Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
L 41, Connaught Circus,
Outer Circle,
New Delhi – 110 001
India
T +91 11 45002219
F +91 11 42787071

Independent Auditor's Report on Consolidated 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 consolidated annual financial results ('the Statement') of GMR Power and Urban Infra Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures for the year ended 31 March 2022, attached herewith, being submitted by the Holding 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 and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, associates and joint ventures, as referred to in paragraph 15 below, the Statement:

   (i) includes the annual financial results of the entities listed in Annexure 1;

   (ii) 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, 4 and 5 below; and

   (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed 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 consolidated net loss after tax and other comprehensive income and other financial information of the Group, its associates and joint ventures, for the year ended 31 March 2022 except for the effects/possible effects of the matters described in paragraphs 3, 4 and 5 below.

Basis for Qualified Opinion

3. As stated in note 3(a) to the accompanying Statement, the Group has an investment amounting to Rs. 646.71 crore in GMR Energy Limited ('GEL'), a joint venture company and outstanding loan (including accrued interest) amounting to Rs. 1,385.50 crore (net of impairment) recoverable from GEL and its subsidiaries and joint ventures as at 31 March 2022. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL'), subsidiary of GEL.

   As mentioned in note 3(d), the management of the Holding Company has accounted for 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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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 values of the loans, non-current investment and the consequential impact on the accompanying Statement.

Considering the erosion of net worth and net liability position of GKEL, we, in the capacity of auditors of GKEL have also given a separate section on material uncertainty related to going concern in the audit report on the financial statements of GKEL for the year ended 31 March 2022.

The opinion expressed by us on the consolidated financial results of GMR Infrastructure Limited ('GIL' or 'Demerged Company') for the quarter and year ended 31 March 2021, included in the accompanying Statement as comparative financial information, vide our audit report dated 18 June 2021 was also qualified in respect of above matter.

4. As detailed in note 11 to the accompanying Statement, during the quarter ended 30 September 2020, the Demerged Company along with Kakinada SEZ Limited ('KSL'), 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 KSL held by GSPHL (Securities sale and purchase agreement hereinafter referred as 'SSPA') and accordingly the assets and liabilities pertaining to KSL and KGPL were classified as disposal group. Pending certain government approvals , the Group had not accounted for the impact on the carrying value of the aforesaid assets (net of liabilities) basis the fair value of the consideration agreed in the SSPA in the quarter ended 30 September 2020 as explained in the note, which is not in accordance with the requirements of Indian Accounting Standard (Ind AS) 105, Non-current assets held for sale and Discontinued operations, and on receipt of the requisite approvals in the quarter ended 31 March 2021 the Group had accounted for the aforesaid transaction and had recognised an exceptional loss in the quarter ended 31 March 2021 amounting to Rs. 137.99 crore as explained in the said note, instead of restating the financial results for previous quarters in accordance with the requirements of relevant Ind AS.

5. As detailed in Note 4 to the accompanying Statement, GMR Energy Trading Limited ('GETL'), a subsidiary of the Holding Company, has not complied with the CERC (Procedures, terms and conditions for grant of trading license and other related matters) Regulation 2020 as further detailed in the aforementioned note. Pending regularization of such non-compliances, we are unable to ascertain the consequential impact of such non-compliances, if any, on the accompanying Statement.

   The opinion expressed by another firm of chartered accountants on the standalone financial statements of GETL for the year ended 31 March 2022 vide their audit report dated 29 April 2022 is also qualified in respect of above matter.

6. 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 Group, its associates and joint ventures, 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

7. We draw attention to:

   a. Note 13 of the accompanying Statement, which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of the impact on the consolidated financial results of the Group as at the reporting date. Our opinion is not modified in respect of this matter.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

b. Note 3(b) and 3(c) to the accompanying Statement which is in addition to the matters described in paragraph 3 above, regarding the investment made by the Group in GEL amounting to Rs. 646.71 crore as at 31 March 2022. The recoverability of such investment is further dependent upon various claims, counter claims and other receivables from customers of GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, which are pending settlement / realization as on 31 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. 616.33 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 Holding 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 Group in GEL, taking into account the matters described above in relation to the investments made by GEL in its aforementioned subsidiaries, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the year ended 31 March 2022. Our opinion is not modified in respect of this matter.

The above matters with respect to GWEL are also reported as emphasis of matter in the audit report dated 5 May 2022 issued by other firm of chartered accountants on the standalone financial statements of GWEL for the year ended 31 March 2022. Further, a separate section on material uncertainty of going concern has also been reported in the aforesaid auditor's audit report on the standalone financial statements of GWEL and in the audit report issued by us on the standalone financial statements of GEL vide our report dated 9 May 2022, for the year ended 31 March 2022.

c. Note 7 to the accompanying Statement relating to certain claims and counter claims filed by GMR Power Corporation Limited ('GPCL'), (an erstwhile step down subsidiary of the Holding Company, now merged with GMR Generation Assets Limited ('GGAL'), a subsidiary of the Holding Company vide National Company Law Tribunal ('NCLT') order dated 13 March 2020), and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) which are pending before the Honorable Supreme Court of India and Appellate Tribunal For Electricity ('APTEL') as detailed in the aforesaid note. Based on GPCL's internal assessment and legal opinion, pending final outcome of the litigation, the management is of the view that no further adjustments in addition to those described in aforementioned note are required to be made to the accompanying Statement for the aforesaid matter. Our opinion is not modified in respect of this matter.

The above matter is also reported as an emphasis of matter in the audit report dated 18 April 2022 issued by another firm of chartered accountants on the standalone financial statements of GGAL for the year ended 31 March 2022. Further, considering the erosion of net worth and net liability position of GGAL, such auditor has also given a separate section on the material uncertainty relating to going concern in their audit report.

d. Note 8 and 9 to the accompanying Statement which relates to the ongoing arbitrations with National Highways Authority of India (NHAI) for compensation of losses being incurred by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') and GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), step-down subsidiaries of the Holding Company, since the commencement of commercial operations. Pending outcome of the aforementioned arbitration proceedings, GHVEPL has not paid to NHAI an amount of Rs. 1,007.83 crore as at 31 March 2022 towards additional concession fee along with interest thereon. Further, GACEPL's claim for compensation of losses had been rejected by majority decision by the Arbitration Tribunal and the management has filed an appeal with the Hon'ble High Court of Delhi which has admitted the application for claim for compensation of losses and dismissed the application for stay on payment of negative grant. GACEPL has further filed a special leave petition before Hon'ble Supreme Court of India for seeking an interim relief on payment of negative grant. Pending disposal of such petition, as further explained in the note 8, GACEPL has not provided for interest on the negative grant amounting to Rs. 60.33 crore calculated upto 25 August 2020 in the accompanying Statement.

Further, based on management's internal assessment of compensation inflows, external legal opinions and valuation performed by independent experts, the management is of the view that the recoverable amounts of the carriageways of GACEPL and GHVEPL is assessed to be in excess of the respective carrying values amounting Rs. 338.16 crore and Rs. 1,889.42 crore as at 31 March 2022. Currently, useful life of 25 years has been considered in arriving at the carrying value and amortisation of carriageways of GHVEPL, on the basis of management's plan to develop the six-lane project within the contractually stipulated timelines ending in April 2024. This useful life is subject to the outcome of the dispute between GHVEPL and NHAI in relation to the restriction of concession period by NHAI to 15 years and withdrawal of six laning of the highway project, in which case the useful life will need to be revised. The management has obtained a legal opinion and is of the view that the original contractual term of 25 years is likely to be enforced and accordingly, no adjustments to the consolidated financial results are considered necessary. Our opinion is not modified in respect of this matter.

The above matters have also been reported as an emphasis of matters in the audit reports dated 28 April 2022 and 28 April 2022 issued by other firms of chartered accountants on the financial statements of the GACEPL and GHVEPL, respectively, for the year ended 31 March 2022. Further, considering the erosion of net worth and net liability position of these entities, such auditors have also given a separate section on the material uncertainty relating to going concern in their respective audit reports.

e. Note 6 to the accompanying Statement, which describes the uncertainty related to the outcome of a tax assessment from Maldives Inland Revenue Authority ('MIRA') on business profit tax. As per the statement issued by MIRA dated 28 October 2021, GMR Male International Airport Private Limited ('GMIAL') has to settle business profit tax amounted to USD 0.72 crore and fines on business profit tax amounted to USD 0.82 crore. As per the letter dated 22 January 2020 issued by the Ministry of Finance Male, Republic of Maldives, "the amount of tax assessed by the MIRA relating to the final arbitration award is only USD 0.59 crore and this amount should be paid by whom the payment was settled to GMIAL in the event of any tax payable by GMIAL". Further the letter also confirms that GMIAL is not liable to pay for the taxes assessed by MIRA on the arbitration sum and the Government of Maldives have initiated communication with MIRA to settle the taxes and fines payable on the arbitration award. Accordingly, the ultimate outcome of the business tax assessment sent by the MIRA cannot be determined and hence, the effect on the consolidated financial results is uncertain. Accordingly, the Group has not made any provision in the accompanying Statement. Our opinion is not modified in respect of this matter.

   The above matter has also been reported as an emphasis of matter in the audit report dated 21 April 2022 issued by other firm of chartered accountants on the financial statement of GMIAL for the year ended 31 December 2021.

f. Note 11 to the accompanying Statement in relation to the recoverability of sale consideration receivable as at 31 March 2022 amounting to Rs. 441.50 crore (net of impairment) 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, 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.

g. Note 1(d) 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 Holding 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.

h. Note 5 to the accompanying Statement which describes that PT Golden Energy Mines Tbk ('PTGEMS') has been re-classified as an associate from joint venture retrospectively in the accompanying Statement in

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

line with the requirements of applicable provisions of relevant Ind AS. Our opinion is not modified in respect of this matter.

i. Note 10 to the accompanying Statement, which states that Honorable High Court of Delhi vide its order dated 6 April 2022 in favour of GMR Pochanpalli Expressways Limited's (GPEL), a subsidiary of the Holding Company, has held that overlay work is to be carried out as and when the roughness index of roads surpasses the specified thresholds. However, basis legal opinion obtained, the Group's management is of the view that NHAI has time to challenge the aforementioned order in the appellate court, and hence, Group has not given financial effect to the impact of the aforementioned order in the accompanying Statement. Our opinion is not modified in respect of this matter.

The above matter has also been reported as an emphasis of matter in the audit report dated 29 April 2022 issued by other firm of chartered accountants on the financial statement of GPEL for the year ended 31 March 2022.

Responsibilities of Management and Those Charged with Governance for the Statement

8. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net loss and other comprehensive income, and other financial information of the Group including its associates and joint ventures in accordance with the Ind AS prescribed 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. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group and its associates and joint ventures, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associates and joint ventures, 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 financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

9. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures, are responsible for assessing the ability of the Group and of its associates and joint ventures, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Statement

11. 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.

12. 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:

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

- 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 Holding Company has adequate internal financial controls system with reference to financial statements in place 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures, 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 Group and its associates and joint ventures 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.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, and its associates and joint ventures, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, 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.

14. 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

15. We did not audit the annual financial statements of 54 subsidiaries and 1 joint operation included in the Statement (including 9 subsidiaries consolidated for the year ended 31 December 2021, with a quarter lag and 1 joint operation consolidated for the year ended 31 December 2021, with a quarter lag) whose financial statements reflects (before adjustments for consolidation) total assets of Rs. 21,100.18 crore as at 31 March 2022, total revenues of Rs. 4,527.15 crore, total net profit after tax of Rs. 508.84 crore, total comprehensive income of Rs. 546.70 crore, and cash flows (net) of Rs. 57.75 crore for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 289.62 crore and total comprehensive income of Rs. 288.86 crore for the year ended 31 March 2022, in respect of 23 associates and 16 joint ventures (including 22 associates and 2 joint ventures consolidated for the year ended 31 December 2021, with a quarter lag), whose annual financial statements have not been audited by us. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ joint operation/ associates/ joint ventures is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 6 above.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Further, of these subsidiaries, joint operation, associates and joint ventures, 9 subsidiaries, 1 joint operation, 22 associates and 5 joint ventures are located outside India, whose annual financial statements/ financial information/ financial results have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under generally accepted auditing standard applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, joint operation, associates and joint ventures from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of these subsidiaries, joing operation, associates and joint ventures, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

16. The Statement includes the annual financial information of 6 subsidiaries (including 6 subsidiaries consolidated for the year ended 31 December 2021, with a quarter lag), which have not been audited, whose financial information reflect (before adjustment of consolidation) total assets of Rs. 23.64 crore as at 31 March 2022, total revenues of Rs. 0.64 crore, total net loss after tax of Rs. 22.48 crore, total comprehensive loss of Rs. 62.60 crore for the year ended 31 March 2022 , and cash flow (net) of Rs. 0.07 crore for the year then ended, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. Nil, and total comprehensive loss of Rs. Nil for the year ended 31 March 2022, in respect of 3 joint ventures (including 1 joint ventures consolidated for the year ended 31 December 2021, with a quarter lag), based on their annual financial statements, which have not been audited by their auditors. These financial statements have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries, associates and joint ventures, is based solely on such unaudited financial statements. In our opinion, and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion is not modified in respect of this matter with respect to our reliance on the financial statements results certified by the Board of Directors.

17. The Statement includes the consolidated financial results for the quarter ended 31 March 2022, being the balancing figures between the audited consolidated figures in respect of the full financial year and the unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which have been approved by the Holding Company's Board of Directors, but have not been subjected to audit or review.

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

Neeraj Sharma
Partner
Membership No. 502103

UDIN: 22502103AJECEF4156

Place: New Delhi
Date: 16 May 2022

Walker Chandiok & Co LLP

Annexure 1

List of entities included in the Statement

S.No.	Name of the entity	Relation
1	GMR Power and Urban Infra Limited (GPUIL)	Holding Company
2	GMR Mining & Energy Private Limited	Subsidiary
3	GMR Energy Trading Limited	Subsidiary
4	GMR Londa Hydropower Private Limited	Subsidiary
5	GMR Energy (Cyprus) Ltd, Cyprus	Subsidiary
6	GMR Energy (Netherlands) B.V.	Subsidiary
7	GMR Generation Assets Limited (Formerly known as GMR Renewable Energy Limited)	Subsidiary
8	GMR Energy Projects (Mauritius) Limited	Subsidiary
9	GMR Infrastructure Singapore Pte Ltd	Subsidiary
10	GMR Coal Resources Pte. Ltd	Subsidiary
11	GMR Tambaram Tindivanam Expressways Limited	Subsidiary
12	GMR Tuni Anakapalli Expressways Limited	Subsidiary
13	GMR Ambala Chandigarh Expressways Private Limited	Subsidiary
14	GMR Pochanpalli Expressways Limited	Subsidiary
15	GMR Highways Limited	Subsidiary
16	GMR Hyderabad Vijayawada Expressways Private Limited	Subsidiary
17	GMR Chennai Outer Ring Road Private Limited	Subsidiary
18	Gateways for India Airports Private Limited (GFIAL)	Subsidiary
19	GMR Aerostructure Services Limited (GASL)	Subsidiary
20	GADL International Limited [formerly GADL (Isle of Man) Limited]	Subsidiary
21	GMR Aviation Private Limited (GAPL)	Subsidiary
22	GMR Krishnagiri SIR Limited (GKSIR)	Subsidiary
23	Advika Properties Private Limited	Subsidiary
24	Aklima Properties Private Limited	Subsidiary
25	Amartya Properties Private Limited	Subsidiary
26	Baruni Properties Private Limited	Subsidiary
27	Bougianvile Properties Private Limited	Subsidiary
28	Camelia Properties Private Limited	Subsidiary
29	Deepesh Properties Private Limited	Subsidiary
30	Eila Properties Private Limited	Subsidiary
31	Gerbera Properties Private Limited	Subsidiary
32	Lakshmi Priya Properties Private. Limited	Subsidiary
33	Honeysuckle Properties Private Limited	Subsidiary
34	Idika Properties Private Limited	Subsidiary
35	Krishnapriya Properties Private Limited	Subsidiary
36	Larkspur Properties Private Limited	Subsidiary
37	Nadira Properties Private Limited	Subsidiary
38	Padmapriya Properties Private Limited	Subsidiary
39	Prakalpa Properties Private Limited	Subsidiary

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

S.No.	Name of the entity	Relation
40	Purnachandra Properties Private Limited	Subsidiary
41	Radhapriya Properies Private Limited	Subsidiary
42	Shreyadita Properties Private Limited	Subsidiary
43	Sreepa Properties Private Limited	Subsidiary
44	GMR SEZ & Port Holdings Limited	Subsidiary
45	Dhruvi Securities Private Limited	Subsidiary
46	Asteria Real Estates Private Limited	Subsidiary
47	Pranesh Properties Private Limited	Subsidiary
48	Namitha Real Estates Pvt.Ltd	Subsidiary
49	Honeyflower Estates Pvt. Ltd	Subsidiary
50	Suzone Properties Private Limited	Subsidiary
51	Lilliam Properties Private Limited	Subsidiary
52	Lantana Properies Private Limited (Formerly GMR Hosur Industrial City Pvt. Ltd.)	Subsidiary
53	GMR Infrastructure (Mauritius) Limited	Subsidiary
54	GMR Infrastructure (Cyprus) Limited	Subsidiary
55	GMR Infrastructure Overseas Milited (Malta)	Subsidiary
56	GMR Infrastructure (UK) Limited	Subsidiary
57	Indo Tausch Trading DMCC	Subsidiary
58	GMR Infrastructure (Global) Limited	Subsidiary
59	GMR Male International Airport Private Limited	Subsidiary
60	GMR Infrastructure (Overseas) Limited	Subsidiary
61	PT GMR Infrastructure Indonesia	Subsidiary
62	Megawide GISPL Construction JV	Joint Operation
63	GMR Rajahmundry Energy Limited	Associate
64	GMR Energy Limited	Joint Venture
65	GMR Vemagiri Power Generation Limited	Joint Venture
66	GMR (Badrinath) Hydro Power Generation Private Limited	Joint Venture
67	PT Golden Energy Mines Tbk (GEMS)	Associate
68	PT Dwikarya Sejati Utama	Associate
69	PT Duta Sarana Internusa	Associate
70	PT Barasentosa Lestari	Associate
71	PT Unsoco	Associate
72	PT Roundhill Capital Indonesia (RCI)	Associate
73	PT Borneo Indobara (BIB)	Associate
74	PT Kuansing Inti Makmur (KIM)	Associate
75	PT Karya Cemerlang Persada (KCP)	Associate
76	PT Bungo Bara Utama (BBU)	Associate
77	PT Bara Harmonis Batang Asam (BHBA)	Associate
78	PT Berkat Nusantara Permai	Associate
79	PT Tanjung Belit Bara Utama (TBBU)	Associate
80	PT Trisula Kencana Sakti (TKS)	Associate
81	GEMS Trading Resources Pte Ltd. (GEMSCR)	Associate

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

S.No.	Name of the entity	Relation
82	PT Karya Mining Solution (Formerly known as PT Bumi Anugerah Semesta (BAS))	Associate
83	PT GEMS Energy Indonesia	Associate
84	PT Era Mitra Selaras (EMS)	Associate
85	PT Wahana Rimba Leastari (WRL)	Associate
86	PT Berkat Satria Abadi (BSA)	Associate
87	PT Kuansing Inti Sejahtera (KIS)	Associate
88	PT Bungo Bara Makmur (BBM)	Associate
89	GMR Warora Energy Limited	Joint Venture
90	GMR Maharashtra Energy Limited	Joint Venture
91	GMR Bundelkhand Energy Pvt. Limited	Joint Venture
92	GMR Rajam Solar Power Pvt. Limited	Joint Venture
93	GMR Gujarat Solar Power Pvt. Limited	Joint Venture
94	Karnali Transmission Company Private Limited	Joint Venture
95	GMR Kamalanga Energy Limited	Joint Venture
96	GMR Energy (Mauritius) Limited, Mauritius	Joint Venture
97	GMR Lion Energy Limited, Mauritius	Joint Venture
98	GMR Upper Karnali Hydropower Ltd, Nepal	Joint Venture
99	GMR Indo-Nepal Power Corridors Limited	Joint Venture
100	Limak GMR Joint Venture	Joint Venture
101	GMR Consulting Services Limited	Joint Venture
102	GMR Bajoli Holi Hydropower Private Limited	Joint Venture
103	GMR Tenaga Operations and Maintenance Pvt. Ltd.	Joint Venture
104	GIL SIL JV	Joint Venture
105	Rampia Coal Mine and Energy Private Limited (RCMEPL) (Dissolved with effect from 19 April 2021)	Joint Venture
106	GMR Indo-Nepal Energy Links Limited (GINELL) (Strike off filed on 31 December 2021)	Joint Venture

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Power And Urban Infra Limited
Corporate Identity Number (CIN): U45400MH2019PLC325541
Registered Office: Naman Centre, 7th Floor,
Opp. Dena Bank, Plot No. C-31, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai, Mumbai City, Maharashtra- 400 051
Phone: +91-22-42028000 Fax: +91-22-42028004
Email: gpuil.cs@gmrgroup.in Website: www.gmrgroup.in

Statement of consolidated 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
	(Refer note 17)	Unaudited	(Refer note 1(d)) and note 16)	Audited	(Refer note 1(d) and note 16)
A. Continuing operations					
1. Income					
a) Revenue from operations					
i) Sales/ income from operations	1,151.98	893.43	737.26	3,835.98	2,548.31
ii) Other operating income	59.07	70.68	50.65	265.83	184.92
b) Other income					
i) Other income - others	60.98	42.82	159.64	179.89	328.11
Total Income	**1,272.03**	**1,006.93**	**947.55**	**4,281.70**	**3,061.34**
2. Expenses					
a) Revenue share paid/ payable to concessionaire grantors	41.24	40.98	38.57	151.61	124.09
b) Cost of materials consumed	187.39	139.67	297.79	651.79	662.56
c) Purchase of traded goods	626.08	490.64	169.19	2,057.28	954.02
d) Sub-contracting expenses	115.00	47.27	71.00	336.42	297.20
e) Employee benefit expenses	21.48	15.10	11.57	71.56	63.60
f) Finance costs	346.03	327.95	475.20	1,354.49	1,529.52
g) Depreciation and amortisation expenses	43.78	31.61	32.47	128.16	122.94
h) Other expenses	112.65	68.74	126.93	314.56	267.27
i) Foreign exchange fluctuations loss (net)	25.35	0.62	15.39	23.10	33.58
Total expenses	**1,519.00**	**1,162.58**	**1,238.11**	**5,088.97**	**4,054.78**
3. Loss before share of profit / (loss) of investments accounted for using equity method, exceptional items and tax from continuing operations (1) - (2)	**(246.97)**	**(155.65)**	**(290.56)**	**(807.27)**	**(993.44)**
4. Share of profit/(loss) accounted for using equity method	177.19	(43.88)	(120.30)	246.17	(286.60)
(Dividend received from joint venture and associates during the year ended March 31, 2022 - Rs.842.53 crore (March 31, 2021: Rs 276.43 crore))					
5. Loss before exceptional items and tax from continuing operations (3) + (4)	**(69.78)**	**(199.53)**	**(410.86)**	**(561.10)**	**(1,280.04)**
6. Exceptional items (refer note 14)	(157.91)	(364.00)	(585.49)	15.09	(880.57)
7. Loss before tax from continuing operations (5) + (6)	**(227.69)**	**(563.53)**	**(996.35)**	**(546.01)**	**(2,160.61)**
8. Tax expense on continuing operations (net)	44.78	10.20	4.38	105.53	23.89
9. Loss after tax from continuing operations (7) - (8)	**(272.47)**	**(573.73)**	**(1,000.73)**	**(651.54)**	**(2,184.50)**
B. Discontinued operations					
10. (Loss) / profit before tax expenses from discontinued operations	(0.01)	(0.01)	2.39	(0.03)	(0.02)
11. Tax expenses on discontinued operations (net)	-	-	-	-	-
12. (Loss) / Profit after tax from discontinued operations (10) - (11)	**(0.01)**	**(0.01)**	**2.39**	**(0.03)**	**(0.02)**
13. Loss after tax for the respective periods (9) + (12)	**(272.48)**	**(573.74)**	**(998.34)**	**(651.57)**	**(2,184.52)**

GMR POWER AND URBAN INFRA LTD. ★

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Refer note 17)	Unaudited	(Refer note 1(d)) and note 16)	Audited	(Refer note 1(d) and note 16)
14. Other comprehensive income (net of tax)					
Items that will be reclassified to profit or loss	(11.94)	(6.93)	(50.78)	5.63	(8.61)
Items that will not be reclassified to profit or loss	0.57	(0.17)	0.86	(0.01)	0.61
Total other comprehensive income, net of tax for the respective periods	**(11.37)**	**(7.10)**	**(49.92)**	**5.62**	**(8.00)**
15. Total comprehensive income attributable to (13) + (14)	**(283.85)**	**(580.84)**	**(1,048.26)**	**(645.95)**	**(2,192.52)**
Profit attributable to					
a) Owners of the Company	(214.05)	(558.41)	(903.85)	(647.54)	(2,057.70)
b) Non controlling interest	(58.43)	(15.33)	(94.49)	(4.03)	(126.82)
Other comprehensive income attributable to					
a) Owners of the Company	(11.53)	(6.93)	(49.13)	3.95	(10.32)
b) Non controlling interest	0.16	(0.17)	(0.79)	1.67	2.32
Total comprehensive income attributable to					
a) Owners of the Company	(225.58)	(565.34)	(952.98)	(643.59)	(2,068.02)
b) Non controlling interest	(58.27)	(15.50)	(95.28)	(2.36)	(124.50)
16. Paid-up equity share capital (Face value - Rs. 5 per share)	**301.80**	**301.80**	**301.80**	**301.80**	**301.80**
17. Total equity (excluding equity share capital)				(2,534.43)	(2,122.43)
18. Earnings per share - (Rs.) (not annualised)					
a).Basic and diluted earnings per share	(3.55)	(9.25)	(15.00)	(10.73)	(34.09)
b).Basic and diluted earnings per share from continuing operations	(3.55)	(9.25)	(15.01)	(10.73)	(34.09)
c).Basic and diluted earnings per share from discontinued operations	(0.00)	(0.00)	0.01	(0.00)	(0.00)

(Rs. in crore)

GMR POWER AND URBAN INFRA LTD. *

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

GMR Power And Urban Infra Limited

Consolidated statement of segment revenue, results, assets and liabilities

(Rs. in crore)

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	(Refer note 17)	Unaudited	(Refer note 1(d)) and note 16)	Audited	(Refer note 1(d) and note 16)
1. Segment revenue					
a) Power	669.82	522.32	196.94	2,175.06	1,023.40
b) Roads	147.43	134.75	133.57	531.94	496.87
c) EPC	330.64	269.37	409.91	1,179.05	1,081.69
d) Others	86.75	81.47	73.32	338.54	290.50
	1,234.64	1,007.91	813.74	4,224.59	2,892.46
Less: Inter segment	(23.59)	(43.80)	(25.83)	(122.78)	(159.23)
Segment revenue from operations	**1,211.05**	**964.11**	**787.91**	**4,101.81**	**2,733.23**
2. Segment results					
a) Power	150.80	(29.36)	(98.40)	246.89	(245.55)
b) Roads	53.31	56.04	48.77	201.26	139.18
c) EPC	(9.46)	34.69	19.52	63.16	90.03
d) Others	59.05	34.77	76.01	159.01	154.96
Total segment results	253.70	96.14	45.90	670.32	138.62
Less: finance costs (net)	(323.48)	(295.67)	(456.76)	(1,231.42)	(1,418.66)
Loss before exceptional items and tax from continuing operations	**(69.78)**	**(199.53)**	**(410.86)**	**(561.10)**	**(1,280.04)**
Less : exceptional items (refer note 14)	(157.91)	(364.00)	(585.49)	15.09	(880.57)
Loss before tax expenses from continuing operations	**(227.69)**	**(563.53)**	**(996.35)**	**(546.01)**	**(2,160.61)**
Tax expense on continuing operations (net)	44.78	10.20	4.38	105.53	23.89
Loss after tax from continuing operations	**(272.47)**	**(573.73)**	**(1,000.73)**	**(651.54)**	**(2,184.50)**
(Loss) / profit before tax expenses from discontinued operations	(0.01)	(0.01)	2.39	(0.03)	(0.02)
Tax expenses on discontinued operations (net)	-	-	-	-	-
(Loss) / profit after tax from discontinued operations	**(0.01)**	**(0.01)**	**2.39**	**(0.03)**	**(0.02)**
Loss after tax for the respective periods	**(272.48)**	**(573.74)**	**(998.34)**	**(651.57)**	**(2,184.52)**
3. Segment assets					
a) Power	5,432.83	5,722.76	5,847.07	5,432.83	5,847.07
b) Roads	3,426.90	3,578.48	3,847.58	3,426.90	3,847.58
c) EPC	1,393.58	1,312.73	1,223.52	1,393.58	1,223.52
d) Others	1,671.00	1,036.39	2,065.24	1,671.00	2,065.24
f) Unallocated	1,797.56	2,363.62	2,115.14	1,797.56	2,115.14
g) Assets classified as held for sale	350.78	426.89	314.35	350.78	314.35
Total assets	**14,072.65**	**14,440.87**	**15,412.90**	**14,072.65**	**15,412.90**
4. Segment liabilities					
a) Power	2,687.60	2,709.91	2,722.68	2,687.60	2,722.68
b) Roads	1,439.12	1,399.79	1,270.39	1,439.12	1,270.39
c) EPC	615.13	478.98	627.32	615.13	627.32
d) Others	150.92	230.44	284.82	150.92	284.82
f) Unallocated	11,228.68	11,486.31	12,306.01	11,228.68	12,306.01
g) Liabilities directly associated with the assets classified as held for sale	183.73	22.41	22.31	183.73	22.31
Total liabilities	**16,305.18**	**16,327.84**	**17,233.53**	**16,305.18**	**17,233.53**

GMR POWER AND URBAN INFRA LTD

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

(Rs. in crore)

	Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Refer note 1(d) and note 16)
A	**Assets**		
1	**Non-current assets**		
	Property, plant and equipment	300.41	327.34
	Right of use asset	5.36	13.24
	Investment property	527.42	534.51
	Other intangible assets	2,180.03	2,270.57
	Investments accounted for using equity method	4,322.41	4,968.67
	Financial assets		
	Investments	609.58	106.56
	Trade receivables	0.88	147.50
	Loans	1,052.42	1,125.31
	Other financial assets	1,015.61	1,677.15
	Non-current tax assets (net)	26.44	27.24
	Deferred tax assets (net)	4.40	4.34
	Other non-current assets	23.67	34.04
		10,068.63	**11,236.47**
2	**Current assets**		
	Inventories	87.13	81.01
	Financial assets		
	Investments	45.76	430.56
	Trade receivables	622.94	844.72
	Cash and cash equivalents	455.17	186.25
	Bank balances other than cash and cash equivalents	85.05	81.96
	Loans	387.08	670.85
	Other financial assets	1,749.10	1,394.22
	Other current assets	221.00	172.51
		3,653.23	**3,862.08**
3	**Assets classified as held for sale**	**350.78**	**314.35**
	Total assets	**14,072.64**	**15,412.90**
B	**Equity and liabilities**		
4	**Equity**		
	Equity share capital	301.90	301.80
	Other equity	(2,466.34)	(2,056.70)
	Equity attributable to equity holders of the parent	(2,164.44)	(1,754.90)
	Non-controlling interests	(68.09)	(65.73)
	Total equity	**(2,232.53)**	**(1,820.63)**
	Liabilities		
5	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	7,421.49	8,366.57
	Lease liabilities	2.93	9.33
	Other financial liabilities	224.85	211.99
	Other non-current liabilities	17.42	1.40
	Provisions	49.56	45.06
		7,716.25	**8,634.35**
6	**Current liabilities**		
	Financial liabilities		
	Borrowings	2,980.29	3,267.86
	Trade payables	2,449.02	1,854.73
	Lease liabilities	8.40	9.35
	Other financial liabilities	1,993.16	2,055.52
	Other current liabilities	200.80	692.18
	Provisions	751.73	688.36
	Liabilities for current tax (net)	21.79	8.87
		8,405.19	**8,576.87**
7	**Liabilities directly associated with assets classified as held for sale**	**183.73**	**22.31**
		8,588.92	**8,599.18**
	Total equity and liabilities	**14,072.64**	**15,412.90**

GMR POWER AND URBAN INFRA LTD.

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

(Rs. in crore)

Particulars	March 31, 2022 (Audited)	March 31, 2021 (Refer note 1(d) and note 16)
Cash Flow from Operating Activities		
Loss from continuing operations before tax expenses	(546.01)	(2,160.61)
Loss from discontinued operations before tax expenses	(0.03)	(0.02)
Loss before tax expenses	**(546.04)**	**(2,160.63)**
Adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment, investment property and amortization of intangible assets	128.16	122.94
Adjustments to the carrying value of investments (net)	44.10	26.46
Provisions no longer required, written back	(6.48)	(33.77)
Exceptional items	(15.09)	880.57
Unrealised exchange loss	23.10	27.36
Profit on sale/write off on Property, plant and equipment (net)	(34.60)	(61.18)
Provision / write off of doubtful advances and trade receivables	24.28	19.80
Reversal of upfront loss on long term construction cost	(10.25)	(24.28)
Gain on fair value of investment (net)	(0.02)	-
Finance costs	1,354.49	1,529.52
Finance income	(380.87)	(277.24)
Share of (profit)/loss of associates and joint ventures (net)	(246.17)	286.60
Operating profit before working capital changes	**334.61**	**336.15**
Movements in working capital :		
Changes in trade payables and financial/other liabilities and provisions	530.25	115.02
Changes in non-current/current financial and other assets	441.63	140.19
Cash generated from operations	**1,306.49**	**591.36**
Direct taxes (paid)/refund (net)	(91.87)	(3.27)
Net cash flow from operating activities (A)	**1,214.62**	**588.09**
Cash Flow from Investing Activities		
Purchase of property, plant and equipment, investment property, intangible assets and cost incurred towards such assets under construction / development (net)	(151.69)	(112.85)
Proceeds from sale of property, plant and equipment's and intangible assets	201.81	123.54
Loans given (net)	173.67	(965.39)
Proceeds from sale of investments (net)	209.62	3.71
Consideration received on disposal of joint ventures/associates/subsidiaries	-	1,101.70
Consideration / advance received for sale of investment	161.31	-
Investment in Non convertible debentures	(500.00)	
Movement in investments in bank deposits (net) (having original maturity of more than three months)	47.00	106.92
Dividend received from associates and joint ventures	842.53	276.43
Finance income received	282.41	157.55
Net cash flow from investing activities (B)	**1,266.66**	**691.61**
Cash Flow from Financing Activities		
Proceeds from borrowings	1,360.24	5,142.66
Repayment of borrowings (including current maturities)	(2,022.56)	(5,225.42)
Proceeds from short term borrowings (net)	(327.68)	47.96
Repayment of lease liability principal	(2.71)	(1.81)
Repayment of lease liability interest	(0.91)	(1.43)
Finance costs paid	(1,219.44)	(1,564.96)
Net cash used in financing activities (C)	**(2,213.06)**	**(1,603.00)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)	268.22	(323.30)
Cash and cash equivalents as at beginning of the year	186.69	509.14
Effect of exchange translation difference on cash and cash equivalents held in foreign currency	0.74	0.85
Cash and cash equivalents as at the end of the year	**455.65**	**186.69**
Components of Cash and Cash Equivalents		
Balances with banks:		
- On current accounts	333.29	121.55
Deposits with original maturity of less than three months	121.28	64.04
Cash on hand	0.60	0.66
	455.17	**186.25**
Cash at bank and short term deposits attributable to entities held for sale	0.48	0.44
Total cash and cash equivalents as at the end of the year	**455.65**	**186.69**

GMR POWER AND URBAN INFRA LTD.

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

GMR Power and Urban Infra Limited

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

1. **Consolidation and Segment Reporting**

a. GMR Power and Urban Infra Limited ('the Company', 'the Holding Company' or 'GPUIL') carries on its business through various subsidiaries, joint ventures, jointly controlled operations and associates (hereinafter referred to as 'the Group'), being special purpose vehicles exclusively formed to build and operate various infrastructure projects.

b. The segment reporting of the Group has been prepared in accordance with Ind AS-108 on 'Operating Segments' prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder.

The business segments of the Group comprise of the following:

Segment	Description of Activity
Power	Generation of power, transmission of power, mining and exploration and provision of related services
Roads	Development and operation of roadways
Engineering, Procurement and Construction (EPC)	Handling of engineering, procurement and construction solutions in the infrastructure sector
Others	Urban infrastructure and other residual activities

c. Investors can view the results of the Company on the Company's website www.gmrgroup.in or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.com).

d. 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 consolidated 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).

2. During the year the Group has received dividend from PT Golden Energy Mines Tbk (PT GEMS), one of the associate company, amounting to Rs. 842.53 crore

3. (a) The Group has investments of Rs. 646.71 crore (net of impairment) in GMR Energy Limited ('GEL'), a joint venture of the Group and loan (including accrued interest) amounting to Rs. 1,383.40 crore (including by its subsidiaries and joint ventures). GEL has certain underlying subsidiaries / joint ventures which are engaged in energy sector as further detailed in notes 2(b), 2(c) and 2(d) below which have substantially eroded net worth. Based on the valuation assessment by an external expert during the year ended March 31, 2022 and the sensitivity analysis carried out

GMR POWER AND URBAN INFRA LTD.

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

for some of the aforesaid assumptions, the value so determined after discounting the projected cash flows using discount rate ranging from 10.89% to 16.98% across various entities, the management has accounted for an impairment loss of Rs. 204.36 crore in the value of Group's investment in GEL and its subsidiaries/ joint ventures which has been disclosed as an exceptional item in the audited consolidated financial results of the Group for the year ended March 31, 2022. The management is of the view that post such impairment, the carrying value of the Group's investment 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 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 the Company 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,

GMR POWER AND URBAN INFRA LTD.

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

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

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

Accordingly, the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the 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

SIGNED FOR
IDENTIFICATION
PURPOSES

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 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 the Company 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 the Company to recover the carrying cost from the date of Change in Law events till the

SIGNED FOR IDENTIFICATION PURPOSES

dues are paid. Accordingly, the Company 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 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 Arbritation and Conciliation Act, 1996 before the Hon'able 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.

GMR POWER AND URBAN INFRA LTD.

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

4. The Central Electricity Regulatory Commission ('CERC') has issued CERC (Procedures, terms and conditions for grant of trading license and other related matters) Regulation 2020, (the 'Regulations') on January 31, 2020 repealing its earlier subsisting regulations in this regard. The said regulations have wide ranging impact on the operations of the trading licensee regarding the requirement of net worth, operating ratios, trading margins and various other matters including banking transactions undertaken by GMR Energy Trading Limited (GETL) a subsidiary of the Company. GETL has assessed the impact of its loans given to associate companies, on the net-worth calculation as per the Regulations and other non-compliances of other ratios in terms of the Regulations. GETL is implementing processes to ensure necessary compliances and ratios as per the Regulations are met consistently. The management is of the opinion that the penal consequences for the non-compliances are not determinable currently and the effect of which has not been given in the financial statements of GETL. The management is confident that the effect, if any, of such non compliances would not be material on the audited consolidated financial results of the Group.

5. The Company has re-evaluated the control assessment of PTGEMS which was earlier classified as Joint Venture in previous periods. Based on the Master Concession agreement between PT Dian Swastatika Sentosa TBk (now Golden Energy and Resources Limited) and GMR Coal Resources Private Limited (GCRPL), a step down subsidiary of the Company, dated August 2011 both the parties assessed joint control over PT Golden Energy Mines Tbk (PT GEMS) considering GCRPL has substantive rights jointly on various policy and operating decision related matters but the same in substance are protective in nature. GCRPL can exercise only significant influence over the operating and policy decision as per Master Concession agreement. Accordingly, PT GEMS investments has been classified as associate from Joint venture retrospectively in the financial statements of the Company. Such reclassification does not have any financial impact in the consolidated financial statements of the Group for the quarter and year ended March 31, 2022 and in previous periods.

6. In GMR Male International Airport Private Limited ('GMIAL'), during the year ended March 31, 2018, Maldives Inland Revenue Authority ('MIRA') has issued tax audit reports and notice of tax assessments demanding business profit tax amounting to USD 1.44 crore, USD 0.29 crore as the additional withholding tax excluding fines and penalties. During the year ended March 31, 2019, MIRA has issued additional demands of USD 0.21 crore and USD 0.13 crore on account of fines on business profit tax and withholding taxes respectively. However, management of the Group is of the view that the notice issued by MIRA is not tenable.

   On May 23, 2019, the Attorney General's office has issued statement on this matter to MIRA stating that in the event of the Maldives parties deducting any sum from this award in respect of taxes, the amount payable under the award shall be increased to enable GMIAL to receive the sum it would have received if the payment had not been liable to tax.

   Further, as per the letter dated January 22, 2020 received from Ministry of Finance Male', Republic of Maldives (the "Ministry"), the amount of tax assessed by MIRA relating to the final arbitration award is USD 0.59 crore and in the event of any tax payable by GMIAL on the same shall be borne by whom the payment was settled to GMIAL, without giving any workings / break-up for the same. As such the Ministry has confirmed that GMIAL is not liable to pay for the tax assessed by MIRA on the final arbitration award.

GMR POWER AND URBAN INFRA LTD

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

GMIAL has obtained the statement of dues from MIRA on December 31, 2020, according to which GMIAL is required to settle business profit tax amounting to USD 0.72 crore and fines on business profit tax amounting to USD 0.82 crore and GMIAL is required to settle withholding tax amounting USD 0.29 crore and fines on withholding tax amounted to USD 0.44 crore (withdrawing the interim tax liability claim of USD 0.72 crore).

Considering the entire tax liability pertaining to the business profit taxes is relating to the Arbitration Award Sum, the management of Group is of view that GMIAL will be able to successfully defend and object to the notice of tax assessments and accordingly, no additional provision is required to be recognized in these financial results. Further, in respect of the matters pertaining to the withholding taxes and the fines thereon, Group, believes that since these pertain to the aforementioned matter itself, the tax demand on these items is not valid and based on an independent legal opinion, no adjustments to the books of account are considered necessary.

7. GMR Generation Assets Limited ("GGAL") (earlier called GMR Power Corporation Limited ('GPCL'), now merged with GGAL with effect from March 31, 2019), a subsidiary of the Company, approached Tamil Nadu Electricity Regulatory Commission ('TNERC') to resolve the claims / counterclaims arising out of the PPA and Land Lease Agreement ('LLA') in respect of the dues recoverable from Tamil Nadu Generation and Distribution Corporation Limited ('TAGENDCO') on account of sale of energy including reimbursement towards interest on working capital, Minimum Alternate Tax ('MAT'), rebate, start / stop charges and payment of land lease rentals to TAGENDCO. GPCL received a favourable order from TNERC and in pursuance of the Order, filed its claim on April 30, 2010 amounting to Rs. 481.68 crore.

TAGENDCO filed a petition against TNERC Order in Appellate Tribunal for Electricity ('APTEL'). In terms of an interim Order from APTEL, dated November 11, 2010. TAGENDCO deposited Rs. 537.00 crore including interest on delayed payment of the claim amount. Subsequently APTEL vide its Order dated February 28, 2012 dismissed the appeal and upheld TNERC order. TAGENDCO then filed apetition in the Hon'ble Supreme Court challenging APTEL order in 2012, which appeal is still pending before the Hon'ble Supreme Court.

During the year ended March 31, 2022, based on recent legal pronouncements which have provided clarity on the tenability of such appeals as filed by TAGENDCO in the current matter together with advise from independent legal experts, GPCL has recognised the aforementioned claims as exceptional item.

APTEL as a part of its order of February 28, 2012 has further directed erstwhile GPCL to verify and pay counterclaims of TAGENDCO in respect of the benefits earned if any, by GPCL with regard to the delayed payment towards fuel supply that are not as per the terms of the FSA. GPCL challenged the said direction by way of an appeal in the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its Order dated April 24, 2014, has referred the dispute to TNERC for examining the claim of the contesting parties.. In November 2018, TNERC issued an order whereby GPCL liability to TAGENDCO was upheld at a value of Rs 121.37 crore. This order has been challenged by GPCL before APTEL which appeal is pending adjudication. Pending final outcome of the litigation, GPCL has recognised the claims as contingent liability.

GPCL's counter claim of Rs 191.00 crore under old PPA towards interest on delayed payments, start and stop charges and invoice for nil dispatches and invoice for differential rates for the period from July 2011 to February 2014 has not yet been adjudicated by TNERC.

GMR POWER AND URBAN INFRA LTD

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Hence, pending acceptance of claims by TAGENDCO and pending adjudication of petition before the TNERC, the Group has not recognised the aforesaid claim in the books of account.

8. GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 586.64 crore as at March 31, 2022. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads.

   GACEPL had invoked arbitration proceedings against National Highways Authority of India (NHAI), State of Haryana (SoH) and State of Punjab (SoPb) as per the terms of the Concession Agreement dated November 16, 2005 and State Support Agreement dated February 21, 2006 and March 8, 2006 due to continued losses suffered by GACEPL on account of diversion of traffic to parallel roads developed by SoH and SoPb. GACEPL had raised its contention that NHAI, SoH & SoPb has breached the provisions of Concession Agreement and State Support Agreements by building parallel highways resulting in loss of traffic to the GACEPL's toll road. GACEPL had filed a net claim of Rs. 1,003.35 crore including interest, calculated up to March 31, 2019 before the Tribunal.

   The three member Hon'ble Tribunal vide its order dated August 26, 2020, has pronounced the award wherein majority of the Tribunal has disagreed with the contention of the GACEPL and has rejected all the claims of GACEPL whereas the minority arbitrator has upheld the claims of the GACEPL and awarded the entire amount claimed by GACEPL. Majority Award has also vacated the stay granted on recovery of negative grant vide Tribunal's interim order dated August 13, 2013. Minority Arbitrator by way of minority award has agreed with most of the contentions of GACEPL and has directed State of Haryana and State of Punjab to jointly pay the claim covered under his award along with interest from 2008 till March 31, 2019.

   Further, in accordance with the terms of the Concession Agreement entered into with National Highways Authority of India (NHAI), dated November 16, 2005, GACEPL has an obligation to pay an amount of Rs.174.75 crore by way of Negative Grant over the concession period. The total value of Negative Grant has been recognized in the financials by way of capitalization in the cost of carriageway and a corresponding obligation has been created towards Deferred Payment. During earlier years GACEPL has paid negative grant to NHAI in various instalment and balance negative grant of Rs. 66.41 crore was due in instalments (i.e. Rs.17.47 crore, Rs.17.48 crore, Rs. 26.21 crore and Rs. 5.24 crore were due in August 2013, August 2014, August 2015 and August 2016 respectively) but have not been remitted to NHAI as there was a stay on account of arbitration. The Arbitral Tribunal on August 26, 2020 while rejecting the GACEPL's prayer for compensation for breach of State Support Agreement & Concession Agreement by State Government of Haryana, State Government of Punjab and NHAI, vacated the stay granted on payment of Negative Grant and NHAI consequently demanded the payment of negative grant including interest from GACEPL and the Escrow Banker. The claim by NHAI for interest communicated to GACEPL and the Escrow Banker was Rs. 101.34 crore calculated up October 31, 2020, though the interest as computed by GACEPL upto August 25, 2020 is Rs. 60.33 crore (@SBI PLR plus 2%). Escrow Banker based on the demand from NHAI, has remitted Rs. 6.08 crore as per the waterfall mechanism to NHAI and the same is considered by GACEPL as paid under protest. During the financial year 2021-22 NHAI has again demanded the Negative grant along with interest calculated at the rate SBI plus 2% from the company through various communications. The dissenting opinion

SIGNED FOR IDENTIFICATION PURPOSES

of the other Arbitrator also rejected GACEPL's contention on the non-payment of Negative Grant and has concluded that GACEPL shall be bound by the Concession Agreement in relation to payment of Negative Grant.

GACEPL aggrieved by rejection of all claims by majority members had preferred an appeal, in both Punjab and Haryana matters, under Section 34 and Section 9 of the Arbitration Act before Hon'ble Delhi High Court requesting to stay the Majority Award and grant stay on payment of Negative Grant. The Hon'ble Delhi High Court has admitted the application under Section 34 whereas the application under Section 9 has been dismissed on the ground that the losing party in an Arbitration proceeding cannot seek relief under Section 9 of Arbitration Act. Subsequently, the Division Bench of Hon'ble Delhi High Court also dismissed the aforementioned application under Section 9 on the similar grounds.

GACEPL in terms of its communication to NHAI has provided for delay in payment of interest on negative grant w.e.f. August 26, 2020 onwards amounting to Rs. 13.77 crores (March 31, 2021: Rs. 5.19 crores) under prudence, pursuant to the vacation of stay on payment of negative grant vide Arbitral Award dated August 26, 2020. Further, the management is of the opinion that there is no charge of interest in pursuance of stay given by the Arbitral Tribunal for the period to August 26, 2020 and effect, if any will be given on the conclusion of proceedings pending before hon'ble Supreme Court.

GACEPL aggrieved by the dismissal of application by Division Bench as well has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India under Section 9 seeking interim relief on recovery of Negative Grant till the time Section 34 petition is decided by Hon'ble Delhi Court. In this regard, the GACEPL has obtained legal opinion from the legal counsel handling matters, wherein the legal counsel has opined that the GACEPL has a fair chance of getting stay on payment of Negative Grant, considering the Hon'ble Supreme Court in similar matters have granted interim relief to the Petitioners.

Based on legal opinion, GACEPL is of the view that majority Award has not interpreted the relevant clauses of the concession agreement from point of view of intention of the parties and has also ignored the fact that NHAI has also not produced any data to contradict the reason for reduction in traffic in comparison to its Detailed Project Report (DPR). In the opinion of the legal team no effective consultations among the three arbitrators had also lead to a fractured award and that majority award has also ignored the provisions and guidelines of Indian Road Congress which have the force of statutory bindings thereby taking a contrary view as the nature of development carried out by States have altered/changed the status of roads.

Accordingly, the Management of GACEPL is of the opinion that the matter has not attained the finality and GACEPL has good chances of getting stay on the majority award and expects to win the case in Delhi High Court and to receive the Claims in due course. As per the internal assessment by the management, on the reasonable certainty of inflows of the claims discussed above, GACEPL has considered that there would be no cash outflow related to negative grants or that there will be net cash inflows even if the negative grant out flows are considered and expects realisability of GACEPL's claims in the near future.

Further, the valuation expert based on the assumptions that it would be receiving the compensation in the future, had determined value in use of GACEPL assets as at December 31, 2021 (i.e. valuation date) which is higher than the carrying value of assets. The management is confident of receipt of claims for loss due to diversion of traffic/compensation in the appellate proceedings and accordingly is of the opinion that carrying value of Carriageway in GACEPL of Rs. 338.16 crore as at March 31, 2022 is appropriate.

Furthermore, GACEPL's right to receive the user fee for usage of the toll roads have been effected due to the farmers protests from October 12, 2020 where the farmers are not allowing for collection of the toll fees. The said protest has concluded and the actual losses is being crystallized. Pending the same GACEPL had approached NHAI for loss of revenue due to ongoing farmers protests and submitted its claim for compensation of Rs 21.36 Cr against Operation and Maintenance expenses and interest on RTL incurred up to September 30, 2021 from October 12, 2020 onwards. Pursuant to the claim filed by the GACEPL, NHAI in the interim has released a partial amount of Rs. 6.42 crore against the claim filed up to March 31, 2021. The matter of claim with NHAI has not attained finality pending which amount received from NHAI has been disclosed as other liabilities. GACEPL will also be filing its claim with NHAI for extension of concession period and compensation against Operation and Maintenance expenses and interest on Rupee term loan related to period October 1, 2021 to December 15, 2021 The management of GACEPL does not foresee any adverse effect on the overall functioning of GACEPL in view of remedies available with the Company.

Pending resolution of the issue the GACEPL has estimated there would be no charge of amortization related to period when farmers protest was continuing considering zero revenue, however, pursuant to the resumption of toll collection w.e.f. December 15, 2021 the company has started amortizing the carriageways in terms of its accounting policy.

9. GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') a subsidiary of the Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,437.28 crore as at March 31, 2022. 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. 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. 793.38 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

SIGNED FOR IDENTIFICATION PURPOSES

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 principal 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. 1672.20 Cr, as against claimed amount of Rs. 1,676.34 Cr, up to March 31, 2020 with direction to follow the same methodology and formula for claims for FY 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 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. The Company 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 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.

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

GMR POWER AND URBAN INFRA LTD. ★

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS 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 the Company. 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 however same has not been 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 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 amortisation of Intangibles considering the initiation of Arbitration Proceedings challenging the communication/notice by NHAI / Regulator restricting the period to 15 years with four-laning.

The valuation expert based on the assumptions that it would be receiving the compensation in the future, had determined value in use of GHVEPL assets as at December 31, 2021 (i.e. valuation date) which is higher than the carrying value of carriageways.

The management of the Group is confident that it will be able to claim compensation from the relevant authorities for the loss it suffered due to aforementioned reasons. Accordingly, based on the aforesaid legal opinion, expected future traffic flow over a concession period of 25 years, valuation assessment by an external expert based on expected compensation claim inflows, the management of the Group believes that the carrying value of carriage ways of Rs. 1,889.42 crore of GHVEPL as at March 31, 2022, is appropriate.

10. GMR Pochanpalli Expressways Limited ('GPEL') a subsidiary of the Company had invoked Arbitration proceedings against NHAI in respect of the dispute on applicability of carrying out periodic maintenance (overlay work) of the road project once in every five years in the Concession Agreement. On January 14, 2020, the Hon'ble Tribunal had pronounced the award wherein it had directed GPEL has to carry out overlay irrespective of the condition of the road and commence second overlay work with effect from April 01, 2020 and complete by December 31, 2020 and also complete the third overlay work by April 01, 2025. The NHAI has challenged the award before the Hon'ble High Court of Delhi with regard to extending the timeline to commence and complete the

SIGNED FOR IDENTIFICATION PURPOSES

second overlay work and third overlay work stating that such concession is not in accordance with Concession Agreement.

The Arbitral Tribunal had further directed NHAI to refund the amount of Rs. 1,078.62 Lakhs which was wrongly deducted from the annuity along with interest @12% p.a. from the date of deduction. The Arbitral Tribunal has also directed NHAI to pay Rs. 30.00 Lakhs towards costs of litigation and the entire amount of fee paid to the Arbitrators by the Company on behalf of NHAI. NHAI had challenged the award with regard to directions for refund of amount before the Hon'ble High Court of Delhi.

Aggrieved by the findings of the Tribunal, to the limited issue of requirement of overlay upon every 5 years, GPEL has filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before Hon'ble High Court of Delhi.

The Hon'ble Delhi High Court vide its order dated April 06, 2022 had upheld GPEL's contentions and held that the overlay is to be carried out as and when the roughness index exceeds 2000 mm/km and rejected the arbitration order which had held that GPEL has to carry out overlay irrespective of the condition of the road every five years. It has further upheld the GPEL's claim in respect of the cost incurred on the first major maintenance and directed that the quantification of the claim to be done by the arbitrator appointed by it. The awards of tribunal on other matters favorable to GPEL was further upheld by the High Court.

The Management has been further advised by its legal counsel that the order of the single bench of the Hon'ble High Court of Delhi would be challenged by NHAI before the Appellate Court and the matter has not yet attained finality. The implication of the favorable order to GPEL would have affected the carrying value of Service Concession Receivables by reduction of the outflows on overlay cost which would have resulted in significant modification gain to GPEL on reversal of those provisions. Pending finality and clarity in the matters the Group under prudence has not affected the financial impact of the order. The modification gains to give effect to the order of the single bench of the Hon'ble High Court of Delhi would be given on the finality of legal proceedings.

11. The Group had signed definitive Securities sale and purchase agreement ('SSPA') on September 24, 2020 which had been subsequently amended on March 31, 2021, for the sale of entire 51% equity stake owned by its wholly owned subsidiary GMR SEZ & Port Holdings Limited ("GSPHL") 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 has also been transferred to ARIPL. The consideration for the aforementioned transaction comprised of Rs. 1,692.03 crore upfront payment which is 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 consolidated financial results. Consequent to the aforementioned, the Group 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.

GMR POWER AND URBAN INFRA LTD.

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

The Group expects in next 2-3 years there will be significant development in the Kakinada SEZ which includes the development of Bulk Drug Park, establishment of a large pharmaceutical unit, 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.

12. The consolidated financial results for the quarter and year ended March 31, 2022 reflected an excess of current liabilities (including liabilities directly associated with assets classified as held for sale) over current assets (including assets classified as held for sale) of Rs 4,584.91 crores and losses from operations after tax amounting to Rs. 651.55 crores. The Group has incurred losses primarily on account of losses in the energy and highway sector as detailed in notes 3, 8, and 9. This as consequence had impact on net worth, delay in repayment of debts and interest servicing and lower credit ratings for some of its borrowings. Management is taking various initiatives including monetization of assets, sale of stake in certain assets, raising finances from financial institutions and strategic investors, refinancing of existing debts realization of dividend and other strategic initiatives to ensure the repayment of borrowings and debts in an orderly manner.

    Further, the Group has received certain favorable orders on various ongoing matters in energy, highway and DFCC which involve significant value of claims. Management is optimistic of such favorable orders and believes that such claims will further improve its cash flows and profitability. The details of such claims have been enumerated below: -

    i) GCORRPL has received award of Rs. 340.92 crore plus interest against Government of Tamil Nadu ('GOTN') which is challenged by GOTN in Madras High Court. Hon'ble Madras High Court on November 17, 2021 has upheld the award and given judgement in favor of the GCORRPL and has also awarded interest @ 9.00% p.a. from date of filing of Statement of Claim till date of award and interest of 18% p.a. from Date of Award till date of payment.

    ii) GHVEPL has received award for arbitration for compensation for Change in Law on account of bifurcation of state of Andhra Pradesh and change in policies as detailed in note 9. While Change in Law is upheld, amount of compensation is to be calculated by a Sole Arbitrator. Sole Arbitrator on February 28, 2022 has submitted his report on quantification wherein he has quantified the claims as Rs. 1,672.20 crore as against Rs. 1,676.34 crore claimed by GHVEPL.

    iii) In case of DFCC, there are various claims under various heads which has been either agreed by DFCCIL or Group has got the award through Dispute Adjudication Board (DAB). Total amount of claim is approximately Rs. 321.00 crore which will be received progressively based on the work to be carried out.

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

    v) Certain other claims in Energy sector as detailed in Note 3(b), 3(c), 3(d).

GMR POWER AND URBAN INFRA LTD

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

GMR Power and Urban Infra Limited

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

13. The Group has considered the possible effects that may result from the pandemic relating to COVID19 in the preparation of these consolidated financial results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these consolidated financial results, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's consolidated financial results may differ from that estimated as at the date of approval of these Group's consolidated financial results.

14. Exceptional items comprise of the impairment of investment in joint venture and associates, write back of liability and write off/provision against receivables/other assets.

15. 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.

16. Pursuant to final listing / trading approvals grated by National Stock Exchange of India Limited and BSE Limited vide their letters dated 21, 2022, and March 22, 2022 respectively the trading in the equity shares of the Company started from March 23, 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 has been derived from the audited consolidated financial statements of GIL after giving the effect of demerger as mentioned in note 1(d) above.

17. The figures of the quarter ended 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.

18. The accompanying consolidated financial results of the Group 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 Board of Directors in their meeting held on May 18, 2022.

19. Other operating income includes interest income on financial assets of annuity companies in roads sector, profit on sale of current investments and interest income for companies which undertake investment activities and other operating income for other companies.

GMR POWER AND URBAN INFRA LTD

SIGNED FOR IDENTIFICATION PURPOSES

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

GMR Power and Urban Infra Limited

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

20. Previous quarter/year figures have been re-grouped / reclassified to conform to the classification adopted in the current quarter

For GMR Power and Urban Infra Limited

Srinivas Bommidala
Managing Director

Place: Hyderabad
Date: May 18, 2022

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

SIGNED FOR IDENTIFICATION PURPOSES

GMR POWER AND URBAN INFRA LTD

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 consolidated financial results for the year ened March 31, 2022

(in Rs. crore except for earning per share)

	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I.	1	Turnover / total income (including other income)	4,281.70	4,281.70
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and loss/profit from discontinued operations before exceptional items)	4,948.33	4,948.33
	3	Exceptional items (gain) / loss (net)	(15.09)	(15.09)
	4	Net profit/(loss)	(651.54)	(651.54)
	5	Earnings Per Share (in Rs.) - Basic	(10.73)	(10.73)
	6	Total Assets	14,072.65	14,072.65
	7	Total Liabilities	16,305.18	16,305.18
	8	Net Worth (refer note 1)	(2,232.53)	(2,232.53)
	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 Consolidated Financial Results	
	Note 1	Net worth = Equity share capital + other equity		

II. Audit Qualification (each audit qualification seperately) :

(i) Qualification

1 a,. Details of audit qualification:

As stated in note 3(a) to the accompanying Statement, the Group has an investment amounting to Rs. 646.71 crore in GMR Energy Limited ('GEL'), a joint venture company and outstanding loan (including accrued interest) amounting to Rs. 1,385.50 crore (net of impairment) recoverable from GEL and its subsidiaries and joint ventures as at 31 March 2022. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL'), subsidiary of GEL.

As mentioned in note 3(d), the management of the Holding Company has accounted for 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 values of the loans, non-current investment and the consequential impact on the accompanying Statement.

Considering the erosion of net worth and net liability position of GKEL, we, in the capacity of auditors of GKEL have also given a separate section on material uncertainty related to going concern in the audit report on the financial statements of GKEL for the year ended 31 March 2022.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: First year of qualification (Earlier this qualification was coming in GMR Infrastructure Limited before demerger in previous four years)

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 appropriate.

(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 ascertainable

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

2a. Details of Audit Qualification:

As detailed in note 11 to the accompanying Statement, during the quarter ended 30 September 2020, the Demerged Company along with Kakinada SEZ Limited ('KSL'), 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 KSL held by GSPHL (Securities sale and purchase agreement hereinafter referred as 'SSPA') and accordingly the assets and liabilities pertaining to KSL and KGPL were classified as disposal group. Pending certain government approvals , the Group had not accounted for the impact on the carrying value of the aforesaid assets (net of liabilities) basis the fair value of the consideration agreed in the SSPA in the quarter ended 30 September 2020 as explained in the note, which is not in accordance with the requirements of Indian Accounting Standard (Ind AS) 105, Non-current assets held for sale and Discontinued operations, and on receipt of the requisite approvals in the quarter ended 31 March 2021 the Group had accounted for the aforesaid transaction and had recognised an exceptional loss in the quarter ended 31 March 2021 amounting to Rs. 137.99 crore 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 11 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

SIGNED FOR IDENTIFICATION PURPOSES

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 Consolidated financial results for the year ended March 31, 2022

III.	Signatories	
	Managing Director	Srinivas Bommidala Place: Place Hyderabad
	Chief Financial Officer	Suresh Bagrodia Place: Place New Delhi
	Audit Committee Chairman	Vissa Siva Kameswari Place: V. S. Kameswari Place Chennai
	Statutory Auditor	Walker Chandiok & Co LLP Chartered Accountants ICAI Firm Registration Number: 001076N/N500013 Neeraj Sharma Partner Membership Number: 502103 Place: New Delhi
	Date:	May 16, 2022

GMR POWER AND URBAN INFRA LTD.

SIGNED FOR
IDENTIFICATION
PURPOSES

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *