Walker Chandiok &Co LLP

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram - 122 002
India

T +91 124 462 8000
F +91 124 462 8001

Independent Auditor's Report on Standalone Annual Financial Results of GMR Power and Urban Infra Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

Qualified Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of GMR Power and Urban Infra Limited ('the Company') for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the effects/possible effects of the matters described in paragraph 3 below; and

   (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023 except for the effects/possible effects of the matters described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in note 3(a) to the accompanying Statement, 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. Also, the Company together with GGAL and GEPML has investments in GMR Energy Limited ('GEL'), a joint venture of the Company, amounting to Rs. 895.74 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,768.36 crore recoverable from GEL as at 31 March 2023. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL'), subsidiary of GEL. The aforementioned investments are carried at their respective fair value in the Statement as per Ind AS 109 – 'Financial Instruments'.

   As further mentioned in note 3(d), the fair value of investment in GKEL considered for the purpose of determining the carrying values of aforesaid investments is 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 key assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, and favourable outcome of the litigations with respect to claims of capital creditors filed against GKEL.

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 (including accrued interest) and investments as at 31 March 2023 and the consequential impact on the accompanying Statement.

The opinion expressed by us on the standalone financial results of the Company for the year ended 31 March 2022 vide our audit report dated 18 May 2022 and the conclusion expressed by us vide our review report 13 February 2023 on the standalone financial results for the quarter and nine months ended 31 December 2022 was also qualified in respect of the above matter.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, 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 3(b) and 3(c) to the accompanying Statement, in relation to the investment in GEL amounting to Rs. 895.74 crore as at 31 March 2023. The recoverability of such investment is further dependent upon various claims and other receivables from customers of GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, which are pending settlement / realization as on 31 March 2023, capacity utilization of plant in future years and certain other key assumptions as considered in the valuation performed by an external expert.

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 is to be paid by GWEL. However, 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 Rs. 616.33 crore for the period from 17 March 2014 to 31 March 2023 and transmission charges invoiced directly to MSEDCL by Power Grid Corporation Limited for the period December 2020 to March 2023 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 in GEL, taking into account the matters described above in relation to the investment made by GEL in GWEL, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the year ended 31 March 2023. Our opinion is not modified in respect of these matters.

6. In addition to the matters described in paragraph 3 above, we draw attention to note 3(e) to the accompanying Statement, in relation to the investment made in GEL amounting to Rs. 895.74 crore as at 31 March 2023. The recoverability of such investment is further dependent upon achievement of business plans of GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a joint venture of GEL, and recoverability of capital advances in the near future given to contractor of GBHPPL's project, along with other claims which are pending before the Arbitral Tribunal as described in the said note.

The management of the Company, based on its internal assessment, legal opinion 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 matter described above in relation to the investment made by GEL in GBHHPL, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the year ended 31 March 2023. Our opinion is not modified in respect of this matter.

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7. We draw attention to note 4 to the accompanying Statement, in relation to the investment made by the Company together with GMR Highways Limited (GMRHL), a subsidiary of the Company, in GMR Hyderabad Vijayawada Expressway Private Limited (GHVEPL) amounting to Rs. 1,087.80 crore. The aforesaid investment is carried at fair value in the Statement as per Ind AS 109 – 'Financial Instruments'.

   The fair value of investment in GHVEPL considered for the purpose of determining the carrying values of aforesaid investments is based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent upon claims receivables from National Highway Authority of India (NHAI) as detailed in aforesaid note 4, that are pending before Hon'ble High Court as on 31 March 2023.

   The management of the Company, based on its internal assessment, legal opinion, certain interim favourable orders and valuation assessment made by the external expert as mentioned above, is of the view that the carrying value of the aforesaid investment of the Company along with GMRHL in GHVEPL, taking into account the aforesaid matter is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the year ended 31 March 2023. Our opinion is not modified in respect of this matter.

8. We draw attention to note 6 to the accompanying Statement which describes that the milestones linked to the contingent sale consideration receivable on account of sale of equity stake and inter-corporate deposits recoverable from Kakinada SEZ Limited ('KSEZ') have not been achieved, and as a result, the Company has reversed the balance consideration receivable amounting to Rs 313.21 during the current quarter, which has been charged to Statement of Profit and Loss and disclosed under exceptional items. Our opinion is not modified in respect of this matter.

9. We draw attention to note 7 to the accompanying Statement which describes that the Company has recognised certain claims in the current year 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. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

10. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

11. In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Statement

13. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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, specified under section 143(10) of the Act, 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 this Statement.

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14. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 our auditor's report to the related disclosures in the Statement 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.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

15. We communicate with those charged with governance 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.

16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

17. The Statement includes the financial results for the quarter ended 31 March 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

Danish Ahmed
Partner
Membership No. 522144
UDIN: 23522144BGZHMW5980

Place: New Delhi
Date : 23 May 2023

GMR Power And Urban Infra Limited
Corporate Identity Number (CIN): L45400MH2019PLC325541
Registered Office: Plot No. C-31, G Block, 701, 7th Floor, Naman Centre
Bandra Kurla Complex, Mumbai- 400051
Phone: +91-22-42028000 Fax: +91-22-42028004
Email: gpuil.cs@gmrgroup.in Website: www.gmrpui.com

Statement of standalone financial results for the quarter and year ended March 31, 2023

(Rs. in crore)

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	(refer note 10)	Unaudited	(refer note 10)	Audited	Audited
1. Income					
a) Revenue from operations					
Sales/ income from operations	288.95	273.01	424.89	1,408.78	1,567.90
b) Other income					
Other income	17.90	1.61	1.32	31.97	3.74
Total income	**306.85**	**274.62**	**426.21**	**1,440.75**	**1,571.64**
2. Expenses					
a) Cost of materials consumed	133.76	83.33	187.39	589.15	651.79
b) Sub-contracting expenses	80.56	45.26	104.53	308.73	307.82
c) Employee benefit expenses	7.43	10.01	8.03	34.71	26.76
d) Finance costs	136.02	134.95	161.06	551.22	623.41
e) Depreciation and amortisation expenses	3.70	3.88	4.47	16.03	18.87
f) Other expenses	24.73	33.84	33.83	157.01	107.40
Total expenses	**386.20**	**311.27**	**499.31**	**1,656.85**	**1,736.05**
3. Loss before exceptional items and tax	**(79.35)**	**(36.65)**	**(73.10)**	**(216.10)**	**(164.41)**
4. Exceptional items (refer note 9)	(277.31)	210.55	173.47	(66.76)	115.73
5. (Loss)/ profit before tax (3) ± (4)	**(356.66)**	**173.90**	**100.37**	**(282.86)**	**(48.68)**
6. Tax expense	-	-	-	-	-
7. (Loss)/ profit for the period/ year (5) ± (6)	**(356.66)**	**173.90**	**100.37**	**(282.86)**	**(48.68)**
8. Other comprehensive income (net of tax)					
Items that will not be reclassified to profit or loss					
-Re-measurement (loss)/ gain on defined benefit plans	(0.02)	-	0.32	(0.79)	(0.13)
-Net (loss)/ gain on fair valuation through other comprehensive income ('FVTOCI') of equity securities	(148.62)	(117.23)	30.73	(357.66)	590.86
Total other comprehensive income for the period/ year	**(148.64)**	**(117.23)**	**31.05**	**(358.45)**	**590.73**
9. Total comprehensive income for the period/ year (comprising (loss)/ profit and other comprehensive income (net of tax) for the period/ year) (7±8)	**(505.30)**	**56.67**	**131.42**	**(641.31)**	**542.05**
10. Paid-up equity share capital (Face value Rs. 5 per share)	**301.80**	**301.80**	**301.80**	**301.80**	**301.80**
11. Other equity (excluding equity share capital)				**101.47**	**1,121.55**
12. Earnings per share (EPS) (Rs.) (not annualised)					
Basic	(5.91)	2.88	1.66	(4.69)	(0.81)
Diluted	(5.91)	2.88	1.66	(4.69)	(0.81)

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GMR Power And Urban Infra Limited
Statement of Standalone assets and liabilities

(Rs. in crore)

	Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
A	Assets		
1	**Non-current assets**		
	Property, plant and equipment	88.49	105.35
	Intangible assets	2.72	3.03
	Financial assets		
	Investments	3,035.09	4,589.91
	Trade receivables	0.83	0.88
	Loans	1,082.00	1,506.47
	Other financial assets	11.88	272.31
	Non-current tax assets (net)	5.20	4.67
	Other non-current assets	2.60	4.84
		4,228.81	**6,487.46**
2	**Current assets**		
	Inventories	47.58	84.39
	Financial assets		
	Investments	-	0.20
	Trade receivables	33.02	9.64
	Cash and cash equivalents	14.91	5.66
	Bank balances other than cash and cash equivalents	41.17	8.98
	Loans	1,011.33	522.52
	Other financial assets	1,378.64	1,275.86
	Other current assets	79.94	169.49
		2,606.59	**2,076.74**
	Total assets	**6,835.40**	**8,564.20**
B	**Equity and liabilities**		
3	**Equity**		
	Equity share capital	301.80	301.80
	Other equity	101.47	1,121.55
	Total equity	**403.27**	**1,423.35**
	Liabilities		
4	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	3,021.72	3,636.17
	Other financial liabilities	44.21	51.69
	Provisions	3.27	3.08
		3,069.20	**3,690.94**
5	**Current liabilities**		
	Financial liabilities		
	Borrowings	643.23	892.44
	Trade payables		
	a) total outstanding dues of micro enterprises and small enterprises	71.11	54.30
	b) total outstanding dues of creditors other than (a) above	424.59	463.54
	Other financial liabilities	2,086.94	1,927.30
	Other current liabilities	136.74	112.01
	Provisions	0.32	0.32
		3,362.93	**3,449.91**
	Total equity and liabilities	**6,835.40**	**8,564.20**

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GMR Power And Urban Infra Limited
Statement of Standalone cash flows for the year ended March 31, 2023

(Rs. in crore)

Particulars	March 31, 2023 (Audited)	March 31, 2022 (Audited)
Cash flow from operating activities		
Loss before tax expenses	(282.86)	(48.68)
Loss before tax expenses	**(282.86)**	**(48.68)**
Adjustments to reconcile loss before tax to net cash flows		
Depreciation and amortization expenses	16.03	18.87
Exceptional items	66.76	(115.73)
Net foreign exchange differences (unrealised)	73.07	22.10
Gain on disposal of assets (net)	(1.13)	(0.06)
Provisions/liabilities no longer required, written back	(7.65)	(0.28)
Reversal of upfront loss on long term construction cost	(16.14)	(10.25)
Profit on sale of current investments	(2.73)	(0.96)
Finance income (including finance income on finance asset measured at amortised cost)	(372.17)	(379.28)
Finance costs	551.22	623.41
Operating profit before working capital changes	**24.40**	**109.14**
Working capital adjustments:		
Change in inventories	36.81	(5.71)
Change in trade receivables	(23.33)	470.07
Change in other financial assets	452.05	(490.59)
Change in other assets	91.79	(54.26)
Change in trade payables	1.65	21.95
Change in other financial liabilities	(16.69)	(57.29)
Change in provisions	(0.59)	(1.14)
Change in other liabilities	24.73	20.29
Cash generated from operations	**590.82**	**12.46**
Direct taxes paid (net)	(0.53)	(4.67)
Net cash flow generated from operating activities (A)	**590.29**	**7.79**
Cash flow from investing activities		
Purchase of property, plant and equipment	(0.10)	(0.32)
Proceeds from disposal of property, plant and equipment	2.37	0.16
Purchase of non-current investments/ non- convertible debentures	(577.18)	(261.10)
Proceeds from sale and redemption of non-current investments	1,755.77	170.60
Sale of current investments (net)	2.93	-
Movement in bank deposit (having original maturity of more than three months) (net)	16.86	15.44
Loans given to group companies	(1,586.90)	(2,781.18)
Loans repaid by group companies	1,316.85	3,205.39
Interest received	160.86	147.33
Net cash flow from investing activities (B)	**1,091.46**	**496.32**
Cash flow from financing activities		
Proceeds from non-current borrowings	157.45	1,186.19
Repayment of non-current borrowings (including current maturities)	(1,450.02)	(1,135.30)
(Repayment of) current borrowings (net) (excluding current maturities)	(58.17)	(110.33)
Finance costs paid	(321.76)	(463.17)
Net cash flow used in financing activities (C)	**(1,672.50)**	**(522.61)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	9.25	(18.50)
Cash and cash equivalents as at beginning of the year	5.66	24.16
Cash and cash equivalents as at the end of the year	**14.91**	**5.66**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	14.55	5.21
Deposits with original maturity of less than three months	0.35	0.43
Cash on hand	0.01	0.02
Total cash and cash equivalents as at the end of the year	**14.91**	**5.66**

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GMR Power and Urban Infra Limited

Notes to the audited standalone financial results for the quarter and year ended March 31, 2023

1. Investors can view the audited 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 and associates (hereinafter referred to as 'the Group'), being special purpose vehicles exclusively formed to build and operate various infrastructure projects.

2. (a) The Company carries on its business in single business vertical viz., Engineering, Procurement and Construction ('EPC').

   The segment reporting of the Company has been prepared 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 Generation Assets Limited ("GGAL") and GMR Energy Projects Mauritius Limited, subsidiaries of the Company, has investments in GMR Energy Limited ("GEL") amounting Rs. 895.74 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,768.36 crore in GEL as at March 31, 2023. GEL has certain underlying subsidiaries/ associates/ joint ventures which are engaged in energy sector as further detailed in note 3(b), 3(c), 3(d) and 3(e), below which 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 year ended March 31, 2023, the management of the Company has fair valued its investments and for reasons as detailed in 3(b), 3(c), 3(d) and 3(e) 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'), 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 had accumulated losses of Rs. 585.44 crore as at March 31, 2023 (Rs.753.07 crore in March 31, 2022) and the same has been reduced to Rs 585.44 crore as at March 31, 2023 which has resulted in substantial erosion of GWEL's net worth. There have been delays in receipt of the receivables from customers which has resulted in delays in meeting its financial liabilities.

   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 June 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 the 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 year ended March 31, 2021, GWEL filed petition with Central Electricity Regulatory Commission ('CERC') for settlement of the dispute. During the quarter ended March 31, 2022, the said petition was decided in favour of GWEL vide CERC order dated January 20, 2022 wherein CERC directed the customer to pay the aforesaid outstanding capacity charges along with delayed payment surcharge within 60 days from the date of the aforesaid order. The customer has filed an appeal against the said CERC order before Appellate Tribunal for Electricity ('APTEL') during the quarter ended June 30, 2022, APTEL issued an

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interim order and directed the customer to pay 25% of the principal amount within a period of one week from the date of its interim order to GWEL and deposit the balance outstanding amount in an interest-bearing fixed deposit receipt with a nationalized bank. However, GWEL has not received any amount from the customer and the matter is pending conclusion. The management based on its internal assessment and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable.

However, GWEL has certain favorable interim orders towards the aforementioned claims. Also, during the year ended March 31, 2022, 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.

Further, GWEL on the basis of 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. Further most of the borrowing facilities of GWEL had 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 The lead lender issued a sanction letter dated April 05, 2022 for restructuring of loan facilities. As per the RBI circular as stated above, a minimum approval of lenders representing 75% by value of total outstanding loan facilities and 60% of lenders by number are required for approval of the Resolution plan.

During the quarter ended June 30, 2022, GWEL received the approvals from the aforesaid requisite lenders on the Resolution plan and consequently the Resolution plan was adopted in the board of directors meeting dated June 23, 2022 and approved by the shareholders of GWEL in the Extraordinary General Meeting dated June 24, 2022. Accordingly, GWEL has given effect to the Resolution plan and effect of the same has been disclosed as an exceptional item in the unaudited financial results of GWEL for the quarter ended June 30, 2022. In the consortium meeting held on January 11, 2023 all the lenders have confirmed the implementation of the resolution plan in their respective books of accounts.

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 has filed petitions with the regulatory authorities for settlement of such claims in favor of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 882.22 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.

Accordingly, GWEL has generated profit after tax of Rs 167.87 crore during the year ended March 31, 2023 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 year ended March 31, 2023, 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

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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 implementation of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management is of the view that the carrying value of the net assets in GWEL by GEL as at March 31, 2023 is appropriate.

(c) 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. 616.33 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2023. 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 March 2023. 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 legal expert advice, GWEL has recognized the reimbursement of transmission charges of Rs. 616.33 crore relating to the period from March 17, 2014 to March 31, 2023. Further the cost of transmission charges as stated with effect from December 2020 is directly invoiced by Power Grid Corporation of India Limited to DISCOMS and 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.

(d) 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. 1,386.84 crore as at March 31, 2023 (Rs.1,415.15 crore in March 31, 2022), 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. 1,662.04 crore as at March 31, 2023, 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 March 31, 2023. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with

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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 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. The Hon'ble Appellate Tribunal passed an Order in Appeal no - 423 on August 6, 2021 allowing GKEL to recover expenditure incurred in procurement of alternate coal due to short fall in domestic coal supply corresponding to schedule generation pertaining to Bihar PPA and further allowed GKEL to recover the carrying cost from the date of Change in Law events till the dues are paid.

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 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 and December 31, 2021 respectively.

The High Court 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 Supreme Court of India on grounds; a) Violation of Principles of Natural Justice, b) Judgement is in violation of the guidelines laid by Supreme Court for timely pronouncing of judgements c)

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Violation of due process of law and others. Based on legal advice obtained, GKEL seems to have a good arguable case to challenge section 34 judgement and have it set side. Therefore, GKEL is not expecting any cash outflow in this matter in the foreseeable future. GKEL has in its books made provisions in view of the disputes between SEPCO and GKEL and taken into consideration the Award and the Final Award passed by the Arbitral Tribunal 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.

In view of these matters, business plans (including expansion and optimal utilization of existing capacity), valuation assessment by an external expert during the year ended March 31, 2023, the management is of the view that the carrying value of the investments in GKEL held by GEL as at March 31, 2023 is appropriate.

(e) GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a subsidiary of GEL has set up 180 MW hydro based power plant in Chamba, District of Himachal Pradesh. It had experienced delays in the completion of construction and incurred costs overruns. During the current year, GBHHPL has commenced commercial operations.

Further, during the current year i.e. with effect from July 13, 2022, GBHHPL has terminated its agreement with Gammon Engineers and Contractors Private Limited ('the contractor') in respect of the hydropower project as GBHHPL noticed repeated slippages by the contractor in achieving the targets and multifarious breaches under the work orders.

The construction had to be completed by June 2018, however the project was delayed and as a part of one time settlement with the contractor, extension was granted till May 31, 2020. Even after such time extension and payment of huge unadjusted advances, the contractor could not finish the critical components of civil works within the extended date and further delayed the completion of the project. As a consequence of such delay, GBHHPL had recovered its dues including due to liquidated damages and unadjusted advances from the contractor by way of invoking available bank guarantees (BGs) provided by the contractor, amounting to Rs 128.89 crore and accordingly GBHHPL has adjusted it against such advances.

Further, during the current year on June 10, 2022, GBHHPL invoked arbitration against the contractor to recover their further dues, however counter claims was also filed by the contractor before the arbitration tribunal towards costs and damages on account of prolongation of the Contract. GBHHPL filed its reply to the Statement of Defence and counter claims on March 01, 2023. Currently, the matter is pending adjudication before the Arbitral Tribunal.

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 and accordingly, based on the valuation assessment carried out by an external expert during the year ended March 31, 2023, is of the view that the carrying value of its investments in GBHHPL held by GEL as at March 31, 2023 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') amounting to Rs. 1,087.80 crore. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the year ended March 31, 2023,

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the management of the Company has fair valued its investments and for reasons as detailed below, the management is of the view that the fair values of the Company's investments in GHVEPL is appropriate.

GHVEPL a step down subsidiary of the Company, has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,653.86 crore as at March 31, 2023. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is 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.

On October 09, 2009 GHVEPL and National Highways Authority of India (NHAI) entered into the concession agreement for the project highway. 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 is not carried out (if so required by NHAI/desired by GHVEPL), concession period would be restricted to 15 years as against 25 years. GHVEPL has 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 that bifurcation of state of Andhra Pradesh and ban on sand mining in the region constitutes Change in Law event and GHVEPL is entitled for compensation for the loss of revenue arising as a result of drop in commercial vehicles. Majority of the Tribunal members have directed NHAI to constitute a committee for determining the claim amount based on data/ records available with GHVEPL and NHAI. The minority member in the Tribunal however was of the opinion that Tribunal should have constituted the Committee instead of directing NHAI, which is against the principle of natural justice. GHVEPL, aggrieved by the findings, had filed applications under Section 9 and 34 of the Arbitration Act, 1996, before Delhi High Court challenging the award on the limited ground of (i) constitution of the committee by NHAI for quantification of compensation and (ii) for interim measures by restraining NHAI, demanding premium and taking coercive / precipitate measures under the Concession Agreement. Vide order dated August 4, 2020, the Hon'ble Delhi High Court upheld the decision of the Arbitral Tribunal that there was a change in law due to ban on sand mining and State bifurcation.

The Hon'ble Delhi High Court on August 4, 2020 had passed an Order wherein it upheld the decision of the Arbitral Tribunal that there was a change in law due to ban on sand mining and State bifurcation.

The Hon'ble Delhi High Court has also held that GHVEPL is entitled for compensation due to Change in Law and the application of NHAI was dismissed. For quantification of claim of

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GHVEPL, the committee to be appointed by NHAI has been struck down and in its place the Court has appointed a retired judge of Supreme Court as sole arbitrator to quantify the claims. On February 28, 2022, the Sole Arbitrator had submitted his report to Hon'ble Delhi High Court by determining the claim amount at Rs. 1,672.20 crore, as against claimed amount of Rs. 1,676.34 crore, up to March 31, 2020 with direction to follow the same methodology and formula for claims for the financial year ended March 31, 2021 and onwards. Further, the Sole arbitrator has also granted interest on claim amount in terms of Clause 47.5 of the Concession Agreement. The report submitted by the Sole arbitrator has been taken on record by the Hon'ble Delhi High Court and the Court has fixed the next hearing on July 07, 2023. On March 29, 2022, NHAI has made an application before the Sole arbitrator seeking correction of computational error in his report submitted to the Hon'ble High Court. On October 20, 2022 the sole arbitrator has passed an order dismissing the application made by NHAI. NHAI, in the interim has also filed an application u/s 34 of Arbitration Act before Hon'ble Delhi High Court against the report of Sole Arbitrator.

NHAI has challenged the aforesaid Order dated August 4, 2020 before divisional bench of Hon'ble Delhi High Court, wherein the Hon'ble Delhi High Court has clarified that the sole arbitrator shall continue to discharge his duties subject to final outcome of the appeal however in the interim order dated September 14, 2021 the Hon'ble Court has formed a prima facie view that it would only be fair that NHAI should secure the Premium payable by the GHVEPL till the issues are resolved. Aggrieved the said order of Divisional Bench, the GHVEPL filed a Special leave petition before Hon'ble Supreme Court, wherein the Supreme Court vide its Order dated March 10, 2022 has quashed the impugned interim order with the request directing the Hon'ble Delhi High Court to decide the matter as expeditiously as possible. The matter is now listed before Hon'ble Delhi High Court on July 04, 2023.

On May 8, 2020, GHVEPL has received a notice from NHAI stating that it is satisfied that six-laning is not required for the project highway and four laning is sufficient for operating the project highway thereby restricting the concession period to 15 years pursuant to Clause 3.2.2 of the Concession Agreement dated October 9, 2009. GHVEPL has filed a response with NHAI on May 26, 2020, June 16, 2020, August 31, 2020 and October 19, 2020 seeking material on record on the basis of which NHAI has decided that six-laning is not required, since in terms of GHVEPL's assessment, six-laning shall be required considering the current traffic flow on the project highway. NHAI, however vide its letter dated June 24, 2020 and October 15, 2020 has stated that the contention of GHVEPL is unmerited and due reasons have been conveyed, even though no substantial information is provided on the basis of which such decision is taken. In this regard, GHVEPL has obtained a legal opinion from its Counsel handling NHAI matter in Honorable Delhi High Court which has opined that with the majority findings of the Arbitral Award in favour of GHVEPL, issuance of Notice dated May 8, 2020 and letter dated June 24, 2020 / October 15, 2020 by NHAI is in bad light and arbitrary.

Legal Counsel opined that NHAI being aware of the financial implications of the Notice dated May 8, 2020 trying to somehow avoid quantifying and making any payment of the claim to GHVEPL under Change in Law. The Counsel further opined that, NHAI after having failed in its series of coercive steps including the notices for recovery of alleged Premium, suspension notice and notices in relation to non-compliance of O & M requirements has, on May 8, 2020, issued the Notice under Article 3.2.2 of the Concession Agreement and that too in the middle of extensive arguments in the aforesaid petitions before the Hon'ble Delhi High Court, only to make

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GHVEPL to somehow give up its claims and avoid determination of claims. GHVEPL on October 30, 2020 has issued Notice of Dispute under Article 44.2 read with Clause 44.1.2 of the Concession Agreement to NHAI for amicable settlement as a first step in dispute resolution, which has been declined by NHAI on December 4, 2020. Pursuant to the notice dated April 6, 2021, the Arbitrators have been appointed and the Arbitral Tribunal has held its first hearing setting procedural timelines for hearing the litigation.

The Hon'ble Tribunal vide interim order dated September 29, 2021 has stayed the letter and the matter is in process. NHAI subsequently has suggested resolving all the disputes through the process of conciliation and the matter was referred to Committee of Conciliation of Independent Experts (CCIE-III) constituted by NHAI on approval from GHVEPL. The Committee has held two hearings and in the hearing held on April 25, 2022, GHVEPL had given a proposal for amicable settlement to which the Committee granted one month's time to NHAI to discuss internally and inform the Committee of its decision, which has not reached any effective conclusion and hence discontinued. In view of the same, the Arbitral Tribunal recommenced the proceedings and the hearing has been fixed for July 20, 2023 for cross examination of the witnesses

The legal counsel has also opined that GHVEPL is in good position to assert for concession period of 25 years. Accordingly, considering the matter is sub-judice, concession life of 25 years with six laning has been considered for the purposes of the amortization of Intangibles considering the initiation of Arbitration Proceedings challenging the communication/notice by NHAI / Regulator restricting the period to 15 years with four-laning.

GHVEPL has been recognizing a provision of additional concession fees (premium) of Rs. 1,291.57 crore including interest payable thereon till March 31, 2023 (March 31, 2022: Rs. 1,007.83 crore), which is unpaid pending finality of litigation proceedings as detailed below.

Further, the valuation expert based on the assumptions that it would be receiving the compensation in the future and expected future traffic flow over a concession period of 25 years had determined value in use of GHVEPL assets as at December 31, 2022 (i.e. valuation date) which is higher than the carrying value of assets.

The management, based on its internal assessment, legal opinion, certain interim favourable orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Company together with GMRHL in GHVEPL, taking into account the matters described above is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying standalone financial results for the quarter and year ended March 31, 2023.

5. Government of Tamil Nadu (GoTN) had awarded an annuity based highway project to GMR Chennai Outer Ring Road Private Limited ('GCORR'). GOCRR had awarded EPC contract to Boyance Infrastructure Private Limited (BIPL) for the construction of highway project. Subsequently BIPL had sub-contracted significant portion of such contract to the Company. On May 30, 2015, BIPL and the Company entered into a novation agreement whereby all the right and obligation related to the execution of EPC contract lies with the Company. Due to various

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reason the project got delayed.. Since the delay in completion of EPC Contract is due to factors which were attributable to GoTN and were beyond the control, time to time, GPUIL has raised claim to GCORR and in turn GCORR, has raised the claim on GoTN for an amount of Rs. 675.00 crore plus interest. GoTN has disputed the amount claimed, hence GCORR has invoked Arbitration.

The Hon'ble Tribunal vide its order dated January 30, 2020, against a claim of Rs. 675.00 crore have directed GoTN to pay Rs. 340.97 crore within 3 months from the date of award failing which the same shall be payable with interest at 18% p.a. from the date of Award till date of realization. Time for payment by GoTN expires on April 30, 2020. GCORR had filed an application under section 34 of Arbitration Act, 1996, before Madras High Court restricting the challenge to non-grant of pendente lite interest as per contract.

GoTN has also challenged the award by filing an application under section 34 of Arbitration Act, 1996. The Ld. Single judge of Hon'ble Madras High Court, vide order dated November 17, 2021, has dismissed the challenge of Government of Tamil Nadu thereby upholding the Award in its entirety. The Ld. Single Judge has also partly upheld the challenge of GCORR by awarding pendent-lite interest at the rate of 9% p.a from the date of filing Statement of Claim till the date of Award and thereafter @ 18% p.a. as ordered by the Tribunal. Total amount (including interest) estimated to be received by virtue of the above order is Rs. 597.00 crore approx.

GCORR has filed execution petition u/s 36 of the Arbitration and Conciliation Act, 1996 on January 05, 2022 before the Madras High Court for enforcement of Arbitral Award.

Against the dismissal of appeal u/s 37 of Arbitration and Conciliation Act 1996 by Hon'ble Division Bench of Madras High Court vide order dated August 11, 2022, GoTN had filed Special Leave Petition. , The Hon'ble Supreme Court confirmed the Arbitral Award for an amount of Rs. 340.97 crore plus interest @ 18% p.a., aggregating to Rs. 510.47 crore (interest calculated upto November 02, 2022) and issued notice confining to the issue of Pendente Lite interest awarded by the Single Judge.

GCORR in the execution petition filed u/s 36 of the Arbitration and Conciliation Act, 1996 on January 05, 2022 , requested the Madras High Court for enforcement of the Award. GCORR also filed an application for directions to GoTN to deposit 100% of the amount confirmed by Hon'ble Supreme Court i.e. Rs. 510.47 crore. Vide order dated November 08, 2022, the Hon'ble Madras High Court directed GoTN to deposit a sum of Rs.510.47 crore with Registrar by February 20, 2023.

GCORR, based on the judgement of Hon'ble Supreme Court dated November 03, 2022 confirming the claim amount of Rs. 510.47 crore, have recognized the amount pertaining to its portion of claim in the award along with Interest up to the date of order and consequential provision for amount payable to the Company amounting to Rs. 418.55 crore (including Interest calculated up to November 02, 2022) in the books of accounts of GCORR. Accordingly, pursuant

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to aforesaid novation agreement, the Company has recognized an exceptional gain of Rs. 418.55 crore (including Interest calculated up to November 02, 2022) in its audited standalone financial results.

6. GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited) (the 'Demerged 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 which has been received 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, 2023 and March 31, 2024 basis the expectation of significant development Kakinada SEZ.

   Based on assessment of the achievement of the aforementioned milestones by an independent property consultancy agency as at March 31, 2022, management had estimated the expected recoverable amount from such contingent consideration. Considering as at March 31, 2023, the aforementioned milestones have not been achieved, the management has reassessed the current situation and has reversed the balance consideration receivable amounting to Rs 313.21 crore during the current quarter/ year, which has been charged to Statement of Profit and Loss and disclosed under exceptional items.

7. 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 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 extension as per Clause 8.4 of the General Conditions to the Contract and DFCCIL had granted such extensions from time to time.

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

Based on internal assessment and review of the technical and legal aspects by independent experts, the managements of the JV and the Company is confident on the favourable outcome of such claims and has accordingly 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. 406.00 crore (out of total claim amount of Rs. 734.00 crore) for determination of the revenue to be recognized in accordance with Ind AS 115.

8. The standalone financial results for the year ended March 31, 2023 reflected an excess of current liabilities over current assets of Rs. 756.34 crore and loss from operations after tax amounting to Rs. 282.86 crore. However, net worth of the Company is positive amounting Rs. 403.27 crore. Further Management is taking various initiatives including monetization of assets, recovery of outstanding claims in various infra business (highway sector/ECP), raising finances from financial institutions/group companies, strategic investors and from other strategic initiatives, and refinancing of existing debts. Such initiatives will enable the Company to have sufficient funds to meet its financial obligations in an orderly manner.

9. 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 also refer note no 5 and note no 6.

10. The figures for the quarter ended March 31, 2023 and March 31,2022 are the balancing figures between audited figures in respect of the full financial year and unaudited figures for the period up to the end of the third quarter of the financial year.

11. 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.

12. The accompanying audited standalone financial results of the Company for the quarter and year ended March 31, 2023 have been reviewed by the Audit Committee on May 22, 2023 and approved by the Board of Directors in their meeting on May 23, 2023.

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GMR Power and Urban Infra Limited

Notes to the audited standalone financial results for the quarter and year ended March 31, 2023

13. Previous quarter/ period/ year's figures have been regrouped/ reclassified, to conform to the classification adopted in the current period classification.

For **GMR Power and Urban Infra Limited**

Place: New Delhi
Date: May 23, 2023

Srinivas Bommidala
Managing Director
DIN : 00061464

GMR POWER AND URBAN INFRA LTD.

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

ANNEXURE I

GMR Power and Urban Infra Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Power and Urban Infra Limited along with its standalone financial results for the year ened March 31, 2023

(in Rs. crore except for earning per share)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / total income (including other income)	1,440.75	1,440.75
	2	Total Expenditure (including cost of material, sub-contracting expenses, employee benefit expenses, finance cost, depreciation expenses and other expenses but before exceptional items)	1,656.85	1,656.85
	3	Exceptional items - (loss) (net)	(66.76)	(66.76)
	4	Net profit / (loss)	(282.86)	(282.86)
	5	Earnings Per Share (in Rs.) - Basic	(4.69)	(4.69)
	6	Total Assets	6,835.40	6,835.40
	7	Total Liabilities	6,432.13	6,432.13
	8	Net Worth (refer note 1)	403.27	403.27
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter paragraph in the Auditor's Report on Year to Date standalone Financial Results	

Note 1: Net worth = Total equity

II. Audit Qualification (each audit qualification seperately) :

(i) Qualification 1

1a. Details of audit qualification:. As stated in note 3(a) to the accompanying Statement, 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. Also, the Company together with GGAL and GEPML has investments in GMR Energy Limited ('GEL'), a joint venture of the Company, amounting to Rs. 895.74 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,768.36 crore recoverable from GEL as at 31 March 2023. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL'), subsidiary of GEL. The aforementioned investments are carried at their respective fair value in the Statement as per Ind AS 109 – 'Financial Instruments'.

As further mentioned in note 3(d), the fair value of investment in GKEL considered for the purpose of determining the carrying values of aforesaid investments is 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 key assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, and favourable outcome of the litigations with respect to claims of capital creditors filed against GKEL.

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 (including accrued interest) and investments as at March 31, 2023 and the consequential impact on the accompanying Statement.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Second year of qualification (Post demerger)

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor

Management view is documented in note 3(d) of consolidated financial statement of GPUIL for March 31, 2023. As detailed in the notes, the business plans (including expansion and optimal utilization of existing capacity), valuation assessment by an external expert during the year ended March 31, 2023, the management is of the view that the carrying value of the investments in GKEL held by GEL as at March 31, 2023 is appropriatee.

(ii) **If management is unable to estimate the impact, reasons for the same:** Not Ascertainable

(iii) **Auditors' Comments on (i) or (ii) above:** Not applicable

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ANNEXURE I

GMR Power and Urban Infra Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Power and Urban Infra Limited standalone financial results for the year ended March 31, 2023

III	**Signatories**	
	Managing Director	**Srinivas Bommidala** Place: New Delhi Date: May 23, 2023
	Chief Financial Officer	**Suresh Bagrodia** Place: New Delhi Date: May 23, 2023
	Audit Committee Chairman	V.S. Kameswari **Vissa Siva Kameswari** Place: Chennai Date: May 23, 2023
	Statutory Auditor	**For Walker Chandiok & Co LLP** Chartered Accountants Firm Registration No.: 001076N/N500013 **Danish Ahmed** Partner Membership No. 522144 Place: New Delhi Date: May 23, 2023

SIGNED FOR
IDENTIFICATION
PURPOSES ONLY