) DSRA covering interest payment for the next three months Further the lender has certain mandatory prepayment rights as per the terms of the agreements, including amendments thereof. Further, during current year, the bank has converted interest accrued during the moratorium period amounting to Rs 34.10 crores into funded interest term loan.The terms and conditions of the said loan will remains same as original loan.

6. Indian rupee term loan from a financial institution of Rs. 173.33 crore carries interest @ 12.15% p.a. payable on a quarterly basis. The loan is repayable in six equal annual instalments commencing at the end of five years from the date of first disbursement. The loan is secured by an exclusive first charge on certain immovable properties located in the State of Telangana owned by Namitha Real Estate Private Limited (NREPL), a subsidiary of the Company, Corporate Infrastructure Services Private Limited, a fellow subsidiary, Varalaxmi Jute & Twine Mills Private Limited, Vijay Niwas Real Estates Private Limited and Smt. G. Varalakshmi.Also refer note 15(18).

7. Loan of Rs. 44.82 crore from its subsidiary, GADL carries interest @ 12.95% p.a. and is payable on a monthly basis. The loan is to be repaid on June 30, 2024.

8. Loans of Rs. 52.64 crore from its subsidiaries, GIDL carries interest @ 19.46% p.a and is payable along with the principal. The loan is repayable after 3 years from the date of disbursement of the loan.

9. During the year the company have taken Loans of Rs. 387.00 crore from its subsidiaries, GIDL carries interest @ 17% p.a and is payable along with the principal. The loan is repayable after 3 years from the date of disbursement of the loan.

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10. Bank overdrafts amounting to Rs. 330.79 crore is secured by

A) first charge on current assets of the EPC division of the Company and GIL (package 202),

B) First charge ranking Pari-Passu on the escrow Account (in the name of GIL-SIL JV) maintained for the purpose of project package 202 along with other working capital as well as term loan lenders, 2nd Pari-Passu charge on equipment financed by Laksmi vilas bank (Loan with LVB has fully repaid by the company hence the charge may be treated as first charge) .

Collateral Security

1) Exclusive Charge by way of mortgage of around 334.24 acres vacant land situated at Ayyarnpalli, Nagamangalam, Udhanpalli, Udedurgam and Thimjepalli villages near hosur, Tamil Nadu, which is part of 2101 acres, purchased for industrial development. The land stands in the name of M/s GMR Krishnagiri SIR Limited (formerly known as M/s GMR Krishnagiri SEZ Limited), M/s Lilliam Properties(P) Ltd. and M/s Suzone Properties (P) Ltd. which are all GMR Group companies

2) Exclusive charge by way of mortgage of residential property at Jaynagar 4th block, Bengaluru standing in the name of B V Nageswara Rao measuring 2494 Sq.ft.

3) Exclusive charge by way of lien marked on fixed deposit of Rs 14.50 crore maintained with the branch along with interest accrued thereon (In lieu of commercial property owned by GMR Family Fund Trust at Museum Road, Bengaluru admeasuring 6455 Sq ft.

4) Pari Passu Charge on the fixed assets of project (Package 201) Present and Future.

The cash credit facility is further secured by personal/corporate Guarantee

1) Mr. . B V Nageswara Rao, Group Director, (To the extent of the value of the property offered as collateral security i.e Rs 4.30 crore); M/s GMR Krishnagiri SEZ Limited; M/s GMR Lilliam Properties (P) Ltd; M/s GMR Suzone Properties (P) Ltd.

2) First Mortgage on the company's entire Fixed Assets Pertaining to subject project (If any) and First charge by way of Hypothecation on all movable assets (Excluding all equipments funded by our banks) including but not limited to all current / non-current assets in respect of Project (Package 201) both present and future ranking pari passu with other working capital and NFB / BG Lenders.

(C) A first Charge on all the company's Bank accounts including, without limitation, the TRA / Escrow account and each of the other accounts as required to be created by the company for this project under any project Document or contract

(D) A first charge / assignment/ security interest on the company's rights under the EPC Agreement, major project documents & Contracts and all licenses, permits, approvals, consents and insurance policies in respect of the present project

(E) Assignment of Contractor guarantees, liquidated damages, letter of credit, guarantee or performance bond that may be provided by any counter party under any project agreement or contract in favor of the company and insurance policies etc. pertaining to this project

The Aforesaid security would rank pari passu with all the security created/to be created in favour of the lenders and working capital lenders, if any for securing the fund based and non fund based working capital limits for the project

Second Pari Passu Charge on the fixed assets of project (DFCC Package 201) financed by the bank Present and Future

F) First mortgage on the entire fixed assets pertaining to DFCC Package 201 (if any) and First charge by way of hypothecation on all movable assets including but not limited to all current/Non-Current assets held by GIL-SIL JV in respect of Project (Package 201) both present and future ranking pari passu with other working capital and NFB/BG lenders

G) A first charge on all the Bank accounts of GIL-SIL JV including, without limitation, the TRA/Escrow/Designated account and each of the other accounts as required to be created by GIL-SIL JV for this project under any project document or contract.

The aforesaid security would rank pari-passu with all the security created / to be created in favour of the lenders and working capital lenders, if any for securing the fund-based and non-fund based working capital limits for the project (DFCC Package 201)

First Charge on the current assets of the EPC division of the Company (more particularly as defined in DoH dated January 01, 2010)

11. Loans of Rs. 451.77 crore from its subsidiaries, carry interest ranging between 7.00% p.a. to 12.95% p.a. and is payable along with repayment of principal or on such intervals as may otherwise be agreed upon by the parties.

12. Loans of Rs. 175.00 crore the Company had taken short term loan from GMR Corporate Affairs Private Limited of Rs. 175.00 crore which carried interest @ 17% p.a. payable on monthly basis. The principal is repayable on July 12, 2022.

13. Loan of Rs.216.00 Crore the Company had taken term loan from GMR Airports Limited which carried interest @ 16% p.a. payable on Monthly Basis. The principal is repayable on June 30, 2024.

14. During the year the Company had taken loan from Rs.31.20 Loan GMR Airports Limited which carried interest @ 17% p.a. payable along with principal at the end of the period. The principal is repayable on June 07, 2025.

15. **Securities for the facilities mentioned in note 4, 5, 6, 7, 8**

a) First charge over 30% pledge of shares of RSSL and 70% shares under NDU arrangement to be kept in lender's demat account.
b) Charge over 30% pledge of shares of GGAL.
c) Pledge over 30% shares of GMRHL held by the Company along with DSPL.
d) Undertaking from the Company to hold majority stake in GMRHL.
e) Pledge/charge on the advances/CCPS invested by GISPL in GCRPL in favour of lender/ lender approved correspondent bank.
f) Mortgage on office space at Bandra Kurla Complex, Mumbai.
g) Pledge over 26% shares of GAL along with all beneficial/economic voting rights.

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GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

16. The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities with respect to borrowings on an undiscounted basis, which therefore differ from both carrying value and fair value.

(Rs. in crore)

Particulars	0-1 years	1 to 5 years	> 5 years	Total
Borrowings	1,173.37	1,539.39	2,142.88	4,855.64
	1,173.37	**1,539.39**	**2,142.88**	**4,855.64**

17. As on December 2021, the Company has an overdue loan payable amounting Rs. 43.33 crore.

18. Reconciliation of liabilities arising from financing activities

(Rs. in crore)

Particulars	Long term borrowings (including current maturities)	Short term borrowings
As at April 1,2021	4,124.29	639.33
Proceeds from borrowings	840.98	179.58
Repayment of borrowings	(772.91)	-
Non-cash:		
Equity component of related party loan	(262.28)	-
Impact of borrowings measured at amortised cost, foreign currency translation and others	63.36	(35.51)
As at December 31,2021	**3,993.44**	**783.40**

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16 Other financial liabilities

(Rs. in crore)

	Non-current December 31, 2021	Current December 31, 2021
Other financial liabilities at amortised cost		
Financial guarantee	53.25	9.27
Non-trade payable[1]	-	1,100.01
Interest accrued on debt and borrowings (also refer note no 32)	-	632.69
Total other financial liabilities	**53.25**	**1,741.97**

1. In July 2010, IDFC and Temasek ('PE investors') had made certain investments through preference shares in GMR Energy Limited (GEL). There were certain amendments to the original arrangement between the Company, GEL and the PE investors. Per the latest amended Subscription and Shareholder Agreement executed in May 2016, preference shares held by the PE investors were converted into equity shares of GEL. Post conversion, the PE investors held 17.85% of equity shares in GEL with an exit option within the timelines as defined in the aforesaid amended agreement. As the said timelines have expired, the PE investors have sort for an exit without any further extensions and consequently, the Company has recognized the financial liability of Rs. 1,094.43 crore in the financial statements.

17 Provisions

(Rs. in crore)

	Non-current December 31, 2021	Current December 31, 2021
Provision for employee benefits		
Provision for gratuity	1.36	-
Provision for superannuation	-	0.02
Provision for compensated absences	-	3.54
Total provisions	**1.36**	**3.56**

18 Trade payables

(Rs. in crore)

	Current December 31, 2021
Total outstanding dues of micro enterprises and small enterprises[1,2,3]	95.49
Total outstanding dues of creditors other than micro enterprises and small enterprises[1,3]	
- Trade payables	463.34
- Trade payables to related parties (refer note 32)	3.01
Total trade payables	**561.84**

1. Terms and conditions of the above financial
- Trade payables are non-interest bearing
- For explanations on the Company's credit risk management processes, refer note 36(c)
- The dues to related parties are unsecured.

(Rs. in crore)

2. Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".	**December 31, 2021**
The principal amount and the interest due thereon remaining unpaid to any supplier:	
- Principal Amount	92.23
- Interest thereon	3.26
	95.49
The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-
The amount of interest accrued and remaining unpaid.	3.26
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor.	-

3. Trade payables ageing schedule is as follows:

(Rs. in crore)

Particulars	Not due	As at December 31 2021				
		Outstanding for following periods from due date of payment				
		0-1 years	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	91.54	1.35	2.40	0.19	95.49
(ii) Others	234.90	202.18	9.41	6.22	13.64	466.35
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-

19 Other liabilities

(Rs. in crore)

	Non-current December 31, 2021	Current December 31, 2021
Advances from customers	-	44.92
Other liabilities (including statutory dues)	-	1.60
Total other liabilities	-	**46.52**

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20 Revenue from operations

	(Rs. in crore) December 31,2021
Sale of services:	
Engineering, Procurement and Construction ('EPC'): Construction revenue	846.15
Sale of electrical energy	0.32
Sale of REC	0.25
Income from generation based incentive	0.02
	846.74

21 Other operating income

	(Rs. in crore) December 31,2021
Interest income on:	
Bank deposits	3.39
Inter corporate deposits and others (also refer note no 11)	290.79
Profit on sale of current investments (others)	0.66
	294.84

22 Other income

	(Rs. in crore) December 31,2021
Liabilities/ provisions no longer required, written back	0.01
Gain on account of foreign exchange fluctuations (net)	4.62
Gain on disposal of assets (net)	0.08
Scrap sales	1.33
Miscellaneous income	1.00
	7.04

23 Cost of materials consumed

	(Rs. in crore) December 31,2021
Inventory at the beginning of the period	78.68
Add: Purchases	494.21
	572.89
Less: Inventory at the end of the period	108.49
	464.40

24 Employee benefit expenses

	(Rs. in crore) December 31,2021
Salaries, wages and bonus	18.34
Contribution to provident and other funds	0.89
Gratuity expenses	0.30
Staff welfare expenses	2.71
	22.24

25 Finance costs

	(Rs. in crore) December 31,2021
Interest on debts and borrowings (also refer note no 32)	442.59
Interest on intercompany debt and borrowings	6.53
Bank and other charges	13.22
	462.34

26 Depreciation and amortisation expenses

	(Rs. in crore) December 31,2021
Depreciation of property, plant and equipment (refer note 3)	14.17
Amortisation of other intangible assets (refer note 4)	0.23
	14.40

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27 Other expenses

	(Rs. in crore) December 31,2021
Lease rental and equipment hire charges	33.02
Rates and taxes	21.87
Repairs and maintenance	3.79
Legal and professional fees	4.84
Security expenses	5.81
Payment to auditors (refer details below)#	0.01
Miscellaneous expenses	5.34
	74.68

 # Payment to auditors (exclusive of goods and service tax)

	(Rs. in crore) December 31, 2021
As auditor:	
Audit fee	0.01
Tax audit fees	-
	0.01

28 Exceptional items (net)

	(Rs. in crore) December 31,2021
Provision for impairment in carrying value of loans/advances/other receivables carried at amortised cost	57.74
	57.74

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29 Income Tax

The Company is subject to income tax in India on the basis of standalone financial statements. As per the Income Tax Act, the Company is liable to pay income tax which is the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT).

MAT paid in excess of regular income tax during a year can be carried forward for a period of 15 years and can be offset against future tax liabilities.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Income tax expenses in the statement of profit and loss consist of the following:

(Rs. in crore)

Particular	December 31, 2021
(a) Current tax	-
(b) Adjustment of tax relating to earlier periods	-
(c) Deferred tax	-
Total taxes	-

Reconciliation of taxes to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(Rs. in crore)

Particular	December 31, 2021
Loss before taxes	(150.47)
Applicable tax rates in India	26.00%
Computed tax charge on applicable tax rates in India	**(39.12)**
Tax impact on financial asset recognised at amortised cost	(16.13)
Tax effect on losses on which deferred taxes has not been recognised	55.25
Total tax expenses	-

Movement in deferred tax assets and liabilities for the period ended December 31, 2021:-

(Rs. in crore)

Particular	Opening deferred tax asset / (liabilities)	Income tax expense / (credit) recognized in profit or loss	Income tax expense / (credit) recognized in other comprehensive income	Closing deferred tax asset / (liabilities)
Fair valuation loss (net) on equity instruments	829.83	-	(829.83)	-
Total	**829.82**	-	**(829.83)**	-

Pursuant to Composite Scheme of Amalgamation and Arrangement as sanctioned by the Hon'ble National Company Law Tribunal, Bench at Mumbai vide its order dated December 22, 2021, the Company is in process of allocating the business losses and unabsorbed depreciation between GMR Infrastrucure Limited ("the Demerged Company") and GMR Urban and Power Infra Limited ("the Resulting Company").

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30 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit/ loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders (after adjusting for interest on the convertible securities) by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(Rs. in crore)

Particulars	**December 31,2021**
Face value of equity shares (Rs. per share)	5.00
Profit /(Loss) attributable to equity shareholders	(150.47)
Weighted average number of equity shares used for computing earning per share (basic and diluted)*	60,35,94,528
EPS- basic and diluted (Rs)	**(2.50)**

*Refer note 13(i)

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31 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Standalone Special Purpose Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include fair value measurement of investments in subsidiaries, joint ventures and associates, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies and recognition of revenue on long term contracts.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the Standalone Special Purpose Interim Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Taxes

Deferred tax assets are recognised for MAT Credit Entitlement to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The cash flow projections used in these models are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc in case of investments in entities in the energy business, estimation of passenger and vehicle traffic and rates and favourable outcomes of litigations etc. in the airport and expressway business which are considered as reasonable by the management. Fair value of investment in SEZ sector is determined based on available data for similar immovable property/ investment or observable market prices less incremental cost for disposing of the immovable property/ investments. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

c. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and contractual claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. In respect of financial guarantees provided by the Company to third parties, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. Refer note 34 for further disclosure.

d. Revenue recognition

The Company uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the costs incurred till date as a proportion of the total cost to be incurred. Costs incurred have been used to measure progress towards completion as there is a direct relationship. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

e. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

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32 Related parties

a) Names of related parties and description of relationship:

Description of relationship	Name of the related parties
Holding Company	GMR Enterprises Private Limited (GEPL)
Subsidiary Companies	GMR Generation Assets Limited (GGAL)
	GMR Energy Trading Limited (GETL)
	GMR Londa Hydropower Private Limited (GLHPPL)
	GMR Aerostructure Services Limited (GASL)
	Gateways for India Airports Private Limited (GFIAL)
	GMR Highways Limited (GMRHL)
	GMR Tuni Anakapalli Expressways Limited (GTAEL)
	GMR Tambaram Tindivanam Expressways Limited (GTTEL)
	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)
	GMR Pochanpalli Expressways Limited (GPEL)
	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)
	GMR Chennai Outer Ring Road Private Limited (GCORRPL)
	GMR Krishnagiri SIR Limited ('GKSIR') (formely known as GMR Krishnagiri SEZ Limited ('GKSEZ'))
	Advika Properties Private Limited (APPL)
	Aklima Properties Private Limited (AKPPL)
	Amartya Properties Private Limited (AMPPL)
	Baruni Properties Private Limited (BPPL)
	Camelia Properties Private Limited (CPPL)
	Eila Properties Private Limited (EPPL)
	Gerbera Properties Private Limited (GPL)
	Lakshmi Priya Properties Private Limited (LPPPL)
	Honeysuckle Properties Private Limited (HPPL)
	Idika Properties Private Limited (IPPL)
	Krishnapriya Properties Private Limited (KPPL)
	Nadira Properties Private Limited (NPPL)
	Prakalpa Properties Private Limited (PPPL)
	Purnachandra Properties Private Limited (PUPPL)
	Shreyadita Properties Private Limited (SPPL)
	Sreepa Properties Private Limited (SRPPL)
	Bougainvillea Properties Private Limited (BOPPL)
	Honeyflower Estates Private Limited (HFEPL)
	Namitha Real Estate Private Limited (NREPL)
	GMR SEZ & Port Holdings Limited (GSPHL)
	GMR Aviation Private Limited (GAPL)
	Dhruvi Securities Private Limited (DSPL)
	GMR Energy (Cyprus) Limited (GECL)
	GMR Energy (Netherlands) BV (GENBV)
	GMR Infrastructure (Mauritius) Limited (GIML)
	GMR Infrastructure (Cyprus) Limited (GICL)
	GMR Infrastructure Overseas (Malta) Limited (GIOL)
	GMR Infrastructure (UK) Limited (GIUL)
	GMR Infrastructure (Global) Limited (GIGL)
	GMR Infrastructure (Singapore) Pte Limited (GISPL)
	GMR Energy (Global) Limited (GEGL)
	GMR Energy Projects (Mauritius) Limited (GEPML)
	GADL International Limited (GADLIL)

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Description of relationship	Name of the related parties
	Deepesh Properties Private Limited (DPPL) Larkspur Properties Private Limited (LAPPL) Padmapriya Properties Private Limited (PAPPL) Radha Priya Properties Private Limited (RPPL) Pranesh Properties Private Limited (PRPPL) GMR Male International Airport Private Limited (GMIAL) GMR Coal Resources Pte Limited (GCRPL) Lantana Properties Private Limited (LPPL) Asteria Real Estate Private Limited (AREPL) GMR Infrastructure (Overseas) Limited (GI(O)L) Suzone Properties Private Limited (SUPPL) Lilliam Properties Private Limited (LPPL) Indo Tausch Trading DMCC (Indo Tausch) GMR Mining and Energy Private Limited (GMEL) PT GMR Infrastructure Indonesia (incorporated on 19 April 2021)
Fellow Subsidiary Companies (Where transactions have taken place)	Delhi International Airport Limited (DIAL) [formerly known as Delhi International Airport Private Limited] GMR Hyderabad International Airport Limited (GHIAL) GMR Hospitality and Retail Limited (GHRL) [formerly known as GMR Hotels and Resorts Limited (GHRL)] GMR Airports Limited (GAL) GMR Corporate Affairs Private Limited (GCAPL) GMR Business Process and Services Private Limited (GBPSPL) GMR International Airport BV (GIABV) GMR Airport Developers Limited (GADL) GMR Air Cargo and Aerospace Engineering Limited (GACAEL) (formerly known as GMR Aerospace Engineering Limited (GAEL) Delhi Airport Parking Services Private Limited (DAPSL) Raxa Security Services Limited (RSSL) GMR Goa International Airport Limited (GIAL) GMR Infra Developers Limited (GIDL)
Associates / Joint Venture Companies	Limak GMR Construction JV (CJV) PT Unsoco (Unsoco) PT Dwikarya Sejati Utma (PTDSU) PT Duta Sarana Internusa (PTDSI) PT Barasentosa Lestari (PTBSL) GMR Tenaga Operations and Maintenance Private Limited (GTOMPL) GIL SIL JV PT Golden Energy Mines Tbk (PTGEMS) PT Tanjung Belit Bara Utama (TBBU) PT Roundhill Capital Indonesia (RCI) PT Kuansing Inti Makmur (KIM) PT Trisula Kencana Sakti (TKS) PT Borneo Indobara (BORNEO) PT Karya Cemerlang Persada (KCP) PT Bungo Bara Utama (BBU) PT Bara Harmonis Batang Asam (BHBA) PT Berkat Nusantara Permai (BNP) PT Karya Mining Solution (KMS) (formerly PT Bumi Anugerah Semesta (BAS)) PT Era Mitra Selaras (EMS) PT Wahana Rimba Lestari (WRL) PT Berkat Satria Abadi (BSA) PT Kuansing Inti Sejahtera (KIS) PT Bungo Bara Makmur (BBM)

Description of relationship	Name of the related parties
	PT Gems Energy Indonesia (GEMS Energy) GEMS Trading Resources Pte Limited (GEMSTR) Megawide GISPL Construction JV (MGCJV) GMR Kamalanga Energy Limited (GKEL) GMR Energy Limited (GEL) GMR Vemagiri Power Generation Limited (GVPGL) GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL) GMR Consulting Services Limited (GCSL) GMR Bajoli Holi Hydropower Private Limited (GBHHPL) GMR Warora Energy Limited (GWEL) (Formerly EMCO Energy Limited (EMCO)) GMR Gujarat Solar Power Limited (GGSPL) GMR Upper Karnali Hydro Power Limited (GUKPL) GMR Energy (Mauritius) Limited (GEML) GMR Lion Energy Limited (GLEL) GMR Maharashtra Energy Limited (GMAEL) GMR Bundelkhand Energy Private Limited (GBEPL) GMR Rajam Solar Power Private Limited (GRSPPL) Karnali Transmission Company Private Limited (KTCPL) GMR Indo-Nepal Energy Links Limited (GINELL) GMR Indo-Nepal Power Corridors Limited (GINPCL) GMR Rajahmundry Energy Limited (GREL)
Enterprises where key managerial personnel or their relatives exercise significant influence (Where transactions have taken place)	Welfare Trust of GMR Infra Employees (GWT) Welfare Trust for Group Employees GMR Varalaxmi Foundation (GVF) GMR Family Fund Trust (GFFT) GEOKNO India Private Limited (GEOKNO)
Key management personnel and their relatives (Where transactions have taken place)	Mr. G.M. Rao (Non-executive Chairman)[1] Mr. Srinivas Bommidala (Managing Director)[1] Mr. Grandhi Kiran Kumar (Non-executive Director)[1] Mr. B.V.N Rao (Non-executive Director)[1] Mr. Madhva B Terdal (Non-executive Director)[1] Mr. G Subba Rao (Executive Director)[1] Mrs. Vissa Siva Kameswari (Independent director)[2] Mr. Suresh Narang (Independent director)[2] Dr. Satyanarayana Beela (Independent director)[2] Mr. S.K. Goel (Independent director)[2] Dr. Emandi Sankara Rao (Independent director)[2] Mr. I.V. Srinivasa Rao (Independent director)[2] Mr. Suresh Bagrodia (Chief Financial Officer)[2] Mr. Vimal Prakash (Company Secretary)[2]

Notes

1. Appointed with effect from January 6, 2022
2. Appointed with effect from January 31, 2022

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Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

b) Summary of transactions and outstanding balances with above related parties are as follows:

(Rs. in crore)

Nature of Transaction	**Subsidiary Companies**	**Fellow subsidiary Companies**	**Associates/ Joint Ventures**	**Enterprise where key managerial personnel or their relatives exercise significant influence**	**Total**
(A) Transaction during the period					
i) Interest income - gross	170.75	0.35	119.68	-	290.79
ii) Construction revenue	16.18	-	821.12	-	837.30
iii) Other Income	0.13	-	-	-	0.13
iv) Cost of materials consumed expenses	-	-	74.20	-	74.20
v) Finance cost	16.64	109.54	-	-	126.18
vi) Lease rental and equipment hire charges	-	0.13	-	-	0.13
vii) Rates and taxes	-	-	15.82	-	15.82
viii) Security expenses	-	3.46	-	-	3.46
ix) Miscellaneous expenses	0.10	1.75	-	-	1.85
x) Exceptional items	142.00	-	-	-	142.00

Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

b) Summary of transactions and outstanding balances with above related parties are as follows:

(Rs. in crore)

Nature of Transaction	Subsidiary Companies	Fellow subsidiary Companies	Associates/ Joint Ventures	Enterprise where key managerial personnel or their relatives exercise significant influence	Total
xi) Investment in Debenture	100.00	-	-	-	100.00
xii) Redemption of debentures	59.76	-	-	-	59.76
xiii) Loans given to	1,001.26	-	394.30	-	1,395.56
xiv) Loans repaid by	1,482.44	-	11.00	-	1,493.44
xv) Loans received from	252.85	683.26	-	-	936.11
xvi) Loans repaid to	130.07	105.24	-	-	235.31
xvii) Advances repaid/ adjusted to customers	12.21	-	29.84	-	42.05
xviii) Corporate guarantees/ comfort letters given on behalf of (sanctioned amount)	-	-	363.31	-	363.31
xix) Corporate guarantees/ comfort letters extinguished (sanctioned amount)	447.04	-	225.60	-	672.64
xx) Net (loss)/gain on FVTOCI of equity securities	1,521.55	-	(131.57)	-	1,389.98

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Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

b) Summary of transactions and outstanding balances with above related parties are as follows:

(Rs. in crore)

Nature of Transaction	Subsidiary Companies	Fellow subsidiary Companies	Associates/ Joint Ventures	Enterprise where key managerial personnel or their relatives exercise significant influence	Total
(B) Outstanding balances as at the period ended					
a) Loans receivable – Non-Current (Gross)	1,307.90	-	704.85	-	2,012.75
Loans receivables - credit impaired	453.21	-	-	-	453.21
b) Loans receivable – Current (Gross)	441.50	-	351.66	208.25	1,001.40
Loans receivables - credit impaired	429.01	-	-	200.57	629.58
c) Security deposits receivable - Current	-	0.04	-	0.38	0.42
d) Trade receivables- Non current	0.83	-	174.21	-	175.04
e) Trade receivables- Current	1.09	0.05	74.05	-	75.19
Provision for doubtful receivables:	-	-	1.40	-	1.40
f) Unbilled revenue - Current	0.47	-	634.96	-	635.43

Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

b) Summary of transactions and outstanding balances with above related parties are as follows:

(Rs. in crore)

Nature of Transaction	Subsidiary Companies	Fellow subsidiary Companies	Associates/ Joint Ventures	Enterprise where key managerial personnel or their relatives exercise significant influence	Total
g) Interest accrued on loans and debentures	295.18	-	35.66	-	330.84
h) Loans payables – Non current	-	810.10	-	-	810.10
i) Loans payables – Current	235.97	389.98	-	-	625.95
j) Trade payables - Current	0.37	2.64	-	-	3.01
k) Interest accrued debt and borrowings	41.60	66.88	-	-	108.48
l) Advance from customers - Current	15.60	-	9.21	-	24.81
m) Corporate guarantees/ comfort letters/ Bank guarantee sanctioned on behalf of	7,422.55	-	6,596.69	-	14,019.24

Notes:

a. The Company has provided securities by way of pledge of investments for loans taken by certain companies.

b. The Holding Company has pledged certain shares held in the Company as security towards the borrowings of the Company and related parties.

c. Also refer note 5 on non-current investments and current investments.

d. Also refer note 15 for long term borrowings and short term borrowings as regards security given by related parties for loans availed by the Company.

e. In the opinion of the management, the transactions reported herein are on arms' length basis.

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33 Disclosure in terms of Ind AS 115 - Revenue from Contracts with Customers

a) **Contract Balances:**

(Rs. in crore)

Particulars	**December 31, 2021**
Receivables:	
- Non current (Gross)	204.00
- Current (Gross)	83.95
- Provision for impairment loss (non current)	(28.79)
- Provision for impairment loss (current)	(3.18)
Contract assets:	
Unbilled revenue	
- Non current	-
- Current	640.96
Contract liabilities:	
Advance received from customers	
- Non current	-
- Current	44.92

b) Increase/ decrease in net contract balances is primarily due:
The movement in receivables and in contract assets is on account of invoicing and collection during the period.

c) Revenue recognised during the year from the performance obligation satisfied upto previous year (arising out of contract modifications) amounts to Rs. 286.96 crores.

d) Reconciliation of contracted price with revenue during the period -

(Rs. in crore)

Particulars	**December 31,2021**
Opening contracted price of orders	**5,146.18**
Add:	
Increase due to additional consideration recognised as per contractual terms	286.96
Less:	
Orders cancelled during the period	-
Closing contracted price of orders	**5,433.14**
Total Revenue recognised during the period	846.15
Revenue recognised upto previous period (from orders pending completion at the end of the period)	3,995.26
Balance revenue to be recognised in future	**591.73**

e) The Company has a process whereby periodically long term contracts are assessed for material foreseeable losses. At the period end, the Company has reviewed and ensured that adequate provision as required under the law/accounting standards for the material foreseeable losses on such long term contracts has been made in the books of accounts. The Company does not have any derivative contracts at the end of the period.

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34 Leases, Commitments and contingencies

I Leases

Company as lessee

The Company has leases for office building, warehouses and related facilities for which the Company has adopted IndAS 116 "Leases" effective April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using modified retrospective method. On adoption of this standard, based on the exception of short term leases or lease of low value underlying assets, none of the lease has been identified for which right-of-use asset and a lease liability is required to be created.

Following amount has been recognised in statement of profit and loss :

(Rs. in crore)

Particulars	December 31, 2021
Expenses related to short term lease (included under other expenses)	33.02

Total cash outflow for leases for the period ended December 31, 2021 was Rs. 33.02 crores

II Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the Standalone Financial Statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(Rs. in crore)

Particulars	December 31, 2021
Corporate guarantees availed by the group companies	
(a) sanctioned	11,676.20
(b) outstanding	6,780.90
Bank guarantees	
(a) sanctioned	656.10
(b) outstanding	346.15
Letter of comfort provided on behalf of group companies to banks	
(a) sanctioned	2,024.40
(b) outstanding	1,867.50

Pursuant to Composite Scheme of Amalgamation and Arrangement as sanctioned by the Hon'ble National Company Law Tribunal, Bench at Mumbai vide its order dated December 22, 2021,the company is in the process of executing gurantee agreements with the lenders, giving effect to the transfer of guarantees from GIL to the Company as may be applicable.

In addition to above table, following are the additional contingent liabilities:

1 There are numerous interpretative issues relating to the Supreme Court (SC) judgement on provident fund dated February 28, 2019. As a matter of caution, the Company has evaluated the same for provision on a prospective basis from the date of the SC order and is of the view that no such provision is required. The Company will update its provision, on receiving further clarity on the subject.

Litigations

The Company is involved in legal proceedings, both as plaintiff and as defendant. The Company believes the following claims to be of material nature:

(Rs. in crore)

Particulars	December 31, 2021
Matters relating to indirect taxes under dispute	41.44
Claims against the company not acknowledged as debts	8.37

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III Commitments

a. Other commitments

1 The Company has extended comfort letters to provide continued financial support to certain energy sector group entities so as to enable to meet the Company's committment for development of project/units under construction.

2 The Company has entered into agreements with the lenders of certain group companies wherein it has committed to hold directly or indirectly at all times at least 51% of the equity share capital of the group companies and not to sell, transfer, assign, dispose, pledge or create any security interest except pledge of shares to the respective lenders as covered in the respective agreements with the lenders.

3 The Company has certain long term unquoted investments which have been pledged as security towards loan facilities sanctioned to the Company and the investee Companies.

35 The Subsidiaries and Joint venture of the Company has received certain favorable orders on various ongoing matters in energy, highway and EPC which involved significant value of claims. Management is optimistic of such favorable orders and beliefs that such claim will improve its cash flow and profitability. The details of such claims have been enumerated below:

(i) GCORR has received award of Rs. 341.00 Crore plus interest against Government of Tamil Nadu ('GOTN') which is challenged by GOTN in Madras High Court. The Hon'ble Judge after hearing the counsels for both the parties has rejected the challenge of GOTN and upheld the Arbitration Award in favor of GCORR. Further, GCORR has also challenged the Award for inclusion of pendlite interest, which has been awarded by the court. Hence, total claim will be Rs. 341 Crore plus pendlite interest @ 9.00% p.a. from date of claim till date of Award and post award interest @ 18% p.a. from date of award till actual date of payment.

(ii) GHVEPL has received award for arbitration for compensation for Change in Law on account of bifurcation of state of Andhra Pradesh and change in policies. While Change in Law is upheld, amount of compensation is to be calculated by a Sole Arbitrator. GHVEPL has raised a claim of Rs 1,676.00 Crore plus interest up to March 31, 2020. Hearing before Sole Arbitrator is completed and his report is expected by end of February 2022. However, NHAI has challenged the Award before Divisional Bench of Delhi High Court after single Judge of Delhi High Court upheld the award in favor of GHVEPL. GHVEPL has filed an SLP in Supreme Court wherein Supreme Court has stayed the proceedings before Divisional Bench.

(iii) In case of DFCC Project, Company has made a claim for increase in labour cost due to changes carried out in Minimum Wages Act. Company has filed the claimed before Dispute Adjudication Board (DAB), which gave the judgment in favor of the Company, upholding that changes carried out in Minimum Wages Act by Central Government is Change in Law and Company is entitled for reimbursement of additional cost incurred. However, DFCCIL did not accepted the judgement of DAB and the matter was referred to Arbitration Tribunal, which has given the award in favor of the Company for an amount of Rs. 62.21 Crore (calculated upto June 2021) plus interest @ SBI MCLR from date of DAB Award till the actual date of payment. Tribunal has also specified the principles to determine the amount of claim for future as well, which will be payable by DFCCIL till completion of the Project.

(iv) In case of DFCC Project, there are various claims/change of scope items under various heads which has been either agreed by DFCCIL or Group has got the award through Dispute Adjudication Board (DAB). Total amount of claim/change of scope items to be received from DFCCIL is approximately Rs. 278.00 crore which will be received progressively based on the work to be carried out.

(v) Group have also raised a claim of Rs. 378.00 crore on DFCCIL under Change in Law on account of Mining Ban in the state of UP. Though DAB has given award in Group's favor but DFCCIL has not accepted and arbitration is invoked which is under process.

(vi) Certain other claims in energy sector as detailed in note 5(3), 5(4), 5(5) and 5(6).

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36 Disclosures on Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.2, to the standalone financial statements.

(a) Financial assets and liabilities
The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at December 31, 2021.

As at December 31, 2021

(Rs. in crore)

Particulars	Fair value through other comprehensive income	Fair value through statement of profit or loss	Amortised cost	Total carrying value	Total Fair Value
Financial assets					
(i) Investments	4,440.47	0.20	204.11	4,644.78	4,644.78
(ii) Loans	-	-	1,912.36	1,912.36	1,912.36
(iii) Trade receivables	-	-	255.98	255.98	255.98
(iv) Cash and cash equivalents	-	-	13.70	13.70	13.70
(v) Bank balances other than cash and cash equivalent	-	-	48.59	48.59	48.59
(vi) Other financial assets	-	-	1,381.89	1,381.89	1,381.89
Total	**4,440.47**	**0.20**	**3,816.63**	**8,257.30**	**8,257.30**
Financial liabilities					
(i) Borrowings#	-	-	4,809.79	4,809.79	4,809.79
(ii) Trade payables	-	-	561.84	561.84	561.84
(iii) Other financial liabilities	-	-	1,732.70	1,732.70	1,732.70
(iv) Financial guarantee contracts	-	-	62.52	62.52	62.52
Total	-	-	**7,166.85**	**7,166.85**	**7,166.85**

\# includes current maturities of long term borrowings

(i) Investments in mutual funds and derivative instruments are mandatorily classified as fair value through statement of profit and loss.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(Rs. in crore)

Particulars	Fair value measurements at reporting date using			
	Total	Level 1	Level 2	Level 3
December 31, 2021				
Financial assets				
Investment in mutual funds	0.20	0.20	-	-
Investments in subsidiaries, associates and joint ventures	4,440.47	-	-	4,440.47

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(i) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Foreign exchange forward contracts are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) The fair values of the unquoted equity shares have been estimated using a DCF model except in case of fair value of investment in SEZ sector which has determined based on available data for similar immovable property/ investment or observable market prices less incremental cost for disposing of the immovable property/ investments. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(v) There have been no transfers between Level 1, Level 2 and Level 3 for the nine month ended December 31, 2021.

(vi) Fair value of mutual funds is determined based on the net asset value of the funds.

(vii) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

(Rs. in crore)

Particulars	Total
As at April 1, 2021	3,021.72
Acquisition of equity shares, debentures and preference shares	100.00
Other adjustments	(11.47)
Sales / redemption during the period	(59.76)
Re-measurement recognised in OCI	1,389.98
As at December 31, 2021	**4,440.47**

(viii) The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at December 31, 2021 are as shown below:

Description of significant unobservable inputs to valuation:

Sector wise unquoted equity Securities	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares	DCF method	Discounting rate (Cost of Equity)	10.89 % to 20.50%	1% increase in the discounting rate will have a significant adverse impact on the fair value of equity investments.

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(c) Financial risk management objectives and policies

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

i) Market risk
Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk- Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

(i) Interest rate risk exposure
The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Rs. in crore)

Particulars	December 31, 2021
Variable rate borrowings	1,195.28
Fixed rate borrowings	3,614.51
Total borrowings	**4,809.79**

(ii) Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in crore)

Particulars	Change in basis points	Effect on profit before tax
December 31, 2021		
Increase	+50	(5.98)
Decrease	-50	5.98

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

(b) Market risk- Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's investing and financing activities. The Company's exposure to foreign currency changes from operating activities is not material.

No hedge contract entered for the period ended December 31, 2021.

The following table shows foreign currency exposure in US Dollar on financial instruments at the end of reporting period. The exposure to all other foreign currencies are not material.

Particulars	Currency	Amount in foreign currency (crore)	Amount in Rs. (crore)
Borrowings	USD	27.50	2,044.21
Trade Payables	USD	0.02	1.72
Other financial liabilities	USD	6.94	515.68
Loans	USD	8.38	622.72
Other financial assets	USD	0.44	32.63

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Foreign currency sensitivity

(Rs. in crore)

Particulars	Change in USD rate	Effect on profit before tax
December 31, 2021		
Increase	4.62%	(87.98)
Decrease	-4.62%	87.98

* Exchange rate of Rs. 74.33/ USD has been taken from FEDAI website.

ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives and financial guarantees provided by the Company.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 8276.30 crore as at December 31, 2021, being the total carrying value of investments, loans, trade receivables, balances with bank, bank deposits and other financial assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security. Further, the top 5 customers of the Company in the EPC segment contributes to more than 90% of the trade receivables during the period ended December 31, 2021.

With respect to Trade receivables/unbilled revenue, the Company has constituted the terms to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

With respect to the investing activities of the Company, it has a risk management framework that monitors the sectors of the entities in which the Company has investments and evaluates whether the sectors operate within the defined risk appetite and risk tolerance levels as defined by the senior management. The credit risk function evaluates its investments based on well-established sector specific internal frameworks, in order to identify, mitigate and allocate risks as well as to enable appropriate valuation of investments.

The following table summarizes the changes in the loss allowance measured using ECL:

(Rs. in crore)

Particulars	December 31, 2021
Opening balance*	31.97
Amount provided/ (reversed) during the year (net)	-
Closing provision*	31.97

* Pertains to provision for doubtful receivables and unbilled revenue.

Reconciliation of loss allowance provision- Loans and other financial assets

(Rs. in crore)

Particulars	December 31, 2021
Opening balance	1,181.43
Amount provided/ (reversed) during the year (net)	(98.64)
Closing provision	1,082.79

Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposit and in mutual funds, which carry no or low market risk.

The Company monitors its risk of shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, sale of assets and strategic partnership with investors, etc.

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The following table shows a maturity analysis of the anticipated cash flows excluding interest obligations for the Company's financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

(Rs. in crore)

Particulars	0-1 years	1 to 5 years	> 5 years	Total
December 31, 2021				
Borrowings #	1,173.37	1,539.39	2,142.88	4,855.64
Other financial liabilities	1,732.70	-	-	1,732.70
Trade payables	561.84	-	-	561.84
	3,467.91	**1,539.39**	**2,142.88**	**7,150.18**

includes current maturities of long term borrowings

(i) The above excludes any financial liabilities arising out of financial guarantee contract as detailed in note 34.

(ii) For range of interest of borrowings, repayment schedule and security details refer note 15.

iv) Price risk

The Company's exposure to price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss.To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

(Rs. in crore)

Particulars	Change in price	Effect on profit before tax
December 31, 2021		
Increase	5%	0.01
Decrease	-5%	(0.01)

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37 Gratuity and other post-employment benefit plans

a) Defined contribution plan

(Rs in crore)

Particulars	December 31, 2021
Provident and pension fund	0.74
Superannuation fund	0.15
Total*	**0.89**

b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn basic) for each completed year of service.

The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. Although we know that the fund manager invests the funds as per products approved by Insurance Regulatory and Development Authority of India and investment guidelines as stipulated under section 101 of Income Tax Act, the exact asset mix is unknown and not publicly available. The Trust assets managed by the fund manager are highly liquid in nature and we do not expect any significant liquidity risks. The Trustees are responsible for the investment of the assets of the Trust as well as the day to day administration of the scheme.

The following tables summarise the components of net benefit expense recognised in the standalone statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit.

i. Net benefit expenses (recognized in the standalone statement of profit and loss)

(Rs in crore)

Particulars	December 31, 2021
Current service cost	0.28
Net interest cost on defined benefit obligations	0.03
Net benefit expenses*	**0.32**

ii. Remeasurement (gains)/ loss recognised in other comprehensive income (OCI):

(Rs in crore)

Particulars	December 31, 2021
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	0.85
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	0.01
Actuarial (gain)/ loss arising during the year	**0.86**
Return on plan assets (greater)/ less than discount rate	(0.41)
Actuarial (gain)/ loss recognised in OCI	**0.45**

iii. Net defined benefit asset/ (liability)

(Rs in crore)

Particulars	December 31, 2021
Defined benefit obligation	(2.80)
Fair value of plan assets	1.44
Plan (liability)/ asset	**(1.36)**

iv. Changes in the present value of the defined benefit obligation are as follows:

(Rs in crore)

Particulars	December 31, 2021
Opening defined benefit obligation	1.92
Current service cost	0.28
Interest cost on the defined benefit obligation	0.09
Benefits paid	(0.35)
Acquisition adjustment	-
Actuarial (gain)/ loss on obligations arising from changes in experience adjustments	0.85
Actuarial (gain)/ loss on obligations arising from changes in financial assumptions	0.01
Closing defined benefit obligation	**2.80**

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v. Changes in the fair value of plan assets are as follows:

(Rs. in crore)

Particulars	**December 31, 2021**
Fair value of assets at end of prior year	1.41
Interest income on plan assets	0.06
Contributions by employer	0.03
Benefits paid	(0.35)
Return on plan assets (lesser)/ greater than discount rate	0.41
Acquisition adjustment	(0.12)
Fair value of asset at the end of current year	**1.44**

The Company expects to contribute Rs. 0.04 crore towards gratuity fund for period ending December 31'2022.

vi. The following pay-outs are expected in future years:

(Rs. in crore)

Particulars	**December 31, 2021**
December 31, 2022	0.40
December 31, 2023	0.21
December 31, 2024	0.30
December 31, 2025	0.27
December 31, 2026	0.54
December 31, 2027 to 'December 31, 2031	3.00

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years.

vii. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	**December 31, 2021**
Investments with insurer	100%

viii. The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	**December 31, 2021**
Discount rate (in %)	6.70%
Salary escalation (in %)	6.00%
Employee turnover	5.00%
Mortality rate	Refer Note 4 below

Notes:

1. Plan assets are fully represented by balance with the Life Insurance Corporation of India.
2. The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
3. The estimates of future salary increase in compensation levels, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
4. As per Indian Assured Lives Mortality (2006-08) (modified) Ultimate
5. Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase

b. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation

c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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ix. A quantitative sensitivity analysis for significant assumption as at December 31, 2021 is as shown below:

(Rs. in crore)

	December 31, 2021
Discount rate	
Impact on defined benefit obligation due to 1% increase in discount rate	(0.22)
Impact on defined benefit obligation due to 1% decrease in discount rate	0.25
Salary escalation rate	
Impact on defined benefit obligation due to 1% increase in salary escalation rate	0.22
Impact on defined benefit obligation due to 1% decrease in salary escalation rate	(0.19)
Attrition Rate	
Impact on defined benefit obligation due to 1% increase in attrition rate	0.01
Impact on defined benefit obligation due to 1% decrease in attrition rate	(0.01)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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38 Capital management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations and sale of certain assets, long term and short term bank borrowings and issue of non-convertible debt securities and strategic partnership with investors.

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares and debentures, share premium and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. The Company's policy is to keep the gearing ratio at an optimum level to ensure that the debt related covenant are complied with .

(Rs. in crore)

Particulars	**December 31, 2021**
Borrowings (refer note 15)#	4,809.79
Less: Cash and cash equivalents (refer note 11(a))	13.70
Total debts (A)	**4,796.09**
Capital components	
Equity share capital	-
Equity share suspense account	301.80
Other equity	1,047.21
Total Capital (B)	**1,349.01**
Capital and borrowings C= (A+B)	**6,145.10**
Gearing ratio (%) D= (A/C)	**78.05%**

includes current maturities of long term borrowings

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2021.

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39 Ratios to disclosed as per requirement of Schedule III to the Act

Particulars	December 31, 2021
a. Current ratio	
Current assets (Numerator)	1,930.08
Current liabilities (Denominator)	3,550.18
Current ratio	**0.54**
b. Debt service coverage ratio	
Earnings available for debt service (Numerator) *	326.27
Debt service (Denominator) #	(912.34)
Debt service coverage ratio	**(0.36)**
* Earning for Debt Service = Net Profit after taxes + Finance Cost + Depreciation	
# Debt service = Interest and Lease payments + Principal repayments	
c. Return on equity ratio	
Loss for the period (Numerator)	(150.47)
Shareholder's equity (Denominator)	1,349.01
Return on equity	**(0.11)**
d. Trade receivables turnover ratio	
Net sales (Numerator) *	1,128.99
Average trade receivable (Denominator)#	368.28
Trade receivables turnover ratio	**3.07**
* Net sale for the period ended 31 December 2021 have been annualised for the purpose of ratio.	
# Average trade receivables = (Opening balance + Closing balance / 2)	
e. Net capital turnover ratio	
Net sales (Numerator) #	1,128.99
Working capital (Denominator) *	(1,620.10)
Net capital turnover ratio	**(0.70)**
# Net sale for the period ended 31 December 2021 have been annualised for the purpose of ratio.	
* Working capital is calculated as current assets minus current liabilities.	
f. Inventory turnover ratio	
Net sales (Numerator) *	1,128.99
Average Inventory (Denominator)#	93.59
Net inventory turnover ratio	**12.06**
* Net sale for the period ended 31 December 2021 have been annualised for the purpose of ratio.	
# Average trade receivables = (Opening balance + Closing balance / 2)	
g. Net profit ratio	
Net Losst (Numerator)	(150.47)
Net Sales (Denominator)	1,128.99
Net profit ratio	**-13.33%**
h. Return on capital employed	
Earning before interest and taxes (Numerator)	369.61
Capital employed (Denominator)	6,145.10
Return on capital employed	**6.01%**

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40 Interest in significant investment in subsidiaries, joint ventures and associates as per Ind AS- 27

S.No.	Name of the entity	Relationship	Ownership interest	Date of incorporation	Country of Incorporation/ Place of business
		December 31, 2021	December 31, 2021		
1	GEL	Joint venture	29.31%	10-Oct-96	India
2	GBHPL	Joint venture	0.10%	17-Feb-06	India
3	GEML	Joint venture	5.00%	27-Feb-08	Mauritius
4	GETL	Subsidiary	67.86%	29-Jan-08	India
5	GGAL	Subsidiary	82.16%	03-Dec-10	India
6	GACEPL	Subsidiary	48.35%	14-Jul-05	India
7	GPEL	Subsidiary	1.50%	18-Oct-05	India
8	GMRHL	Subsidiary	90.26%	03-Feb-06	India
9	GHVEPL	Subsidiary	41.00%	11-Jun-09	India
10	GCORRPL	Subsidiary	41.00%	21-Jul-09	India
11	GFIAL	Subsidiary	86.49%	12-Jan-05	India
12	GASL	Subsidiary	100.00%	18-Jul-07	India
13	GAPL	Subsidiary	100.00%	22-Dec-06	India
14	GKSIR	Subsidiary	100.00%	24-Sep-07	India
15	GSPHL	Subsidiary	100.00%	28-Mar-08	India
16	DSPL	Subsidiary	100.00%	24-Jul-07	India
17	GIML	Subsidiary	100.00%	18-Dec-07	Mauritius
18	GIOL	Subsidiary	100.00%	23-Jun-10	Mauritius
19	GCRPL [30,000 Equity shares (March 31, 2020 - 30,000 Equity shares)]	Subsidiary	0.03%	04-Jun-10	Singapore

Note:-

1. Disclosure of financial data as per Ind AS – 112 'Disclosure of Interests in Other Entities' has been done based on the audited financial statements for respective years.

2. The above disclosure made do not include step down subsidiaries, joint ventures and associates and are with respect to subsidiaries, joint ventures and associates existing as at December 31, 2021.

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41 The operations of the investee entities were impacted by the second wave of Covid-19 pandemic and while the Management believes that such impact is short term in nature and does not anticipate any long term impact on business prospects considering the recovery seen in the past as well as during the current period nine month period ended December 31, 2021. The Company based on its assessment of the business/ economic conditions and liquidity position for the next one year, expects to recover the carrying value of investments, and accordingly no material adjustments are considered necessary in the Special Purpose Interim Standalone Financial Statements. The impact of the COVID - 19 pandemic might be different from that estimated as at the date of approval of these Special Purpose Interim Standalone Financial Statements and the Company will closely monitor any material changes to the future economic conditions.

42 The Company had signed definitive share sale and purchase agreement ('SSPA') on September 24, 2020 which had been subsequently amended on March 31, 2021 for the sale of equity owned by its wholly owned subsidiary GMR SEZ & Port Holdings Limited ("GSPHL") of its entire 51% stake in Kakinada SEZ Limited ("KSEZ") to Aurobindo Realty and Infrastructure Private Limited ("ARIPL"). As part of the transfer of stake of KSEZ ("transaction"), the 74% equity stake of Kakinada Gateway Port Limited ("KGPL") held by KSEZ would also be transferred to ARIPL. The consideration for the aforementioned transaction comprised of Rs. 1,692.03 crore upfront payment to be received on or before the closing date and Rs. 1,027.18 crore to be received in next 2 to 3 years from the transaction date which is contingent upon achievement of certain agreed milestones primarily related to the sale of 2,500 acres of the land parcels by KSEZ at specified prices during the financial years ended March 31, 2022 and March 31, 2023.

The said transaction was subject to Conditions Precedent as specified in SSPA. Pursuant to the satisfaction of such conditions precedent, entire amount of upfront consideration has been received from ARIPL till date of approval of these standalone special purpose interim financial results. Accordingly, during the quarter ended March 31, 2021 Company had recognized exceptional loss of Rs. 95.00 crore and loss of Rs. 490.00 crores in other comprehensive income in the quarter ended March 31, 2021 in relation to the said transaction.

The Company expects in next 2-3 years there will be significant development in the Kakinada SEZ which includes the development of Bulk Drug Park, Commercial Sea port, establishment of various port-based industries, manufacturing industries, development of new International Airport in Bhogapuram. Based on assessment of the achievement of the aforementioned milestones by an independent property consultancy agency, management of the Company is confident of achieving the aforementioned milestones and is of the view that the carrying value of the amount recoverable as at December 31, 2021 is appropriate.

43 The composite scheme of amalgamation and arrangement for amalgamation of GMR Power Infra Limited (GPIL) with the GMR Infrastructure Limited ('GIL') and demerger of Engineering Procurement and Construction (EPC) business and Urban Infrastructure Business of GIL (including Energy business) into the Company ("Scheme") was approved by the Hon'ble National Company Law Tribunal, Mumbai bench (''the Tribunal'') vide its order dated December 22, 2021 (formal order received on December 24, 2021). The said Tribunal order was filed to the Registrar of Companies by GIL, GPIL and Company on December 31, 2021 thereby making the Scheme effective. Accordingly, these Special Purpose Interim Standalone Financial Statements have been prepared by giving effect to the Composite scheme of amalgamation and arrangement (the 'Scheme') in accordance with Appendix C of Ind AS 103 from the earliest period presented consequent upon receipt of approval to the Scheme from National Company Law Tribunal (NCLT).

44 The Standalone special purpose interim financial statements for the year ended December 31 2021 reflected an excess of current liabilities over current assets of Rs. 1,620.10 crores and losses from continuing operations after tax amounting to Rs. 150.47 crore. Management is taking various initiatives including monetization of energy and SEZ assets, sale of stake in certain non-core assets including receipt of balance consideration as detailed in note 42, recovery of outstanding claims in highway and power sector investee entities, raising finances from financial institutions and strategic investors, refinancing of existing debt and other strategic initiatives. Such initiatives will enable the Company to meet its financial obligations, improve net current assets and its cash flow in an orderly manner. Accordingly, the financial statements continue to be prepared on a going concern basis.

45 The Code of Social Security, 2020 ("Code") relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently the Ministry of Labour and Employment had released the draft rules on the aforementioned code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the code will come into effect.

46 As the Company's business activity falls within a single primary business segment, namely Engineering, procurement and construction (EPC), the disclosure requirements as per Ind-AS 108 "operating segments" are not applicable.

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GMR Power and Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Summary of significant accounting policies and other explanatory information to the Standalone Special Purpose Interim Financial Statements for the nine month period ended December 31, 2021

47 Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone special purpose interim financial statements have been rounded off or truncated as deemed appropriate by the management of the Company

This is the Standalone Special Purpose Interim financial statements referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number: 001076N/N500013

Neeraj Sharma
Partner

Membership number: 502103

Place: New Delhi
Date: February 16, 2022

For and on behalf of the Board of Directors of
GMR Power and Urban Infra Limited

Srinivas Bommidala
Managing Director
DIN: 00061464

Grandhi Kiran Kumar
Non-Executive Director
DIN: 00061669

Suresh Bagrodia
Chief Financial Officer

Vimal Prakash
Company Secretary
Membership Number: A20876

Place: New Delhi
Date: February 16, 2022