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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 2022, 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 and 4 below; and

   (ii) gives a true and fair view in conformity with 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 2022 except for the effects/possible effects of the matters described in paragraph 3 and 4 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. 646.71 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,196.32 crore recoverable from GEL as at 31 March 2022. 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 mentioned in note 3(d), the management of the Company has accounted the investment in GKEL based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, rescheduling/refinancing of existing loans at lower rates amongst other key assumptions and the uncertainty and the final outcome of the litigations with the capital creditors as regards claims against GKEL. Accordingly, owing to the aforementioned uncertainties, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid loans and investments, and the consequential impact on the accompanying Statement for the year ended 31 March 2022.

The opinion expressed by us on the standalone financial results of GMR Infrastructure Limited ('GIL' or 'Demerged Company') for the year ended 31 March 2021 vide our audit report dated 18 June 2021 and opinion expressed by us on the special purpose interim standalone financial statements for the nine months ended 31 December 2021 of the Company vide our audit report dated 16 February 2022, were also qualified in respect of above matter.

4. As detailed in note 5 to the accompanying Statement, during the quarter ended 30 September 2020, the Demerged Company, along with Kakinada SEZ Limited ('KSEZ'), GMR SEZ and Port Holdings Limited ('GSPHL'), Kakinada Gateway Port Limited ('KGPL') had entered into a securities sale and purchase agreement with Aurobindo Reality and Infrastructure Private Limited, ('ARIPL') for the sale of entire 51% stake in KSEZ held by GSPHL (Securities sale and purchase agreement hereinafter referred as 'SSPA') along with the settlement of inter corporate deposits given by the Demerged Company to KSEZ.

   The investment in KSEZ held by the Demerged Company through GSPHL was carried at its fair value of Rs. 502.00 crore that had been determined without giving cognizance to the consideration of Rs.12.00 crore specified in the aforementioned SSPA and was consequently not in accordance with the requirements of Ind AS 113, Fair Value Measurement (Ind AS 113).

   The Demerged Company had recognised exceptional loss of Rs. 95.00 crore and loss in other comprehensive income amounting to Rs. 490.00 crore in relation to the above transaction during the quarter ended 31 March 2021, as explained in the said note, instead of restating the financial results for previous quarters in accordance with the requirements of relevant Ind AS.

   The opinion expressed by us on the standalone financial results of the Demerged Company for the quarter and year ended 31 March 2021 vide our audit report dated 18 June 2021 was also qualified in respect of above matter.

   Had the management accounted for the aforesaid transaction in the correct period, the 'exceptional loss' for the quarter ended 31 March 2021 would have been lower by Rs. 126.70 crore, and other comprehensive income for the quarter ended 31 March 2021 would have been higher by Rs. 490.00 crore.

5. 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

6. 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 made by the Company in GEL amounting to Rs. 646.71 crore as at 31 March 2022. The recoverability of such investment is further dependent upon

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various claims, counter claims and other receivables from customers of GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, which are pending settlement / realization as on 31 March 2022, and certain other key assumptions as considered in the valuation performed by an external expert, including capacity utilization of plant in future years, and the pending outcome of the Prudential Framework for Stressed Assets as prescribed by the Reserve Bank of India ('RBI'), being discussed with the lenders of GWEL, as explained in the said note.

The above claims also include disputed claims pertaining to recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. Based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 8 May 2015, currently contested by MSEDCL in the Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges in the Statement of Profit and Loss amounting to Rs. 614.59 crore for the period from 17 March 2014 to 31 March 2022 and transmission charges invoiced directly to MSEDCL by Power Grid Corporation Limited for the period December 2020 to March 2022 as contingent liability, as further described in aforesaid note.

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Company in GEL, taking into account the matters described above in relation to the investments made by GEL in its aforementioned subsidiary, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the quarter and year ended 31 March 2022. Our opinion is not modified in respect of this matter

7. We draw attention to note 9 of the accompanying Statement, which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of its impact on the assumptions underlying the valuation of investments which are carried at fair value in the Statement as at 31 March 2022. Our opinion is not modified in respect of this matter.

8. We draw attention to note 5 to the accompanying Statement in relation to the recoverability of sale consideration receivable as at 31 March 2022 amounting to Rs. 313.21 crore pursuant to the sale of equity stake and inter-corporate deposits given to KSEZ which is dependent on the achievement of the milestones as detailed in the aforementioned note. Such achievement of milestones is significantly dependent on future development in the KSEZ and basis independent assessment by property consultancy agency, the management is confident of achieving such milestones and is of the view that no adjustment to the aforesaid balance is required to be made in the accompanying Statement. Our opinion is not modified in respect of this matter.

9. We draw attention to note 2(b) to the accompanying statement which describes the impact of amalgamation of GMR Power Infra Limited with GMR Infrastructure Limited ('GIL') and demerger of Engineering, procurement, and construction (EPC) business and Urban Infrastructure Business (including Energy Business) of GIL into the Company, pursuant to the Composite scheme of amalgamation and arrangement (the 'Scheme') approved by the National Company Law Tribunal vide its order dated 22 December 2021 as further described in the aforesaid note. Our opinion is not modified in respect of this matter.

10. 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. 904.59 crore. The aforesaid investment is carried at fair value in the Statement as per Ind AS 109 – 'Financial Instruments'.

    The management has accounted investment in GHVEPL 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 2022.

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The management of the Company, 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 alongwith 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 quarter and year ended 31 March 2022. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

11. 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 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.

12. 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.

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

Auditor's Responsibilities for the Audit of the Statement

14. 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.

15. 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.

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

16. 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.

17. 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

18. The Statement includes the financial results for the quarter ended 31 March 2022, being the balancing figures between the audited figures in respect of the full financial year and the audited year-to-date figures up to the third quarter of the current financial year, which were subject to audit by us.

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

Neeraj Sharma
Membership No. 502103

UDIN: 22502103AJECMJ5996

Place: New Delhi
Date: 18 May 2022

GMR Power And Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Registered Office: Naman Centre, 7th Floor,
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Statement of standalone financial results for the quarter and year ended March 31, 2022

(Rs. in crore)

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Audited (refer note 12)	Unaudited	(Refer note 2(b) & note 11)	Audited	(Refer note 2(b) & note 11)
1. Income					
a) Revenue from operations					
i) Sales/ income from operations	340.92	259.39	409.65	1,179.66	1,055.59
ii) Other operating income (refer note 7)	83.97	103.71	92.95	388.24	386.07
b) Other income	1.32	0.68	13.89	3.74	18.56
Total Income	**426.21**	**363.78**	**516.49**	**1,571.64**	**1,460.22**
2. Expenses					
a) Cost of materials consumed	187.39	139.67	297.79	651.79	662.56
b) Sub-contracting expenses	104.53	54.37	59.90	307.82	194.66
c) Employee benefit expenses	8.03	9.07	7.59	26.76	28.08
d) Finance costs	161.06	165.42	213.39	623.41	814.10
e) Depreciation and amortisation expenses	4.47	4.68	5.00	18.87	20.61
f) Other expenses	33.83	31.07	52.92	107.40	125.68
Total expenses	**499.31**	**404.28**	**636.59**	**1,736.05**	**1,845.69**
3. Loss before exceptional items and tax	**(73.10)**	**(40.50)**	**(120.10)**	**(164.41)**	**(385.47)**
4. Exceptional items (refer note 6)	173.47	(648.61)	(280.03)	115.73	(783.79)
5. Profit / (Loss) before tax (3) ± (4)	**100.37**	**(689.11)**	**(400.13)**	**(48.68)**	**(1,169.26)**
6. Tax credit	-	-	-	-	(3.86)
7. Profit / (Loss) for the period/year (5) ± (6)	**100.37**	**(689.11)**	**(400.13)**	**(48.68)**	**(1,165.40)**
8. Other comprehensive income (net of tax)					
Items that will not be reclassified to profit or loss					
-Re-measurement gain / (loss) on defined benefit plans	0.32	(0.01)	(0.14)	(0.13)	0.55
-Net gain/ (loss) on fair valuation through other comprehensive income ('FVTOCI') of equity securities	30.73	673.00	(265.73)	590.86	(396.10)
Total other comprehensive income for the period/year	**31.05**	**672.99**	**(265.87)**	**590.73**	**(395.55)**
9. Total comprehensive income for the period/ year (Comprising Profit/(Loss) and Other comprehensive income (net of tax) for the period/year) (7±8)	**131.42**	**(16.12)**	**(666.00)**	**542.05**	**(1,560.95)**
10. Paid-up equity share capital (Face value Re. 5 per share)	301.80	301.80	301.80	301.80	301.80
11. Other equity (excluding equity share capital)				1,121.55	399.75
12. Earnings per share (EPS) (of Rs.5 each) (not annualised)					
Basic	1.66	(11.42)	(6.63)	(0.81)	(19.31)
Diluted	1.66	(11.42)	(6.63)	(0.81)	(19.31)

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

(Rs. in crore)

	Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (refer note 2(b) and note 11)
A	**Assets**		
1	**Non-current assets**		
	Property, plant and equipment	105.35	123.69
	Intangible assets	3.03	3.34
	Financial assets		
	Investments	4,589.91	3,190.96
	Trade receivables	0.88	146.91
	Loans	1,506.47	1,328.83
	Other financial assets	272.31	569.43
	Non-current tax assets (net)	4.67	-
	Deferred tax assets (net)	-	829.83
	Other non-current assets	4.84	4.84
		6,487.46	**6,197.83**
2	**Current assets**		
	Inventories	84.39	78.68
	Financial assets		
	Investments	0.20	0.20
	Trade receivables	9.64	333.67
	Cash and cash equivalents	5.66	24.16
	Bank balances other than cash and cash equivalents	8.98	27.65
	Loans	522.52	596.79
	Other financial assets	1,275.86	627.91
	Other current assets	169.49	115.23
		2,076.74	**1,804.29**
	Total assets	**8,564.20**	**8,002.12**
B	**Equity and liabilities**		
3	**Equity**		
	Equity share capital	301.80	-
	Equity share capital pending issuance	-	301.80
	Other equity	1,121.55	399.75
	Total equity	**1,423.35**	**701.55**
	Liabilities		
4	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	3,636.17	3,548.17
	Other financial liabilities	51.69	60.45
	Provisions	3.08	3.89
		3,690.94	**3,612.51**
5	**Current liabilities**		
	Financial liabilities		
	Borrowings	892.44	1,215.44
	Trade payables		
	a) total outstanding dues of micro enterprises and small enterprises	54.30	44.23
	b) total outstanding dues of creditors other than (a) above	463.54	462.22
	Other financial liabilities	1,927.30	1,873.93
	Other current liabilities	112.01	91.72
	Provisions	0.32	0.52
		3,449.91	**3,688.06**
	Total equity and liabilities	**8,564.20**	**8,002.12**

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GMR Power And Urban Infra Limited
Standalone statement of cash flows for the year ended March 31, 2022

(Rs. in crore)

Particulars	March 31, 2022 (Audited)	March 31, 2021 (refer note 2(b) and note 11)
Cash Flow from Operating Activities		
Loss before tax expenses	(48.68)	(1,169.26)
Loss before tax expenses	**(48.68)**	**(1,169.26)**
Adjustments to reconcile loss before tax to net cash flows		
Depreciation and amortization expenses	18.87	20.61
Exceptional items	(115.73)	783.79
Bad debts written off/provision for doubtful debts	-	1.43
Net foreign exchange differences (unrealised)	22.10	15.61
Gain on disposal of assets (net)	(0.06)	(0.33)
Provisions/liabilities no longer required, written back	(0.28)	(13.38)
Reversal of upfront loss on long term construction cost	(10.25)	(24.28)
Profit on sale of current investments	(0.96)	(3.13)
Finance income (including finance income on finance asset measured at amortised cost)	(379.28)	(382.94)
Finance costs	623.41	814.10
Operating profit before working capital changes	**109.14**	**42.22**
Working capital adjustments:		
Change in inventories	(5.71)	19.80
Change in trade receivables	470.07	168.11
Change in other financial assets	(490.59)	(70.60)
Change in other assets	(54.26)	(51.51)
Change in trade payables	21.95	27.14
Change in other financial liabilities	(57.29)	181.32
Change in provisions	(1.14)	2.84
Change in other liabilities	20.29	(65.33)
Cash generated from operations	**12.46**	**253.99**
Direct taxes (paid)/refund (net)	(4.67)	7.72
Net cash flow from operating activities (A)	**7.79**	**261.71**
Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(0.32)	(13.47)
Proceeds from disposal of property, plant and equipment	0.16	1.74
Purchase of non-current investments (including advances paid)	(261.10)	(50.00)
Proceeds from sale and redemption of non-current investments	170.60	197.68
Purchase of current investments (net)	-	(0.20)
Investment in bank deposit (having original maturity of more than three months) (net)	15.44	(7.17)
Loans given to group companies	(2,781.18)	(3,920.65)
Loans repaid by group companies	3,205.39	2,114.93
Interest received	147.33	357.90
Net cash flow from / (used in) investing activities (B)	**496.32**	**(1,319.24)**
Cash Flow from Financing Activities		
Proceeds from long term borrowings	1,186.19	4,776.68
Repayment of long term borrowings	(1,135.30)	(3,103.20)
(Repayment of) /Proceeds from short term borrowings (net)	(110.33)	54.79
Finance costs paid	(463.17)	(652.65)
Net cash (used in) / from financing activities (C)	**(522.61)**	**1,075.62**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(18.50)	18.09
Cash and cash equivalents as at beginning of the year	24.16	6.07
Cash and cash equivalents as at the end of the year	**5.66**	**24.16**
Components of Cash and Cash Equivalents		
Balances with banks:		
- On current accounts	5.21	2.90
Deposits with original maturity of less than three months	0.43	21.24
Cash on hand	0.02	0.02
Total cash and cash equivalents as at the end of the year	**5.66**	**24.16**

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Notes to the audited standalone financial results for the quarter and year ended March 31, 2022

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.gmrgroup.in or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.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 two business verticals viz., Engineering, Procurement and Construction ('EPC') and Others.

   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.

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

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. 646.71 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,196.32 crore in GEL as at March 31, 2022. 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 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, 2022, 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 values 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 has accumulated losses of Rs. 753.07 crore as at March 31, 2022 which has resulted in substantial erosion of GWEL's net worth and its current liabilities exceed current assets. There have been delays in receipt of the receivables from customers which has resulted in delays in meeting its financial liabilities. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ('PPA') and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 762.14 crore and the payment from the customers against the

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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.

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 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 with Appellate Tribunal for Electricity ('APTEL') 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.

Further, in view of the ongoing COVID-19 pandemic and expiry of the PPA with one of the customer availing 200 MW of power in June 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of GWEL.

Further, GWEL basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by RBI on December 30, 2020 in respect of all the facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by GWEL as on the invocation date. In this regard, all the lenders of GWEL have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021 and a Resolution Plan was to be implemented within 180 days from the invocation date in accordance with the framework issued by RBI. Considering that the proposed resolution plan did not meet certain minimum rating criteria under Resolution Framework for COVID-19 related stress, the said resolution process was failed. Further most of the borrowing facilities of GWEL have become Special Mention Account-2/Non Performing Assets, accordingly resolution process under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI on June 07, 2019 has been invoked on June 29, 2021 by default. ICA has been executed on July 27, 2021 by majority of lenders with 180 days timeline for resolution plan implementation. The initial timeline for implementation of Resolution plan had expired on January 24, 2022. However, the lenders in the consortium meeting dated February 24, 2022 principally agreed to proceed with the Resolution Plan. The lead lender issued a sanction letter dated April 5, 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 is required for approval of Resolution Plan. The management confirms that the lenders are in advanced stage of implementation of Resolution Plan and the process of obtaining internal approval by majority of the lenders are currently in progress and

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hence the GWEL has not made any adjustments to the financial results for the quarter and year ended March 31, 2022 with regard to the said Prudential Framework for resolution of stressed assets.

During the year ended 31 March 2021, GWEL filed petition with CERC for settlement of the dispute. The management based on its internal assessment and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable. Further, in view of the expiry of the PPA with one of the customer availing 200 MW of power in June 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of GWEL.

However, GWEL has certain favorable interim orders towards the aforementioned claims. Also, during the current financial year, GWEL has entered into a new PPA with Gujarat Urja Vikas Nigam Limited ('GUVNL') for the supply of 150 MW of power from October 2021 to July 2023.

Accordingly, the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2022, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the pending outcome of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management of the Group is of the view that the carrying value of the net assets in GWEL by GEL as at March 31, 2022 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, 2022. 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, 2022. Though there is a change in the invoicing mechanism, the final obligation towards the

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transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favorable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 616.33 crore relating to the period from March 17, 2014 to March 31, 2022 (including Rs. 4.75 crore for the year ended March 31, 2022) in the financial results of GWEL.

(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. 1,672.49 crore as at 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. 1,555.85 crore as at March 31, 2022, 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, 2022. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favorable outcome towards the outstanding receivables of GKEL.

GKEL in view of the Supreme Court Order in Energy Watchdog vs CERC and others and CERC order in its own case for Haryana Discoms had sought legal opinion from the legal counsel on certainty of the claims with Bihar Discom. Considering opinion received from legal counsels that GKEL has good tenable case with virtual certainty with respect to coal cost pass through and favourable Order from APTEL dated December 21, 2018 and CERC judgment in GKEL's own case for Haryana Discom where the computation methodology of coal cost pass through was decided, the management was virtually certain on receipt of the GKEL's claim of revenue on coal cost pass through and was of the opinion that no contingency was involved in this regard. GKEL has now received a favourable order on September 16, 2019 whereby the CERC has allowed the coal cost pass through to be charged to the Bihar Discom, based on a certain methodology. The Hon'ble Appellate Tribunal passed an Order in Appeal no - 423 on 6 August 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. Accordingly, GKEL has reversed excess revenue recognized on coal cost pass through claims and carrying cost thereon for the period from 01 September 2014 to 31 July 2021 amounting to Rs 60.92 crore (including net impact of carrying cost recognised amounting to Rs 39.71 crore). The total outstanding receivable (including unbilled revenue amounting to Rs. 94.39 crore) from Bihar Discoms amounts to Rs 385.20 crore as at 31 March 2022

GKEL has accounted for transportation cost of fly ash as change in law event as the same was agreed in principle by CERC vide Order 131/MP/2016 dated February 21, 2018 and on March 22, 2021 in case no 405/MP/2019, CERC allowed to recover ash transportation costs including

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GST from Bihar and Haryana Discoms. Similarly, CERC in its order dated April 8, 2019 has allowed Maithan Power Limited in case no – 331/MP/2018 to recover the actual ash disposal expenses from its beneficiaries (DVC).

Based on the above orders of CERC, GKEL has recognised revenue amounting to Rs 34.03 crore for GRIDCO during the year ended March 31, 2022 post complying with the conditions mandated in this regard. GKEL has filed petition with CERC for determination of compensation of transportation charges of fly ash as per Order.

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

Further, GKEL had entered agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. The Arbitral Tribunal has issued an opinion (the Award) on September 7, 2020 against GKEL. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) immediately applied for correction of the award under Section 33 of the Arbitration & Conciliation Act 1996 (as amended). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020. GKEL already accounted for the aforementioned liability in excess of the amount as per the award pertaining to the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL has challenged the award under section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Orissa on February 15, 2021 and December 31, 2021 respectively. Based on the legal opinion obtained, GKEL has good arguable case under section 34 of the Act to challenge the Award and seek setting aside of the same as thus the is not expecting cash outflow in this matter.

In view of these matters, business plans (including expansion and optimal utilization of existing capacity, rescheduling/ refinancing of existing loans at lower rates), valuation assessment by an external expert during the year ended March 31, 2022, the management is of the view that the carrying value of the investments in GKEL held by GEL as at March 31, 2022 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. 1,005.10 crore. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the year ended March 31, 2022, 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.

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GHVEPL a step down subsidiary of the Company has been incurring losses since the commencement of its commercial operations. 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 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. 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 will be restricted to 15 years as against 25 years. GHVEPL has been amortising intangible assets over the concession period of 25 years.

GHVEPL has been recognizing a provision of additional concession fees (premium) of Rs. 1,007.83 crore including interest payable thereon till March 31, 2022 (March 31, 2021: Rs. 793.15 crore), which is unpaid pending finality of litigation proceedings as detailed below.

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 from constituting the Committee, demanding premium and taking coercive / precipitate measures under the Concession Agreement. Vide order dated August 4, 2020, the 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 Court has also held that GHVEPL is entitled for compensation due to Change in Law and the application of the NHAI was dismissed. For quantification of claim of GHVEPL, the committee to be appointed by the 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 financial year 2020-21 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

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the Court has fixed the next hearing on August 25, 2022. Further, 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. GHVEPL has also filed its response in terms of the direction from Sole Arbitrator on April 20, 2022 and the matter is pending before the 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 GHVEPL till the issues are resolved. Aggrieved the said order of Divisional Bench, 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.

On May 8, 2020, GHVEPL has received a notice from NHAI / Regulator 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 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 the material on record on the basis of which the 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 / Regulator 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 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 has been 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

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month's time to NHAI to discuss internally and inform the Committee of its decision, however the same has been not concluded.

Legal counsel has opined that GHVEPL has a fair chance of winning the arbitration proceedings and has rightful claim for Change in Law for 25 years concession period. .

The valuation expert based on the assumptions that it would be receiving the compensation in the future and concession life of 25 years with six laning, has determined fair value of investment in GHVEPL as at December 31, 2021.

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 audited standalone financial results for the quarter and year ended 31 March 2022.

5. 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 to be received on or before the closing date and Rs. 1,027.18 crore to be received in next 2 to 3 years from the transaction date which is contingent upon achievement of certain agreed milestones primarily related to the sale of 2,500 acres of the land parcels by KSEZ at specified prices during the financial years ended March 31, 2022 and March 31, 2023.

   The said transaction was subject to Conditions Precedent as specified in SSPA. Pursuant to the satisfaction of such conditions precedent, entire amount of upfront consideration has been received from ARIPL till date of approval of these standalone financial results. Consequent to the aforementioned, the Demerged Company had accounted for the consideration pursuant to the SSPA during the quarter ended March 31, 2021 and had recognized loss of Rs. 137.99 crore as exceptional loss in relation to same considering the fair value determined by an external valuation expert.

   The Company expects in next 2-3 years there will be significant development in the Kakinada SEZ which includes the development of Bulk Drug Park, Commercial Sea port, establishment of various port-based industries, manufacturing industries, development of new International Airport in Bhogapuram. Based on assessment of the achievement of the aforementioned milestones by an independent property consultancy agency, management of the Company is confident of achieving the aforementioned milestones and is of the view that the carrying value of the amount recoverable as at March 31, 2022 is appropriate.

6. 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

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Notes to the audited standalone financial results for the quarter and year ended March 31, 2022

7. Other operating income 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.

8. The standalone financial results for the quarter and year ended March 31, 2022 reflected an excess of current liabilities over current assets of Rs. 1,373.17 and losses from operations after tax amounting to Rs. 164.41 crores. However, net worth of the Company is positive of Rs.1,423.35 crore. Further Management is taking various initiatives including monetization of assets, recovery of outstanding claims in highway sector investee entities, raising finances from financial institutions, strategic investors and from other strategic initiatives, refinancing of existing debts and realization of dividend . Such initiatives will enable the Company to have sufficient funds to meet its financial obligations in an orderly manner.

9. The operations of the investee entities were impacted by Covid-19 pandemic and while Management believes that such impact is short term in nature and does not anticipate any long term impact on business prospects considering the recovery seen in the past as well as during current quarter. The Company based on its assessment of the business / economic conditions and liquidity position for the next one year, expects to recover the carrying value of investments, and accordingly no material adjustments are considered necessary in the standalone financial results. The impact of the Covid-19 pandemic might be different from that estimated as at the date of approval of these standalone financial results and the Company will closely monitor any material changes to the future economic conditions.

10. Consequent to the scheme becoming effective and in consideration of vesting of the demerged business from the Demerged Company to the Company, the Company has on January 31, 2022 issued and allotted one fully paid up equity share of Rs. 5/- each of the Company for every ten fully paid up equity share of Rs. 1/- each held in the Demerged Company as on January 12, 2022 (Recorded date). Thus 603,594,528 Equity shares of Rs. 5/- each were allotted.

11. Pursuant to final listing / trading approvals granted by BSE Limited and National Stock Exchange of India Limited vide their letters dated March 21, 2022, the trading in the Company's equity shares started from March 22, 2022 and SEBI (LODR) Regulations for the purpose of quarterly financials became applicable from the quarter and year ended March 31, 2022. The figures of the quarter and year ended March 31, 2021 have been derived from the audited Standalone financial statements of GIL and GPIL after giving the effect of demerger as mentioned in note 2(b) above.

12. The figures of the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year and audited figures for the period upto the end of the third quarter of the financial year.

13. The accompanying standalone financial results of the Company for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee in their meeting on May 17, 2022 and approved by the Board of Directors in their meeting on May 18, 2022.

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GMR Power and Urban Infra Limited

Notes to the standalone financial results for the quarter and year ended March 31, 2022

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

For **GMR Power and Urban Infra Limited**

Place: Hyderabad
Date: May 18, 2022

Srinivas Bommidala
Managing Director

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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 along with its standalone financial results for the year ened March 31, 2022

(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)	1,571.64	1,571.64
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and minority interest before exceptional items)	1,736.05	1,736.05
	3	Exceptional items (gain) / loss (net)	(115.73)	(115.73)
	4	Net profit/(loss)	(48.68)	(48.68)
	5	Earnings Per Share (in Rs.) - Basic	(0.81)	(0.81)
	6	Total Assets	8,564.20	8,564.20
	7	Total Liabilities	7,140.85	7,140.85
	8	Net Worth (refer note 1)	1,423.35	1,423.35
	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 = Equity share capital + other 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. 646.71 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,196.32 crore recoverable from GEL as at 31 March 2022. 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 mentioned in note 3(d), the management of the Company has accounted the investment in GKEL based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, rescheduling/refinancing of existing loans at lower rates amongst other key assumptions and the uncertainty and the final outcome of the litigations with the capital creditors as regards claims against GKEL. Accordingly, owing to the aforementioned uncertainties, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid loans and investments, and the consequential impact on the accompanying Statement for the year ended 31 March 2022.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: First year of qualification ((This qualification was coming earlier in previous 4 years in GMR Infrastructure Limited before 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, 2022. As detailed in the notes, the business plans (including expansion and optimal utilization of existing capacity, rescheduling/ refinancing of existing loans at lower rates), valuation assessment by an external expert during the year ended March 31, 2022, the management is of the view that the carrying value of the investments in GKEL held by GEL as at March 31, 2022 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

2a. Details of Audit Qualification:

As detailed in note 5 to the accompanying Statement, during the quarter ended 30 September 2020, the Demerged Company, along with Kakinada SEZ Limited ('KSEZ'), GMR SEZ and Port Holdings Limited ('GSPHL'), Kakinada Gateway Port Limited ('KGPL') had entered into a securities sale and purchase agreement with Aurobindo Reality and Infrastructure Private Limited, ('ARIPL') for the sale of entire 51% stake in KSEZ held by GSPHL (Securities sale and purchase agreement hereinafter referred as 'SSPA') along with the settlement of inter corporate deposits given by the Demerged Company to KSEZ.

The investment in KSEZ held by the Demerged Company through GSPHL was carried at its fair value of Rs. 502.00 crore that had been determined without giving cognizance to the consideration of Rs.12.00 crore specified in the aforementioned SSPA and was consequently not in accordance with the requirements of Ind AS 113, Fair Value Measurement (Ind AS 113).

The Demerged Company had recognised exceptional loss of Rs. 95.00 crore and loss in other comprehensive income amounting to Rs. 490.00 crore in relation to the above transaction during the quarter ended 31 March 2021, as explained in the said note, instead of restating the financial results for previous quarters in accordance with the requirements of relevant Ind AS.

2b. Type of Audit Qualification : Qualified Opinion

2c. Frequency of qualification: First year of qualification (This qualification was coming earlier in March 31, 2021 audit report of GMR Infrastructure Limited before demerger)

2d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

The above qualifications pertain to the financial year 2020-21 itself and have no impact on annual results. The same have been reported as qualifications by the auditors merely as a procedure to reflect scenarios if the transactions were recorded in respective quarterly results at time when the transactions though were agreed upon contractually but were contingent for need of certain regulatory approvals. According to management, it is prudent to not account for any income or expenses if transactions are contingent and is awaiting such approvals. Management has thus chosen to account for all transactions referred in the qualifications on achieving or indications it recieved on certainty of such contingencies Management view is documented in detailed note note 5 of the accompanying financial results for the quarter and year ended March 31, 2022.

2e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable

(i) Management's estimation on the impact of audit qualification: Not applicable

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

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

GMR POWER AND URBAN INFRA LTD

SIGNED FOR IDENTIFICATION PURPOSES

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 ended March 31, 2022

III	Signatories	
	Managing Director	Srinivas Bommidala Place: Hyderabad
	Chief Financial Officer	Suresh Bagrodia Place: New Delhi
	Audit Committee Chairman	Vissa Siva Kameswari Place: Chennai
	Statutory Auditor	Walker Chandiok & Co LLP Chartered Accountants ICAI Firm Registration Number: 001076N/N500013 Neeraj Sharma Partner Membership Number: 502103 New Delhi
	Date:	May 18, 2022

GMR POWER AND URBAN INFRA LTD. ★

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS