

Friday, 26<sup>th</sup> May, 2023

Bombay Stock Exchange Limited  
PJ Towers, Dalal Street,  
Mumbai - 400 001.

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Ex Bandra East,  
Mumbai – 400 051.

Dear Sir,

**Sub: Audited Financial results for the year ended 31<sup>st</sup> March, 2023**

**Ref: 1) BSE Scrip Code: 532708, NSE Scrip Code: GVKPIL.  
2) Regulation 33 & 52 of the SEBI (LODR) Regulations, 2015.**

The Board of Directors of our Company at its meeting held on today i.e. Friday, 26<sup>th</sup> May, 2023 had considered and approved the following business:

- a) Audited Financial Statements of the company (Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2023 along with Statutory Auditor's report thereon.
- b) Statement on Impact of Audit Qualifications for standalone and consolidated financials as per Regulation 33/52 of SEBI (LODR) (Amendment) Regulations, 2016.
- c) Statement of Assets & Liabilities as at 31<sup>st</sup> March, 2023 in the format specified under SEBI (LODR) Regulations, 2015.

The Board Meeting commenced at 11:30 a.m. and concluded at 1:45 p.m.

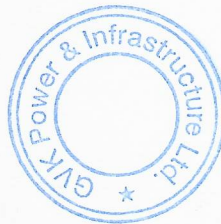
Please acknowledge receipt of the above.

Thanks & regards,

**For GVK Power & Infrastructure Ltd**



**P V Rama Seshu  
Vice President & Company Secretary**



GVK Power & Infrastructure Limited  
CIN: L74999TG2005PLC059013

Registered office: Darshak Chambers, Plot No.32, Ground Floor, Street No.1, Penderghast Road  
Secunderabad - 500003, Telangana

Phone No: 040-2790 2663/64, Fax: 040-2790 2665

Website: www.gvk.com; Email: sanjeevkumar.singh@gvk.com

Statement of Standalone Financial Results for the quarter and year ended March 31, 2023

(Rs. In Lakhs)

S. No.	Particulars	Quarter ended (Unaudited)			Year ended (Audited)	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
1	<b>Income</b>					
	Revenue from operations	250	250	1,000	1,000	1,000
2	Other income	298	218	316	786	8,218
3	<b>Total revenue</b>	<b>548</b>	<b>468</b>	<b>1,316</b>	<b>1,786</b>	<b>9,218</b>
4	<b>Expenses</b>					
	Employee benefit expenses	37	21	16	101	76
	Other expenses	221	155	461	973	2,774
	Impairment of non-current investments	-	-	-	-	669
	Depreciation	(2)	5	3	11	12
	<b>Total Expenses</b>	<b>256</b>	<b>181</b>	<b>480</b>	<b>1,085</b>	<b>3,531</b>
5	<b>Profit/(loss) from ordinary activities but before exceptional items (3-4)</b>	<b>292</b>	<b>287</b>	<b>836</b>	<b>701</b>	<b>5,687</b>
6	Exceptional items	-	-	-	-	-
7	<b>Profit/(loss) from ordinary activities (5-6)</b>	<b>292</b>	<b>287</b>	<b>836</b>	<b>701</b>	<b>5,687</b>
8	Tax Expenses	55	-	100	55	100
9	<b>Profit/(loss) from ordinary activities after tax (7-8)</b>	<b>237</b>	<b>287</b>	<b>736</b>	<b>646</b>	<b>5,587</b>
10	Other comprehensive income (net of tax)	-	-	-	-	-
11	<b>Total comprehensive income (after tax) (9+10)</b>	<b>237</b>	<b>287</b>	<b>736</b>	<b>646</b>	<b>5,587</b>
12	<b>Paid-up equity share capital</b>	<b>15,792</b>	<b>15,792</b>	<b>15,792</b>	<b>15,792</b>	<b>15,792</b>
13	<b>Earnings per share (EPS)</b>					
	a) Basic (in Rs.)	0.02	0.02	0.05	0.04	0.35
	b) Diluted (in Rs.)	0.02	0.02	0.05	0.04	0.35

GVK Power & Infrastructure Limited

*PV Prasanna Reddy*

P V Prasanna Reddy  
Whole-time Director

Place: Hyderabad  
Date : May 26, 2023



**GVK Power & Infrastructure Limited**  
**Standalone Statement of assets and liabilities**

(Rs. In Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	46	63
Investments	94,493	93,809
Non Current tax assets (net)	1,196	1,122
Other non-current assets	14	13
	<b>95,749</b>	<b>95,007</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Investments	147,429	144,393
Trade receivables	994	1,199
Cash and cash equivalents	4,676	4,034
Loans	7,257	11,829
Other financial assets	52	6
Other current assets	397	519
	<b>160,805</b>	<b>161,980</b>
<b>Total</b>	<b>256,554</b>	<b>256,987</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Equity share capital	15,792	15,792
Other equity	71,505	70,859
	<b>87,297</b>	<b>86,651</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Unearned financial guarantee liability	2,695	2,695
	<b>2,695</b>	<b>2,695</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	36,561	36,838
Trade payables		
• Total outstanding dues of micro enterprises and small ente	-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	77	1,212
Other financial liabilities	129,796	129,257
Provisions	7	6
Other current liabilities	121	328
	<b>166,562</b>	<b>167,641</b>
<b>Total liabilities</b>	<b>169,257</b>	<b>170,336</b>
<b>Total</b>	<b>256,554</b>	<b>256,987</b>



GVF Power & Infrastructure Limited  
 Standalone Cash flow statement

Particulars	(Rs. In Lakhs)	
	As at March 31, 2025 (Audited)	As at March 31, 2022 (Audited)
<b>1 CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) before tax	701	5,687
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expenses	11	12
Impairment of non-current investments and receivables	-	669
Gain on sale of current investments (net)	(492)	(359)
Interest Income	(219)	-
Profit on Sale of Investments	-	(4,576)
Gain on fair valuation of equity share	-	(2,336)
Profit on sale of Assets	(7)	
Reversal of previous year expenses	1	18
Liabilities/ Provisions no longer required, written back	-	(783)
<b>Operating profit/ (Loss) before working capital changes</b>	<b>(5)</b>	<b>(1,668)</b>
<b>Movement in working capital:</b>		
Decrease/(Increase) in trade receivables	205	851
Decrease in other current/non current assets	120	(611)
Increase/(Decrease) in trade payables, current liabilities and provisions	(802)	1,325
<b>Cash generated from operations</b>	<b>(482)</b>	<b>(103)</b>
Taxes (paid)/refund	(129)	(111)
<b>Net cash generated from operating activities</b>	<b>(A) (611)</b>	<b>(214)</b>
<b>2 CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Purchase/ Sale of current investments	(2,545)	(4,451)
Investments in subsidiaries/ associates/related party including share application money	(684)	(810)
Loans (given)/refunds to/from subsidiaries/related party	4,572	7,974
Purchase of property, plant and equipment	13	(19)
Interest received	174	-
<b>Net Cash (used in)/ generated from investing activities</b>	<b>(B) 1,530</b>	<b>2,694</b>
<b>3 CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/ (Repayment) of short term borrowings (net)	(277)	1,497
<b>Net Cash generated from/(used in) financing activities</b>	<b>(C) (277)</b>	<b>1,497</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>(A+B+C) 642</b>	<b>3,977</b>
Cash and Cash Equivalents at the beginning of the year	4,034	57
<b>Cash and Cash Equivalents at the end of the year</b>	<b>4,676</b>	<b>4,034</b>
<b>Components of cash and cash equivalents</b>		
Balance with banks:		
Current accounts	4,676	4,034
<b>Total cash and cash equivalents</b>	<b>4,676</b>	<b>4,034</b>

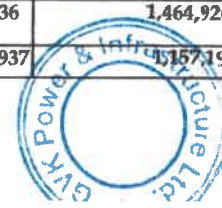


S. No.	Particulars	Quarter ended (Unaudited)			Year ended (Audited)	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
1	<b>Income</b>					
	Revenue from operations	18,625	32,487	60,215	212,036	85,826
2	Other income	1,760	1,792	2,064	5,870	3,045
3	<b>Total Income</b>	<b>20,385</b>	<b>34,279</b>	<b>62,279</b>	<b>217,906</b>	<b>88,871</b>
4	<b>Expenses</b>					
	(a) Cost of materials consumed	-	4,008	14,693	49,353	14,693
	(b) Employee benefit expenses	470	505	790	2,513	1,417
	(c) Finance costs	12,672	16,645	29,726	107,371	42,070
	(d) Depreciation and amortisation	6,456	8,163	9,308	39,974	13,617
	(e) Other expenses	7,504	6,238	23,703	28,378	40,507
	<b>Total expenses</b>	<b>27,102</b>	<b>35,559</b>	<b>78,220</b>	<b>227,589</b>	<b>112,304</b>
5	<b>Profit/ (Loss) from ordinary activities but before exceptional items (3-4)</b>	<b>(6,717)</b>	<b>(1,280)</b>	<b>(15,941)</b>	<b>(9,683)</b>	<b>(23,433)</b>
6	Exceptional items (Refer note no 8(b))	-	343,685	28,199	324,200	50,380
7	<b>Profit/ (Loss) from ordinary activities (5-6)</b>	<b>(6,717)</b>	<b>342,405</b>	<b>12,258</b>	<b>314,517</b>	<b>26,947</b>
8	<b>Add: Share of profit/ (loss) from associates/ jointly controlled entities</b>	<b>(68)</b>	<b>(67)</b>	<b>(21)</b>	<b>(225)</b>	<b>(21)</b>
9	<b>Profit/ (Loss) before tax for the period from Continuing operations (7+8)</b>	<b>(6,785)</b>	<b>342,338</b>	<b>12,237</b>	<b>314,292</b>	<b>26,926</b>
10	Tax expense	1,727	2,097	2,628	7,184	7,279
11	<b>Profit/ (Loss) for the period from Continuing operations (9-10)</b>	<b>(8,512)</b>	<b>340,241</b>	<b>9,609</b>	<b>307,108</b>	<b>19,647</b>
12	Profit/ (Loss) before Tax for the period from discontinued operations	-	-	-	-	239,850
13	Tax expense of discontinued operations	-	-	-	-	(4,094)
14	<b>Profit/ (Loss) for the period from discontinued operations (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243,944</b>
15	<b>Profit/ (Loss) for the Period (11+14)</b>	<b>(8,512)</b>	<b>340,241</b>	<b>9,609</b>	<b>307,108</b>	<b>263,591</b>
	Other comprehensive (expense)/income -Continuing operations	(39)	6	(72)	(39)	(66)
	Other comprehensive (expense)/income -discontinued operations	-	-	-	-	-
16	<b>Total other comprehensive (expense)/income</b>	<b>(39)</b>	<b>6</b>	<b>(72)</b>	<b>(39)</b>	<b>(66)</b>
17	<b>Total comprehensive income for the period (15+16)</b>	<b>(8,551)</b>	<b>340,247</b>	<b>9,537</b>	<b>307,069</b>	<b>263,525</b>
18	<b>Profit/ (Loss) for the period attributable to:</b>					
	- Owners of the Company					
	Profit/ (Loss) for the period from Continuing operations	(3,580)	284,265	5,262	243,894	15,302
	Profit/ (Loss) for the period from discontinued operations	-	-	-	-	249,234
	- Non controlling interests					
	Profit/ (Loss) for the period from Continuing operations	(4,932)	55,976	4,347	63,214	4,345
	Profit/ (Loss) for the period from discontinued operations	-	-	-	-	(5,290)
		<b>(8,512)</b>	<b>340,241</b>	<b>9,609</b>	<b>307,108</b>	<b>263,591</b>
19	<b>Other comprehensive income for the period attributable to:</b>					
	- Owners of the Company					
	Profit/ (Loss) for the period from Continuing operations	(47)	3	(61)	(55)	(55)
	Profit/ (Loss) for the period from discontinued operations	-	-	-	-	-
	- Non controlling interests					
	Profit/ (Loss) for the period from Continuing operations	8	3	(11)	16	(11)
	Profit/ (Loss) for the period from discontinued operations	-	-	-	-	-
		<b>(39)</b>	<b>6</b>	<b>(72)</b>	<b>(39)</b>	<b>(66)</b>
20	<b>Total comprehensive income for the period attributable to:</b>					
	- Owners of the Company					
	Profit/ (Loss) for the period from Continuing operations	(3,627)	284,268	5,201	243,839	15,247
	Profit/ (Loss) for the period from discontinued operations	-	-	-	-	249,234
	- Non controlling interests					
	Profit/ (Loss) for the period from Continuing operations	(4,924)	55,979	4,336	63,230	4,334
	Profit/ (Loss) for the period from discontinued operations	-	-	-	-	(5,290)
		<b>(8,551)</b>	<b>340,247</b>	<b>9,537</b>	<b>307,069</b>	<b>263,525</b>
21	<b>Paid-up equity share capital (Face value of share: Re 1/- each)</b>	<b>15,792</b>	<b>15,792</b>	<b>15,792</b>	<b>15,792</b>	<b>15,792</b>
	<b>Basic and Diluted Earnings per share in Rs</b>					
	- Continuing operations	(0.23)	18.00	0	15.44	0.97
	- Discontinuing operations	-	-	-	-	15.78
	- Total operations	<b>(0.23)</b>	<b>18.00</b>	<b>0</b>	<b>15.44</b>	<b>16.75</b>

**GVK Power and Infrastructure Limited**  
**Consolidated statement of Assets and Liabilities**

(Rs In Lakhs)

S.No.	Particular	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
	<b>Assets</b>		
I)	<b>Non-current assets</b>		
	Property, plant and equipment	373,433	713,041
	Investment Property	11,655	11,655
	Intangible assets	196	6,129
	Right of use asset	834	1,725
	Investments	7,136	7,136
	Other non-current financial assets	101,048	101,194
	Deferred tax assets (net)	12,841	5,766
	Tax assets (Net)	2,392	3,774
	Other non-current assets	553	6,847
	<b>Total</b>	<b>510,088</b>	<b>857,267</b>
II)	<b>Current Assets</b>		
	Inventories	906	7,544
	Financial assets		
	Investments	142,993	130,385
	Trade receivables	4,803	46,712
	Cash and cash equivalents	50,408	55,485
	Balances with banks other than cash and cash equivalents	555	208
	Loans	751	2
	Other financial assets	49,527	50,275
	Current tax assets	7,338	4,961
	Other current assets	1,568	4,353
	<b>Total</b>	<b>258,849</b>	<b>299,925</b>
	<b>Grand Total</b>	<b>768,937</b>	<b>1,157,192</b>
	<b>Equity and Liabilities</b>		
I)	<b>Equity</b>		
	Equity share capital	15,792	15,792
	Other equity	(130,924)	(399,742)
	<b>Equity attributable to owners of the Group</b>	<b>(115,132)</b>	<b>(383,950)</b>
II)	Non-controlling interest	160,433	76,216
	<b>Total Equity</b>	<b>45,301</b>	<b>(307,734)</b>
III)	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	<b>Financial Liabilities</b>		
	Borrowings	307,359	351,082
	Other financial liabilities	12,324	3,105
	Provisions	5	104
	Deferred tax liability (net)	81	152
	<b>Total</b>	<b>319,769</b>	<b>354,443</b>
IV)	<b>Current liabilities</b>		
	<b>Financial liabilities</b>		
	Borrowings	279,011	701,213
	Trade payables - Total outstanding dues of:		
	- micro and small enterprises	42	1
	- other than micro and small enterprises	2,321	8,338
	Other financial liabilities	110,839	393,278
	Provisions	1,340	1,464
	Current tax liabilities (net)	1,909	127
	Other current liabilities	8,405	6,062
	<b>Total</b>	<b>403,867</b>	<b>1,110,483</b>
	<b>Total Liabilities</b>	<b>723,636</b>	<b>1,464,926</b>
	<b>Grand Total</b>	<b>768,937</b>	<b>1,157,192</b>



**GVK Power & Infrastructure Limited**  
**Segment Reporting (Consolidated) for the year ended March 31, 2023**

(Rs In Lakhs)

Sr No	Particulars	Year ended (Audited)	
		31.03.2023	31.03.2022
1	<b>Segment Revenue</b>		
	Power	169,994	50,348
	Roads	44,704	35,487
	Others	1,000	1,007
	Unallocated	-	-
	<b>Total</b>	<b>215,698</b>	<b>86,842</b>
	Less: Inter segment revenue	3,662	1,016
	<b>Net sales / income from Continuing operations</b>	<b>212,036</b>	<b>85,826</b>
	<b>Net sales / income from Discontinued operations</b>	<b>-</b>	<b>33,851</b>
2	<b>Segment Result</b>		
	Power	69,578	22,601
	Roads	21,721	7,831
	Others	(1,391)	(13,503)
	<b>Total</b>	<b>89,908</b>	<b>16,929</b>
	<b>Less:</b>		
	Interest Expense	107,373	42,070
	<b>Add:</b>		
	Other unallocable income net off unallocable expenditure (Including Exceptional item)	331,757	52,067
	<b>Total Loss before tax Continuing operations</b>	<b>314,292</b>	<b>26,926</b>
	<b>Total Loss before tax Discontinuing operations</b>	<b>-</b>	<b>239,850</b>
3	<b>Capital Employed</b>		
	<b>(Segment Assets)</b>		
	Power	477,608	869,273
	Roads	116,938	109,451
	Others*	151,065	177,995
	Unallocated	23,326	473
	<b>Total Segment Assets</b>	<b>768,937</b>	<b>1,157,192</b>
	<b>(Segment Liabilities)</b>		
	Power	428,114	1,165,727
	Roads	183,797	176,984
	Others*	109,736	110,813
	Unallocated	1,989	11,401
	<b>Total Segment Liabilities</b>	<b>723,636</b>	<b>1,464,925</b>
	<b>Net Capital employed</b>	<b>45,301</b>	<b>(307,733)</b>

\*Others include Investment, Manpower, SEZ and Other companies

The above has been regrouped based on realignment of segment after considering the discontinuing operations of Airport vertical, addition and deletion of GVK Energy Ltd & its subsidiaries.



**GVK Power and Infrastructure Limited**  
**Consolidated statement of cash flow**

(Rs In Lakhs)

Particulars	As at March 31, 2023 (Audited)	As at March 31, 2022 (Audited)
<b>A. Cash Flow From Operating Activities</b>		
Profit/(Loss) before tax for the year from Continuing operations	314,292	26,926
Adjustments for:		
Depreciation and amortisation (net)	39,974	13,617
Loss on sale / Impairment of fixed assets (net)	(363)	18
Interest expense	107,371	41,495
Exceptional item (net)	(324,200)	(50,380)
Share of loss in joint venture	225	21
Interest income	(3,798)	(1,555)
Liabilities written back/ Reversal of previous year expenses	(286)	(291)
Income from investment	(1,013)	(770)
Provision for doubtful debts	145	193
Advances written off	42	8,715
Goodwill written off	-	15,142
Loss on exchange fluctuation (net)/ Other non cash expenses	(40)	14
Provision for Periodic overlay	3,351	2,992
<b>Operating Profit before Working Capital Changes</b>	<b>135,700</b>	<b>56,137</b>
Change in operating assets and liabilities:		
Decrease/(Increase) in trade receivables	993	(10,964)
Decrease/(Increase) in Inventories	(92)	2,064
Decrease/(Increase) in Financial Assets loans, others, other current and noncurrent assets	5,511	23,184
(Decrease)/Increase in Provisions	(73)	(3,808)
Increase in Trade payables, other financial liabilities and current liabilities	35,169	(27,601)
<b>Cash Generated from Operations</b>	<b>177,208</b>	<b>39,012</b>
Taxes (paid)/refund (net)	(15,163)	(4,697)
<b>Net Cash flow from Operating Activities (A)</b>	<b>162,045</b>	<b>34,315</b>
<b>B. Cash Flow From/(Used In) Investing Activities</b>		
Proceeds/ (Purchase) of fixed assets	380	(1,107)
Capital Advances	-	34,777
(Purchase) / proceeds from sale of current investments (net)	(12,030)	(13,375)
Loans (given) to / taken from related parties and others (net)	(1,464)	5
(Investment)/ Realization of bank deposits (having original maturity of more than 3 months)	-	5,451
Interest received	2,953	1,536
<b>Net Cash flow from/(used in) Investing Activities (B)</b>	<b>(10,161)</b>	<b>27,287</b>
<b>C. Cash Flow Used In Financing Activities</b>		
Payment towards Purchase of Non controlling interest	-	(199)
Repayment of long term borrowings	(56,510)	(67,124)
Repayment/ Proceeds from short term Loans and advance (net)	(37,077)	29,425
Interest paid	(54,798)	(15,601)
<b>Net Cash flow used in Financing Activities (C)</b>	<b>(148,385)</b>	<b>(53,499)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		
- For the period from Continuing operations (A+B+C)	3,499	8,103
- For the period from Discontinuing operations	-	(39,534)
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>55,485</b>	<b>46,486</b>
Add: Upon addition and deletion of subsidiaries	(8,576)	40,430
<b>Cash and Cash Equivalents at the end of the year</b>	<b>50,408</b>	<b>55,485</b>
<b>Components of cash and cash equivalents as per Cash Flow Statement</b>		
Balance with banks:		
Current accounts	14,185	12,688
Deposit accounts	36,214	42,235
Cash	9	8
Cheques	-	554
<b>Total Cash and Cash Equivalents</b>	<b>50,408</b>	<b>55,485</b>





## GVK Power & Infrastructure Limited

### Notes for standalone & consolidated financial results

1. The above Statement of Standalone and Consolidated audited Financial Results and the notes of the GVK Power & Infrastructure Limited ("GVKPIL" or "The Company") has been drawn up in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) rules, 2015 as amended from time to time and other accounting principles generally accepted in India. The financial results have been prepared in accordance with the recognition and measurement principles prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices generally accepted in India.
2. Company carries its businesses in various segments viz., Power, Roads, Airports (Discontinuing operations) and others through various subsidiaries, associates, and jointly controlled entities, being special purpose vehicles exclusively formed to build and operate various infrastructure projects. The consolidated results published above present the full revenues and expenses of the Company, its subsidiaries, share of profits / (losses) of associates and jointly controlled entities, except for airport vertical for which it is shown separately as discontinuing operations in the previous year (collectively "the Group").
3. The above published consolidated results have been prepared in accordance with principles and procedures as set out in the IND-AS 110 on "Consolidated financial statements" and IND - AS 28 on "Investment in associate and joint venture" notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
4. The above standalone & consolidated financial results have been reviewed by the audit committee on May 26, 2023 and have been approved by board of directors at their meeting held on May 26, 2023 and have been subjected to an audit by the statutory auditors of the Company.
5. The figure of last quarter of the Standalone and consolidated financial results for the current year and previous year are the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2022 and December 31, 2021 which were subjected to review by the statutory auditors.
6. As at March 31, 2023, the Group had accumulated losses and the Group has incurred losses excluding exceptional item during the current and preceding years. The Group's current liabilities are in excess of current assets. The group has delayed in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under The Insolvency and Bankruptcy Code in certain cases. The Group has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 8, 9, 11(a) and 11(b) (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Deoli Kota Expressway Private Limited) uncertainties are being faced by various projects such as delays in development of coal mines in an overseas project where the parent Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge, arbitration on delay of commencement of road projects, termination of various projects etc. These factors may indicate significant doubt on going concern ability of the group. Notwithstanding the above, the financial statements of the Group have been prepared on going concern basis as management believes that the Group



would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas allocation etc. as required despite current macro-economic environment challenges.

7. The Company and its erstwhile subsidiary GVK Airport Developers Limited (GVK ADL) had entered into a binding agreement comprising a co-operation agreement and other related agreements with Adani Airport Holdings Limited (AAHL) on August 31, 2020 and subsequent dates. This includes acquisition of the debt by AAHL from various lenders of GVKADL with a view to release pledge on certain shares of GVK Airport Holdings Limited (GVKAHL) and with an ability for AAHL to convert the acquired debt from the lenders of GVKADL to equity so as to acquire equity interest in Mumbai International Airport Limited (MIAL) and also acquiring Company's equity and other instruments in GVKADL and also possible acquisition/ settlement of debt of GVK Coal Developers (Singapore) Pte Ltd (with a view to release pledge on remaining shares of GVKAHL). AAHL has since acquired the debt of GVKADL from lenders and has converted the same to equity acquiring controlling interest in GVKADL on July 13, 2021. Consequently GVKADL, Bangalore Airport & Infrastructure Developers Limited (BAIDL), GVKAHL, MIAL and Navi Mumbai International Airport Limited (NMIAL) are no longer subsidiaries of the Company from July 13, 2021. The company has recognized a profit of Rs.4,576 Lakh in the standalone financials on account of transfer of Equity shares and a gain of Rs 2,336 Lakhs on account of fair value of balance of the investment held in GVKADL for the year ended March 31,2022. In the consolidated financial statements, profit from the discontinued operations of Rs.243,944 lakhs have been recognized for the year ended March 31, 2022 as per treatment prescribed in Ind AS 105 on this account.

The broad contours of the co-operation and related agreements is detailed below:

- (i) Acquisition of debt and related accrued interest with carrying value in the financial statements of GVKADL of Rs. 255,107 lakhs by AAHL.
- (ii) AAHL acquiring certain securities of Sutara Roads & Infra Limited, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of co-operation agreement.
- (iii) Acquiring equity of Rs. 30,000 lakhs and other instruments of Rs.100,000 lakhs held by GVKPIL and its subsidiary in GVKADL by AAHL to be settled by transfer of securities held by AAHL referred to in (ii) above.
- (iv) GVKPIL and AAHL have also agreed on certain steps to be taken in respect of lenders of GVK Coal.

GVKPIL has sold its majority holding in GVKADL to AAHL and AAHL has acquired and hold the securities as per Para (ii) above during the financial year ended March 31, 2022. The management of the group considered GVKPIL as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.137,464 Lakhs held by AAHL as per Para (ii) above in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of GVKPIL at Rs.1,37,464 Lakhs in the standalone financial statements and Rs.112, 464 Lakhs in the Consolidated financial statements.

The full financial effect of the above cannot be estimated as certain aspects of the transaction including settlement with GVK Coal lenders are yet to be concluded.

8. The Group has an investment in GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) which is assessed as an associate to the parent Company. The parent Company exercises significant influence on GVK Coal as per Ind AS 28.



The Group has provided for impairment of Rs 79,048 Lakhs for full value of its investment and receivable in earlier years in the absence of any certainty of realization either by use or from the settlement that may be reached.

The Group has also given guarantees and commitments for loans amounting Rs. 931,065 lakhs (March 31, 2022: Rs. 858,478 lakhs) taken by GVK Coal as at March 31, 2023 part of which is collateralized by the pledge of 37% shares of GVK Airport Holdings Limited, and has also undertaken to provide financial assistance of USD 3.11 million (Rs. 2,557 lakhs) as at March 31, 2023 (March 31, 2022: Rs. 2,358 lakhs), an entity whose current liabilities exceeds current assets by USD 2,845 million (Rs. 2,339,320 lakhs) as at March 31, 2023 (March 31, 2022: USD 2,459 million (Rs. 1,864,024 lakhs)) and the entity has also incurred net losses of USD 212 Million (Rs.174,606 Lakh) for the nine months ended March 31, 2023 (July 1, 2021 to June 30, 2022; USD 308 Million (Rs.243,142 Lakh)) based on the audited financial statements. GVK Coal is witnessing various material uncertainties. The prices of the coal have fallen since GVK coal had acquired a stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal and also necessary environmental and regulatory clearances. Further, all the lenders of GVK Coal have classified the loan as non- performing and the lenders had an option to curtail the rights of the parent company on various assets either on October 2015 or every year thereafter.

The lenders have also filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaken by the lenders dated March 23, 2017, the respective arguments of the lenders and the parent Company were filed with the court. On June 13, 2022, the Judge has adjourned the starting of the trial to October, 2023. Despite the matter is pending before England Court, one of the lenders has filed an application under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the parent company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed the reply. The next date of hearing is 8<sup>th</sup> June 2023.

The parent Company is hopeful of achieving one time settlement with the lenders in view of its arrangement with Adani Airport Holdings Limited (AAHL) which is adequately incentivized to find solution with the lenders to get unencumbered ownership over the shares of GVK Airport Developers pledged with the lenders. The extent of the liability that may arise in respect of guarantees and commitments and the manner of such settlement is presently not ascertainable and accordingly no provision has been made in this regard in relation to any liability.

9. Till 3rd February 2022, GVK Energy Ltd (GVKEL) has been considered as jointly controlled entity under IND-AS 28 "Investment in associate and joint venture", based on the protective rights available to the other investors of GVKEL. As on 4th February 2022, the parent company (GVKPIL) has acquired the control over the operations of GVKEL from those Investors as per the Termination Agreement dated 3rd February 2022 resulting in relinquishment of protective rights available to investors. GVKPIL has also bought 11,72,46,622 shares of GVKEL from those Investors under this agreement. Accordingly, GVKEL and its group companies (Energy group) are considered as Subsidiaries of the GVKPIL w.e.f. 4th February 2022 and the consolidated financial results include the financial transaction of Energy group as per IND-AS 110 "Consolidated Financial Statements" w.e.f. 4th February 2022. Accordingly, the results for the quarter and year ended are not comparable with corresponding previous periods.



Certain subsidiaries and jointly controlled entity (group companies) of GVK Energy Limited ('GVKEL') are facing uncertainties as detailed below:

- a) The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary company of GVKEL and mine operator was offered compensation by the Nominated Authority of Rs. 11,129 Lakhs as against carrying value of assets of Rs. 31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09,2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The GVKEL has also given corporate guarantee for the loan taken by GVKCTPL. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed with regards to R&R costs. The company has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for a claim of Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 22, 2023.

Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mine and accordingly no provision is required towards corporate guarantee given by GVKEL for loan taken by GVKCTPL and carrying value (Balance of claims) of Rs 6,015 Lakhs.

- b) GVK Power (Goindwal Sahib) Limited ("GVKPGSL") a subsidiary company of GVKEL, has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company. GVKEL has filed an appeal against this order before NCLAT, Chennai on October 27, 2022 and GVKEL filed appeal in Supreme court on May 19, 2023 as the appeal filed by GVKEL dismissed by NCLAT, Chennai on April 24, 2023 .

Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKPGSL.

Since the Group has lost the control over the GVKPGSL, the assets and liabilities of GVKPGSL were deconsolidated as at October 10, 2022 as per Ind AS 110 and a gain of Rs.343,685 Lakh is recorded in consolidated financials as per below entry:

<u>Particulars</u>	<u>Rs Lakhs</u>
Value of assets	- 345,970
Value of liabilities	698,027
Equity share capital	126,520
Amount already recognized in consolidated FS in previous period	-134,892
Net amount recognized as exceptional gain	-343,685

The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. This Corporate Guarantee may be invoked by the Lenders of GVKPGSL considering the default therein. In such an eventuality, GVKEL may need to reimburse the same, especially considering



that the net assets of GVKPGSL is negative. However, the extent of the liability that may arise in respect of guarantee is presently not ascertainable and accordingly no provision has been made in this regard in relation to such liability.

Further, in view of deconsolidation of GVKPGSL on October 10, 2022, the results for the quarter and year ended March 31, 2023 are not comparable with corresponding previous periods.

- c) There has been uncertainty regarding supplies/availability of gas to power plant of GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL. The company has incurred losses of Rs. 35,783 Lakhs during the year ended March 31, 2023 (March 31, 2022: Rs. 37,439 Lakhs) and the net worth of the company has been eroded upto and including the financial year ended March 31, 2023. The GVKGPL is confident that Government of India will continue to take necessary steps/initiatives to improve the situation of natural gas. However, in the interim the GVKGPL is working with the lenders for one-time settlement proposal wherein the loans would be settled at the value of the plant to be realized on its sale to AP DISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that the GVKGPL continues to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one-time settlement proposal. The GVKEL has also given corporate guarantee for the loan taken by GVKGPL. The GVKEL believes that no provision for impairment/diminution is required towards carrying value of assets aggregating to Rs. 79,259 Lakhs as at March 31, 2023 of GVKGPL (March 31, 2022 of Rs.82,799 lakhs) and also no provision towards corporate guarantee given by GVKEL to GVKGPL is necessary.

Trade receivables of GVK Gautami Power Limited, includes outstanding minimum alternate tax amounts claims for reimbursement under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2009-10 to 2010-11, aggregating to Rs. 1,500 Lakhs (March 31, 2022: Rs. 1,500 Lakhs) which has been disputed by AP Transco/subject to approvals.

As lenders have classified the borrowings of the GVKGPL as "Non-performing Assets (NPA)". Indian Overseas Bank and Union Bank of India, members of the consortium, issued notices dated 13th December, 2021 and 16th March, 2022 respectively under Sub-section (4) of Section 19 of the Recovery of Debts due to banks and financial institutions Act, 1993, read with Sub Rule (2A) of Rule 5 of the Debt Recovery Tribunal (Procedure) Rules 1993 directing GVKGPL to file necessary written statement and reply. GVKGPL is in the process of contesting the above notices before the Debt Recovery Tribunal.

Further, Edelweiss Asset Reconstruction Company Ltd. and Bank of Baroda issued Loan recall notices dated 21st January, 2022 and 4th February, 2022 respectively. Edelweiss Asset Reconstruction Company Ltd issued a notice dated 19th July, 2022 under section 13(2) of The Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act 2002 ("SARFAESI Act") read with Security interest (Enforcement) Rules, 2002 ("Rules" ) and next hearing of the case is schedule on June 05, 2023.

Moreover, Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and the next hearing of the case is scheduled on May 29, 2023.

GVKEL has already provided for an impairment in the full value of investment in GVKGPL of Rs 51,827 Lakh.



Notwithstanding the above, the financial statements of the Company have been prepared on going concern basis as Management believes that the Company would be able to establish profitable operations through its alternate fuel equipment and necessary steps / initiatives taken by Government of India as explained above.

- d) GVK Industries Limited (GVKIL), a subsidiary company of GVKEL. The Hon'ble NCLT, Hyderabad vide its Order dated 21st April 2022, has admitted the petition filed by a financial creditor against the company and has ordered the commencement of the Corporate Insolvency Resolution Process (CIRP) and appointed the Interim Resolution Professional (IRP) for carrying out the process. In the light of the above, the assets and liabilities of GVKIL were deconsolidated during the financial year ended March 31, 2022 and net amount of Rs 28,198 Lakh was reported as exceptional gain.

Further, in view of deconsolidation of GVKIL on March 31, 2022, the results for the quarter and year ended March 31, 2023 are not comparable with corresponding previous periods.

- e) Alaknanda Hydro Power Company Limited (AHPCL) has filed a petition before Uttar Pradesh Electricity Regulatory Commission (UPERC) for approval of provisional tariff for the tariff year 2022-23, UPERC has approved the previous year provisional tariff for the tariff year 2022-23. AHPCL is in receipt of final tariff order for the Multi Year Tariff (MYT) for the period 2019-24 based on final approved project cost of Rs. 406,186 Lakhs on 20.04.2023. However, there is an ambiguity in the said order with respect to claiming Normal Annual Plant Availability Factor (NAPAF) and accordingly, the exact quantification of arrears on account of final tariff cannot be ascertained. Since, there is time for filing the review petition before UPERC or APTEL by either of the parties, hence, the revenue on account of arrears is not recognized during year ended March 2023 and shall be recognized as and when the same is realized or the outcome of the said appeal with UPERC / APTEL, if any, is determined.
- f) The parent company (GVKPIL) has assessed and based on the valuation carried out and other relevant factors, no provision is considered necessary in standalone books of accounts of GVKPIL towards the carrying value of investment in GVKEL of Rs 74,122 Lakhs (March 31, 2022 Rs.74,122 Lakhs) and Loan of Rs.6,497 Lakhs (March 31, 2022 Rs.11,297 Lakhs).

10. During the earlier years, GVK Energy Ltd. (GVKEL) and Alaknanda Hydro Power Company Limited (AHPCL) have issued debentures vide respective Trust Deed and also taken loans from ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss"). These Debentures and Loans are also secured by pledge of shares of GVK Power (Goindwal Sahib) Limited, GVK Coal Tokisud Company Private Limited and AHPCL held by GVKEL and shares of GVKEL held by GVKPIL as investment in respective companies. The loans were further secured by Corporate Guarantee given jointly by GVKEL and GVKPIL.

Since the repayment of loan and interest was defaulted, GVKEL and AHPCL have entered into settlement agreement with Edelweiss on 31.10.2020 which resulted in settlement of principal and interest outstanding of Rs.687.30 Crores (GVKEL Rs.121.39 Crores and AHPCL Rs.565.91 Crores) at Rs.525 Crores (GVKEL Rs.38.00 Crores and AHPCL Rs.487.00 Crores) along with interest rate of 12.50% pa compound monthly w.e.f. September 16, 2020 till July 31, 2021, which was further extended up to March 31, 2022. AHPCL and GVKEL has made total payments of Rs.330.59 Crores till the date of invocation resulting in balance payable of Rs. 271.15 Crore including interest till 16-05-2022 (GVK EL Rs.35.06 Crores and AHPCL Rs.236.09 Crores). AHPCL and GVKEL has requested for further time till 31-08-2022 from Edelweiss for making balance payment and were in discussions with them.



However, Edelweiss has withdrawn the settlement agreement vide its mail dated 11-4-2022. Edelweiss has also written letter dated 08-07-2022 invoking the Corporate Guarantee issued by GVKEL and GVKPIL.

Further, since GVKEL and AHCPL could not make the payment as per settlement terms, ECL Finance Limited (Edelweiss) has invoked the pledge of equity shares and transferred 46,60,11,000 Equity shares, each having face value of Rs 10, of AHPCL held by GVK Energy Limited on May 16, 2022. ECL Finance Limited will continue to hold these shares as security on behalf of Edelweiss for the loans taken/NCD issued by AHCPL & GVKEL. ECL Finance Limited reserved the right to sell the same as per the terms of the pledge agreement read with security sharing agreements.

GVKEL filed a suit before Delhi High Court on May 30, 2022, wherein GVKEL pleaded that because of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. The Hon'ble High Court Delhi has given interim order dated May 31, 2022 wherein it is stated that while selling the shares of AHPCL by Lenders, the best offer received by them would be communicated to the GVKEL and GVKPIL as well as to the Court, and an opportunity would be given to them to match the said offer within five days. In the meanwhile, if GVKEL and GVKPIL get an offer for the aforesaid shares, they shall also inform the defendants as well as the Court. In the event GVKEL and GVKPIL are unable to match the offer of the lenders, the lenders would be free to sell the said shares at the best offer received by them. Till the time, the shares which are invoked are sold in the aforesaid manner, the lenders shall not sell any other shares that have been pledged by the GVKEL and GVKPIL with the lenders. However, the lenders shall be free to invoke the pledged shares. Next hearing of the case is scheduled on August 16, 2023.

Since the matter is Sub Judge and the agreement for selling these invoked shares are not yet concluded, the management cannot ascertain the number of shares of AHPCL required to settle the debt of Edelweiss as the actual implication thereof on the books is highly probable on the valuation of shares and outcomes of the legal proceedings.

GVKEL has transferred the liability of AHPCL in its books of account relating to Edelweiss and based on legal opinion, GVKEL has shown the discharge of the loan liability of Edelweiss against the invoked shares till a settlement is arrived at with Edelweiss. GVKEL has not accounted the impact of the annulment of settlement since they are confident of achieving settlement with Edelweiss. However, on conservative basis, a loss on invocation and transfer of shares, amounting to Rs.194.86 Crores during year ended March 31, 2023 (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL as per settlement terms) has been accounted in the books of accounts and reported as an exceptional item in the standalone results of GVKEL and consolidated financial results of GVKPIL.

Edelweiss (through its debentures trustee namely Catalyst Trusteeship Limited) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKPIL and GVKEL on October 21, 2022 and the next hearing of the case is scheduled on June 07, 2023.

11. The parent company has wholly own subsidiary company viz. GVK Transportation Pvt. Ltd. (GVKTPL). Two of the subsidiaries of GVKTPL are facing uncertainties, detailed as below:
  - a) GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL), a wholly owned step down subsidiary of the parent company has carried out project work towards the Concessionaire Agreement entered with Gujarat State Road Development Corporation Limited (GSRDC). During construction, there has been



significant delays in fulfilling the obligations from GSRDC like providing Land required for construction, right of way, shifting of utilities etc., which has resulted in significant delays in construction. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to the same, GVK BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement process will be as per the Concession Agreement.

GVK BVEPL has approached The International Centre for Alternative Dispute Resolution (ICADR) for appointment of Arbitration Tribunal (AT). Arbitration Tribunal is constituted and the dispute is being addressed. GSRDC has filed a claim of Rs 108,419 lakhs and GVK BVEPL has filed its statement of Defense and a counter claim of Rs.91,325 lakhs as termination payment due to GSRDC default (apart from various other claims towards Loss of Profit, Interest Payment on Debts etc.) disputing the very process of termination and are also taking other necessary legal remedies in this regard. Initially GVK BVEPL intended to bring into substitution process, however in spite of best efforts of GVK BVEPL, substitution process could not be completed. Meanwhile GSRDC awarded project to two different contractors. Hence GVK BVEPL is no more going concern and the financials are prepared accordingly since financial year ended March 31, 2020

GVK BVEPL is closely working with the lenders by explaining to them the intricacies of the project and outlining support required to give effect to the process of arbitration. Tribunal heard arguments of both sides in respect of Application dated 23-09-2021 and the hearing was concluded. Both parties filed the written arguments and Tribunal reserved the orders on February 24, 2023 and GSRDC has approached the High Court of Gujarat for seeking the extension of mandate of the Tribunal for rendering the award in the Arbitration Proceeding on March 15, 2023. The next hearing of the case is scheduled on June 06, 2023

All the loan accounts are non-performing assets and the company has received recalled notices from the banks and financial institutions and hence borrowing from the banks and financial intuitions are treated as current borrowings.

Based on its internal assessment, GVK BVEPL is confident that it will be able to recover the amounts spent on the project till date and is also confident that claims made by GSRDC will be struck down and accordingly management believes that it is appropriate to recognize total assets aggregating to Rs. 58,919 lakhs; comprising Rs.58,916 lakh as Other Non-Current financial assets and Rs.3 lakh as Property Plant & Equipment on March 31,2023 (March 31, 2022 Rs. 58,919 lakhs) at carrying value in the financial statements and at present there is no provision for impairment is found to be necessary.

- b) **GVK Deoli Kota Expressway Private Limited (GVK DKEPL)**, a wholly owned step-down subsidiary of the parent company. On June 25, 2019, GVK DKEPL has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway. Further, GVK DKEPL has claimed a termination payment of Rs. 169,650 lakhs (apart from various other claims towards future loss, Loss of Toll Revenue, Loss suffered on account of additional overheads etc.) from NHAI as per the terms of the Concession Agreement. In response to the above notice, GVK DKEPL has received letter from NHAI dated July 03, 2019 denying the claim of GVK DKEPL stating that the termination notice issued under clause 37.2.2 is invalid as defaults alleged by GVK DKEPL are false and





NHAI has not committed any material default in complying with the provisions of the Concession Agreement.

On September 12, 2019, NHAI has issued a termination notice as per clause 37.2.1 of the Concession Agreement for non-fulfillment of the obligation as stated in the Concession Agreement by Concessionaire. NHAI by virtue of this notice, is deemed to have taken possession and control of the project highway along with all the equipment on or at site. After this termination notice toll plaza is deemed to have been transferred to NHAI and from September 16, 2019 onwards NHAI started collecting the toll on the project highway.

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defense and next cross examining the witness of NHAI is schedule on 24, 25, 26 & 29 of July, 2023.

GVK DKEPL has defaulted in repayment of principal amount and payment of interest on such term loans taken from consortium of banks and financial intuitions. As a result, the lenders have classified the term loan as non-performing asset and have recalled the entire facilities extended to the company. As result of that, the term loans have become repayable on demand, Company has not received borrowing statements and confirmation of borrowing balances from lenders.

The Concession Agreement being the sole agreement executed by the Company, termination of the same has now resulted into liquidation basis of accounting which has been adopted in preparation of these financial statements of GVK DKEPL. Under the liquidation basis of accounting, all assets and liabilities are measured at their net realizable value. As toll collection right has been taken over by NHAI from the Company, Company has impaired toll and premium assets against premium liability (not due) and claim receivable from NHAI.

GVK DKEPL based on its internal assessment is confident that it will be able to recover the balance amount spent on the project till date including its various claims and accordingly the management believes that it is appropriate to recognize total assets aggregating to Rs.44,008 lakh; comprising Rs.43,637 lakh as Other Non-Current assets, Rs.9 lakh as Property Plant & Equipment and Rs 362 Lakh as the Current Assets on March 31,2023 (Rs.45,465 lakh as on March 31,2022) at carrying value in the financial statements.

- c) GVKTPL has accumulated losses and its net-worth has been fully eroded, the company has incurred a net loss during the current and previous year(s) and net cash loss during the current year and the company's current liabilities exceeded its current assets as at the balance sheet date. J.C. Flowers Asset Reconstruction Pvt Ltd ( Debt assigned by Yes bank) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKTPL on February 24, 2022 and the next hearing of the case is scheduled on May 29, 2023.

12. GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), step down subsidiary of GVK Power and Infrastructure Limited has entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVK Ratle started the project development and had spent/paid advances to the tune of Rs.101,552 lakhs (till March 31,2021) on various works. However, there were significant delays in the construction of the project due to the impediments like land acquisition and execution of land, leases, issues in relation to working conditions,



disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc.

GVK Ratle requested for termination of project and offered for an amicable settlement. JKPDD rejected such settlement offer stating that the delays are tantamount to event of default from GVK Ratle. GVK Ratle had initiated the arbitration process and Tribunal vide its order dated 11th July'20 and rectification order dated 7th September'20 had accepted the contentions of the company and had given an award of Rs.29,048 Lakhs in favor of GVK Ratle. Not satisfied with the order, GVK Ratle has filed an appeal before district court, Kishtwar on 8th December,2020 against the said award, which is challenged by JKPDD and court granted the stay on proceedings. Meanwhile, GVK Ratle has filed an appeal before Supreme Court, the supreme court stayed all proceedings before the District Court, Kishtwar until it decides the issue relating to applicability of J&K Arbitration Act, 1997, even after it was repealed by J&K State Reorganization Act, 2019.

GVK Ratle had also entered into a settlement agreement with its lender on 24th November'21 and the award realized from the JKPDD will be paid to lender as per the settlement agreement. Considering the fact of termination of the project and settlement with the lenders, the company has adopted the liquidation basis of accounting in preparation of these financial statements and treated the amount recoverable as per award as its asset with similar amount payable to lender as its liability as per settlement agreement.

13. GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company has Investment Property having book value of Rs.11, 655 Lakh (March 31, 2022 Rs.11,655 Lakh). GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Parent Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, in spite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act,1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVKSEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021 stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on March 31, 2023, the status remains the same.

The matter is under litigation. Pending these litigations, the Investment Property having book value of Rs.11,655 Lakh (March 2022: Rs 11,655 Lakhs) is shown as recoverable since the Management is confident of winning the cases on merits.

14. In June 2020, Central Bureau of Investigation (CBI) has registered a First Information Report (FIR) against MIAL, its holding Company GVK Airport Holdings Limited (GVKAHL) (both are erstwhile step-down subsidiaries of the Company), the Chairman and Vice Chairman of the Company and has initiated investigation on various matters alleging misuse of funds of MIAL including for the benefit of other GVK group and related parties. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against MIAL, Vice Chairman, Director & CFO of the Company and four other GVK group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to AAI. After going through the Charge Sheet, the company is of the view that the case will not stand the test of scrutiny of the



court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated, and no offence u/s section 420 IPC has been made out as there is no loss to AAI, Government, or any Tax Authorities as alleged. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid proceedings.

The Enforcement Directorate (ED) has also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED has filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the Company, their directors and officers, and the concerned parties are cooperating with the investigating agencies. ED has filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The Audit Committee of the parent Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid investigation.

15. The Board of Directors has approved the scheme of amalgamation in their meeting 23rd March, 2022 for with regard to Amalgamation of
- GVK Airport Services Private Limited (Transferor Company)
  - GVK Power (Khadur Sahib) Private Limited (Transferor Company)
  - GVK Shivpuri Dewas Expressway Private Limited (Transferor Company)
  - Sutara Roads & Infra Limited (Transferor Company)
  - GVK Power & Infrastructure Limited (Transferee Company).

The application has filed with National Company Law Tribunal, Hyderabad on 31<sup>st</sup> March, 2022, seeking for the dispensation of shareholders & credits meeting and same has been allowed by order dated January 09, 2023. NCLT has directed the applicant companies to send the copies of proposed scheme to Statutory Authorities for their objection before formal approval of scheme of Arrangement. So far, the company have not received any comment from any these authorities. All the above companies are finalizing the company petition to be filed with NCLT.

16. Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, wherever considered necessary.

Place: Hyderabad  
Date: May 26, 2023



**GVK Power & Infrastructure Limited**

*P V Prasanna Reddy*

P V Prasanna Reddy  
Whole-Time Director





**Independent Auditor's Report on Standalone Financial Results of the GVK Power & Infrastructure Limited to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To  
**THE BOARD OF DIRECTORS OF**  
**GVK Power & Infrastructure Limited**  
Darshak Chambers,  
Plot No.32,Ground Floor,  
Street No.1,  
Penderghast Road,  
Secunderabad - 500003, Telangana

**Qualified Opinion**

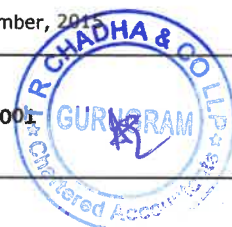
1. We have audited the accompanying standalone financial results of **GVK Power & Infrastructure Limited ('the Company')** for the quarter and year ended March 31, 2023 (the "Standalone financial results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial results:
  - i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the indeterminate effects/possible effects of the matters referred in Basis for Qualified Opinion paragraph below; and
  - ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013('the Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2023, except for the indeterminate effects/possible effects of the matters referred in Basis for Qualified Opinion paragraph below

**Basis for Qualified Opinion**

3. We draw your attention to:
  - i. As discussed more fully in Note 8 to the Standalone financial results regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the company has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the company has provided guarantees and commitments for loans aggregating to Rs.931,065 Lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs.2,557 Lakhs) as at March 31, 2023

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with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The entity's current liabilities exceeded current assets by USD 2,845 million (Rs. 2,339,320 Lakhs) as at March 31, 2023 and has incurred net losses of USD 212 million (Rs. 174,606 Lakhs) for the nine months period ended on March 31, 2023.

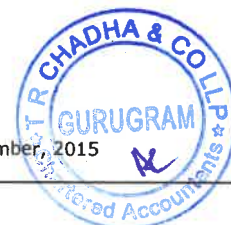
The lenders have also filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaken by the lenders dated March 23, 2017, the respective arguments of the lenders and the Company were filed with the court. On June 13, 2022, the Judge has adjourned the starting of the trial to October, 2023. Despite the matter is pending before England Court, one of the lenders has filed an application under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed the reply. The next date of hearing is 8th June 2023.

In this regard, while the Company has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs. 79,048 Lakhs till March 31, 2023 (Previous Year Rs.79,048 Lakhs till March 31, 2022). We are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments (in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company, is also given in favour of the lenders) and the resultant impact of the same on these standalone financial results.

- ii. Note no. 9 to the Standalone financial results regarding GVK Energy Limited (a subsidiary company) and its subsidiaries and jointly controlled entity in which the company has investments and loans aggregating to Rs.79,259 Lakhs (net of provisions). With respect to GVK Energy Limited, there are multiple significant uncertainties in the step-down subsidiaries and joint venture entity like (a) various receivables aggregating to Rs.10,996 Lakhs from AP Transco which are refuted / subject to approvals (b) non-availability of fuel (coal / gas), (c) conclusion on outstanding application for increase in tariff and (d) compensation in relation to deallocated coal mine etc. There are also various uncertainties relating to subsidiaries and Jointly Controlled Entity of GVK Energy Limited as referred in Note 9. The Company has made total provision of Rs.34,400 Lakhs towards its investments in GVK Energy Limited till 31<sup>st</sup> March 2023 based on the valuation reports obtained. In this regard, considering the uncertainties, we are unable to ascertain whether any adjustments are required to the standalone financial results with respect to the balance amount of investments and loans aggregating to Rs.79,259 Lakhs.

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- iii. Note 14 to the consolidated financial results regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the holding company including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against MIAL, Vice Chairman, Director & CFO of the Company and four other GVK group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to AAI. After going through the Charge Sheet, the company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view of that the charges are unsubstantiated and no offence u/s section 420 IPC has been made out as there is no loss to AAI, Government, or any Tax Authorities as alleged. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid proceedings.

In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the Company, their directors and officers, and the concerned parties are cooperating with the investigating agencies. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The Audit Committee of the parent Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid investigation.

We are unable to comment on the effect thereof on the consolidated financial results including prior year comparatives considering allegations over GVK Group.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone Financial results' 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 standalone 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.

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**5. Emphasis of Matter**

- a. We draw attention to Note 7 to the Standalone financial results regarding sale of majority holding of GVK Airport Developers Limited (GVKADL) by company to Adani Airport Holding Limited (AAHL) as per binding co-operation agreement dated August 31, 2020 and other related transaction documents. AAHL has acquired and hold the securities as per co-operation agreement at the end of the financial year. The management considered the company as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs 137,464 Lakhs held by AAHL as per co-operation agreement in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of company in the Standalone financial results.

Considering that the investments are yet to be transferred in the name of the company and certain aspects of the transaction including settlement with GVK Coal lenders are yet to be concluded, we are unable to comment on the full financial impact on these standalone financial results.

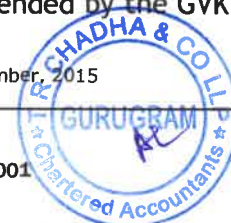
- b. We draw attention to Note 8 to the Standalone Financial Results, regarding application filed by one of the lenders under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the parent company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed the reply. The next date of hearing is 8<sup>th</sup> June 2023.

We also draw attention to Note 10 to the Standalone financial results regarding ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss") (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, the company has filed its replies and next hearing of the case is scheduled on June, 07, 2023.

- c. We draw attention to Note 13 to the Standalone financial results regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company. GVK SEZ has Investment Property having book value of Rs.11,655 Lakh. GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Parent Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, inspite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian Contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK

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SEZ and the matter is yet to be listed. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on March 31, 2023, the status remains the same. The matter is under litigation. Pending these litigations, the impact of the same on the Company is not determinable.

Our opinion is not modified in respect of above matters.

#### **6. Material Uncertainty Related to Going Concern**

We draw attention to note 6 to the Standalone financial results, which indicates that the company has incurred significant losses during the previous year and material uncertainties are faced by various projects, in which the company has made investments, given loan, provided guarantees / commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our Opinion is not modified in respect of this matter.

#### **7. Board of Director's Responsibilities for the Standalone Financial Results**

These Standalone financial results have been prepared on the basis of the standalone annual audited financial statement and has been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation and presentation of the Standalone financial results 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 accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder 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 judgements 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 Standalone financial results that gives a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone financial results by the Directors of the Company, as aforesaid.

In preparing the standalone financial results, the Board of Directors are 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.

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The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

**8. Auditor's Responsibilities for the Audit of the Standalone Financial Results**

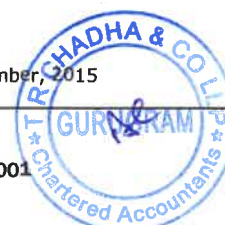
Our objectives are to obtain reasonable assurance about whether the standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee 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 Standalone financial results.

As a part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial results, 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 adequate internal financial controls with reference to financial statement 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 ability of the Company 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 Standalone financial results 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. The material uncertainty with regard to Going Concern is reported in Para 6 of our report.

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# T R Chadha & Co LLP

Chartered Accountants



- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

We communicate with those charged with governance of the Company 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.

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

9. The standalone financial results include the results for the quarters ended March 31, 2023 and March 31, 2022 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 respective financial years.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Registration No. 006711N/N500028

Aashish Gupta  
(Partner)

Membership No.

UDIN: 23097343BGQJMD2161

Date: 26<sup>th</sup> May 2023

Place: Gurugram



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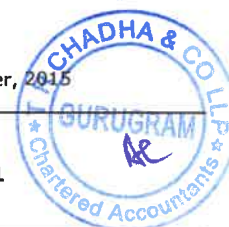
**Independent Auditor's Review Report on Consolidated financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To  
**THE BOARD OF DIRECTORS OF**  
**GVK Power & Infrastructure Limited**  
Darshak Chambers,  
Plot No.32,Ground Floor,  
Street No.1,  
Penderghast Road,  
Secunderabad - 500003, Telangana

1. We have audited the consolidated financial results of **GVK Power & Infrastructure Limited** ('GVKPIL" or "the Holding Company' or 'Parent Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and Joint Control Entity for the quarter and year ended 31 March,2023 and the consolidated statement of assets and liabilities and the consolidated cash flow statement as at and for the quarter and year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, associates and Joint Control Entity, the aforesaid consolidated financial results:
  - i. include the annual financial results of the entities referred in para 3 below of this report;
  - ii. presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard except the indeterminate effects / possible effects of the matters referred in Basis of Qualification paragraph below; and
  - iii. except for the indeterminate effects / possible effects of the matters referred to in basis for Qualified Opinion paragraph below, give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of profits after tax and other comprehensive loss and other financial information of the group, its associates and Joint Control Entity for the quarter and year ended 31 March,2023 and the consolidated statement of assets and liabilities and the consolidated cash flow statement as at and for the quarter and year ended on that date.

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3. The consolidated financial results include the results of the following entities:

Subsidiary entities including step down subsidiaries:

- i. GVK Airport International Pte. Ltd, Singapore
- ii. PT GVK Services, Indonesia
- iii. GVK Airport Services Private Limited
- iv. Sutara Roads and Infrastructure Private Limited
- v. GVK Shivpuri Dewas Expressway Private Limited
- vi. GVK Developmental Projects Private Limited
- vii. GVK Ratle Hydro Electric Project Private Limited
- viii. GVK Perambalur SEZ Private Limited
- ix. GVK Power (Khadur Sahib) Limited
- x. GVK Transportation Private Limited
- xi. GVK Jaipur Expressway Private Limited (Step down Subsidiary)
- xii. GVK Deoli Kota Expressway Private Limited (Step down Subsidiary)
- xiii. GVK Bagodara Vasad Expressway Private Limited (Step down Subsidiary)
- xiv. GVK Energy Limited
- xv. Alaknanda Hydro Power Company Limited (Step down Subsidiary)
- xvi. GVK Coal (Tokisud) Company Private Limited (Step down Subsidiary)
- xvii. GVK Power (Goindwal Sahib) Limited (Step down Subsidiary upto 10<sup>th</sup> October 2022)
- xviii. GVK Industries Limited (Step down Subsidiary upto 31<sup>st</sup> March 2022)

Joint Control Entity

- i. GVK Gautami Power Limited (JCE of Subsidiary)

Associate Companies:

- i. Seregraha Mines Limited
- ii. GVK Coal Developers (Singapore) Pte Ltd

4. **Basis of Qualified Opinion**

We draw your attention to the following matters:

- a. As discussed more fully in Note 8 to the Consolidated Financial Results regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the Group has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the holding company has provided guarantees and commitments for loans aggregating to Rs.931,065 Lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11million (Rs. 2,557 Lakhs) as at March 31, 2023 with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The entity's current liabilities exceeded current assets by USD 2,845 million (Rs.2,339,320 Lakhs) as at March 31, 2023 and has incurred net losses of USD 212 million (Rs.174,606 Lakhs) for the nine months period ended on March 31, 2023.

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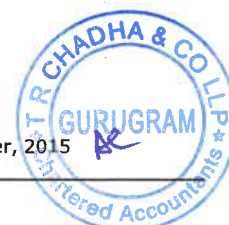
The lenders have also filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaking by the lenders dated March 23, 2017, the respective arguments of the lenders and the Company were filed with the court. On June 13, 2022, the Judge has adjourned the starting of the trial to October, 2023. Despite the matter is pending before England Court, one of the lenders has filed an application under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the holding company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the holding company has filed the reply. The next date of hearing is 8th June 2023.

In this regard, while the Group has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79,048 Lakhs till March 31, 2023, we are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments (in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company, is also given in favour of the lenders) and the resultant impact of the same on these consolidated financial results.

- b. As discussed more fully in Note 9(a) to the Consolidated Financial Results regarding GVK Coal (Tokisud) Private Limited (“GVKCTPL”), a step down subsidiary of the Holding Company. The Hon’ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary company of GVKEL and mine operator was offered a compensation by the Nominated Authority of Rs. 11,129 Lakhs as against carrying value of assets of Rs. 31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon’ble High Court of Delhi. The aforesaid court vide its order dated March 09,2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The GVKEL has also given corporate guarantee for the loan taken by GVKCTPL. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed with regard to R&R costs. The company has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 22, 2023.

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The GVKEL, holding company, has given corporate guarantee for the loan taken by the GVKCTPL for which provision for Corporate Guarantee given by GVK Energy Limited for loan taken by GVK Coal (Tokisud) Private Limited has also not been considered.

In the light of the above, we are unable to comment on the recoverability of assets with carrying value of Rs.6,015 Lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.

- c. We draw attention to Note 9(b) to the consolidated financial results regarding Deconsolidation of assets and liabilities of GVK Power (Goindwal Sahib) Limited ("GVKPGSL"), a step down subsidiary of the Holding Company upto 10<sup>th</sup> October 2022, has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company. Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKPGSL. Since the Group loss the control over the GVKPGSL, the assets and liabilities of GVKPGSL have been deconsolidated as at October 10, 2022 as required u/s Para 25 of Ind AS 110 Consolidated Financial Statements, which has resulted in a net gain of Rs.343685 Lakh as disclosed as Exception Items in the Consolidated Financial Results. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. This Corporate Guarantee may be invoked by the Lenders of GVKPGSL considering the default therein. In such eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKPGSL is negative. However, the extent of the liability that may arise in respect of guarantee is presently not ascertainable and accordingly no provision has been made in this regard in relation to such liability.

In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

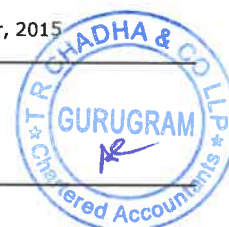
- d. The following qualifications included in the audit opinion on the standalone financial results of GVK Gautami Power Limited, jointly controlled entity issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 23, 2023, is reproduced by us as under:

"We draw attention to note \* to the Ind AS Financial statements, regarding the uncertainties associated with recoverability of carrying value of property, plant and equipment, we are unable to comment on adequacy of provision made for impairment of property, plant and equipment, which have to accounted for as per Indian Accounting Standard (Ind AS) 36 - Impairment of Assets.

We draw attention to note \* to the Ind AS Financial Statements, which indicates that (a) the company has accumulated losses and eroding its net worth, (b) the company has incurred a net cash loss during the current and previous period and (c) the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in said note regarding defaults in loan and interest payments and uncertainty faced by the company towards availability / supply of

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natural gas, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the Ind AS financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note. There would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumptions as to going concern referred to in the said note, and in the absence of impact of aforesaid assumptions having been unascertained, we are unable to comment thereon."

Note \* is included as Note 9(c) to the consolidated financial results.

In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

- e. The following qualifications included in the audit opinion on the standalone financial results of Alaknanda Hydro Power Company Ltd. (AHPCL), a step down subsidiary of the Holding Company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 15, 2023, is reproduced by us as under:

"We draw your attention to Note no \* to the Ind AS Financial Statements regarding management's legal assessment with respect to UPERC Tariff Order dated 20.04.2023. The Company, based on opinion sought, has not recognised the revenue on arrears for the tariff years 2019-20 to 2022-23. The impact of the same on the Ind AS Financial Statements can't be quantified for reasons explained in the said note."

Note \* is included as Note 9(d) to the consolidated financial results.

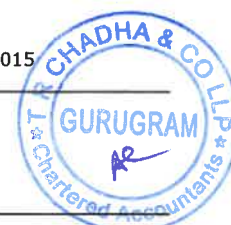
In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

- f. As discussed more fully in Note 10 to the Consolidated Financial results regarding annulment of settlement by Edelweiss with respect to their loans / NCDs to GVKEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GVKEL of Rs.10 each, recording of exceptional loss of Rs.194.86 Crores during the year ended March 31, 2023 by GVKEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned.

Since the matter is Sub Judge and the agreement for selling these invoked shares are not yet concluded, the management cannot ascertain the number of shares of AHPCL required to settle the debt of Edelweiss as the actual implication thereof on the books is highly probable on the valuation of shares and outcomes of the legal proceedings.

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ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as “Edelweiss”) (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon’ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, the company has filed its replies and next hearing of the case is scheduled on June 07, 2023.

The auditors of Alaknanda Hydro Power Company Ltd. (AHPCL), subsidiary of GVKEL vide their audit report dated May 15, 2023, have also qualified the audit report in this matter, which is reproduced as below:

We draw your attention to Note no. \* to the Ind AS Financial Statements regarding (i) default in redemption of debentures of INR 13,900.00 Lakhs and repayment of term loan of INR 7,974.21 Lakhs along with interest accrued thereon up to May 16, 2022 of INR 1,735.07 Lakhs due to Edelweiss group which were transferred to GVK Energy Limited based on the letter received from GVK Energy Limited on May 31, 2022. Consequently, no interest has been provided on such debentures and term loan from May 17, 2022 and

(ii) the Company and GVK Energy Limited have considered that the above liabilities along with the liabilities of GVK Energy Limited as on May 16, 2022 gets extinguished in view of invocation of shares held by GVK Energy Limited in Alaknanda Hydro Power Company Limited pledged to Edelweiss group. The same has been informed to Edelweiss Group and Debenture Trustees in various correspondence in response to their communications.

We are unable to comment on the consequence of transfer of liabilities such as debentures, term loan and interest accrued thereon by the Company to GVK Energy Limited. In this regard it is also relevant to note that GVK Energy Limited vide its letter dated May 31, 2022 has given an undertaking to face the liabilities, if any, that may arise there from, on such transfer of liabilities to them.”

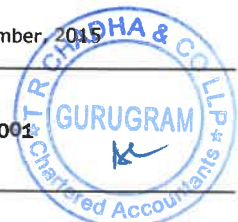
Note \* is included in Note 10 of the consolidated financial results.

In view of the same, we are unable to comment on the accounting done in this regard in books of account and the ultimate impact of the same including of the invocation of the settlement offer by Edelweiss, invocation of pledged shares of AHCPL by Edelweiss, invocation of corporate guarantee issued by GVKPIL and GVKEL and impact of the proceedings in the NCLT, if any on the consolidated financial results.

- g. The following matters are included in the audit opinion on the financial statements of GVK Bagodara Vasad Expressway Private Limited, a step-down subsidiary of the holding company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 23, 2023 is reproduced by us as under:
- i. “The project of the company was terminated by GSRDC by referring the defaults of the Concessionaire. Consequent to the termination of the project, Company has accounted, cost incurred on the project Rs.589,04,20,918 as amount receivable from the GSRDC as

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management has represented that the project of the company was terminated due to the reasons attributable to the GSRDC. Company has disputed the termination notice and invoked Arbitration in terms of provisions of concession agreement. The matter is sub-judice before hon'ble Arbitral Tribunal. We are unable to comment upon its recoverability in the absence of availability of related convincing audit evidence as to its recoverability.

- ii. Balances of borrowings (including interest accrued thereon) from lender amounting to Rs.879,40,24,915 as at 31st March 2023 as per books of accounts are unconfirmed. In absence of such confirmations, we are unable to comment on the appropriateness of carrying amount of borrowing (along with interest accrued thereon) as presented in Balance sheet.”

Considering the above matters reported by the Component Auditor and other details as given in Note 11 (a) to the consolidated financial results, we are unable to comment towards the recoverability of total assets aggregating to Rs. 58,919 Lakhs and the impact on the liabilities as appearing in the Consolidated Financial results related to this step-down subsidiary.

- h. Note 14 to the consolidated financial results regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the holding company including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against MIAL, Vice Chairman, Director & CFO of the Company and four other GVK group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to AAI. After going through the Charge Sheet, the company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view of that the charges are unsubstantiated and no offence u/s section 420 IPC has been made out as there is no loss to AAI, Government, or any Tax Authorities as alleged. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid proceedings.



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In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the Company, their directors and officers, and the concerned parties are cooperating with the investigating agencies. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The Audit Committee of the parent Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid investigation.

We are unable to comment on the effect thereof on the consolidated financial results including prior year comparatives considering allegations over GVK Group.

5. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. ("the Act"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated financial results' section of our report. We are independent of the Group, its associates and Joint Control Entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated 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 audit evidence obtained by the other auditors in terms of their report refer to in para 10(i) and (ii) of the other matter section below, is sufficient and appropriate to provide a basis for our qualified opinion.
6. **Emphasis of Matter**
  - a. We draw attention to Note 7 to the Consolidated financial results regarding sale of majority holding of GVK Airport Developers Limited (GVKADL) by Holding Company to Adani Airport Holding Limited (AAHL) as per binding co-operation agreement dated August 31, 2020 and other related transaction documents. AAHL has acquired and hold the securities as per co-operation agreement at the end of the financial year. The management considered the holding company as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs 112,464 Lakhs held by AAHL as per co-operation agreement in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of company in the Consolidated Financial results.

Considering that the investments are yet to be transferred in the name of the holding company and certain aspects of the transaction including settlement with GVK Coal lenders are yet to be concluded, we are unable to comment on the full financial impact on these Consolidated financial results.

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- b. We draw attention in the audit opinion on the standalone financial results of GVK Gautami Power Limited, jointly controlled entity issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 23, 2023, is reproduced by us as under:

“We draw attention to Note \* to the Ind AS financial statements, regarding uncertainty of recoverability of trade receivables i.e. tax on book profits. Management is confident that this matter will be decided in company’s favour and accordingly no adjustments are required to the carrying value. The ultimate outcome of this matter can not be presently determined. Pending outcome of these receivables, no provision for adjustment / liability, if any, that may arise has been made in these Ind AS Financial Statements.

Note \* to the Ind AS financial statements, regarding non-receipt of confirmation of balance from two of the lenders to reconciliation of loan balance. We are unable to comment on the correctness of the carrying value of loan balances from said lenders and as the impact, if any, arising on account of lack of confirmation is not ascertainable. The balances confirmed by some of the other lenders are subject to reconciliation. However, the management is confident that on confirmation / reconciliation there will not be any material impact on the Ind AS financial statements.

Note \* to the Ind AS financial statements

(a) regarding notices issued by its lenders under sub-section (2) of Section 13 of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI”), read with Security Interest (Enforcement) Rules, 2002 (“SARFAESI Rules”). The company had replied / is in process of filing the necessary replies to respective notices.

(b) regarding petitions filed by all lenders except Indian Bank under Sub-section (4) of the Section 19 of The Recovery of Debts and Bankruptcy Act, 1993 (“RDB Act”), read with Sub Rule (2A) of Rule 5 of The Debt Recovery Tribunal (Procedure) Rules, 1993 in Hon’ble Debt Recovery Tribunal, Hyderabad.

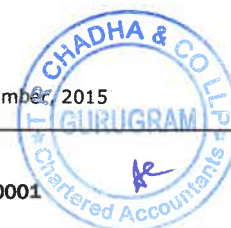
Note \* to the Ind AS financial Statements, regarding the matter pending before Hon’ble National Company Law Tribunal (NCLT) Hyderabad Bench in which one of the lenders filed Application under section 7 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process (CIRP) and the company submitted counter against the above application before Hon’ble National Company Law Tribunal (NCLT) Hyderabad Bench. Pending outcome of said proceedings, no adjustments have been made in the Ind AS financial statements, as on the reporting date.”

Note \* is included as Note 9(c) to the consolidated financial results.

- c. We draw attention in the audit opinion on the standalone financial results of GVK Bagodara Vasad Expressway Private Limited, a step-down subsidiary of the holding company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 23, 2023 is reproduced by us as under:

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“1. Note no.\* in the financial statements. The company had taken term loans from consortium of banks and a financial institution. Company borrowings continues to be classified as Non-Performing Asset by the Lenders due to defaults in payment of related dues. Lenders had recalled the entire facilities extended to the company in the earlier financial years.

2. Note no.\* states that the project undertaken by the Company had been terminated and hence “Going Concern assumption” is not appropriate. The matter is pending before arbitration.”

Note \* is included as Note 11(a) to the consolidated financial results.

- d. We draw your attention to the following paragraph included in the audit opinion on the standalone financial statement of GVK Deoli Kota Expressway Private Limited, a stepdown subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its review report dated May 23, 2023.
- i. “Note \* and \* to the Ind AS financial statements, which explains the reason for preparation of this financial statements on realization basis assuming the Company is no longer a going concern. The Company has recorded receivable from NHAI of Rs. 881.63 Crores after setting off toll assets and other related future liabilities, which is subject to decision and process of arbitration between Company and NHAI.
- ii. Note \* to the Ind AS financial statements, which states that the Company has defaulted in Repayment of principal amount and payment of interest on such term loans taken from consortium of banks & financial institution. As a result, the lenders have classified the term loans as Non-Performing Asset and have recalled the entire facilities extended to the Company and outstanding on March 31, 2023. As a result of that, the term loans have become repayable on demand and as lenders have classified Company's borrowing facility as NPA, Company has not received borrowing statements and confirmation of borrowing balances from lenders and not made available to us. The matter is pending before Arbitration

Our opinion is not modified in respect of these matters”

Note \* is included as Note 11(b) to the consolidated financial results.

- e. We draw attention in the audit opinion on the standalone financial results of GVK Transportation Private Ltd (GVKTPL), subsidiary of the holding company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 23, 2023 is reproduced by us as under:

“Note \* in the financial statements indicates that the company has accumulated losses and it's networth has been fully eroded, the company has incurred a net loss during the current year and previous year(s) and net cash loss during the current year and company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the

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company's ability to continue as going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note."

Note \* is included as Note 11(c) to the consolidated financial results.

- f. We draw your attention to note no.11 (d) of Consolidated Financial Results, regarding GVK Transportation Private Ltd (GVKTPL), subsidiary of the holding company, One of the lender has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKTPL on February 24, 2022 and the next hearing of the case is scheduled on May 29, 2023.
- g. We draw your attention to note no.12 of Consolidated Financial Results, regarding GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), a subsidiary of the holding company, GVK Ratle had entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVK Ratle started the project development and had spent/paid advances to the tune of Rs.101,552 lakhs (till March 31,2021) on various works. However there were significant delays in the construction of the project due to the impediments like land acquisition and execution of land, leases, issues in relation to working conditions, disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc.

GVK Ratle requested for termination of project and offered for an amicable settlement. JKPDD rejected such settlement offer stating that the delays are tantamount to event of default from GVK Ratle. GVK Ratle had initiated the arbitration process and Tribunal vide its order dated 11th July'20 and rectification order dated 7th September'20 had accepted the contentions of the company and had given an award of Rs.29,048 Lakhs in favor of GVK Ratle. Not satisfied with the order, GVK Ratle has filed an appeal before district court, Kishtwar on 8th December,2020 against the said award, which is challenged by JKPDD and court granted the stay on proceedings Meanwhile, GVK Ratle has filed an appeal before Supreme Court, the supreme court stayed all proceedings before the District Court, Kishtwar until it decides the issue relating to applicability of J&K Arbitration Act, 1997, even after it was repealed by J&K State Reorganization Act, 2019.

GVK Ratle had also entered into a settlement agreement with its lender on 24th November'21 and the award realized from the JKPDD will be paid to lender as per the settlement agreement. Considering the fact of termination of the project and settlement with the lenders, the company has adopted the liquidation basis of accounting in preparation of these financial statements and treated the amount recoverable as per award as its asset with similar amount payable to lender as its liability as per settlement agreement. As a result, a credit of Rs.1 Lakh (March 31, 2022 Rs.28497 Lakhs) has been shown as Exceptional Items in the Statement of Profit & Loss for the year ended March 31,2023.

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Similar matter has been included as an Emphasis of matter paragraph in the audit opinion on the standalone financial statements of GVK Rattle Hydro Electric Project Private Limited, the stepdown subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated May 05, 2023.

- h. We draw your attention to Note 13 to the statement regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company of the Holding Company, regarding the company (GVK SEZ) stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by GVKPIL (the Parent Company). GVKPIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, in spite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021 stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on March 31, 2023, the status remains the same.

The matter is under litigation. Pending this litigation, the Investment Property having book value of Rs.11,655 Lakh (March 2022: Rs 11,655 Lakhs) is shown as recoverable since the Management is confident of winning the cases on merits.

- i. We draw attention in the audit opinion on the standalone financial results of Shivpuri Devas Expressways Private Ltd. (SDEPL), subsidiary of holding company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 23, 2023 is reproduced by us as under:

“The financial statements indicates that the company has accumulated losses and it's networth has been fully eroded, the company has incurred a net loss during the current year and previous year(s) and net cash loss during the current year and company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note.”

Our opinion is not modified in respect of the matters reported in Para a to i above.

## 7. Material Uncertainty Related to Going Concern

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We draw attention to note 6 to the consolidated financial results, which indicates that the Group, its associates and Joint Control Entity has incurred significant losses exceptional item during the current and preceding years. The Group's current liabilities are in excess of current assets. The group has delayed in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under The Insolvency and Bankruptcy Code in certain cases. The material uncertainties including termination of projects, are also faced by various projects being executed by the Group, its associates and Joint Control Entity, in which the Group has made investments, and / or provided guarantees/ commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

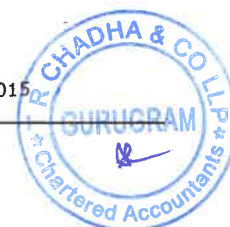
**8. Management's and Board of Directors' Responsibility for the Consolidated Financial Results**

These consolidated financial results which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been compiled from the consolidated annual audited financial statements. The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of the consolidated financial results that gives a true and fair view of the net Profit and other comprehensive income and other financial information of the Group including its associates and Joint Control Entity in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rule, 2015 and other accounting principles generally accepted in India and in compliance with regulation 33 of the Listing Regulations including relevant Circulars issued by SEBI from time to time. 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 consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective management and Board of Directors of the companies included in the Group and its associates and Joint Control Entity are responsible for assessing the ability of the Group and its associates and Joint Control Entity 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.

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The respective Board of Directors/Management of the Companies included in the Group and of its associates and Joint Control Entity are also responsible for overseeing the company's financial reporting process of the companies included in the Group and of its associates and Joint Control Entity.

**9. Auditor's Responsibilities for the Audit of the Consolidated Financial Results.**

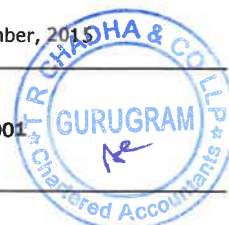
Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs 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 these consolidated financial results.

As part of an audit in accordance with SAs 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 consolidated financial results, 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 through a separate report on the complete set of financial statements on whether the 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 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 ability of the Group 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 as mentioned in para 6 above of our report.
- Evaluate the overall presentation, structure and content of the Consolidated financial results, including the disclosures, and whether the Consolidated financial

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results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results/financial information/financial statements of the entities within the Group and its associates and Joint Control Entity to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by 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.

We communicate with those charged with governance of the Holding Company 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.

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.

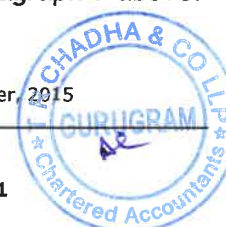
We also performed procedures in accordance with the SEBI circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

#### 10. Other Matters

- We did not audit the annual financial results of 15 subsidiaries included in the consolidated financial results, whose annual financial results reflect (before adjustments for consolidation) total assets of Rs. 9,77,522 Lakhs and net assets of Rs. 246,548 Lakhs as at March 31, 2023, total revenues of Rs. 1,56,207 Lakhs, total net Profit after tax of Rs. 37,924 Lakhs, and total comprehensive profit of Rs. 37,870 Lakhs for the for the year ended March 31, 2023, and cash inflows (net) of Rs.218 Lakhs for the year ended March 31, 2023, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss after tax of Rs. Nil Lakhs and total comprehensive income of Rs. Nil Lakhs for the year ended March 31, 2023 respectively, as considered in the consolidated financial results, in respect of one Joint Control Entity, whose financial statements have not been audited by us. These consolidated financial results have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and Joint Control Entity, is based solely on the audit reports of the other auditors and the procedures performed by us as stated in paragraph 9 above.

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# T R Chadha & Co LLP

Chartered Accountants



- ii. The consolidated financial results include the unaudited financial results of one subsidiary viz. GVKGSPL which has not been audited by the auditor as the subsidiary was deconsolidated w.e.f October 10, 2022 on account of loss of control by the group, whose financial results reflect (before adjustments for consolidation) total revenue of Rs.56,519 Lakhs, total net (loss) after tax of Rs.57,395 Lakhs and total comprehensive loss of Rs.57,395 Lakhs for the year ended March 31, 2023, as considered in the consolidated unaudited financial results.
- iii. The consolidated financial results don't include the financial results in respect of two associates. According to the information and explanations given to us by the Management, this financial information is not material to the Group.
- iv. Our opinion on the consolidated Financial Results is not modified in respect of the matter as described in para 10 (i) and (ii) above with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.
- v. The Consolidated Financial results includes the results for the quarters ended March 31, 2023 and March 31, 2022 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 respective financial years.

Our conclusion on the statement is not modified in respect of the above matters.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Registration No. 006711N/N500028

  
Aashish Gupta  
(Partner)

Membership No. 097343  
UDIN: 23097343BGQJME3567  
Date: 26<sup>th</sup> May 2023  
Place: Gurugram



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**ANNEXURE I****Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended</b>				
<b>March 31, 2023</b>				
<b>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>Rs In Lac</b>				
<b>I</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (Audited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	1,786	1,786
	2.	Total Expenditure	1,085	1,085
	3.	Profit Before Tax	701	701
	4.	Earnings Per Share	0.04	0.04
	5.	Total Assets	256,554	256,554
	6.	Total Liabilities	169,257	169,257
	7.	Net Worth	87,297	87,297
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

<b>II.</b>	<p><b>Audit Qualification (each audit qualification separately):</b></p> <p><b>Details of Audit Qualification:</b></p> <p>1. As discussed more fully in Note 8 to the Standalone financial results regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the company has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the company has provided guarantees and commitments for loans aggregating to Rs.931,065 Lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs.2,557 Lakhs) as at March 31, 2023 with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The entity's current liabilities exceeded current assets by USD 2,845 million (Rs. 2,339,320 Lakhs) as at March 31, 2023 and has incurred net losses of USD 212 million (Rs. 174,606 Lakhs) for the nine months period ended on March 31, 2023.</p> <p>The lenders have also filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaking by the</p>
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lenders dated March 23, 2017, the respective arguments of the lenders and the Company were filed with the court. On June 13, 2022, the Judge has adjourned the starting of the trial to October, 2023. Despite the matter is pending before England Court, one of the lenders has filed an application under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the company has filed the reply. The next date of hearing is 8th June 2023.

In this regard, while the Company has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs. 79,048 Lakhs till March 31, 2023 (Previous Year Rs.79,048 Lakhs till March 31, 2022). We are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments (in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company, is also given in favour of the lenders) and the resultant impact of the same on these standalone financial results.

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive

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

**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

The company has already made provision of the entire investment and receivables. It is also engaged in a settlement negotiation with the lenders, and it is hopeful of an amicable settlement. Any further provision cannot be estimated due to significant uncertainties including fluctuating coal prices, timely achieving financial closure for the project, and concluding an appropriate solution with various stakeholders by GVK Coal and of settlement with lenders which is typical to such negotiations.

2. Note no. 9 to the Standalone financial results regarding GVK Energy Limited (a subsidiary company) and its subsidiaries and jointly controlled entity in which the company has investments and loans aggregating to Rs.79,259 Lakhs (net of provisions). With respect to GVK Energy Limited, there are multiple significant uncertainties in the step-down subsidiaries and joint venture entity like (a) various receivables aggregating to Rs.10,996 Lakhs from AP Transco which are refuted / subject to approvals (b) non-availability of fuel (coal / gas), (c) conclusion on outstanding application for increase in tariff and (d) compensation in relation to deallocated coal mine etc. There are also various uncertainties relating to subsidiaries and the Jointly Controlled Entity of GVK Energy



Limited as referred in Note 9. The Company has made total provision of Rs.34,400 Lakhs towards its investments in GVK Energy Limited till 31<sup>st</sup> March 2023 based on the valuation reports obtained. In this regard, considering the uncertainties, we are unable to ascertain whether any adjustments are required to the standalone financial results with respect to the balance amount of investments and loans aggregating to Rs.79,259 Lakhs.

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive

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

**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

Management is in the process of negotiating the terms with lenders for restructuring of loan accounts, one-time settlements, and is also negotiating with the regulatory authorities for various approvals. Management is confident that it will be able to settle the matters amicably and ultimately able to achieve profitable operations. Pending resolution of the above uncertainties, currently the impact of the same is unascertainable.

- Note 14 to the consolidated financial results regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the holding company including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against MIAL, Vice Chairman, Director & CFO of the Company and four other GVK group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to AAI. After going through the Charge Sheet, the company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view of that the charges are unsubstantiated and no offence u/s section 420 IPC has been made out as there is no loss to AAI, Government, or any Tax Authorities as alleged. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid proceedings.

In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the



Company, their directors and officers, and the concerned parties are cooperating with the investigating agencies. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The Audit Committee of the parent Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid investigation.

We are unable to comment on the effect thereof on the consolidated financial results, including prior year comparatives considering allegations over GVK Group.

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive



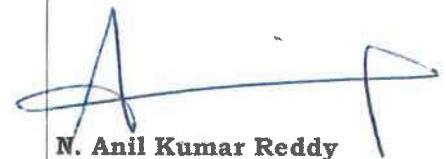




**For Audit Qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

Investigations by various agencies are completed and charge sheets filed. The ultimate outcome is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.



iii.	<b>For GVK Power and Infrastructure Limited</b>	
	 <b>P. V. Prasanna Reddy</b> Whole Time Director 	 <b>N. Anil Kumar Reddy</b> Audit Committee Chairman
	<b>For T R Chadha &amp; Co LLP</b> Chartered Accountants Firm registration number: 006711N/N500028  <b>Aashish Gupta</b> Partner  Membership No. 097343 (Gurugram)	 <b>A. Issac George</b> Whole Time Director & CFO 
	<b>Place:</b> Hyderabad <b>Date:</b> May 26, 2023	

**ANNEXURE I****Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023</b> [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
<b>Rs In Lakhs</b>				
<b>I</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (Audited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	217,906	88,871
	2.	Total Expenditure	227,589	112,304
	3.	Profit before tax	307,069	263,526
	4.	Earnings Per Share	15.44	16.75
	5.	Total Assets	768,937	1,157,192
	6.	Total Liabilities	723,636	1,464,926
	7.	Net Worth	45,301	(307,734)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<p><b>Audit Qualification (each audit qualification separately):</b></p> <p><b>Details of Audit Qualification:</b></p> <p>1. As discussed more fully in Note 8 to the Consolidated Financial Results regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the Group has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the holding company has provided guarantees and commitments for loans aggregating to Rs.931,065 Lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11million (Rs. 2,557 Lakhs) as at March 31, 2023 with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The entity's current liabilities exceeded current assets by USD 2,845 million (Rs.2,339,320 Lakhs) as at March 31, 2023 and has incurred net losses of USD 212 million (Rs.174,606 Lakhs) for the nine months period ended on March 31, 2023.</p> <p>The lenders have also filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaking by the lenders dated March 23, 2017, the respective arguments of the lenders and the Company were filed with the court. On June 13, 2022, the Judge has adjourned the starting of the trial to October, 2023. Despite the matter is pending before England Court, one of the lenders has filed an application</p>			





under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the holding company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022 and the holding company has filed the reply. The next date of hearing is 8th June 2023.

In this regard, while the Group has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79,048 Lakhs till March 31, 2023, we are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments (in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company, is also given in favour of the lenders) and the resultant impact of the same on these consolidated financial results

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:**  
**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

The company has already made provision of the entire investment and receivables. It is also engaged in a settlement negotiation with the lenders, and it is hopeful of an amicable settlement. Any further provision cannot be estimated due to significant uncertainties including fluctuating coal prices, timely achieving financial closure for the project, and concluding an appropriate solution with various stakeholders by GVK Coal and of settlement with lenders which is typical to such negotiations.

- As discussed more fully in Note 9(a) to the Consolidated Financial Results regarding GVK Coal (Tokisud) Private Limited ("GVKCTPL"), a step down subsidiary of the Holding Company. The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary company of GVKEL and mine operator was offered a compensation by the Nominated Authority of Rs. 11,129 Lakhs as against carrying value of assets of Rs. 31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The GVKEL has also given corporate guarantee for the loan taken by GVKCTPL. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court



as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed with regard to R&R costs. The company has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 22, 2023.

The GVKEL, holding company, has given corporate guarantee for the loan taken by the GVKCTPL for which provision for Corporate Guarantee given by GVK Energy Limited for loan taken by GVK Coal (Tokisud) Private Limited has also not been considered.

In the light of the above, we are unable to comment on the recoverability of assets with carrying value of Rs.6,015 Lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor: Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

The Hon'ble Supreme Court of India had deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, GVK Coal (Tokisud) Private Limited has submitted its claim for an amount Rs. 19,882 lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. The company has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for a claim of Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on June 22, 2023.

Hence, the impact of the same is unascertainable.

- We draw attention to Note 9(b) to the consolidated financial results regarding Deconsolidation of assets and liabilities of GVK Power (Goindwal Sahib) Limited ("GVKPGSL"), a step down subsidiary of the Holding



Company upto 10<sup>th</sup> October 2022, has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company. Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKPGSL. Since the Group loss the control over the GVKPGSL, the assets and liabilities of GVKPGSL have been deconsolidated as at October 10, 2022 as required u/s Para 25 of Ind AS 110 Consolidated Financial Statements, which has resulted in a net gain of Rs.343,685 Lakh as disclosed as Exception Items in the Consolidated Financial Results. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. This Corporate Guarantee may be invoked by the Lenders of GVKPGSL considering the default therein. In such eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKPGSL is negative. However, the extent of the liability that may arise in respect of guarantee is presently not ascertainable and accordingly no provision has been made in this regard in relation to such liability.

In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:**  
**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

The company has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company. GVKEL filed an appeal against this order before NCLAT, Chennai on October 27, 2022 and GVKEL filed appeal in Supreme court on May 19, 2023 as the appeal filed by GVKEL dismissed by NCLAT, Chennai on April 24, 2023.

Hence, the impact of the same is unascertainable.

4. The following qualifications included in the audit opinion on the standalone financial results of GVK Gautami Power Limited, jointly controlled entity issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 23, 2023, is reproduced by us as under:

"We draw attention to note \* to the Ind AS Financial statements, regarding the uncertainties associated with recoverability of carrying value of



property, plant and equipment, we are unable to comment on adequacy of provision made for impairment of property, plant and equipment, which have to accounted for as per Indian Accounting Standard (Ind AS) 36 – Impairment of Assets.

We draw attention to note \* to the Ind AS Financial Statements, which indicates that (a) the company has accumulated losses and eroding its net worth, (b) the company has incurred a net cash loss during the current and previous period and (c) the company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in said note regarding defaults in loan and interest payments and uncertainty faced by the company towards availability / supply of natural gas, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the Ind AS financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note. There would arise a need to adjust the realizable value of assets and liabilities in the event of failure of assumptions as to going concern referred to in the said note, and in the absence of impact of aforesaid assumptions having been un-ascertained, we are unable to comment thereon."

Note \* is included as Note 9(c) to the consolidated financial results.

In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor: Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

There has been uncertainty regarding supplies/availability of gas to power plant. The Company would be able to establish profitable operations through its alternate fuel equipment and necessary steps / initiatives taken by Government of India as explained above.

Hence, the impact of the same is unascertainable.

- The following qualifications included in the audit opinion on the standalone financial results of Alaknanda Hydro Power Company Ltd. (AHPCL), a step down subsidiary of the Holding Company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 15, 2023, is reproduced by us as under:

"We draw your attention to Note no \* to the Ind AS Financial Statements regarding management's legal assessment with respect to UPERC Tariff



Order dated 20.04.2023. The Company, based on opinion sought, has not recognized the revenue on arrears for the tariff years 2019-20 to 2022-23. The impact of the same on the Ind AS Financial Statements can't be quantified for reasons explained in the said note."

Note \* is included as Note 9(d) to the consolidated financial results.

In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** First time

**For Audit Qualification(s) where the impact is not quantified by the auditor:**  
**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

The company has filed a petition before Uttar Pradesh Electricity Regulatory Commission (UPERC) for approval of provisional tariff for the tariff year 2022-23, UPERC has approved the previous year provisional tariff for the tariff year 2022-23. AHPCL is in receipt of final tariff order for the Multi Year Tariff (MYT) for the period 2019-24 based on final approved project cost of Rs. 406,186 Lakhs on 20.04.2023. However, there is an ambiguity in the said order with respect to claiming Normal Annual Plant Availability Factor (NAPAF) and accordingly, the exact quantification of arrears on account of final tariff cannot be ascertained. Since, there is time for filing the review petition before UPERC or APTEL by either of the parties.

Hence, the revenue on account of arrears is not recognized during year ended March 2023 and shall be recognized as and when the same is realized or the outcome of the said appeal with UPERC / APTEL, if any, is determined.

6. As discussed more fully in Note 10 to the Consolidated Financial results regarding annulment of settlement by Edelweiss with respect to their loans / NCDs to GVKEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GVKEL of Rs.10 each, recording of exceptional loss of Rs.194.86 Crores during the year ended March 31, 2023 by GVKEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned.



Since the matter is Sub Judice and the agreement for selling these invoked shares are not yet concluded, the management cannot ascertain the number of shares of AHPCL required to settle the debt of Edelweiss as the actual implication thereof on the books is highly probable on the valuation of shares and outcomes of the legal proceedings.

ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss") (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, the company has filed its replies and next hearing of the case is scheduled on June 07, 2023.

The auditors of Alaknanda Hydro Power Company Ltd. (AHPCL), subsidiary of GVKEL vide their audit report dated May 15, 2023, have also qualified the audit report in this matter, which is reproduced as below:

We draw your attention to Note no. \* to the Ind AS Financial Statements regarding:-

(i) default in redemption of debentures of INR 13,900.00 Lakhs and repayment of term loan of INR 7,974.21 Lakhs along with interest accrued thereon up to May 16, 2022 of INR 1,735.07 Lakhs due to Edelweiss group which were transferred to GVK Energy Limited based on the letter received from GVK Energy Limited on May 31, 2022. Consequently, no interest has been provided on such debentures and term loan from May 17, 2022 and

(ii) the Company and GVK Energy Limited have considered that the above liabilities along with the liabilities of GVK Energy Limited as on May 16, 2022 gets extinguished in view of invocation of shares held by GVK Energy Limited in Alaknanda Hydro Power Company Limited pledged to Edelweiss group. The same has been informed to Edelweiss Group and Debenture Trustees in various correspondence in response to their communications.

We are unable to comment on the consequence of transfer of liabilities such as debentures, term loan and interest accrued thereon by the Company to GVK Energy Limited. In this regard it is also relevant to note that GVK Energy Limited vide its letter dated May 31, 2022 has given an undertaking to face the liabilities, if any, that may arise there from, on such transfer of liabilities to them."

Note \* is included in Note 10 of the consolidated financial results.

In view of the same, we are unable to comment on the accounting done in this regard in books of account and the ultimate impact of the same including of the invocation of the settlement offer by Edelweiss, invocation of pledged shares of AHCPL by Edelweiss, invocation of corporate guarantee issued by GVKPIL and GVKEL and impact of the proceedings in the NCLT, if any on the consolidated financial results.



**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive

**For Audit Qualification(s) where the impact is not quantified by the auditor:  
Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

During the earlier years, GVK Energy Ltd. (GVKEL) and Alaknanda Hydro Power Company Limited (AHPCL) have issued debentures vide respective Trust Deed and also taken loans from ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss"). These Debentures and Loans are also secured by pledge of shares of GVK Power (Goindwal Sahib) Limited, GVK Coal Tokisud Company Private Limited and AHPCL held by GVKEL and shares of GVKEL held by GVKPIL as investment in respective companies. The loans were further secured by Corporate Guarantee given jointly by GVKEL and GVKPIL.

Since the repayment of loan and interest was defaulted, GVKEL and AHPCL have entered into settlement agreement with Edelweiss on 31.10.2020 which resulted in settlement of principal and interest outstanding of Rs.687.30 Crores (GVKEL Rs.121.39 Crores and AHPCL Rs.565.91 Crores) at Rs.525 Crores (GVKEL Rs.38.00 Crores and AHPCL Rs.487.00 Crores) along with interest rate of 12.50% pa compound monthly w.e.f. September 16, 2020 till July 31, 2021, which was further extended up to March 31, 2022. AHPCL and GVKEL has made total payments of Rs.330.59 Crores till the date of invocation resulting in balance payable of Rs. 271.15 Crore including interest till 16-05-2022 (GVK EL Rs.35.06 Crores and AHPCL Rs.236.09 Crores). AHPCL and GVKEL has requested for further time till 31-08-2022 from Edelweiss for making balance payment and were in discussions with them.

GVKEL filed a suit before Delhi High Court on May 30, 2022, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. The Hon'ble High Court Delhi has given interim order dated May 31, 2022 wherein it is stated that while selling the shares of AHPCL by Lenders, the best offer received by them would be communicated to the GVKEL and GVKPIL as well as to the Court, and an opportunity would be given to them to match the said offer within five days. In the meanwhile, if GVKEL and GVKPIL get an offer for the aforesaid shares, they shall also inform the defendants as well as the Court. In the event GVKEL and GVKPIL are unable to match the offer of the lenders, the lenders would be free to sell the said shares at the best offer received by them. Till the time, the shares which are invoked are sold in the aforesaid manner, the lenders shall not sell any other shares that have been pledged by the GVKEL and GVKPIL with the lenders. However, the lenders shall be free to invoke the pledged shares. Next hearing of the case is scheduled on August 16, 2023.

Hence, the matter is Sub Judice and the agreement for selling these invoked shares are not yet concluded, the management cannot ascertain the number of shares of AHPCL required to settle the debt of Edelweiss as the actual implication thereof on the books is highly probable on the valuation of shares and outcomes



of the legal proceedings.

7. The following matters are included in the audit opinion on the financial statements of GVK Bagodara Vasad Expressway Private Limited, a step-down subsidiary of the holding company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated May 23, 2023 is reproduced by us as under:

- i. "The project of the company was terminated by GSRDC by referring the defaults of the Concessionaire. Consequent to the termination of the project, Company has accounted, cost incurred on the project Rs.589,04,20,918 as amount receivable from the GSRDC as management has represented that the project of the company was terminated due to the reasons attributable to the GSRDC. Company has disputed the termination notice and invoked Arbitration in terms of provisions of concession agreement. The matter is sub-judice before hon'ble Arbitral Tribunal. We are unable to comment upon its recoverability in the absence of availability of related convincing audit evidence as to its recoverability.
- ii. Balances of borrowings (including interest accrued thereon) from lender amounting to Rs.879,40,24,915 as at 31st March 2023 as per books of accounts are unconfirmed. In absence of such confirmations, we are unable to comment on the appropriateness of carrying amount of borrowing (along with interest accrued thereon) as presented in Balance sheet."

Considering the above matters reported by the Component Auditor and other details as given in Note 11 (a) to the consolidated financial results, we are unable to comment towards the recoverability of total assets aggregating to Rs. 58,919 Lakhs and the impact on the liabilities as appearing in the Consolidated Financial results related to this step-down subsidiary.

**Type of Audit Qualification:** Qualified Opinion

**Frequency of qualification:** Repetitive

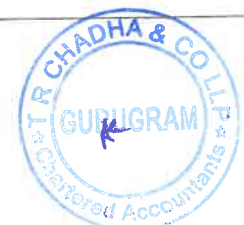
**For Audit Qualification(s) where the impact is not quantified by the auditor:**

**Management's estimation on the impact of audit qualification:** Not Applicable

**If management is unable to estimate the impact, reasons for the same:**

The project of the Company was terminated by GSRDC by referring to the defaults of the Concessionaire. Consequent to the termination of the project, the Company has accounted, cost incurred on the project Rs. 58,904 lakhs as amount receivable from the GSRDC as management has represented that the project of the Company was terminated due to the reasons attributable to the GSRDC. The company has disputed the termination notice and invoked arbitration in terms of the provisions of the concession agreement. The matter is sub-judice before Hon'ble Arbitral Tribunal.

Hence, the impact of the same is unascertainable.





The company has followed an accrual basis of accounting and has made provision for interest as per the terms of the loan agreement. The management is of the opinion non-confirmation from the banks may not impact the financials.






8. Note 14 to the consolidated financial results regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the holding company including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against MIAL, Vice Chairman, Director & CFO of the Company and four other GVK group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of funds of MIAL eventually causing a loss to AAI. After going through the Charge Sheet, the company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view of that the charges are unsubstantiated, and no offence u/s section 420 IPC has been made out as there is no loss to AAI, Government, or any Tax Authorities as alleged. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid proceedings.

In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the Company, their directors and officers, and the concerned parties are cooperating with the investigating agencies. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The Audit Committee of the parent Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid investigation.

We are unable to comment on the effect thereof on the consolidated financial results, including prior year comparatives considering allegations over GVK Group.



<p><b>Type of Audit Qualification:</b> Qualified Opinion</p> <p><b>Frequency of qualification:</b> Repetitive</p> <p><b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  <b>Management's estimation on the impact of audit qualification:</b> Not Applicable</p> <p><b>If management is unable to estimate the impact, reasons for the same:</b></p> <p>Investigations by various agencies are completed and charge sheet filed. The ultimate outcome is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.</p>
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III.	<b>For GVK Power and Infrastructure Limited</b>	
	 <b>P. V .Prasanna Reddy</b> Whole Time Director	  <b>N. Anil Kumar Reddy</b> Audit Committee Chairman
	<b>For T R Chadha &amp; Co LLP</b> Chartered Accountants Firm registration number: 006711N/N500028	 <b>A. Issac George</b> Whole Time Director & CEO
	 <b>Aashish Gupta</b> Partner Membership No. 097343 <b>Place:</b> Hyderabad <b>Date:</b> May 26, 2023	