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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of GMR Power and Urban Infra Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of GMR Power and Urban Infra Limited ('the Company') for the quarter ended 31 December 2024 and the year to date results for the period 01 April 2024 to 31 December 2024, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. As explained in note 3(a) to the accompanying Statement, the Company has invested in GMR Consulting Services Limited ('GCSL'), subsidiary of the Company, which have further invested in step down subsidiaries and joint ventures. The Company together with GCSL has investments in GMR Energy Limited ('GEL'), a subsidiary of the Company, amounting to Rs. 1,638.70 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,901.75 crore recoverable from GEL as at 31 December 2024. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL') and GMR Warora Energy Limited ('GWEL'), both subsidiary companies, and GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a Joint Venture of GEL. The carrying value of investment of the Company in GEL is dependent upon fair values of GKEL, GWEL and GBHHPL. The aforementioned investments are designated at their respective fair values as at the reporting date as per Ind AS 109 – 'Financial Instruments'.

   With respect to aforesaid fair values, we draw attention to:

   (a) Note 3(b) to the accompanying Statement which states that the fair value of investment in GWEL considered for the purpose of determining the carrying value of aforesaid investment in GEL, is based on the valuation of GWEL performed by an external valuation expert using the discounted future cash flows method which is dependent upon recoverability of claims relating to transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') as explained below, which are under dispute and pending settlement / realization as on 31 December 2024, capacity utilization of plant in future years and certain other key assumptions as considered in the aforementioned valuation performed by an external valuation expert.

   The claims pertain to recovery of transmission charges from MSEDCL by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. However, based on the order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 08 May 2015, currently contested by MSEDCL in the Honorable Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges amounting to Rs. 616.33 crore in the Statement of Profit and Loss for the period from 17 March 2014 to 30 November 2020 and accordingly, GWEL has disclosed the aforesaid transmission charges and those invoiced directly to MSEDCL, a customer of GWEL, by Power Grid Corporation Limited for the period 01 December 2020 to 31 December 2024 as contingent liability, as further described in aforesaid note.

   (b) Note 3(c) to the accompanying Statement which states that the fair value of investment in GKEL considered for the purpose of determining the carrying value of aforesaid investment in GEL is based on the valuation of GKEL performed by an external valuation expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as expansion and optimal utilization of existing plant capacity, and timing and amount of settlement of disputes with customers and capital creditors, which are outstanding as on 31 December 2024 as further explained in the said note.

   (c) Note 3(d) to the accompanying Statement which states that the fair value of investment in GBHHPL considered for the purpose of determining the carrying value of aforesaid investments in GEL is based on the valuation of GBHHPL performed by an external valuation expert using the discounted future cash flows method which is also dependent upon achievement of business plans of GBHHPL and recoverability of capital advances outstanding as at 31 December 2024 given to contractor of GBHHPL's project, which along with other claims and counter claims are pending before the Arbitral Tribunal as described in the said note.

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The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external valuation expert, is of the view that the carrying value of the aforesaid investment in GEL, taking into account the matters described above in relation to the investment made by GEL in GWEL, GKEL and GBHHPL is appropriate and accordingly, no adjustments to the aforesaid balance are required to be made in the accompanying Statement for the quarter and nine-month period ended 31 December 2024.

In addition to the above, the Company along with its subsidiaries (other than GEL as described above) has made further investments in GBHHPL. Owing to the fair valuation carried out by the management during the previous quarter as explained above, the management has also recognized the Net loss on fair valuation through other comprehensive income ('FVTOCI') amounting to Rs 542.00 crore, during the quarter ended 30 September 2024 and nine-month period ended 31 December 2024 and recognized the impairment loss recorded as exceptional item amounting to Rs 357.19 crore, during the quarter ended 30 September 2024 and nine-month period ended 31 December 2024.

Our conclusion is not modified in respect of these matters.

6. We draw attention to Note 5 to the accompanying Statement which describes that the Company has recognised certain claims in the current period ended 31 December 2024 and preceding years pertaining to Dedicated Freight Corridor Corporation ('DFCC') project basis evaluation by the joint venture ('JV') incorporated between the Company and SEW Infrastructure Limited, of JV's entitlement under the contract towards recovery of prolonged cost, as further detailed in the aforesaid note.

   Based on the legal opinion and favourable award received from Dispute Adjudicating Board as stated in the said note, the management is of the view that the aforesaid claims as included in unbilled revenue as at 31 December 2024 are fully recoverable. Our conclusion is not modified in respect of this matter.

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

Anamitra Das
Partner
Membership No. 062191
UDIN: 25062191BMMMGS2440

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Place: New Delhi
Date: 29 January 2025

GMR Power And Urban Infra Limited
Corporate Identity Number (CIN): L45400HR2019PLC125712
Registered Office: Unit No.12, 18th Floor,Tower A, Building No.5, DLF Cyber City
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Statement of standalone financial results for the quarter and nine month period ended December 31, 2024

(Rs. in crore)

Particulars	Quarter ended			Nine month period ended		Year ended
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income						
a) Revenue from operations						
Sales/ income from operations	100.93	145.05	168.72	376.48	628.80	778.96
b) Other income						
Other income	0.95	10.06	9.68	27.01	15.91	23.47
Total income	**101.88**	**155.11**	**178.40**	**403.49**	**644.71**	**802.43**
2. Expenses						
a) Cost of materials consumed	7.46	8.98	24.85	30.73	96.91	107.51
b) Sub-contracting expenses	23.08	26.59	27.77	64.86	91.50	109.46
c) Employee benefit expenses	3.11	2.71	3.33	8.65	22.92	25.08
d) Other expenses	13.51	15.84	27.54	52.40	103.21	136.11
Total expenses	**47.16**	**54.12**	**83.49**	**156.64**	**314.54**	**378.16**
3. Earnings before finance cost, tax, depreciation and amortisation expenses (EBITDA) and exceptional items (1-2)	**54.72**	**100.99**	**94.91**	**246.85**	**330.17**	**424.27**
4. Finance costs	53.61	62.54	109.44	230.06	324.07	446.63
5. Depreciation and amortisation expenses	0.20	0.21	3.55	3.88	10.79	14.67
6. Profit/ (loss) before exceptional items and tax expenses (3 - 4 - 5)	**0.91**	**38.24**	**(18.08)**	**12.91**	**(4.69)**	**(37.03)**
7. Exceptional items (refer note 8)	117.62	743.96	326.34	683.63	280.60	682.04
8. Profit before tax (6) ± (7)	**118.53**	**782.20**	**308.26**	**696.54**	**275.91**	**645.01**
9. Tax expense	-	-	-	-	-	-
10. Profit for the period/ year (8) ± (9)	**118.53**	**782.20**	**308.26**	**696.54**	**275.91**	**645.01**
11. Other comprehensive income (net of tax) Items that will not be reclassified to profit or loss						
-Re-measurement (loss)/gain on defined benefit plans	(0.10)	(0.02)	(0.20)	(0.14)	0.02	(0.03)
-Net loss on fair valuation through other comprehensive income ('FVTOCI') of equity securities	(62.83)	(617.08)	(147.38)	(1,641.93)	(398.91)	(507.02)
Total other comprehensive income for the period/ year	**(62.93)**	**(617.10)**	**(147.58)**	**(1,642.07)**	**(398.89)**	**(507.05)**
12. Total comprehensive income for the period/ year (comprising profit and other comprehensive income (net of tax) for the period/ year) (10±11)	**55.60**	**165.10**	**160.68**	**(945.53)**	**(122.98)**	**137.96**
13. Paid-up equity share capital (Face value Rs. 5 per share)	**357.42**	**357.42**	**301.80**	**357.42**	**301.80**	**301.80**
14. Other equity (excluding equity share capital)						**217.31**
15. Earnings per share (EPS) (Rs.) (not annualised)						
Basic	1.66	11.13	5.11	10.33	4.57	10.69
Diluted	1.66	11.06	5.11	10.33	4.57	10.69

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Additional information of Standalone financial results required pursuant to Regulation 52(4) and Regulation 54(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015:

S. No	Particulars	Quarter ended			Nine month period ended		Year ended
		December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
(i)	Debt Equity ratio (in Times)	0.99	1.05	14.39	0.99	14.39	7.55
(ii)	Debt service coverage ratio (in Times)	0.32	0.22	0.50	0.32	0.56	0.58
(iii)	Interest Service coverage ratio (in Times)	1.02	1.61	0.87	1.07	1.02	0.95
(iv)	Outstanding redemable preference shares	NA	NA	NA	NA	NA	NA
(v)	Capital Redemption Reserve / debenture redemption reserve (Rs in crore)	NA	NA	NA	NA	NA	NA
(vi)	Net worth (Total Equity)(Rs. In crore)	1,803.04	1,747.44	260.83	1,803.04	260.83	519.11
(vii)	Current ratio (in Times)	1.27	1.15	0.68	1.27	0.68	0.76
(viii)	Long Term debt to Working Capital (in Times)	2.96	5.32	(2.81)	2.96	(2.81)	(4.17)
(ix)	Bad debts to Account receivable ratio	-	-	-	-	-	-
(x)	Current liability ratio (in Times)	0.55	0.55	0.52	0.55	0.52	0.50
(xi)	Total debt to total assets (in Times)	0.38	0.39	0.54	0.38	0.54	0.58
(xii)	Trade receivables Turnover ratio (in Times), Annualised	0.44	0.63	18.08	0.54	0.86	0.80
(xiii)	Inventory Turnover ratio (in Times), Annualised	7.47	8.06	5.59	7.80	6.67	6.31
(xiv)	Operating margin (%)	54.21%	69.62%	56.25%	65.57%	52.51%	54.47%
(xv)	Net profit margin (%)	117.44%	539.26%	182.70%	185.01%	43.88%	82.80%

Formulae for computation of above ratio are as follows:-

Sr.No.	Particulars	Formulae
(a)	Debt -Equity Ratio	Total debt (Non-current borrowings + Current borrowings + Non- current lease liabilities + Current lease liabilities) / Shareholder's equity (Equity share capital + Other equity)
(b)	Debt service coverage ratio	Earnings available for debt servicing (Net profit after taxes + Non-cash operating expenses like depreciation and amortisation + finance costs+exceptional items) / Debt service (finance costs + lease payments + principal repayments of borrowings)
(c)	Interest Service coverage ratio	Earnings available for debt servicing (Net profit after taxes + Non-cash operating expenses like depreciation and amortisation + finance costs+exceptional item) / Finance costs
(d)	Current ratio	Current Assets/Current Liabilities
(e)	Long term debt to working capital	(Non current borrowings + Non current lease liabilities)/ Working Capital (current Assets-current Liabilities)
(f)	Bad debts to account receivable	Bad debts written off/Average trade receivables
(g)	Current liability ratio	Current liabilities/ Total liabilities
(h)	Total debt to Total assets	Total debt (Non-current borrowings + Current borrowings + Non- current lease liabilities + Current lease liabilities) / Total Assets
(i)	Trade receivables turnover ratio	Revenue from opertations/Average trade receivables (including unbilled revenue)
(j)	Inventory turnover ratio	(Cost of materials consumed + Sub contracting Costs)/Average inventory
(k)	Operating margin	Earnings before interest, tax, depreciation and amortisation/Revenue from operations
(l)	Net profit margin	Profit/(loss) after tax /Revenue from operations

Notes:-

(i) Disclosures required under Regulation 52(7) and Regulation 52(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (amended), for the period ended December 31, 2024

a) The proceeds as received on issue of Non-Convertible Debentures have been fully utilized for the purpose for which these proceeds were raised

b) There was no deviation in the use of proceeds of Non-Convertible Debentures as compared to the objects of the issue.

(ii) Pursuant to Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company maintained requisite asset cover of more than 100% of the outstanding dues on redeemable, rated, listed ,secured Non-Convertible Debentures

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GMR Power and Urban Infra Limited

Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2024

1. Investors can view the unaudited standalone financial results of GMR Power and Urban Infra Limited ("the Company" or "GPUIL") on the Company's website www.gmrpui.com or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com). The Company carries on its business through various subsidiaries, joint ventures, jointly controlled operation, and associate (hereinafter referred to as 'the Group'), being special purpose vehicles exclusively formed to build and operate various urban infrastructure projects with interest in Energy and Road .

2. The Company carries on its business in single business vertical viz., Engineering, Procurement and Construction ('EPC') in accordance with Ind AS 108 'Operating Segments' prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder.

3. (a) The Company together with GMR Consulting Services Limited ('GCSL'), a subsidiary of the Company, which have further invested in step down subsidiaries and joint ventures has investments in GMR Energy Limited ("GEL") amounting Rs. 1,638.70 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,901.75 crore in GEL as at December 31, 2024. GEL has certain underlying subsidiaries/ associates/ joint ventures which are engaged in energy sector as further detailed in note 3(b), 3(c) and 3(d), below which have been incurring losses/ accumulated losses resulting in substantial erosion in their net worth. Based on management's internal assessment with regard to future operations and valuation assessment by an external expert, the management of the Company has fair valued its investments and for reasons as detailed in 3(b), 3(c) and 3(d) below, the management is of the view that the fair value of the Company's investments in GEL is appropriate.

   (b) GMR Warora Energy Limited (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.

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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 08, 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 claims of Rs. 616.33 crore towards reimbursement of transmission charges from March 17, 2014 till November 30, 2020.

MSEDCL preferred an appeal with the 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 ('PGCIL') and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period from December 2020 to December , 2024. 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, 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 the 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 November 30, 2020. Further the cost of transmission charges as stated with effect from December 2020 has been is directly invoiced by PGCIL to DISCOMS and such amount together with aforesaid reimbursement has been disclosed as contingent liability in the financials of GWEL pending the final outcome of the matter in the Hon'ble Supreme Court of India.

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Further, GWEL has generated profit after tax of Rs 28.21 crore and Rs. 171.73 crore during the quarter and nine month period ended December 31, 2024 respectively and 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 nine month period ended December 31, 2024, 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, the management is of the view that the carrying value of the investments in GWEL by GEL as at December 31, 2024 is appropriate.

(c) 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 an excess of current liabilities over current assets of Rs.7.41 crore and has accumulated losses of Rs. 899.53 crore as at December 31, 2024 due to operational difficulties faced during the early stage of its operations. GKEL has generated profits after tax amounting to Rs. 54.61 crore and Rs. 192.26 crore during the quarter and nine month period ended December 31, 2024 respectively.

Further, GKEL has trade receivables and unbilled revenue of Rs. 1,242.52 crore and Rs. 649.42 crore respectively as at December 31, 2024, 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, 2024. 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.

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The management of GKEL based on its internal assessment, external opinion and certain regulatory favorable orders is of the view that the carrying value of the trade receivables and unbilled revenue as at December 31, 2024 is appropriate.

Further GKEL has signed PPA for supply of 102 MW round the clock to TANGEDCO for a period of five years through the aggregator M/s PTC India Limited. Further GKEL is actively pursuing its customers for realization of claims.

Further, GKEL had entered an 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 07, 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 as per the award pertaining to the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL had 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 and December 31, 2021 respectively.

The Hon'ble High Court of Orissa vide its judgement and order dated June 17, 2022 has dismissed the petition filed by GKEL on February 15, 2021 to put aside the Final Award on the basis that impugned award does not fall under the category which warrants interference under Section 34 of the Arbitration Act. GKEL has challenged judgement by filing special leave petition before the Hon'ble Supreme Court of India on grounds; a) Violation of Principles of Natural Justice, b) Judgement is in violation of the guidelines laid by the Hon'ble Supreme Court of India for timely pronouncing of judgements c) Violation of due process of law and others.

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Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2024

The Hon'ble Supreme Court of India in the hearing on July 25, 2022 has issued notice and stayed the operation of the Section 34 Judgement. Vide its order dated May 15, 2023, the Hon'ble Supreme Court has disposed of SLP by allowing GKEL to approach the Commercial Appellate Division Bench, as constituted by the Hon'ble High Court of Orissa by way of an appeal under Section 37 of the Arbitration Act with liberty to raise all grounds and contentions. It had further directed that the aforesaid stay shall continue till June 30, 2023.

In furtherance of the order of the Hon'ble Supreme Court of India, GKEL has filed an appeal under Section 37 of the Arbitration Act before the Hon'ble High Court of Orissa on June 09, 2023, challenging Section 34 judgement and the Award. The Hon'ble High Court of Orissa pronounced its judgement on September 27, 2023 wherein it has allowed the Section 37 appeal and set aside Section 34 judgement and the Award. Further, during the previous year, SEPCO had filed a special leave petition (SLP) with the Hon'ble Supreme Court of India on December 21, 2023 which was registered on January 30, 2024 by the Hon'ble Supreme Court of India and will be listed for hearing in due course.

The Company has also raised and filed its preliminary objections to the very maintainability of the SLP filed by SEPCO. As of now, the date fixed for listing/ hearing of the SLP is yet to be notified. However, same is subject to the listing of Constitution Bench matters. Basis the ongoing status of the case, the management of the Company is not expecting any outflows with respect to SEPCO matter in next 12 months from the reporting date.

Based on legal advice the liability including interest and other costs under the Final Award has been set aside until the claims are raised again by SEPCO basis the available legal recourse GKEL in its books has made provisions in view of the disputes between SEPCO and GKEL, based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/ heading/ title/ narration, etc., such provisions do not make GKEL liable for payment since liability is disputed. GKEL expects to have a favorable outcome in the aforesaid pending litigations, hence resulting in reduction of liabilities towards SEPCO. Consequently, pending conclusion, GKEL has retained liabilities towards SEPCO as per the Arbitration award dated September 07, 2020.

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In view of these matters explained above, business plans and valuation of GKEL performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions such as expansion and optimal utilization of existing plant capacity, timing and amount of settlement of disputes with customers and capital creditors which are outstanding as on December 31, 2024, the management is of the view that the carrying value of the investments in GKEL held by GEL as at December 31, 2024 is appropriate.

(d)The Company along with its subsidiaries has investment in Equity shares and compulsorily convertible debentures (together referred as 'investments in GBHHPL') of GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a joint venture of the group, amounting to Rs. 359.45 crore as at December 31, 2024. GBHHPL has set up 180 MW hydro-based power plant in Chamba, District of Himachal Pradesh. It experienced delays in the completion of construction and incurred cost overruns. During the year ended March 31, 2023, GBHHPL commenced commercial operations. Post commercial operations, actual energy generation has been lower than the estimated energy generation, due to various factors such as adverse weather conditions, excessive silt content in the river during monsoon, which caused shutdown in the past and during the nine month period ended December 31, 2024.

GBHHPL had terminated its agreement with Gammon Engineers and Contractors Private Limited ('the contractor') on July 13, 2022 and encashed Bank Guarantee recovering liquidated damages in respect of the construction of the project as GBHHPL noticed repeated slippages by the contractor in achieving the targets and multifarious breaches under the work orders.

Further on On June 10, 2022, GBHHPL invoked arbitration against the contractor to recover their further dues (capital advances) amounting to Rs. 270.42 crore (assumed at discounted value of Rs. 79.20 crore) as at December 31, 2024 . However counter claims were also filed by the contractor before the arbitration tribunal towards costs and damages on account of prolongation of the Contract.

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GBHHPL filed its reply to the Statement of Defense and counter claims on March 01, 2023. Subsequently, consolidated statement of claims and counter claims were directed to be filed by the Arbitration Tribunal which have been filed in the month of August 2023. The evidence of Expert Witnesses has been filed by GBHHPL. The cross examination of witnesses has been continuing. Further dates for cross examination of fact witnesses was fixed by the Arbitral Tribunal w.e.f. November 18, 2024 to December 21, 2024 (24 Sittings). Next dates for further evidence starts from February 21, 2025. Extension of Tribunal's mandate has been allowed by the Hon'ble High Court of Delhi upto July 31, 2025.

Based on the assessment of such claims and upon consideration of advice from the independent legal consultant, the management believes that GBHHPL has reasonable chances of recovery of its dues from the contractor in the future.

In view of the matters explained above and developments in the nine month period ended December 31, 2024, the management has reassessed business plans and has performed valuation of GBHHPL by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions such as estimated energy generation, hydrology, timing and amount of settlement of disputes with contractor. On account of the above fair valuation of investments in GBHHPL, Company has recognised consequential impact resulting in loss of Rs. 542.00 crore in Other comprehensive income and also loss of Rs. 357.19 crore in exceptional item in the unaudited standalone financials results for the nine month period ended December 31, 2024., The management is of the view that the carrying value of its investments in GBHHPL held by GEL as at December 31, 2024 is appropriate.

4. The Company together with GMR Highway Limited ("GMRHL") a subsidiary of the Company, has invested in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL').

GHVEPL, a step-down subsidiary of the Company, has been incurring losses since the commencement of its commercial operations. These losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State

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of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group till March 31, 2024 based on its internal assessment and a legal opinion, believed that these events constitute a Change in Law as per the Concession Agreement and GHVEPL was entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI').

The claim of GHVEPL was rejected by NHAI and accordingly during the year ended March 31, 2018, GHVEPL had decided to proceed with arbitration and accordingly Arbitral Tribunal was constituted and claims were filed.

The project was initially developed from existing 2 lanes to 4 lanes to be further developed to 6 laning subsequently (before 14th anniversary of the appointed date). If 6 laning was not carried out (if so required by NHAI/ desired by GHVEPL), concession period would be restricted to 15 years as against 25 years. GHVEPL had been amortising intangible assets over the concession period of 25 years.

The Arbitral Tribunal vide its order dated March 31, 2020, had pronounced the award unanimously, upholding GHVEPL's contention. Further, the said tribunal order was also upheld by the Hon'ble High Court of Delhi and division bench of the Hon'ble High Court of Delhi vide its Judgement dated May 07, 2024.

NHAI, upon receipt of Divisional Bench judgement, requested for conciliation of all the disputes amicably, which GHVEPL accepted and accordingly a Conciliation Committee of Independent Expert was formed. Based on the meetings and discussions of the issues at length, NHAI and GHVEPL reach an amicable settlement at Rs. 1,387.21 crore along with early hand over of the Project back to NHAI w.e.f. July 01, 2024. The Settlement Agreement dated June 13, 2024 was entered between NHAI and GHVEPL with the following major terms and conditions:

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i) The amount of Rs.1,387.21 crore is payable by NHAI to GHVEPL as net compensation amount towards the full and final settlement of in respect of all claims, counter claims, including interest and all the other disputes under the Concession Agreement.

ii) NHAI shall waive off the damages imposed by Independent Engineer ('IE') towards default for O&M obligation amounting to Rs. 54.52 crore.

iii) NHAI and GHVEPL shall withdraw all claims / legal proceedings pending at any legal forum against each other.

iv) GHVEPL shall not make any claim emanating from the Change in Law arbitration from June 13, 2025 onwards and shall also forego its claim and rights for undertaking six laning and six laning to be disposed off (i.e. foregoing of claim on concession period of 25 years) by giving a joint application to the Arbitral Tribunal.

v) GHVEPL shall hand over to NHAI the project Highway with all assets, Road work, building accessories on the Project Highway.

vi) The net compensation of Rs. 1,387.21 crore included an amount of Rs. 405.41 crore towards the future revenue for the balance concession period from toll and related change in law claim net of additional concession premium at present value.

GHVEPL has settled the outstanding dues to the senior lenders out of the proceeds of compensation received from NHAI.

The management of GHVEPL does not foresee any further losses other than those provided for in the accounts on the realization of the assets which it expects to realise in the ordinary course and expects full settlement of liabilities. The management further plans to synergise the operations with the continuing operations of other suitable companies in the Group.

Further, till year ended March 31, 2024, the Company has fair valued its investments in GHVEPL using Discounting Cash flow method considering management intention to operate the highway project and receive ongoing claims. In the quarter ended June 30, 2024

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the management of the Company has reassessed the fair value of investment after considering the impact of the settlement as discussed above have recognized a fair valuation loss of Rs. 854.33 crore in other comprehensive income and loss of Rs. 55.85 crore in exceptional item.

5. The Company and SEW Infrastructure Limited had incorporated a Joint venture, GIL- SIL JV (the "JV") and entered into a contract with Dedicated Freight Corridor Corporation of India Limited ("DFCCIL") in 2015 for execution of design and construction of civil structures and track works for double line railway involving formation in embankments/ cuttings, ballast on formation, track works, bridges, structures, buildings, yards, integration with existing railway system and testing and commissioning on design-build lump sum basis for Mughalsarai-New Karchana Station (including) of Eastern Dedicated Freight Corridor Project (Contract Package – 201) and New Karchana (excluding) – New Bhaupur Station (excluding) of Eastern Dedicated Freight Corridor Project (Contract Package – 202) (hereinafter together referred as 'DFCC project') to the JV.

   Subsequently the JV had sub-contracted a significant portion of such contract to the Company. During the execution of the project, DFCCIL failed to fulfil its obligations in a timely manner and as a consequence of such non-fulfilment, the execution of DFCC project got significantly delayed. In view of the aforementioned delay, the JV sought extensions as per Clause 8.4 of the General Conditions to the Contract and DFCCIL had granted such extensions from time to time.

   During the year ended March 31, 2023, the JV had submitted its claim against DFCCIL for the period of delay i.e. from January 2019 to December 31, 2021, DFCCIL has rejected such claim citing the amendments made in the contract, while granting the extensions of time. JV has invoked the dispute resolution process and accordingly Dispute Adjudicating Board (DAB) is constituted.

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As per directions of DAB, JV had submitted its Statement of Claim ('SoC') before DAB on May 22, 2023 for an amount of Rs. 449.01 crore for Contract Package 202 and on June 09, 2023 for an amount of Rs. 398.63 crore for Contract Package 201 respectively (excluding interest and GST) for cost incurred during the period from January 21, 2019 to September 30, 2022.

Further, JV has reserved its right to claim further additional cost for the damages to be suffered during the period (i.e. September 30, 2022 till completion of the project) to be computed in the same manner as set out in the SoC.

DFCCIL has submitted its Statement of Defense ('SoD') and has also filed counter claims for both the Contract Packages.

JV has further its amended its statement of Claim for Rs. 812.99 crore on March 15, 2024 for Contract Package 201 and for Rs 1,013.47 crore on February 17, 2024 for Contract Package 202 for cost incurred during the period from January 21, 2019 to September 30, 2022.

As per the revised timelines set forth by DAB, both JV and DFCCIL has submitted their revised statement of defense and rejoinders. Presently, the arguments by both the parties before DAB are completed for both the Contract packages 202 and 201 for the claim period from January 21, 2019 to September 30, 2022.

On November 01, 2024 majority of the DAB members have awarded an amount of Rs 262.54 crore for Contract Package 201 to JV for the claim period from January 21, 2019 to September 30, 2022 subsequently on November 21, 2024 they have given its award for Contract Package 202 wherein they have awarded an amount of Rs. 254.80 crore. Further, DAB members unanimously have rejected all the counter claims of DFCCIL for Contract Package 202 and 201.

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However, JV and DFCCIL, being dissatisfied with the Award for Contract Package 201 & Contract Package 202 issued Notice of Dissatisfaction. Thereafter, JV issued Notice of Amicable Settlement for Contract Package 201 & Contract Package 202 against which no response was received from DFCCIL. Further, JV has issued Notice invoking Arbitration in Contract Package-201 on January 14, 2025 and Contract Package-202 on January 23, 2025.

JV has further filed the claims of Prolongation Cost with DAB for the period October 01, 2022 till April 30, 2024 for Contract Package 202 and submitted its Statement of Claim for Rs. 226.86 crore on June 19, 2024 and for Contract Package 201 submitted its Statement of Claim for Rs. 278.28 Crore on December 16, 2024. DFCCIL has submitted letters for raising counterclaims in Contract Package 202 and Contract Package 201 on November 20, 2024 and November 25, 2024 respectively which has been duly objected by the JV on December 20, 2024.

For Contract Package 202, arguments have been concluded on December 05, 2024 and the matter was reserved for judgement. JV has filed their written submissions on January 15, 2025. For Contract Package 201, Statement of Defense is to be submitted by DFCCIL on February 17, 2025 and Rejoinder of JV by March 10, 2025.

Based on internal assessment and review of the technical and legal aspects by independent experts, the management of the JV and the Company recognized such claim in its books of account and basis back-to-back agreement with the JV, the Company has also included an incremental budgeted contract revenue of Rs. 506.15 crore (out of total claim amount of Rs. 2,331.61 crore) for determination of the revenue recognition in accordance with Ind AS 115 and has recognized during the previous years and nine month period ended December 31, 2024.

The management of the JV and the Company considers the unbilled revenue recognized amounting to Rs. 498.76 crore as at December 31, 2024 out of the aforesaid claims as fully recoverable.

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However, based on the legal opinion, the management of the JV and the Company is confident of recoverability of the entire claim amount of Rs. 2,331.61 crore (including unbilled revenue recognized amounting to Rs. 498.76 crore) as at December 31, 2024.

6. On December 10, 2015, GMR Airports Limited (formerly GMR Airports Infrastructure Limited) (GAL previously GIL) had originally issued and allotted the 7.5% Subordinated Foreign Currency Convertible Bonds (FCCBs) aggregating to US$ 300 million due in FY 2075 to Kuwait Investment Authority (KIA) and interest is payable on annual basis. As per applicable RBI Regulations and the terms of the Agreements entered between KIA and GMR Airports Limited (formerly GMR Airports Infrastructure Limited), GMR Airports Limited (formerly GMR Airports Infrastructure Limited) had the right to convert the said FCCBs into equity shares at a pre-agreed SEBI mandated conversion price. Upon exercise of such conversion right, KIA would be entitled to 1,112,416,666 equity shares of GMR Airports Limited (formerly GMR Airports Infrastructure Limited).

   Pursuant to the Demerger of GMR Airports Limited's (formerly GMR Airports Infrastructure Limited) non-Airport business into GMR Power and Urban Infra Limited (GPUIL) during January 2022, the FCCB liability was split between the GMR Airports Limited (formerly GMR Airports Infrastructure Limited) and the Company. Accordingly, FCCBs aggregating to US$ 25 million. were retained and redenominated in GAL previously GIL and FCCBs aggregating to US$ 275 million of KIA were allocated to the Company.

   During the quarter ended September 30, 2024, US$ 275 million 7.5% Subordinated Foreign Currency Convertible Bonds (FCCBs), have been transferred by KIA to two eligible lenders i.e., Synergy Industrials Metals and Power Holdings Limited ("Synergy") (US$ 154 million) and to GRAM Limited ("GRAM") (US$ 121 million).

   Accordingly, the US$ 275 million 7.5% Subordinated Foreign Currency Convertible Bonds (FCCBs) have been converted dated July 10, 2024, into 111,241,666 number of equity shares of Rs.5/- each, proportionately to the above mentioned two FCCB holders, as per the agreed terms and basis receipt of a conversion notice from the said FCCB holders. As the FCCB holders are equity investors, and as a part of the overall commercials between the parties, the outstanding interest payable on the FCCB's of Rs. 1,175.75 crore was waived off.

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Considering the same, the Company has recognized exceptional gain of Rs. 1,196.00 crore in these unaudited standalone financial results for the nine month period ended December 31, 2024.

7. During the nine month period ended December 31, 2024, the Company has raised money by issue of redeemable, rated, listed and secured non-convertible debentures (NCDs) amounting to Rs. 150.26 crore in single tranche vide Board resolution dated May 17, 2024, for a tenure of 370 days from deemed date of allotment which are repayable on June 11, 2025.

   These NCDs shall be secured by, first ranking and exclusive mortgage on certain properties of its subsidiaries and a first ranking and exclusive charge by way of hypothecation on the Designated Account and all amounts lying therein from time to time under and pursuant to the deed of hypothecation.

8. Exceptional items comprise of the reversal/ creation of provision for impairment in carrying value of investments and loans/ advances/ other receivables carried at amortised cost and write back/ waiver of liability.

9. Sales/ income from operations includes interest income, dividend income, income from management and other services and profit on sale of current investments considering that the Company undertakes investment activities.

10. The Company has presented earnings before finance costs, taxes, depreciation, amortisation expense and exceptional items as EBITDA.

11. The accompanying unaudited standalone financial results of the Company for the quarter and nine month period ended December 31, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting on January 29, 2025.

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12. Previous quarter/period/year's figures have been regrouped/ reclassified, wherever necessary to confirm the current period classification.

For **GMR Power and Urban Infra Limited**

Srinivas Bommidala
Managing Director
DIN: 00061464

Place: New Delhi
Date: January 29, 2025

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