GMR POWER & URBAN INFRA

May 23, 2023

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001
Scrip: 543490

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400051
Symbol: GMRP&UI

Dear Sir/Madam,

Sub: Submission of Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2023.

Ref: Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company has approved the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2023.

In this regard, please find enclosed herewith the following: -

1. The Annual Financial Results (Standalone and Consolidated), Cash Flow Statement, Statement of Asset and Liabilities accompanied with the Audit Report thereon.
2. Statement on impact of Audit Qualifications (in respect of modified opinion on standalone and consolidated Audited Results).

The meeting of Board of Directors commenced at 04:30 PM and concluded at 08:55 PM.

Please take the same on the record.

Thanking you,

for **GMR Power and Urban Infra Limited**

Vimal Prakash
Company Secretary &
Compliance Officer

GMR POWER AND URBAN INFRA LTD.

Encl: As above

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

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

Qualified Opinion

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

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

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

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

Basis for Qualified Opinion

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

   As further mentioned in note 3(d), the fair value of investment in GKEL considered for the purpose of determining the carrying values of aforesaid investments is based on the valuation performed by an external expert using the



discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, and favourable outcome of the litigations with respect to claims of capital creditors filed against GKEL.

Owing to the aforementioned uncertainties, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid loans (including accrued interest) and investments as at 31 March 2023 and the consequential impact on the accompanying Statement.

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

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

Emphasis of Matters

5. In addition to the matters described in paragraph 3 above, we draw attention to note 3(b) and 3(c) to the accompanying Statement, in relation to the investment in GEL amounting to Rs. 895.74 crore as at 31 March 2023. The recoverability of such investment is further dependent upon various claims and other receivables from customers of GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, which are pending settlement / realization as on 31 March 2023, capacity utilization of plant in future years and certain other key assumptions as considered in the valuation performed by an external expert.

The above claims also include disputed claims pertaining to recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited (`MSEDCL') by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges is to be paid by GWEL. However, based on the Order of the Appellate Tribunal for Electricity (`APTEL') (`the Order') dated 8 May 2015, currently contested by MSEDCL in the Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges in the Statement of Profit and Loss amounting to Rs. 616.33 crore for the period from 17 March 2014 to 31 March 2023 and transmission charges invoiced directly to MSEDCL by Power Grid Corporation Limited for the period December 2020 to March 2023 as contingent liability, as further described in aforesaid note.

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment in GEL, taking into account the matters described above in relation to the investment made by GEL in GWEL, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the year ended 31 March 2023. Our opinion is not modified in respect of these matters.

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

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



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

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

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

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

9. We draw attention to note 7 to the accompanying Statement which describes that the Company has recognised certain claims in the current year pertaining to Dedicated Freight Corridor Corporation ('DFCC') project basis evaluation by the joint venture ('JV') incorporated between the Company and SEW Infrastructure Limited, of JV's entitlement under the contract towards recovery of prolonged cost, as further detailed in the aforesaid note. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

10. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Statement

13. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.



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

    - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
    - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

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

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



Danish Ahmed
Partner
Membership No. 522144
UDIN: 23522144BGZHMW5980

Place: New Delhi
Date : 23 May 2023

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

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

(Rs. in crore)

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

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WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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

(Rs. in crore)

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

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

(Rs. in crore)

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

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GMR Power and Urban Infra Limited

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

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

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

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

3. (a) The Company together with GMR Generation Assets Limited ("GGAL") and GMR Energy Projects Mauritius Limited, subsidiaries of the Company, has investments in GMR Energy Limited ("GEL") amounting Rs. 895.74 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,768.36 crore in GEL as at March 31, 2023. GEL has certain underlying subsidiaries/ associates/ joint ventures which are engaged in energy sector as further detailed in note 3(b), 3(c), 3(d) and 3(e), below which have been incurring losses resulting in substantial erosion in their net worth. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the year ended March 31, 2023, the management of the Company has fair valued its investments and for reasons as detailed in 3(b), 3(c), 3(d) and 3(e) below, the management is of the view that the fair value of the Company's investments in GEL is appropriate.

   (b) GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, is engaged in the business of generation and sale of electrical energy from its coal-based power plant of 600 MW situated at Warora. GWEL had accumulated losses of Rs. 585.44 crore as at March 31, 2023 (Rs.753.07 crore in March 31, 2022) and the same has been reduced to Rs 585.44 crore as at March 31, 2023 which has resulted in substantial erosion of GWEL's net worth. There have been delays in receipt of the receivables from customers which has resulted in delays in meeting its financial liabilities.

   Further, GWEL received notices from one of its customer disputing payment of capacity charges of Rs. 132.01 crore for the period March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under the force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof.

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

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

However, GWEL has certain favorable interim orders towards the aforementioned claims. Also, during the year ended March 31, 2022, GWEL has entered into a new PPA with Gujarat Urja Vikas Nigam Limited ('GUVNL') for the supply of 150 MW of power from October 2021 to July 2023.

Further, GWEL on the basis of requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by RBI on December 30, 2020 in respect of all the facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by GWEL as on the invocation date. Further most of the borrowing facilities of GWEL had become Special Mention Account-2/ Non-Performing Assets, accordingly resolution process under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI on June 07, 2019 has been invoked on June 29, 2021 by default. ICA has been executed on July 27, 2021 by majority of lenders The lead lender issued a sanction letter dated April 05, 2022 for restructuring of loan facilities. As per the RBI circular as stated above, a minimum approval of lenders representing 75% by value of total outstanding loan facilities and 60% of lenders by number are required for approval of the Resolution plan.

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

GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ('PPA') and has filed petitions with the regulatory authorities for settlement of such claims in favor of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 882.22 crore and the payment from the customers against the claims including Interest on such claims which are substantially pending receipt. Based on certain favorable interim regulatory orders, the management is confident of a favorable outcome towards the outstanding receivables.

Accordingly, GWEL has generated profit after tax of Rs 167.87 crore during the year ended March 31, 2023 and the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2023, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and

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management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the implementation of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management is of the view that the carrying value of the net assets in GWEL by GEL as at March 31, 2023 is appropriate.

(c) GWEL entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with APTEL. APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claim of Rs. 616.33 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2023. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) are being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period December 2020 to March 2023. The final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favorable Order from APTEL, receipt of substantial amount towards reimbursement of transmission charges and legal expert advice, GWEL has recognized the reimbursement of transmission charges of Rs. 616.33 crore relating to the period from March 17, 2014 to March 31, 2023. Further the cost of transmission charges as stated with effect from December 2020 is directly invoiced by Power Grid Corporation of India Limited to DISCOMS and has been disclosed as contingent liability in the financials of GWEL pending the final outcome of the matter in the Hon'ble Supreme Court of India.

(d) GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of GEL, is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of Rs. 1,386.84 crore as at March 31, 2023 (Rs.1,415.15 crore in March 31, 2022), which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. Further, GKEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 1,662.04 crore as at March 31, 2023, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt as at March 31, 2023. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with

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its customers, the management is confident of a favorable outcome towards the outstanding receivables of GKEL.

GKEL in view of the Supreme Court Order in Energy Watchdog vs CERC and others and CERC order in its own case for Haryana Discoms had sought legal opinion from the legal counsel on certainty of the claims with Bihar Discom. Considering opinion received from legal counsels that GKEL has good tenable case with virtual certainty with respect to coal cost pass through and favourable Order from APTEL dated December 21, 2018 and CERC judgment in GKEL's own case for Haryana Discom where the computation methodology of coal cost pass through was decided, the management was virtually certain on receipt of the GKEL's claim of revenue on coal cost pass through and was of the opinion that no contingency was involved in this regard. GKEL has received a favourable order on September 16, 2019 whereby the CERC has allowed the coal cost pass through to be charged to the Bihar Discom, based on a certain methodology. The Hon'ble Appellate Tribunal passed an Order in Appeal no - 423 on August 6, 2021 allowing GKEL to recover expenditure incurred in procurement of alternate coal due to short fall in domestic coal supply corresponding to schedule generation pertaining to Bihar PPA and further allowed GKEL to recover the carrying cost from the date of Change in Law events till the dues are paid.

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

Further, GKEL had entered agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. The Arbitral Tribunal has issued an opinion (the Award) on September 7, 2020 against GKEL. Since there were computation/ clerical/ typographical errors in the Award, both parties (GKEL and SEPCO) immediately applied for correction of the award under Section 33 of the Arbitration & Conciliation Act 1996 (as amended). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020. GKEL already accounted for the aforementioned liability as per the award pertaining to the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL has challenged the award under section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Orissa on February 15, 2021 and December 31, 2021 respectively.

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

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Violation of due process of law and others. Based on legal advice obtained, GKEL seems to have a good arguable case to challenge section 34 judgement and have it set side. Therefore, GKEL is not expecting any cash outflow in this matter in the foreseeable future. GKEL has in its books made provisions in view of the disputes between SEPCO and GKEL and taken into consideration the Award and the Final Award passed by the Arbitral Tribunal based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make GKEL liable for payment since liability is disputed.

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

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

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

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

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

Based on the assessment of such claims and upon consideration of advice from the independent legal consultant, the management believes that GBHHPL has reasonable chances of recovery of its dues from the contractor in the future and accordingly, based on the valuation assessment carried out by an external expert during the year ended March 31, 2023, is of the view that the carrying value of its investments in GBHHPL held by GEL as at March 31, 2023 is appropriate.

4. The Company together with GMR Highway Limited ("GMRHL") a subsidiary of the Company, has invested in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') amounting to Rs. 1,087.80 crore. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the year ended March 31, 2023,

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

GHVEPL a step down subsidiary of the Company, has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,653.86 crore as at March 31, 2023. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI').

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

On October 09, 2009 GHVEPL and National Highways Authority of India (NHAI) entered into the concession agreement for the project highway. The project was initially developed from existing 2 lanes to 4 lanes to be further developed to 6 laning subsequently (before 14th anniversary of the appointed date). If 6 laning is not carried out (if so required by NHAI/desired by GHVEPL), concession period would be restricted to 15 years as against 25 years. GHVEPL has been amortising intangible assets over the concession period of 25 years.

The Arbitral Tribunal vide its order dated March 31, 2020, had pronounced the award unanimously, upholding GHVEPL's contention that bifurcation of state of Andhra Pradesh and ban on sand mining in the region constitutes Change in Law event and GHVEPL is entitled for compensation for the loss of revenue arising as a result of drop in commercial vehicles. Majority of the Tribunal members have directed NHAI to constitute a committee for determining the claim amount based on data/ records available with GHVEPL and NHAI. The minority member in the Tribunal however was of the opinion that Tribunal should have constituted the Committee instead of directing NHAI, which is against the principle of natural justice. GHVEPL, aggrieved by the findings, had filed applications under Section 9 and 34 of the Arbitration Act, 1996, before Delhi High Court challenging the award on the limited ground of (i) constitution of the committee by NHAI for quantification of compensation and (ii) for interim measures by restraining NHAI, demanding premium and taking coercive / precipitate measures under the Concession Agreement. Vide order dated August 4, 2020, the Hon'ble Delhi High Court upheld the decision of the Arbitral Tribunal that there was a change in law due to ban on sand mining and State bifurcation.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

6. GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited) (the 'Demerged Company') had signed definitive share sale and purchase agreement ('SSPA') on September 24, 2020 which had been subsequently amended on March 31, 2021 for the sale of equity owned by its wholly owned subsidiary GMR SEZ & Port Holdings Limited ("GSPHL") of its entire 51% stake in Kakinada SEZ Limited ("KSEZ") to Aurobindo Realty and Infrastructure Private Limited ("ARIPL"). As part of the transfer of stake of KSEZ ("transaction"), the 74% equity stake of Kakinada Gateway Port Limited ("KGPL") held by KSEZ would also be transferred to ARIPL. The consideration for the aforementioned transaction comprised of Rs. 1,692.03 crore upfront payment which has been received before the closing date and Rs. 1,027.18 crore to be received in next 2 to 3 years from the transaction date which is contingent upon achievement of certain agreed milestones primarily related to the sale of 2,500 acres of the land parcels by KSEZ at specified prices during the financial years ended March 31, 2023 and March 31, 2024 basis the expectation of significant development Kakinada SEZ.

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

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

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

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

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

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

9. Exceptional items comprise of the reversal/ creation of provision for impairment in carrying value of investments and loans/ advances/ other receivables carried at amortised cost also refer note no 5 and note no 6.

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

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

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

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GMR Power and Urban Infra Limited

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

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

For **GMR Power and Urban Infra Limited**

Place: New Delhi
Date: May 23, 2023

Srinivas Bommidala
Managing Director
DIN : 00061464

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ANNEXURE I

GMR Power and Urban Infra Limited

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

(in Rs. crore except for earning per share)

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

II. Audit Qualification (each audit qualification seperately) :

(i) Qualification 1

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

As further mentioned in note 3(d), the fair value of investment in GKEL considered for the purpose of determining the carrying values of aforesaid investments is based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, and favourable outcome of the litigations with respect to claims of capital creditors filed against GKEL.

Owing to the aforementioned uncertainties, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid loans (including accrued interest) and investments as at March 31, 2023 and the consequential impact on the accompanying Statement.

b. Type of Audit Qualification : Qualified Opinion

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

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

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

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

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

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

GMR POWER AND URBAN INFRA LTD.

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

ANNEXURE I

GMR Power and Urban Infra Limited

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

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

SIGNED FOR IDENTIFICATION PURPOSES ONLY

Walker Chandiok & Co LLP

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India

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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 2023, 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, joint ventures, as referred to in paragraph 13 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 below; and

   (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in 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 Profit after tax and other comprehensive income and other financial information of the Group, its associates and joint ventures, for the year ended 31 March 2023 except for the effects/possible effects of the matters described in paragraphs 3 below.

Basis for Qualified Opinion

3. As stated in note 2(a) to the accompanying Statement, the Group has an investment amounting to Rs. 895.74 crore (net of impairment) in GMR Energy Limited ('GEL'), a joint venture company and outstanding loan (including accrued interest) amounting to Rs. 2,188.80 crore recoverable from GEL and its subsidiaries and joint ventures as at 31 March 2023. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of GEL.

   As further mentioned in note 2(d), the fair value of investment in GKEL considered for the purpose of determining the carrying value of aforesaid investment is based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, and favourable outcome of the litigations with respect to claims of capital creditors filed against GKEL.

In addition to the above, 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 Annual financial information of GKEL for the year ended 31 March 2023.

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 (including accrued interest) and non-current investment as at 31 March 2023 and the consequential impact on the accompanying Statement.

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

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the 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 13 of the Other Matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

5. We draw attention to:

   a. Note 2(b) and 2(c) to the accompanying Statement which is in addition to the matter described in paragraph 3 above, regarding the investment made by the Group in GEL amounting to Rs. 895.74 crore as at 31 March 2023. The recoverability of such investment is further dependent upon various claims and other receivables from customers of GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, which are pending settlement / realization as on 31 March 2023, capacity utilization of plant in future years and certain other key assumptions as considered in the valuation performed by an external expert.

   The above claims also include disputed claims pertaining to recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. However, based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 8 May 2015, currently contested by MSEDCL in the Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges in the Statement of Profit and Loss amounting to Rs. 616.33 crore for the period from 17 March 2014 to 31 March 2023 and transmission charges invoiced directly to MSEDCL by Power Grid Corporation Limited for the period December 2020 to March 2023 as contingent liability, as further described in aforesaid note.

   The management of the 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 investment made by GEL in GWEL is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the year ended 31 March 2023. Our opinion is not modified in respect of these matters.

   The above matters with respect to GWEL are also reported as an emphasis of matter in the audit report dated 5 May 2023 issued by other firm of chartered accountants on the standalone financial results of GWEL for the year ended 31 March 2023.

   b. Note 2(e) 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. 895.74 crore as at 31 March 2023. The recoverability of such investment is further dependent upon achievement of business plans of GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a joint venture of GEL and recoverability of capital advances in the near future given to contractor for GBHPPL's project, which along with other claims which are pending before the Arbitral Tribunal as described in the said note.

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The management of the Holding Company, based on its internal assessment, legal opinion and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Group in GEL, taking into account the matter described above in relation to the investment made by GEL in GBHPPL, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the year ended 31 March 2023. Our opinion is not modified in respect of this matter.

c. Note 5 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 24 April 2023 issued by another firm of chartered accountants on the standalone financial results of GGAL for the year ended 31 March 2023. 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 6 and 7 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. 1,291.57 crore as at 31 March 2023 towards additional concession fee along with interest thereon and GACEPL has not provided for interest on the negative grant amounting to Rs. 60.33 crore calculated up-to 25 August 2020 in the accompanying Statement as explained in the said notes.

GACEPL's claim for compensation of losses is currently pending for re-initiation of arbitration proceedings as per the order of the High Court of Delhi dated 26 September 2022 which has set aside the earlier issued Arbitral Award dated 26 August 2020 appealed under Section 34 by GACEPL and has referred the entire dispute back to Arbitration Tribunal. Such order of the High Court has been further appealed by NHAI and others under section 37 which is currently pending with the High Court for final judgement.

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. 280.77 crore and Rs. 1,778.37 crore as at 31 March 2023. 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 above matters.

The above matters have also been reported as an emphasis of matters in the audit reports dated 27 April 2023 and 27 April 2023 issued by other firms of chartered accountants on the financial statements of the GACEPL and GHVEPL, respectively, for the year ended 31 March 2023. 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 4 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 1.44 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 4 May 2023 issued by other firm of chartered accountants on the financial statement of GMIAL for the period ended 31 December 2022.

f. Note 8 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 ('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 pending finality of the appeal filed by NHAI before the divisional bench of Hon'ble Delhi High Court, since the matter is sub-judice, the 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 27 April 2023 issued by other firm of chartered accountants on the financial results of GPEL for year ended 31 March 2023.

g. We draw attention to note 10 to the accompanying Statement which describes that the milestones linked to the contingent sale consideration receivable on account of sale of equity stake and inter-corporate deposits recoverable from Kakinada SEZ Limited ('KSEZ') have not been achieved, and as a result, the Group has reversed the balance consideration receivable amounting to Rs. 442.58 crore during the current quarter/ year, which has been charged to Statement of Profit and Loss and disclosed under exceptional items. Our opinion is not modified in respect of this matter.

h. We draw attention to note 11 to the accompanying Statement which describes that the Holding Company has recognised certain claims in the current year pertaining to Dedicated Freight Corridor Corporation ('DFCC') project basis evaluation by the joint venture ('JV') incorporated between the Company and SEW Infrastructure Limited, of JV's entitlement under the contract towards recovery of prolonged cost, as further detailed in the aforesaid note. Our opinion is not modified in respect of this matter.

The above matter has also been reported as an emphasis of matter in the audit report dated 16 May 2023 issued by other firm of chartered accountants on the financial results of GIL-SIL-JV for year ended 31 March 2023.

i. We draw attention to note 3 to the accompanying Statement in relation to implications of CERC (Procedures, terms and conditions for grant of trading license and other related matters) Regulation, 2020, effective from January 2020 on the operations of GMR Energy Trading Limited ('GETL'), a subsidiary of the Holding Company. GETL is in the process of ensuring necessary compliances with respect to current/liquidity ratio as required under aforesaid regulations in due course.

The Management of the Holding Company based on the legal opinion is of the view that non achievement of the said ratio will not have any material implication on operations of GETL. 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 26 April 2023 issued by other firm of chartered accountants on the financial results of GETL for year ended 31 March 2023.

Responsibilities of Management and Those Charged with Governance for the Statement

6. 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 profit or 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, 2015and 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

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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.

7. 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.

8. 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

9. 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.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 Board of Directors.

- Conclude on the appropriateness of Board of Directors'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

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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.

11. 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.

12. 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

13. We did not audit the annual financial statements of 52 subsidiaries and 1 joint operation included in the Statement (including 8 subsidiaries consolidated for the year ended 31 December 2022, with a quarter lag and 1 joint operation consolidated for the year ended 31 December 2022, with a quarter lag) whose financial information reflects (before adjustments for consolidation) total assets of Rs. 13,374.32 crore as at 31 March 2023, total revenues of Rs. 4,454.95 crore, total net profit after tax of Rs. 822.42 crore, total comprehensive income of Rs. 808.92 crore, and cash inflows (net) of Rs. 526.91 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. 679.73 crore and total comprehensive income of Rs. 679.50 crore for the year ended 31 March 2023, in respect of 23 associates and 16 joint ventures (including 22 associates and 2 joint ventures consolidated for the year ended 31 December 2022, 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 operations/ associates/ joint ventures is based solely on the audit reports of such other auditors,and the procedures performed by us as stated in paragraph 4 above.

    Further, of these subsidiaries, associates, joint ventures, joint operations, 8 subsidiaries, 22 associates, 5 joint ventures, and 1 joint operations 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 and under generally accepted auditing standard applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, associates, joint ventures, joint operations 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 amounts and disclosures included in respect of these subsidiaries, associates, joint venture and joint operations, 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.

14. The Statement includes the annual financial information of 6 subsidiaries (including 6 subsidiaries consolidated for the year ended 31 December 2022, with a quarter lag), which have not been audited, whose financial information reflect (before adjustment of consolidation) total assets of Rs. 23.43 crore as at 31 March 2023, total revenues of Rs. 0.04 crore, total net loss after tax of Rs. 0.91 crore, total comprehensive loss of Rs. 0.91 crore for the year ended 31 March 2023, and cash outflow (net) of Rs. 0.23 crore for the year then ended, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 0.44 crore, and total comprehensive income of Rs. 0.44 crore for the year ended 31 March 2023, in respect of 1 joint venture (including 1 joint venture consolidated for the year ended 31 December 2022, with a quarter lag), based on their annual financial statements, which have not been audited. 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 information certified by the Board of Directors.



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

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



Danish Ahmed
Partner
Membership No. 552144
UDIN: 23522144BGZHMX8165

Place New Delhi
Date 23 May 2023

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 Energy (Netherlands) B.V. (GENBV) [6]	Subsidiary
3	GMR Tambaram Tindivanam Expressways Limited (GTTEL)[1]	Subsidiary
4	GMR Tuni Anakapalli Expressways Limited (GTAEL)[1]	Subsidiary
5	Honey Flower Estates Private Limited (HFEPL)	Subsidiary
6	GMR Infrastructure (UK) Limited (GIUL)	Subsidiary
7	GMR Aviation Private Limited (GAPL)	Subsidiary
8	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Subsidiary
9	GMR Coal Resources Pte Limited (GCRPL)	Subsidiary
10	GIL SIL JV	Joint Venture
11	GMR Aerostructure Services Limited (GASL)	Subsidiary
12	GMR Energy Trading Limited (GETL)	Subsidiary
13	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	Subsidiary
14	GMR Pochanpalli Expressways Limited (GPEL)	Subsidiary
15	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	Subsidiary
16	PT Golden Energy Mines Tbk (PTGEMS)[2]	Associate
17	PT Dwikarya Sejati Utma (PTDSU)[2]	Associate
18	PT Duta Sarana Internusa (PTDSI)[2]	Associate
19	PT Barasentosa Lestari (PTBSL)[2]	Associate
20	PT Unsoco (Unsoco)[2]	Associate
21	PT Roundhill Capital Indonesia (RCI)[2]	Associate
22	PT Borneo Indobara (BIB)[2]	Associate
23	PT Kuansing Inti Makmur (KIM)[2]	Associate
24	PT Karya Cemerlang Persada (KCP)[2]	Associate
25	PT Bungo Bara Utama (BBU)[2]	Associate
26	PT Bara Harmonis Batang Asam (BHBA)[2]	Associate
27	PT Berkat Nusantara Permai (BNP)[2]	Associate
28	PT Tanjung Belit Bara Utama (TBBU)[2]	Associate
29	PT Trisula Kencana Sakti (TKS)[2]	Associate
30	PT Era Mitra Selaras (EMS)[2]	Associate
31	PT Wahana Rimba Lestari (WRL)[2]	Associate
32	PT Berkat Satria Abadi (BSA)[2]	Associate
33	GEMS Trading Resources Pte Limited (GEMSCR)[2]	Associate
34	PT Kuansing Inti Sejahtera (KIS)[2]	Associate
35	PT Bungo Bara Makmur (BBM)[2]	Associate
36	PT GEMS Energy Indonesia (PTGEI)[2]	Associate
37	PT Karya Mining Solution (KMS)[2]	Associate
38	Aklima Properties Private Limited (AKPPL)	Subsidiary
39	Amartya Properties Private Limited (AMPPL)	Subsidiary
40	Advika Properties Private Limited (APPL)	Subsidiary
41	Asteria Real Estates Private Limited (AREPL)	Subsidiary

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42	Bougianvile Properties Private Limited (BOPPL)	Subsidiary
43	Baruni Properties Private Limited (BPPL)	Subsidiary
44	Camelia Properties Private Limited (CPPL)	Subsidiary
45	Deepesh Properties Private Limited (DPPL)	Subsidiary
46	Eila Properties Private Limited (EPPL)	Subsidiary
47	GMR Bundelkhand Energy Private Limited (GBEPL)	Joint Venture
48	GMR Consulting Services Limited (GCSL)	Joint Venture
49	GMR Indo-Nepal Power Corridors Limited (GINPCL)	Joint Venture
50	GMR Londa Hydropower Private Limited (GLHPPL)	Subsidiary
51	GMR Maharashtra Energy Limited (GMAEL)	Joint Venture
52	GMR Smart Electricity Distribution Private Limited [formerly known as GMR Mining & Energy Private Limited (GMEL)]	Subsidiary
53	GMR Highways Limited (GMRHL)	Subsidiary
54	Gerbera Properties Private Limited (GPL)	Subsidiary
55	GMR Rajam Solar Power Private Limited (GRSPPL)	Joint Venture
56	GMR SEZ & Port Holdings Limited (GSPHL)	Subsidiary
57	GMR Vemagiri Power Generation Limited (GVPGL)	Joint Venture
58	Honeysuckle Properties Private Limited (HPPL)	Subsidiary
59	Idika Properties Private Limited (IPPL)	Subsidiary
60	Krishnapriya Properties Private Limited (KPPL)	Subsidiary
61	Lantana Properies Private Limited (LPPL)	Subsidiary
62	Larkspur Properties Private Limited (LAPPL)	Subsidiary
63	Lilliam Properties Private Limited (LPPL)	Subsidiary
64	Lakshmi Priya Properties Private. Limited (LPPPL)	Subsidiary
65	Nadira Properties Private Limited (NPPL)	Subsidiary
66	Namitha Real Estates Private Limited (NREPL)	Subsidiary
67	Padmapriya Properties Private Limited (PAPPL)	Subsidiary
68	Prakalpa Properties Private Limited (PPPL)	Subsidiary
69	Pranesh Properties Private Limited (PRPPL)	Subsidiary
70	Purnachandra Properties Private Limited (PUPPL)	Subsidiary
71	Radhapriya Properies Private Limited (RPPL)	Subsidiary
72	Shreyadita Properties Private Limited (SPPL)	Subsidiary
73	Sreepa Properties Private Limited (SRPPL)	Subsidiary
74	Suzone Properties Private Limited (SUPPL)	Subsidiary
75	Dhruvi Securities Limited (DSL) [formerly known as Dhruvi Securities Private Limited (DSPL)]	Subsidiary
76	Indo Tausch Trading DMCC (ITTD)	Subsidiary
77	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	Subsidiary
78	GMR Krishnagiri SIR Limited (GKSIR)	Subsidiary
79	GMR Male International Airport Private Limited (GMIAL)	Subsidiary
80	GMR Generation Assets Limited (GGAL)	Subsidiary
81	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)	Joint Venture
82	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	Joint Venture
83	GMR Gujarat Solar Power Limited (GGSPL)	Joint Venture
84	GMR Rajahmundry Energy Limited (GREL)	Associate
85	GMR Power & Urban Infra (Mauritius) Limited [formerly known as GMR Infrastructure (Mauritius) Limited (GIML)]	Subsidiary
86	GMR Lion Energy Limited (GLEL)	Joint Venture

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87	Gateways for India Airports Private Limited (GFIAL)	Subsidiary
88	GMR Upper Karnali Hydropower Limited	Joint Venture
89	Karnali Transmission Company Private Limited	Joint Venture
90	GMR Warora Energy Limited (GWEL)	Joint Venture
91	Megawide GISPL Construction Joint Venture (MGCJV)	Joint operation
92	GMR Energy (Mauritius) Limited (GEML)	Joint Venture
93	GMR Energy Projects (Mauritius) Limited (GEPML)	Subsidiary
94	GMR Infrastructure (Overseas) Limited (GIOL)	Subsidiary
95	GMR Energy (Cyprus) Limited, Cyprus[3]	Subsidiary
96	GADL International Limited [formerly GADL (Isle of Man) Limited][4]	Subsidiary
97	GMR Infrastructure (Cyprus) Limited[5]	Subsidiary
98	GMR Infrastructure Overseas Limited (Malta)	Subsidiary
99	Limak GMR Joint Venture	Joint Venture
100	GMR Infrastructure (Global) Limited[5]	Subsidiary
101	PT GMR Infrastructure Indonesia (PTGII)	Subsidiary
102	GMR Energy Limited (GEL)	Joint Venture
103	GMR Kamalanga Energy Limited (GKEL)	Joint Venture
104	GMR Tenaga Operations and Maintenance Private Limited (GTOM)	Joint Venture
105	GMR Green Energy Private Limited	Subsidiary

1. Merged with GMR Highways Limited w.e.f. 11 August 2022
2. Till 31 August 2022
3. Dissolved w.e.f. 20 May 2022
4. Dissolved w.e.f. 21 June 2022
5. Filed for liquidation during the year
6. Dissolved w.e.f. 31 January 2023



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

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

(Rs. in crore)

Particulars	Quarter ended			Year ended	
	March 31, 2023 (refer note 14)	December 31, 2022 Unaudited	March 31, 2022 (refer note 14)	March 31, 2023 Audited	March 31, 2022 Audited
A. Continuing operations					
1. Income					
a) Revenue from operations					
Sales/ income from operations	1,427.87	1,447.42	1,211.05	5,524.69	4,101.81
b) Other income					
Other income	170.56	56.14	60.98	367.62	179.89
Total Income	**1,598.43**	**1,503.56**	**1,272.03**	**5,892.31**	**4,281.70**
2. Expenses					
a) Revenue share paid/ payable to concessionaire grantors	49.59	47.67	41.24	191.51	151.61
b) Cost of materials consumed	133.72	83.38	187.39	589.16	651.79
c) Purchase of traded goods	965.36	1,019.98	626.08	3,400.99	2,057.28
d) Sub-contracting expenses	120.26	67.28	115.00	437.61	336.42
e) Employee benefits expense	27.09	25.50	21.48	96.40	71.56
f) Finance costs	326.45	289.32	346.03	1,350.25	1,354.49
g) Depreciation and amortisation expenses	21.73	35.98	43.78	151.39	128.16
h) Other expenses	74.01	52.24	112.65	386.79	314.56
i) Foreign exchange fluctuations loss (net)	-	13.26	25.35	29.43	23.10
Total expenses	**1,718.21**	**1,634.61**	**1,519.00**	**6,633.53**	**5,088.97**
3. Loss before share of profit/(loss) of investments accounted for using equity method, exceptional items and tax from continuing operations (1) - (2)	**(119.78)**	**(131.05)**	**(246.97)**	**(741.22)**	**(807.27)**
4. Share of (loss) / profit of investments accounted for using equity method (Dividend received from joint venture and associates during the year ended March 31, 2023 - Rs 806.01 crore (Year ended March 31, 2022 - Rs. 842.53 crore))	(145.47)	(54.12)	177.19	741.47	246.17
5. (Loss)/ profit before exceptional items and tax from continuing operations (3) + (4)	**(265.25)**	**(185.17)**	**(69.78)**	**0.25**	**(561.10)**
6. Exceptional items (refer note 13)	(206.12)	524.38	(157.91)	1,231.94	15.09
7. (Loss) / profit before tax from continuing operations (5) + (6)	**(471.37)**	**339.21**	**(227.69)**	**1,232.19**	**(546.01)**
8. Tax (credit)/ expense on continuing operations (net)	(0.54)	(0.08)	44.78	92.74	105.53
9. (Loss) / profit after tax from continuing operations (7) - (8)	**(470.83)**	**339.29**	**(272.47)**	**1,139.45**	**(651.54)**
B. Discontinued operations					
10. Loss before tax expenses from discontinued operations	(0.08)	(0.12)	(0.01)	(0.21)	(0.03)
11. Tax expense on discontinued operations (net)	-	-	-	-	-
12. Loss after tax from discontinued operations (10) - (11)	**(0.08)**	**(0.12)**	**(0.01)**	**(0.21)**	**(0.03)**
13. (Loss) / profit after tax for the respective periods (9) + (12)	**(470.91)**	**339.17**	**(272.48)**	**1,139.24**	**(651.57)**
14. Other comprehensive income (net of tax)					
Items that will be reclassified to profit or loss	26.16	51.19	(11.94)	180.94	5.63
Items that will not be reclassified to profit or loss	0.17	0.11	0.57	(0.55)	(0.01)
Total other comprehensive income, net of tax for the respective periods	**26.33**	**51.30**	**(11.37)**	**180.39**	**5.62**
15. Total comprehensive income for the respective periods (13) + (14)	**(444.58)**	**390.47**	**(283.85)**	**1,319.63**	**(645.95)**
Profit attributable to					
a) Owners of the Company	(473.09)	360.53	(214.05)	1,182.79	(647.54)
b) Non controlling interest	2.18	(21.36)	(58.43)	(43.55)	(4.03)
Other comprehensive income attributable to					
a) Owners of the Company	24.48	48.14	(11.53)	169.21	3.95
b) Non controlling interest	1.85	3.16	0.16	11.18	1.67
Total comprehensive income attributable to					
a) Owners of the Company	(448.61)	408.67	(225.58)	1,352.00	(643.59)
b) Non controlling interest	4.03	(18.20)	(58.27)	(32.37)	(2.36)
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)				(3,043.28)	(2,534.43)
18. Earnings per share - (Rs.) (not annualised)					
a) Basic and diluted earnings per share	(7.84)	5.97	(3.55)	19.60	(10.73)
b) Basic and diluted earnings per share from continuing operations	(7.84)	5.97	(3.55)	19.60	(10.73)
c) Basic and diluted earnings per share from discontinued operations	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

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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, 2023 (refer note 14)	December 31, 2022 Unaudited	March 31, 2022 (refer note 14)	March 31, 2023 Audited	March 31, 2022 Audited
1. Segment revenue					
a) Power	969.18	1,033.11	669.82	3,473.16	2,175.06
b) Roads	176.00	160.44	147.43	655.04	531.94
c) EPC	193.30	177.22	330.64	1,082.68	1,179.05
d) Others	136.21	113.68	86.75	433.71	338.54
	1,474.69	1,484.45	1,234.64	5,644.59	4,224.59
Less: Inter segment	(46.82)	(37.03)	(23.59)	(119.90)	(122.78)
Segment revenue from operations	**1,427.87**	**1,447.42**	**1,211.05**	**5,524.69**	**4,101.81**
2. Segment results (including share of (loss)/ profit of investments accounted for using equity method)					
a) Power	(114.27)	(49.36)	150.80	710.55	246.89
b) Roads	119.56	63.67	53.31	297.15	201.26
c) EPC	(54.67)	10.52	(9.46)	3.26	63.16
d) Others	63.54	25.34	59.05	175.60	159.01
Total segment results	14.16	50.17	253.70	1,186.56	670.32
Less: finance costs (net of finance income)	(279.41)	(235.34)	(323.48)	(1,186.31)	(1,231.42)
(Loss)/ profit before exceptional items and tax from continuing operations	**(265.25)**	**(185.17)**	**(69.78)**	**0.25**	**(561.10)**
Less : Exceptional items (refer note 13)	(206.12)	524.38	(157.91)	1,231.94	15.09
(Loss)/ profit before tax expenses from continuing operations	**(471.37)**	**339.21**	**(227.69)**	**1,232.19**	**(546.01)**
Tax (credit)/ expense on continuing operations (net)	(0.54)	(0.08)	44.78	92.74	105.53
(Loss)/ profit after tax from continuing operations	**(470.83)**	**339.29**	**(272.47)**	**1,139.45**	**(651.54)**
Loss before tax expenses from discontinued operations	(0.08)	(0.12)	(0.01)	(0.21)	(0.03)
Tax expense on discontinued operations (net)	-	-	-	-	-
Loss after tax from discontinued operations	**(0.08)**	**(0.12)**	**(0.01)**	**(0.21)**	**(0.03)**
(Loss)/ profit after tax for the respective period/ year	**(470.91)**	**339.17**	**(272.48)**	**1,139.24**	**(651.57)**
3. Segment assets					
a) Power	1,878.77	2,130.97	5,432.83	1,878.77	5,432.83
b) Roads	3,436.83	3,274.91	3,426.90	3,436.83	3,426.90
c) EPC	1,395.28	1,872.01	1,393.58	1,395.28	1,393.58
d) Others	2,230.45	2,469.20	1,671.00	2,230.45	1,671.00
e) Unallocated	2,654.98	2,447.82	1,797.55	2,654.98	1,797.55
f) Assets classified as held for sale	206.22	199.86	350.78	206.22	350.78
Total assets	**11,802.53**	**12,394.77**	**14,072.64**	**11,802.53**	**14,072.64**
4. Segment liabilities					
a) Power	2,816.90	3,181.29	2,687.60	2,816.90	2,687.60
b) Roads	1,638.58	1,555.15	1,439.12	1,638.58	1,439.12
c) EPC	706.25	672.55	615.13	706.25	615.13
d) Others	95.98	107.60	150.92	95.98	150.92
e) Unallocated	9,263.22	9,153.72	11,228.67	9,263.22	11,228.67
f) Liabilities directly associated with the assets classified as held for sale	23.08	22.94	183.73	23.08	183.73
Total liabilities	**14,544.01**	**14,693.25**	**16,305.17**	**14,544.01**	**16,305.17**

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

(Rs. in crore)

	Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
A	**Assets**		
1	**Non-current assets**		
	Property, plant and equipment	284.28	300.41
	Right of use asset	10.62	5.36
	Investment property	550.27	527.42
	Other intangible assets	2,066.88	2,180.03
	Investments accounted for using equity method	903.47	4,322.41
	Financial assets		
	Investments	1,190.61	609.58
	Trade receivables	153.30	0.88
	Loans	792.36	1,052.42
	Other financial assets	830.63	1,015.61
	Non-current tax assets (net)	18.87	26.44
	Deferred tax assets (net)	4.12	4.40
	Other non-current assets	62.27	23.67
		6,867.68	**10,068.63**
2	**Current assets**		
	Inventories	50.25	87.13
	Financial assets		
	Investments	17.00	45.76
	Trade receivables	544.69	622.94
	Cash and cash equivalents	965.53	455.17
	Bank balances other than cash and cash equivalents	138.38	85.05
	Loans	1,234.01	387.08
	Other financial assets	1,639.33	1,749.10
	Other current assets	139.44	221.00
		4,728.63	**3,653.23**
3	**Assets classified as held for sale**	206.22	350.78
	Total assets	**11,802.53**	**14,072.64**
B	**Equity and liabilities**		
4	**Equity**		
	Equity share capital	301.80	301.80
	Other equity	(2,923.16)	(2,466.24)
	Equity attributable to equity holders of the parent	(2,621.36)	(2,164.44)
	Non-controlling interests	(120.12)	(68.09)
	Total equity	**(2,741.48)**	**(2,232.53)**
	Liabilities		
5	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	6,480.84	7,421.49
	Trade payables	151.79	-
	Lease liabilities	5.37	2.93
	Other financial liabilities	273.01	224.85
	Other non-current liabilities	18.94	17.42
	Provisions	68.85	49.56
		6,998.80	**7,716.25**
6	**Current liabilities**		
	Financial liabilities		
	Borrowings	1,720.14	2,980.29
	Trade payables	2,603.51	2,449.02
	Lease liabilities	9.39	8.40
	Other current financial liabilities	2,289.25	1,993.16
	Other current liabilities	246.55	200.80
	Provisions	640.85	751.73
	Current tax liabilities (net)	12.44	21.79
		7,522.13	**8,405.19**
7	**Liabilities directly associated with assets classified as held for sale**	23.08	183.73
		7,545.21	**8,588.92**
	Total equity and liabilities	**11,802.53**	**14,072.64**

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GMR Power And Urban Infra Limited

Consolidated statement of cash flows for the year ended March 31, 2023

(Rs. in crore)

Particulars	March 31,2023 (Audited)	March 31, 2022 (Audited)
Cash flow from operating activities		
Profit / (loss) from continuing operations before tax expenses	1,232.19	(546.01)
Loss from discontinued operations before tax expenses	(0.21)	(0.03)
Profit / (loss) before tax expenses	**1,231.98**	**(546.04)**
Adjustments to reconcile profit /(loss) before tax to net cash flows		
Depreciation of property, plant and equipment, investment property and amortization of intangible assets	151.39	128.16
Adjustments to the carrying value of investments (net)	(0.56)	44.10
Provisions no longer required, written back	(28.38)	(6.48)
Exceptional items	(1,231.94)	(15.09)
Unrealised exchange loss	29.43	23.10
Profit on sale/write off on property, plant and equipment and investment property (net)	(53.54)	(34.60)
Provision / write off of doubtful advances and trade receivables	5.70	24.28
Reversal of upfront loss on long term construction cost	(16.14)	(10.25)
Profit on sale of current investment (net)	(2.73)	(0.02)
Finance costs	1,350.25	1,354.49
Finance income	(429.97)	(380.87)
Share of profit of investment accounted for using equity method	(741.47)	(246.17)
Operating profit before working capital changes	**264.02**	**334.61**
Movements in working capital :		
Changes in trade payables, other financial liabilities, other liabilities and provisions	287.53	530.25
Changes in non-current/current financial assets and other assets	772.47	441.63
Cash generated from operations	**1,324.02**	**1,306.49**
Direct taxes paid (net)	(93.69)	(91.87)
Net cash generated from operating activities (A)	**1,230.33**	**1,214.62**
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)	(24.49)	(151.69)
Proceeds from sale of property, plant and equipment, investment property and intangible assets	95.17	201.81
Loans given (net)	(595.31)	173.67
(Purchase) / proceeds from sale of investments (net)	(169.57)	209.62
Consideration received on disposal of joint ventures/associates/subsidiaries	3,433.55	-
Consideration / advance received for sale of investment	-	161.31
Investment in non convertible debentures	(542.13)	(500.00)
Movement in investments in bank deposits (net) (having original maturity of more than three months)	(57.34)	47.00
Dividend received from associates and joint ventures	806.01	842.53
Finance income received	147.90	282.41
Net cash flow from investing activities (B)	**3,093.79**	**1,266.66**
Cash flow from financing activities		
Proceeds from non-current borrowings	1,126.30	1,360.24
Repayment of non-current borrowings (including current maturities)	(4,282.23)	(2,022.56)
Proceeds from / (repayment) of current borrowings (net) (excluding current maturities)	407.45	(327.68)
Repayment of lease liability principal	(5.81)	(2.71)
Repayment of lease liability interest	(0.53)	(0.91)
Finance costs paid	(1,084.91)	(1,219.44)
Net cash used in financing activities (C)	**(3,839.73)**	**(2,213.06)**
Net increase in cash and cash equivalents (A + B + C)	484.39	268.22
Cash and cash equivalents as at beginning of the year	455.65	186.69
Effect of exchange translation difference on cash and cash equivalents held in foreign currency	25.93	0.74
Cash and cash equivalents as at the end of the year	**965.97**	**455.65**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	419.47	333.29
Deposits with original maturity of less than three months	544.81	121.28
Cash on hand	1.25	0.60
	965.53	**455.17**
Cash at bank and short term deposits attributable to entities held for sale	0.44	0.48
Total cash and cash equivalents as at the end of the year	**965.97**	**455.65**

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GMR Power and Urban Infra Limited

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

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.

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

b. Investors can view the results of the Company on the Company's website www.gmrpui.com or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com).

2. (a) The Group has investments of Rs.895.74 crore (net of impairment) in GMR Energy Limited ('GEL'), a joint venture of the Group and loan (including accrued interest) amounting to Rs. 2,188.80 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), 2(d) and 2(e) below which have substantially eroded net worth. Based on the valuation assessment by an external expert during the year ended March 31, 2023 and the sensitivity analysis carried out for some of the aforesaid assumptions, the value so determined after discounting the projected cash flows using discount rate ranging from 11.30 % to 19.50 % across various entities, the management has accounted for an reversal of impairment loss of Rs. 372.83 crore (March 31, 2022: 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, 2023. The management is of the view, that 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 had accumulated losses of Rs. 585.44 crore as at March 31, 2023 (Rs 753.07 crore as at March 31, 2022) which has resulted in substantial erosion of GWEL's net worth. There have been delays in receipt of the receivables from customers which has resulted in delays in meeting

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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. 882.22 crore and the payment from the customers against the claims including interest on such claims which are substantially pending receipt. Based on certain favorable interim regulatory orders, the management is confident of a favorable outcome towards the outstanding receivables.

Further, GWEL received notices from one of its customer disputing payment of capacity charges of Rs. 132.01 crore for the period March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof.

Accordingly, during the year ended March 31, 2021, GWEL filed petition with Central Electricity Regulatory Commission ('CERC') for settlement of the dispute. During the quarter ended March 31, 2022, the said petition was decided in favour of GWEL vide CERC order dated January 20, 2022 wherein CERC directed the customer to pay the aforesaid outstanding capacity charges along with delayed payment surcharge within 60 days from the date of the aforesaid order. The customer has filed an appeal against the said CERC order with Appellate Tribunal for Electricity ('APTEL') during the quarter ended 30 June 2022. APTEL issued an interim order and directed to pay 25% of the principal amount within a period of one week from the date of interim order and deposit balance outstanding amount in an interest bearing fixed deposit with a nationalized bank. However, GWEL has not received any amount from the customer and matter is pending conclusion.

However, GWEL has certain favorable interim orders towards the aforementioned claims. Also, during the year ended March 31, 2022, GWEL has entered into a new PPA with Gujarat Urja Vikas Nigam Limited ('GUVNL') for the supply of 150 MW of power from October 2021 to July 2023.

Further, in view of the COVID-19 pandemic and other factors as mentioned above, most of the borrowing facilities of GWEL had become Special Mention Account-2/ Non-Performing Assets, accordingly resolution process under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI on June 07, 2019 had been invoked on June 29, 2021 by default. ICA has been executed on July 27, 2021 by majority of lenders.

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

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

Accordingly, GWEL has generated profit after tax of Rs 167.84 crore during the year ended March 31, 2023 and the management of GWEL expects that the plant will generate sufficient profits in the future years also and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2023, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the implementation of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management of the Group is of the view that the carrying value of the net assets in GWEL by GEL as at March 31, 2023 is appropriate.

(c) GWEL entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with APTEL. APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claim of Rs. 616.33 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2023.

MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) are being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period December 2020 to March 2023. The final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

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In view of the favorable Order from APTEL, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before 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, 2023 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. 1,386.84 crore as at March 31, 2023 (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. 1,662.04 crore as at March 31, 2023, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt as at March 31, 2023. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favorable outcome towards the outstanding receivables of GKEL.

GKEL in view of the Supreme Court Order in Energy Watchdog vs CERC and others and CERC order in its own case for Haryana Discoms had sought legal opinion from the legal counsel on certainty of the claims with Bihar Discom. Considering opinion received from legal counsels that GKEL has good tenable case with virtual certainty with respect to coal cost pass through and favourable Order from APTEL dated December 21, 2018 and CERC judgment in GKEL's own case for Haryana Discom where the computation methodology of coal cost pass through was decided, the management was virtually certain on receipt of the GKEL's claim of revenue on coal cost pass through and was of the opinion that no contingency was involved in this regard. GKEL has received a favourable order on September 16, 2019 whereby the CERC has allowed the coal cost pass through to be charged to the Bihar Discom, based on a certain methodology. The Hon'ble Appellate Tribunal passed an Order in Appeal no. - 423 on August 6, 2021 allowing GKEL to recover expenditure incurred in procurement of alternate coal due to short fall in domestic coal supply corresponding to schedule generation pertaining to Bihar PPA and further allowed GKEL to recover the carrying cost from the date of Change in Law events till the dues are paid.

Further 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.

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Further, GKEL had entered agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. The Arbitral Tribunal has issued an opinion (the Award) on September 7, 2020 against GKEL. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) immediately applied for correction of the award under Section 33 of the Arbitration & Conciliation Act 1996 (as amended). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020. GKEL already accounted for the aforementioned liability as per the award pertaining to the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL has challenged the award under section 34 of the Arbritation and Conciliation Act, 1996 before the Hon'able High Court of Orissa on February 15, 2021 and December 31, 2021 respectively.

The High Court vide its judgement and order dated June 17, 2022 has dismissed the petition filed by GKEL on February 15, 2021 to put aside the Final Award on the basis that impugned award does not fall under the category which warrants interference under Section 34 of the Arbitration Act. GKEL has challenged judgement by filing special leave petition before the Supreme Court of India on grounds; a) Violation of Principles of Natural Justice, b) Judgement is in violation of the guidelines laid by Supreme Court for timely pronouncing of judgements c) Violation of due process of law and others.. Based on legal advice obtained, GKEL seems to have a good arguable case to challenge the section 34 judgement and have it set side. Therefore, GKEL is not expecting any cash outflow in this matter in the foreseeable future. GKEL has in its books made provisions in view of the disputes between SEPCO and GKEL and taken into consideration the Award and the Final Award passed by the Arbitral Tribunal based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/heading/title/narration, etc., such provisions do not make GKEL liable for payment since liability is disputed.

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

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

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

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

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

Based on the assessment of such claims and upon consideration of advice from the independent legal consultant, the management believes that GBHHPL has reasonable chances of recovery of its dues from the contractor in the future and accordingly, based on the valuation assessment carried out by an external expert during the year ended March 31, 2023, is of the view that the carrying value of its investments in GBHHPL held by GEL as at March 31, 2023 is appropriate.

3. 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 is implementing processes to ensure necessary compliances with its current/liquidity ratio as per the Regulations are met in the ensuing quarter. The Management has sought legal opinion on the impact of the said regulation due to non-achievement of current ratio criteria on its operations and financial results and the remedial actions to be taken in the due course. The management is of the opinion that there is no material implication of the same on the operation of GETL.

4. 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 and USD 0.29 crore as the additional withholding tax excluding fines and penalties.

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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.

GMIAL has obtained the statement of dues from MIRA on October 28, 2021, 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 consolidated 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.

5. 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 a petition in the Hon'ble Supreme Court challenging APTEL order in 2012, which appeal is still pending before the Hon'ble Supreme Court.

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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.

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.

6. 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. 667.74 crore as at March 31, 2023. 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 respectively 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 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

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of minority award has agreed with most of the contentions of GACEPL and had upheld the claims of the GACEPL and awarded the entire amount claimed by 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. During the financial year 2021-22 NHAI has again demanded the Negative grant along with interest calculated at the rate SBI plus 2% from GACEPL through various communications. GACEPL has further paid an amount of Rs 35.70 crore during the year ended March 31, 2023 and has appropriated it towards the Negative Grant payable pending finality of the litigation.

The dissenting opinion 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 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. 21.01 crore (March 31, 2022: Rs. 13.77 crore) 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 period prior to August 26, 2020 and effect, if any, will be given on the upon the matters attaining finality as the management is of the opinion that the GACEPL's claim on NHAI for diversion of traffic and interest there on are higher than the counter claim of interest payable on negative grant as the total claim has to be looked at net effect.

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GACEPL aggrieved by rejection of all the 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 had admitted the application under Section 34 whereas the application under Section 9 had been dismissed on the ground that the losing party in an Arbitration proceeding cannot seek relief under Section 9 of Arbitration Act. The same had been further dismissed by the Division Bench of Hon'ble Delhi High Court. 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. Subsequently, the Hon'ble High court vide its order dated September 26, 2022 has set aside the Arbitral Award dated August 26, 2020 appealed under section 34 and has directed that the entire dispute is required to be referred to arbitration once again, for which the parties are at liberty to re-initiate Arbitration Proceedings as per the Contractual covenants. GACEPL has withdrawn all the SLPs filed before Hon'ble Supreme Court for the Stay on Payment of Negative Grant and interest thereon in view of the Arbitral Award being set aside by the Hon'ble High Court of Delhi vide its order dated September 26, 2022.

In the meanwhile, NHAI and SoH has filed appeal under section 37 of the Arbitration and Conciliation Act, 1996 act with the High Court against setting aside of Arbitral award dated August 26, 2020. The argument from all the parties have concluded and is reserved for order. Further GACEPL has also filed an appeal under section 37 of the Arbitration and Conciliation Act. 1996 act with the High Court with a request to consider minority award as final award as the majority award is set aside by the High Court and the matter is listed for hearing on August 28, 2023.

The management of the Company based on the legal opinion is of the view that the application filed by NHAI along with SoH is liable to be rejected and quashed since NHAI's grounds is essentially seeking re-appreciation of merits and facts, which is impermissible in an appeal u/s 37. Accordingly, the Management is of the opinion that the matter has not attained finality and GACEPL has good and tenable case chances on re-initiation of the arbitration.

Based on the conclusion and findings arrived by the Hon'ble High Court in its Order setting aside the Arbitral Award and legal opinion and as per the internal assessment of the management, the management is of the view that GACEPL has a good and tenable case on re-initiation of the arbitration proceeding and is reasonable certain that the arbitral claims will flow in to GACEPL on matter attaining finality and has considered that there would be no cash outflow related to negative grants or interest thereon and that there will be net cash inflows even if the Negative Grant outflows 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 March 31, 2023 (i.e. valuation date) which is higher than the carrying value of assets. The management is confident of receipt of

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claims for loss due to diversion of traffic/compensation in the arbitral proceedings and accordingly is of the opinion that carrying value of Carriageway in GACEPL of Rs. 280.77 crore as at March 31, 2023 is appropriate.

GACEPL has been discharging interest on debt at the rate ranging from 11.40% to 11.70% during the period of protest whereas NHAI had considered interest rate of 8.50% while approving the claim resulting in difference of Rs. 4.28 crore. GACEPL has filed a communication objecting to the method of calculating the interest. The independent engineer has agreed with the claim of GACEPL and recommended the same to NHAI for release of Rs. 4.28 crore, which is pending approval of NHAI. GACEPL is confident of receiving the amount of Rs. 4.28 crore as has been recommended by independent engineer from NHAI in ensuing year.

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 to December 14, 2021 where the farmers did not allowed for collection of toll fees. GACEPL has approached NHAI for loss of revenue due to farmers protest. GACEPL has submitted its claim for compensation of Rs 15.18 crore towards Operation and Maintenance expenses and interest on RTL incurred from October 12, 2020 to December 14, 2021. Pursuant to the claim filed by the GACEPL, NHAI vide its communication dated October 19, 2022 has approved the claim of Rs.8.70 crore which has been recognized during the year. Further, NHAI has also conveyed its approval for extension of concession period by 429 days equal to the period effected by Farmers agitation from the scheduled completion of the Concession agreement.

7. 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. 1,653.86 crore as at March 31, 2023. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI'). The claim of GHVEPL was rejected by NHAI and accordingly during the year ended March 31, 2018, GHVEPL had decided to proceed with arbitration and accordingly Arbitral Tribunal was constituted and claims were filed.

On October 09, 2009 GHVEPL and National Highways Authority of India (NHAI) entered into the concession agreement for the project highway. The project was initially developed from existing 2 lanes to 4 lanes to be further developed to 6 laning subsequently (before 14th anniversary of the appointed date). If 6 laning is not carried out (if so required by NHAI/desired by GHVEPL), concession period would be restricted to 15 years as against 25 years. GHVEPL has been amortising intangible assets over the concession period of 25 years.

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The Arbitral Tribunal vide its order dated March 31, 2020, had pronounced the award unanimously, upholding GHVEPL's contention that bifurcation of state of Andhra Pradesh and ban on sand mining in the region constitutes Change in Law event and GHVEPL is entitled for compensation for the loss of revenue arising as a result of drop in commercial vehicles. Majority of the Tribunal members have directed NHAI to constitute a committee for determining the claim amount based on data/ records available with GHVEPL and NHAI. The minority member in the Tribunal however was of the opinion that Tribunal should have constituted the Committee instead of directing NHAI, which is against the 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 demanding premium and taking coercive / precipitate measures under the Concession Agreement. NHAI had also appealed against the order of Arbitral Tribunal. The Hon'ble Delhi High Court upheld the decision of the Arbitral Tribunal that there was a change in law due to ban on sand mining and State bifurcation.

The Hon'ble Delhi High Court has also held that GHVEPL is entitled for compensation due to Change in Law and the application of NHAI was dismissed. For quantification of claim of GHVEPL, the committee to be appointed by NHAI has been struck down and in its place the Court has appointed a retired judge of Supreme Court as Sole arbitrator to quantify the claims.

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

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

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decide the matter as expeditiously as possible. The matter is now listed before Hon'ble Delhi High Court on July 04, 2023.

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

Legal Counsel opined that NHAI being aware of the financial implications of the Notice dated May 8, 2020 trying to somehow avoid quantifying and making any payment of the claim to GHVEPL under Change in Law. The Counsel further opined that, NHAI after having failed in its series of coercive steps including the notices for recovery of alleged Premium, suspension notice and notices in relation to non-compliance of O & M requirements has, on May 8, 2020, issued the Notice under Article 3.2.2 of the Concession Agreement and that too in the middle of extensive arguments in the aforesaid petitions before the Hon'ble Delhi High Court, only to make GHVEPL to somehow give up its claims and avoid determination of claims. GHVEPL on October 30, 2020 has issued Notice of Dispute under Article 44.2 read with Clause 44.1.2 of the Concession Agreement to NHAI for amicable settlement as a first step in dispute resolution, which has been declined by NHAI on December 4, 2020. Pursuant to the notice dated April 6, 2021, the Arbitrators have been appointed and the Arbitral Tribunal has held its first hearing setting procedural timelines for hearing the litigation. The Hon'ble Tribunal vide interim order dated September 29, 2021 has stayed the letter and the matter is in process NHAI subsequently has suggested resolving all the disputes through the process of conciliation and the matter was referred to Committee of Conciliation of Independent Experts (CCIE-III) constituted by NHAI on approval from GHVEPL. The Committee has held two hearings and in the hearing held on April 25, 2022, GHVEPL had given a proposal for amicable settlement to which the Committee granted one month's time to NHAI to discuss internally and inform the Committee of its decision which has not reached any effective conclusion and hence discontinued. In view of the same, the Arbitral Tribunal recommenced the proceedings and the hearing has been fixed for July 20, 2023 for cross examination of the witnesses.

The legal counsel has also opined that GHVEPL is in good position to assert for concession period of 25 years. Accordingly, considering the matter is sub-judice, concession life of 25 years with six laning has been considered for the purposes of the amortization of Intangibles considering the

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initiation of Arbitration Proceedings challenging the communication/notice by NHAI / Regulator restricting the period to 15 years with four-laning.

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

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

The management 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, and 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. 1,778.37 crore of GHVEPL as at March 31, 2023, is appropriate.

8. 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 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. 10.79 crore 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. 0.30 crore towards costs of litigation and the entire amount of fee paid to the Arbitrators by GPEL 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 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

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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.

NHAI has filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 against the order of Single Judge of Hon'ble Delhi High Court before the Division bench of Hon'ble Delhi High Court and Court has directed on July 11, 2022 to maintain status quo of arbitration proceeding 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 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 impact of modification gains and reversal of provision for overlay cost, if any, would be give on the finality of legal proceedings.

9. Government of Tamil Nadu (GoTN) had awarded an annuity based highway project to GMR Chennai Outer Ring Road Private Limited ('GCORR'). GOCRR had awarded EPC contract to Boyance Infrastructure Private Limited (BIPL) for the construction of highway project. Subsequently BIPL had sub-contracted significant portion of such contract to the Company. On May 30, 2015, BIPL and the Company entered into a novation agreement whereby all the right and obligation related to the execution of EPC contract lies with the Company. Due to various reason the project got delayed. Since the delay in completion of EPC Contract is due to factors which were attributable to GoTN and were beyond the control, time to time, the Company has raised claim to GCORR and in turn GCORR, has raised the claim on GoTN for an amount of Rs. 675.00 crore plus interest. GoTN has disputed the amount claimed, hence GCORR has invoked Arbitration. The Hon'ble Tribunal vide its order dated January 30, 2020, against a claim of Rs. 675.00 crore have directed GoTN to pay Rs. 340.97 crore within 3 months from the date of award failing which the same shall be payable with interest at 18% p.a. from the date of Award till date of realization. Time for payment by GoTN expires on April 30, 2020. GCORR had filed an application under section 34 of Arbitration Act, 1996, before Madras High Court restricting the challenge to non-grant of pendente lite interest as per contract.

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

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

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Against the dismissal of its appeal u/s 34, GoTN has filed an application u/s 37 of Arbitration and Conciliation Act, 1996 before Division Bench of Madras High Court, which was ultimately dismissed by the Division Bench.

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

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

GCORR, based on the judgement of Hon'ble Supreme Court dated November 03, 2022 confirming the claim amount of Rs. 510.47 crore, have recognized the amount pertaining to its portion of claim in the award along with Interest upto the date of order and consequential provision for amount payable to the Company amounting to Rs. 418.55 crore (including Interest calculated upto November 02, 2022) in the books of accounts of GCORR. Accordingly, pursuant to aforesaid novation agreement, the Company has recognized an exceptional gain of Rs. 418.55 crore (including Interest calculated upto November 02, 2022) in its audited standalone financial results and Rs. 463.92 crore in the consolidated audited financial results.

10. GMR Airports Infrastructure Limited (formerly known as GMR Infrastructure Limited) (the 'Demerged Company') had signed definitive share sale and purchase agreement ('SSPA') on September 24, 2020 which had been subsequently amended on March 31, 2021 for the sale of equity owned by its wholly owned subsidiary GMR SEZ & Port Holdings Limited ("GSPHL") of its entire 51% stake in Kakinada SEZ Limited ("KSEZ") to Aurobindo Realty and Infrastructure Private Limited ("ARIPL"). As part of the transfer of stake of KSEZ ("transaction"), the 74% equity stake of Kakinada Gateway Port Limited ("KGPL") held by KSEZ would also be transferred to ARIPL. The consideration for the aforementioned transaction comprised of Rs. 1,692.03 crore upfront payment which has been received before the closing date and Rs. 1,027.18 crore to be received in next 2 to 3 years from the transaction date which is contingent upon achievement of certain agreed milestones primarily related to the sale of 2,500 acres of the land parcels by KSEZ at specified prices during the financial years ended March 31, 2023 and March 31, 2024 basis the expectation of significant development Kakinada SEZ. Based on assessment of the achievement of the aforementioned milestones by an independent property consultancy agency as at March 31, 2022, management had estimated the expected recoverable amount from such contingent

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consideration. Considering as at March 31, 2023, the aforementioned milestones have not been achieved, the management has reassessed the current situation and has reversed the balance consideration receivable amounting to Rs 442.58 crore during the current quarter/ year, which has been charged to Statement of Profit and Loss and disclosed under exceptional items.

11. The Company and SEW Infrastructure Limited had incorporated a Joint venture, GIL- SIL JV (the "JV") and entered into a contract with Dedicated Freight Corridor Corporation of India Limited ("DFCCIL") in 2015 for execution of design and construction of civil, structures and track Works for double line railway involving formation in embankments/ cuttings, ballast on formation, track works, bridges, structures, buildings, yards, integration with existing railway system and testing and commissioning on design-build lump sum basis for Mughalsarai-New Karchana Station (including) of Eastern Dedicated Freight Corridor Project (Contract Package – 201) and New Karchana (excluding) – New Bhaupur Station (excluding) of Eastern Dedicated Freight Corridor Project (Contract Package – 202) (hereinafter together referred as 'DFCC project') to the JV. Subsequently the JV had sub-contracted significant portion of such contract to the Company. During the execution of the project, DFCCIL failed to fulfil its obligations in a timely manner and as a consequence of such non-fulfilment, the execution of DFCC project got significantly delayed. In view of the aforementioned delay, the JV sought extension as per Clause 8.4 of the General Conditions to the Contract and DFCCIL had granted such extensions from time to time.

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

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

12. The consolidated financial results for the year ended 31 March 2023 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. 2,610.36 crore and profit from operations after tax amounting to Rs. 1,139.45 crore. The Group has in the past incurred losses primarily on account of losses in the energy and highway sector as detailed in notes 2, 6 and 7. 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, recovery of outstanding claims in various infra business (highway sector/ECP) investee entities, raising finances from financial institutions/ group companies, strategic investors and from other strategic initiatives, and refinancing of existing debts and other strategic initiatives to ensure the repayment of borrowings and debts in an orderly manner.

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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) 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 as on March 31, 2023 is approximately Rs. 299.71 crore which will be received progressively based on the work to be carried out.

ii) Group have also raised a claim on DFCCIL under Change in Law on account of Mining Ban in the state of UP and has invoked arbitration after DFCCIL declined to accept the DAB award which was in favor of the Group. Arbitral Tribunal has given its award on April 22, 2023 wherein it has quantified the claims up to December 2019 in a sum of Rs. 45.20 Crore. Based on the principles laid down by Tribunal for quantification, total claim on account of Change in Law for the entire Project period will come to Rs. 91.16 Crore. Group is yet to receive the claim amount which is expected shortly.

iii) Certain other claims in Energy and Highway sector as detailed in note 2(b), 2(c), 2(d) and note 7 respectively.

13. Exceptional items comprise of the impairment of investment in joint venture and associates, reversal of impairment of investments, gain/(loss) on disposal of investment in associate, write back of liability and write off/provision against receivables/other assets. Also refer note no 9 and note 10.

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

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

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GMR Power and Urban Infra Limited

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

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

For **GMR Power and Urban Infra Limited**

Place: New Delhi
Date: May 23, 2023

Srinivas Bommidala
Managing Director
DIN : 00061464

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ANNEXURE I

GMR Power and Urban Infra Limited

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

(in Rs. crore except for earning per share)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / total income (including other income)	5,892.31	5,892.31
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit from joint venture/associates and loss/profit from discontinued operations before exceptional items)	5,984.80	5,984.80
	3	Exceptional items - gain (net)	1,231.94	1,231.94
	4	Net profit / (loss)	1,139.45	1,139.45
	5	Earnings Per Share (in Rs.) - Basic	19.60	19.60
	6	Total Assets	11,802.53	11,802.53
	7	Total Liabilities	14,544.01	14,544.01
	8	Net Worth (refer note 1)	(2,741.48)	(2,741.48)
	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 = Total equity			

II. Audit Qualification (each audit qualification seperately) :

(i) Qualification

1 a. Details of audit qualification:

As stated in note 2(a) to the accompanying Statement, the Group has an investment amounting to Rs. 895.74 crore (net of impairment) in GMR Energy Limited ('GEL'), a joint venture company and outstanding loan (including accrued interest) amounting to Rs. 2,188.80 crore recoverable from GEL and its subsidiaries and joint ventures as at 31 March 2023. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of GEL.

As further mentioned in note 2(d), the fair value of investment in GKEL considered for the purpose of determining the carrying value of aforesaid investment is based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, and favourable outcome of the litigations with respect to claims of capital creditors filed against GKEL.

In addition to the above, 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 Annual financial information of GKEL for the year ended March 31, 2023.

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 (including accrued interest) and non-current investment as at March 31, 2023 and the consequential impact on the accompanying Statement.

b. Type of Audit Qualification : Qualified Opinion

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

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

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

Management view is documented in note 2(d) of consolidated financial statement of GPUIL for March 31, 2023. As detailed in the notes, the business plans (including expansion and optimal utilization of existing capacity), valuation assessment by an external expert during the year ended March 31, 2022, the management is of the view that the carrying value of the investments in GKEL held by GEL as at March 31, 2022 is appropriatee.

(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

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ANNEXURE I

GMR Power and Urban Infra Limited

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

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

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