



28th December, 2021

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 31st March, 2021

**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. 28th December, 2021 had considered and approved the following business:

- a) Audited Financial Statements of the company (Standalone and Consolidated) for the year ended 31st March, 2021 along with 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 31st March, 2021 in the format specified under SEBI (LODR) Regulations, 2015.

The Board Meeting commenced at 4:30 p.m. and concluded at 6:30 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: L74999AP2005PLC059013

Registered office: Paigah House, 156-159, Sardar Patel Road, Secunderabad-500 003 (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 year ended March 31, 2021

(Rs. in Lakhs)

S. No.	Particulars	Quarter ended (Unaudited)			Year ended (Audited)	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
1	Income					
	Revenue from operations	422	1,013	316	2,066	2,320
2	Other income	392	722	2,141	3,237	7,867
3	Total revenue	814	1,735	2,457	5,303	10,187
4	Expenses					
	Employee benefit expenses	30	32	38	128	233
	Other expenses	138	177	1,344	605	1,898
	Impairment of non-current investments	-	26	87,800	25,126	87,800
	Fair value loss on Investments	-	-	-	-	1,000
	Depreciation	3	5	5	19	21
	Finance costs	1	1	134	2	1,320
	Total Expenses	172	241	89,321	25,880	92,272
5	Profit/(loss) from ordinary activities but before	642	1,494	(86,864)	(20,577)	(82,085)
6	Exceptional items	-	-	-	-	-
7	Profit/(loss) from ordinary activities (5-6)	642	1,494	(86,864)	(20,577)	(82,085)
8	Tax Expenses	(17)	-	716	47	730
9	Profit/(loss) from ordinary activities after tax (7-8)	659	1,494	(87,580)	(20,624)	(82,815)
10	Other comprehensive income (net of tax)	-	-	-	-	-
11	Total comprehensive income (after tax) (9+10)	659	1,494	(87,580)	(20,624)	(82,815)
12	Paid-up equity share capital	15,792	15,792	15,792	15,792	15,792
13	Earnings per share (EPS)					
	a) Basic (in Rs.)	0.04	0.09	(5.55)	(1.31)	(5.24)
	b) Diluted (in Rs.)	0.04	0.09	(5.55)	(1.31)	(5.24)

GVK Power & Infrastructure Limited

P V Prasanna Reddy

P V Prasanna Reddy
Whole-time Director



Place: Hyderabad
Date : December 28, 2021



GVK Power & Infrastructure Limited
Standalone Statement of assets and liabilities

(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Assets		
Non-current assets		
Property, plant and equipment	56	72
Investments	86,532	148,120
Financial assets		
Investments	-	5,175
Non Current tax assets (net)	1,111	2,009
Other non-current assets	13	13
	<u>87,712</u>	<u>155,389</u>
Current assets		
Financial assets		
Investments	2,119	507
Trade receivables	2,050	803
Cash and cash equivalents	57	28
Loans	19,803	408
Other financial assets	18	239
Other current assets	31	44
	<u>24,078</u>	<u>2,029</u>
Assets clasified as held for Sale	43,473	-
Total	<u>155,263</u>	<u>157,418</u>
Equity and Liabilities		
Equity		
Equity share capital	15,792	15,792
Other equity	65,272	85,896
	<u>81,064</u>	<u>101,688</u>
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	-	-
Unearned financial guarantee liability	1,663	1,961
	<u>1,663</u>	<u>1,961</u>
Current liabilities		
Financial liabilities		
Borrowings	70,518	47,276
Trade payables		
• Total outstanding dues of micro enterprises and small	-	-
• Total outstanding dues of creditors other than micro		
enterprises and small enterprises	201	186
Other financial liabilities	1,717	6,269
Provisions	7	8
Current tax liabilities	-	-
Other current liabilities	93	30
	<u>72,536</u>	<u>53,769</u>
Total liabilities	<u>74,199</u>	<u>55,730</u>
Total	<u>155,263</u>	<u>157,418</u>



	Year ended March 31, 2021	Year ended March 31, 2020
1 CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	(20,577)	(82,085)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expenses	19	21
Impairment of non-current investments and receivables	25,126	87,800
Gain on sale of current investments (net)	(109)	(52)
Finance Cost	-	1,320
Fair value loss on investments in preference shares	-	1,000
Provision for bad and doubtful debt	-	1,098
Unwinding interest income on financial guarantees and debt instruments	(745)	(2,904)
Notional commission on guarantee given to subsidiaries	(767)	(2,074)
Liabilities/ Provisions no longer required, written back	(1,222)	-
Interest income on income tax and service tax refund	(350)	(287)
Operating profit before working capital changes	1,375	3,837
Movement in working capital:		
Decrease/(Increase) in trade receivables	(1,247)	(448)
Decrease in other current/non current assets	234	1,837
Increase/(Decrease) in trade payables, current liabilities and provisions	77	256
Cash generated from operations	439	5,482
Taxes (paid)/refund	851	1,091
Net cash generated from operating activities (A)	1,290	6,573
2 CASH FLOW FROM INVESTING ACTIVITIES		
Net Purchase/ Sale of current investments	(1,503)	1,112
Investments in subsidiaries/ associates/related party including share application money	(1,091)	(4,354)
Loans (given)/refunds to/from subsidiaries/related party	(19,395)	(81)
Purchase of property, plant and equipment	(3)	(1)
Interest received	350	287
Net Cash (used in)/ generated from investing activities (B)	(21,642)	(3,037)
3 CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(898)	(3,000)
Proceeds from short term borrowings (net)	23,242	134
Interest paid	(1,963)	(691)
Net Cash generated from/(used in) financing activities (C)	20,381	(3,557)
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	29	(21)
Cash and Cash Equivalents at the beginning of the year	28	49
Cash and Cash Equivalents at the end of the year	57	28
Components of cash and cash equivalents		
Balance with banks:		
Current accounts	57	28
Total cash and cash equivalents	57	28



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Independent Auditor's Report on Standalone Annual 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

Qualified Opinion

1. We have audited the accompanying standalone financial results of **GVK Power & Infrastructure Limited ('the Company')** for the year ended March 31, 2021, the standalone statement of assets and liabilities, the standalone cash flow statement as at and for the year ended on that date, attached herewith, 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. presents financial results 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 loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2021, the standalone statement of assets and liabilities and the standalone cash flow statement as at and for the year ended on that date, 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:
 - a. As discussed more fully in Note 9 to the financial results regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the Group has investments and has receivables aggregating to Rs.78,634 Lakhs and to whom the holding company has provided guarantees and commitments for loans aggregating to Rs.827,149 lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs.2,272 lakhs) as at March 31, 2021 with respect to which there are multiple significant uncertainties including outlook on the sector including those arising from COVID, achieving of

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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 exceed current assets by USD 2,423 million (Rs.17,69,794 Lakhs) as at March 31, 2021 as per Unaudited Financials.

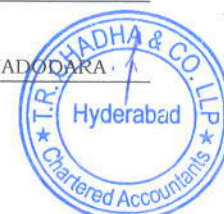
In this regard, while the company has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.78,634 Lakh during year ended March 31, 2020, we are unable to comment on the viability of the project and of the provision that may be required in relation to 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. Note no.10 to the financial results regarding GVK Energy Limited (a jointly controlled entity) and its subsidiaries and jointly controlled entity in which the company has investments and loans aggregating to Rs.84,236 Lakh and financial guarantees issued by the company to the jointly controlled entity amounting to Rs.3100 Lakh. With respect to GVK Energy Limited, there are multiple significant uncertainties like (a) various receivables aggregating to Rs.10,996 Lakh 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 10. The Company has made total provision of Rs.34,400 Lakhs against the same so far including provision of Rs.25,100 lakh made during year ended March 31, 2021 based on the valuation reports obtained. In this regard, considering the uncertainties, we are unable to ascertain whether any adjustments are required to the financial results in the statement with respect to the balance amount of investments and loans aggregating to Rs.84,236 Lakh and financial guarantees issued by the company to the jointly controlled entity amounting to Rs.3100 Lakh.
- c. Note 17 to the 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, we are unable to comment on the effect thereof on the standalone financial results including prior year comparatives considering allegations over GVK Group.
- d. Note 19 to the consolidated financial results regarding the requirements of Section 96(1) of the Companies Act, 2013, the Parent Company was required to hold its Annual General Meeting (AGM) at which the Board of Directors were to lay the Balance Sheet and the Profit and Loss account for the year ended March 31, 2020

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by December 31, 2020 and for the year ended March 31, 2021 by November 30, 2021. While the Balance Sheet and Profit and Loss account for the year ended March 31, 2020 was approved at the AGM held on October 29, 2021, the parent Company, however, could not lay the Balance Sheet and the Profit and Loss account for the year ended March 31, 2021, before November 30, 2021 and will be applying to the relevant authority(ies) for compounding of these non-compliance under the relevant sections of the Companies Act, 2013 and the Rules made thereunder. We are unable to comment on the impact of these non-compliances on the consolidated financial statements.

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 Statement' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the ICAI) together with the ethical requirements that are relevant to our audit of the financial statement 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.

5. **Material Uncertainty Related to Going Concern**

We draw attention to note 6 to the financial results, which indicates that the company has significant accumulated losses as at March 31, 2021, has continued to incur significant losses during the year ended March 31, 2021 and in previous years, and material uncertainties are faced by various projects, in which the company has made investments, provide 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.



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6. Emphasis of Matter

- a. Note 7 to the financial results regarding proposed sale by the Company of its interest in Mumbai International Airport Limited (MIAL) and the companies related to airport vertical by sale of securities held by the Company in GVK Airport Developers Limited (GVKADL), a wholly owned subsidiary under a binding co-operation agreement dated August 31, 2020 and other related transaction documents, basis which no adjustment was considered necessary to be made to the carrying value of investments and other receivables in / from GVKADL / MIAL / Navi Mumbai International Airport Limited (NMIAL).
- b. We draw attention to Note 15 to the financial results regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company, which 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 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. 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 has stayed the proceedings by issuing Show Cause Notice to ED. The matter is under litigation. Pending these litigations, the impact of the same on the Company is not determinable.
- c. We draw attention to note 16 to the financial results which states that the management has made an assessment of the impact of Covid 19 on the Company's operations, financial performance and position as at and for the period ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statement. Accordingly, no adjustments have been made to the financial statement.

Our opinion is not modified in respect of above matters.

Board of Director's Responsibilities for the Standalone Financial Results

7. These 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 Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the 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 Statement 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 statement by the Directors of the Company, as aforesaid.

8. In preparing the financial statement, 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.
9. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

10. 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 high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.
11. 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 statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

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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 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. The material uncertainty with regard to Going Concern is reported in Para 5 of our report.
 - Evaluate the overall presentation, structure and content of the standalone financial statement, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
13. 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.



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Other Matters

14. The financial result for the quarter and year ended March 31, 2020 were audited by the erstwhile auditor whose report dated August 24, 2021, expressed a modified conclusion on those financial results. We have relied upon the said report for the purpose of our report on this statement.
15. The financial results include the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.

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

Pravin Kumar Jabade
(Partner)

Membership No. 107196

UDIN: 21107196AAAA0N6747

Date: 28th December, 2021

Place: Hyderabad



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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)**

<u>Statement on Impact of Audit Qualifications for the Financial Year ended</u>				
<u>March 31, 2021</u>				
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
Rs In Lac				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (Audited figures after adjusting for qualifications)
	1.	Turnover / Total income	5,303	5,303
	2.	Total Expenditure	25,880	25,880
	3.	Net Profit/(Loss)	(2,624)	(2,624)
	4.	Earnings Per Share	(1.31)	(1.31)
	5.	Total Assets	155,263	155,263
	6.	Total Liabilities	74,199	74,199
	7.	Net Worth	81,064	81,064
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

	<p><u>Audit Qualification (each audit qualification separately):</u></p> <p>Details of Audit Qualification:</p> <p>1. As discussed more fully in Note 9 to the financial results regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the Group has investments and has receivables aggregating to Rs.78,634 Lakhs and to whom the holding company has provided guarantees and commitments for loans aggregating to Rs.827,149 lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs.2,272 lakhs) as at March 31, 2021 with respect to which there are multiple significant uncertainties including outlook on the sector including those arising from COVID, 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 exceed current assets by USD 2,423 million (Rs.17,69,794 Lakhs) as at March 31, 2021 as per Unaudited Financials.</p> <p>In this regard, while the company has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.78,634 Lakh during year ended March 31, 2020, 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</p>
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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 a 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.

1. Note no.10 to the financial statement regarding GVK Energy Limited (a jointly controlled entity) and its subsidiaries and jointly controlled entity in which the company has investments and loans aggregating to Rs.84,236 Lakh and financial guarantees issued by the company to the jointly controlled entity amounting to Rs.3,100 Lakh. With respect to GVK Energy Limited, there are multiple significant uncertainties like (a) various receivables aggregating to Rs.10,996 Lakh 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 10. The Company has made total provision of Rs.34,400 Lakhs against the same so far including provision of Rs.25,100 lakh made during quarter ended June 2020 based on the valuation reports obtained. In this regard, considering the uncertainties, we are unable to ascertain whether any adjustments are required to the financial results in the statement with respect to the balance amount of investments and loans aggregating to Rs.84,236 Lakh and financial guarantees issued by the company to the jointly controlled entity amounting to Rs.3,100 Lakh.

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 approval of additional capital costs. Management is confident that it will be able to settle the matters amicably and will be able to achieve final tariff approvals with retrospective effect and will be ultimately able to achieve profitable operations. Pending resolution of the above uncertainties



currently the impact of the same is unascertainable.

2. Note 17 to the financial statement 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, we are unable to comment on the effect thereof on the standalone 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 under process and the ultimate outcome is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.

3. Note 19 to the consolidated financial statements regarding the requirements of Section 96(1) of the Companies Act, 2013, the Parent Company was required to hold its Annual General Meeting (AGM) at which the Board of Directors were to lay the Balance Sheet and the Profit and Loss account for the year ended March 31, 2020 by December 31, 2020 and for the year ended March 31, 2021 by November 30, 2021. While the Balance Sheet and Profit and Loss account for the year ended March 31, 2020 was approved at the AGM held on October 29, 2021, the parent Company, however, could not lay the Balance Sheet and the Profit and Loss account for the year ended March 31, 2021, before November 30, 2021 and will be applying to the relevant authority (ies) for compounding of these non-compliance under the relevant sections of the Companies Act, 2013 and the Rules made thereunder. We are unable to comment on the impact of these non-compliances on the consolidated 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:

Non holding of the Annual General Meeting (AGM)

Company has already taken appropriate steps to comply with all statutory compliances and it is in a process of completing within a short span of time.



III.

For GVK Power and Infrastructure Limited

P.V. Prasanna Reddy

P. V .PRASANNA REDDY

Whole Time Director



Balasubramanian.S

Balasubramanian.S

Audit Committee Chairman

For T R Chadha & Co LLP

Chartered Accountants

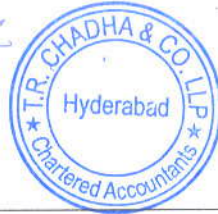
Firm registration number: 006711N/N500028

Pravin Kumar Jabade

Pravin Kumar Jabade

Partner

Membership No. 107196



A. Issac George

A. ISSAC GEORGE
Whole Time Director & CFO

Place: Hyderabad

Date: December 28, 2021



S. No.	Particulars	Quarter ended (Unaudited)			Year ended (Audited)	
		31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
1	Income					
	Revenue from operations	9,090	9,282	8,250	31,033	35,701
2	Other income	202	456	218	2,216	7,201
3	Total Income	9,292	9,738	8,468	33,249	42,902
4	Expenses					
	(a) Employee benefit expenses	219	215	228	922	1,508
	(b) Finance costs	7,138	7,307	7,811	30,527	40,158
	(c) Depreciation and amortisation	2,162	1,286	1,571	5,215	5,974
	(d) Impairment of non-current investments	-	-	77,535	-	77,535
	(e) Fair value loss on investment	-	-	-	-	1,000
	(f) Other expenses	11,762	2,271	11,589	21,663	19,119
	Total expenses	21,281	11,079	98,734	58,327	145,294
5	Profit/ (Loss) from ordinary activities but before exceptional items (3-4)	(11,989)	(1,341)	(90,266)	(25,078)	(102,392)
6	Exceptional items	-	-	-	-	-
7	Profit/ (Loss) from ordinary activities (5-6)	(11,989)	(1,341)	(90,266)	(25,078)	(102,392)
8	Add: Share of profit/ (loss) from associates/ jointly controlled entities	-	-	-	-	-
9	Loss before tax for the period from Continuing operations (7+8)	(11,989)	(1,341)	(90,266)	(25,078)	(102,392)
10	Tax expense	597	1,185	1,813	3,872	4,845
11	Loss for the period from Continuing operations (9-10)	(12,586)	(2,526)	(92,079)	(28,950)	(107,237)
12	Loss before Tax for the period from discontinuing operations	(4,856)	(13,502)	(23,122)	(84,517)	(44,362)
13	Tax expense of discontinuing operations	4,000	(8,909)	580	(19,766)	2,873
14	Loss for the period from discontinuing operations (12-13)	(8,856)	(4,593)	(23,702)	(64,751)	(47,235)
15	Profit / Loss for the Period (11+14)	(21,442)	(7,119)	(115,781)	(93,701)	(154,472)
	Other comprehensive (expense)/income -Continuing operations	(536)	12	20	109	(74)
	Other comprehensive (expense)/income -Discontinuing operations	103	2	1	108	(5)
16	Total other comprehensive (expense)/income	(433)	14	21	217	(79)
17	Total comprehensive income for the period (15+16)	(21,875)	(7,105)	(115,760)	(93,484)	(154,551)
18	Profit/ (Loss) for the period attributable to:					
	- Owners of the Company					
	Loss for the period from Continuing operations	(12,586)	(2,526)	(92,098)	(28,666)	(107,224)
	Loss for the period from Discontinuing operations	(8,273)	(5,026)	(17,111)	(47,761)	(42,119)
	- Non controlling interests					
	Loss for the period from Continuing operations	-	-	19	(284)	(13)
	Loss for the period from Discontinuing operations	(583)	433	(6,591)	(16,990)	(5,116)
		(21,442)	(7,119)	(115,781)	(93,701)	(154,472)
19	Other comprehensive income for the period attributable to:					
	- Owners of the Company					
	Loss for the period from Continuing operations	(532)	12	20	109	(74)
	Loss for the period from Discontinuing operations	52	2	1	55	(5)
	- Non controlling interests					
	Loss for the period from Continuing operations	(4)	-	-	-	-
	Loss for the period from Discontinuing operations	51	-	-	53	-
		(433)	14	21	217	(79)
20	Total comprehensive income for the period attributable to:					
	- Owners of the Company					
	Loss for the period from Continuing operations	(13,118)	(2,514)	(92,078)	(28,557)	(107,298)
	Loss for the period from Discontinuing operations	(8,221)	(5,024)	(17,110)	(47,706)	(42,124)
	- Non controlling interests					
	Loss for the period from Continuing operations	(4)	-	19	(284)	(13)
	Loss for the period from Discontinuing operations	(532)	433	(6,591)	(16,937)	(5,116)
		(21,875)	(7,105)	(115,760)	(93,484)	(154,551)
21	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792	15,792	15,792	15,792
	Basic and Diluted earnings per share in Rs					
	- Continuing operations	(0.80)	(0.16)	(5.83)	(1.82)	(6.79)
	- Discontinuing operations	(0.52)	(0.32)	(1.08)	(3.02)	(2.67)
	- Total operations	(1.32)	(0.48)	(6.92)	(4.84)	(9.46)

Place: Hyderabad
Date: December 28, 2021

GVK Power & Infrastructure Limited

P V Prasanna Reddy
P V Prasanna Reddy
Whole Time Director



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

(Rs In Lakhs)

S.No.	Particular	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
	Assets		
I)	Non-current assets		
	Property, plant and equipment	177	1,002,518
	Capital work in progress	57,067	354,745
	Expenditure incurred during construction period, pending allocation (Net)	-	39,147
	Investment Property	11,655	11,655
	Goodwill	15,142	112,237
	Intangible assets	11,725	113,691
	Right of use asset	-	737
	Lease equalisation asset (Net of provision)	-	1,766
	Investments including in joint ventures and associates (accounted under equity method)	-	13,700
	Financial assets		
	Other non-current financial assets	100,983	105,339
	Deferred tax assets (net)	3,227	7,951
	Tax assets (Net)	3,764	23,830
	Other non-current assets	38,888	52,511
	Total	242,628	1,839,827
II)	Current Assets		
	Inventories	80	920
	Contract assets	-	3,962
	Financial assets		
	Investments	2,125	2,230
	Trade receivables	186	40,260
	Cash and cash equivalents	6,952	19,404
	Balances with banks other than cash and cash equivalents	5,501	12,383
	Loans	35,278	28,963
	Other financial assets	9,718	70,320
	Current tax assets	7,913	4,410
	Other current assets	6,687	28,712
	Total	74,440	211,564
III)	Assets classified as held for Sale	1,681,035	-
	Grand Total	1,998,103	2,051,391



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

(Rs In Lakhs)

S.No.	Particular	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
	Equity and Liabilities		
I)	Equity		
	Equity share capital	15,792	15,792
	Other equity	(361,782)	(285,519)
	Equity attributable to owners of the Group	(345,990)	(269,727)
II)	Non-controlling interest	239,136	256,357
	Total Equity	(106,854)	(13,370)
III)	Non-current liabilities		
	Contract liabilities	-	773
	Financial Liabilities		
	Borrowings	10,208	771,341
	Lease liabilities	-	316
	Other financial liabilities	3,855	190,653
	Provisions	56	1,453
	Deferred tax liability (net)	-	13,790
	Other non-current liabilities	-	282,201
	Total	14,119	1,260,527
IV)	Current liabilities		
	Contract liabilities	-	2,237
	Financial liabilities		
	Borrowings	88,373	145,632
	Lease liabilities	-	443
	Trade payables - Total outstanding dues of:		
	- micro and small enterprises	6	726
	- other than micro and small enterprises	4,318	17,300
	Other financial liabilities	314,416	565,651
	Provisions	5,172	19,263
	Current tax liabilities (net)	1,170	2,679
	Other current liabilities	3,485	50,303
	Total	416,940	804,234
V)	Liabilities clasified as held for Sale	1,673,898	-
	Grand Total	1,998,103	2,051,391



GVK Power and Infrastructure Limited

Consolidated statement of cash flow

(All amounts in INR lakhs, except share data and where otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flow From Operating Activities		
Loss before tax for the period from Continuing operations	(25,078)	(102,392)
Adjustments for:		
Depreciation and amortisation (net)	5,215	5,974
Loss on sale of fixed assets (net)	-	8,367
Interest expense	30,150	38,227
Interest income	(630)	(3,558)
Liabilities written back/ Reversal of previous year expenses	(1,229)	(2,074)
Income from investment	(173)	(103)
Impairment of non-current investments	-	77,535
Provision for doubtful debts	963	1,098
Advances written off	9,400	-
Goodwill written off	3,619	-
Loss on exchange fluctuation (net)/ Other non cash expenses	205	592
Provision for Periodic overlay	2,672	2,802
Fair value loss on investments in preference shares	-	1,000
Operating Profit before Working Capital Changes	25,114	27,468
Change in operating assets and liabilities:		
Decrease/(Increase) in trade receivables	(1,275)	4,678
Decrease/(Increase) in Inventories	64	(17)
Decrease/(Increase) in Financial Assets loans, others, other current and noncurrent	29,064	38,578
(Decrease)/Increase in Provisions	(11,379)	16,157
Increase in Trade payables, other financial liabilities and current liabilities	(609)	(50,090)
Cash Generated from Operations	40,979	36,774
Taxes (paid)/refund (net)	(3,284)	(2,074)
Net Cash flow from Operating Activities (A)	37,695	34,700
B. Cash Flow From/(Used In) Investing Activities		
Purchase of fixed assets	(6)	(12)
Proceeds from sale of fixed assets	-	1
(Purchase) / proceeds from sale of current investments (net)	139	2,416
Purchase of non-current investments	-	(5,969)
Loans (given) to / taken from related parties and others (net)	(9,915)	(2,749)
(Investment)/ Realization of bank deposits	(261)	(325)
(having original maturity of more than 3 months)		
Interest received	630	3,584
Net Cash flow from/(used in) Investing Activities (B)	(9,413)	(3,054)



GVK Power and Infrastructure Limited

Consolidated statement of cash flow

(All amounts in INR lakhs, except share data and where otherwise stated)

		Year ended March 31, 2021	Year ended March 31, 2020
A. Cash Flow From Operating Activities			
C. Cash Flow Used In Financing Activities			
Proceeds from Minority Interest		-	16,637
Proceeds from further issue of Equity shares/ Debentures		25,000	-
Repayment of long term borrowings		(30,171)	(6,989)
Repayment/ Proceeds from short term borrowings (net)		(9,755)	(9,541)
Interest paid		(7,172)	(31,304)
Net Cash flow used in Financing Activities	(C)	(22,098)	(31,197)
Net increase/(decrease) in Cash and Cash Equivalents			
- For the period from Continuing operations	(A+B+C)	6,184	449
- For the period from Discontinuing operations		20,898	(11,541)
Cash and Cash Equivalents at the beginning of the year		19,404	30,496
Cash and Cash Equivalents at the end of the year		46,486	19,404
Components of cash and cash equivalents as per Cash Flow Statement			
Balance with banks:			
Current accounts		6,943	708
Cash		9	39
Cheques		-	21
Cash and Cash Equivalents relating to Continuing Operations		6,952	768
Balance with banks:			
Current accounts		2,159	13,200
Deposit accounts		37,351	5,436
Cash		24	-
Cash and Cash Equivalents relating to Discontinuing Operations		39,534	18,636
Total Cash and Cash Equivalents		46,486	19,404



GVK Power & Infrastructure Limited

Notes for standalone & consolidated financial results

- 1 GVK Power & Infrastructure Limited ("The Company") has followed Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act, 2013, read with relevant rules issued thereunder.
- 2 The 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 (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 consolidated financial results have been reviewed by the audit committee on December 28, 2021 and have been approved by board of directors at their meeting held on December 28, 2021.
- 5 The figure of last quarter of the 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, 2021 and March 31, 2020 and the unaudited published year-to-date figures up to December 31, 2020 and December 31, 2019.
- 6 As at March 31, 2021, the Group had accumulated losses and the Group has incurred losses during the current and preceding years. The Groups current liabilities are in excess of current assets. The group has delayed payment of loans and interest and various loan accounts have been classified as non-performing by banks/ lenders. The Group has provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 9, 10, 12(a) and 12(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 plants in the absence of gas and litigations on rights to claim capacity charge, re-negotiation of terms of PPA of coal based plant, arbitration on delay of commencement of road projects, termination of projects etc. These factors together with the impact of Covid 19 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/coal allocation etc. as required despite current macro-economic environment challenges.

- 7 The Company and its subsidiary GVK Airport Developers Limited (GVK ADL) has 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. GVKPIL has also sold its majority holding in GVKADL to AAHL. 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 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.

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.

Further, based on the above, the Company's investment in GVK ADL is considered fully recoverable and the Assets Held for sale read with Liabilities Held for Sale are considered in Consolidated Financial Statements at the values shown and no adjustments are considered necessary in the financial statements.

8 Assets held for sale

Considering the above note 7, based on the binding agreement between the parent Company, GVK ADL (the holding company of GVKAHL) and Adani Airport Holdings Limited dated August 31, 2020, the management has evaluated the criteria as per Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, and is of the view that the Airport vertical is considered as "Held for sale" asset from the quarter ended September 30, 2020.

Accordingly, the income and expenditure relating to airport vertical for the Year Ended March 31, 2021 is netted and shown as Loss before Tax for the period from discontinuing operations. Further, income and expenditure relating to previous year has also been represented for discontinued operations. The Assets and Liabilities relating to Airport Vertical has been shown as Assets Held for Sale and Liabilities held for Sale as on March 31, 2021.

- 9 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 full value of its investment and receivable aggregating to Rs 414 Lakhs & Rs. 78,634 lakhs during the year ended March 31, 2021 & March 31, 2020 respectively 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. 827,149 lakhs (March 31, 2020: Rs. 851,216 lakhs) taken by GVK Coal as at March 31, 2021 part of which is collateralized by the pledge of 37% shares of GVK Airport Holdings Limited a wholly owned subsidiary of the parent Company, and has also undertaken to provide financial assistance of USD 3.11 million (Rs. 2,272 lakhs) as at March 31, 2021, an entity whose current liabilities exceeds current assets by USD 2,423 million (Rs. 1,769,795 lakhs) as at March 31, 2021, and based on the unaudited financial statements of GVK Coal is witnessing 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. There are also uncertainties arising from COVID. 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 since filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts 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 lenders cannot enforce such obligation until March 29, 2022. The respective arguments of the lenders and the parent Company were filed with the court and an order has been pronounced which entails start of the trial on June 13, 2022.

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 incentivised to final 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.



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

a) Trade receivable of GVK Industries Limited (GVKIL), include accruals towards reimbursement of fixed charges for the financial year 1997-1998 to 2000-2001, on increased capital cost worked out as per ratios set out in the PPA aggregating to Rs. 4,512 lakhs (March 31, 2020: Rs. 4,512 lakhs) by GVKIL, disincentive recoverable aggregating to Rs. 2,878 lakhs (March 31, 2020: Rs. 2,878 lakhs), minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2000-2001 up to the financial year 2011-2012, aggregating to Rs. 2,031 lakhs (March 31, 2020: Rs. 2,031 lakhs) and other receivables of Rs. 75 lakhs (March 31, 2020: Rs. 75 lakhs). In GVK Gautami Power Limited (GVKGPL), the minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2009-2010 to 2010-2011, aggregating to Rs. 1,500 lakhs (March 31, 2020: Rs. 1,500 lakhs) is accounted, which are being refuted by AP Transco/subject to approvals.

There has been uncertainty regarding supplies/availability of gas to power plants of GVK Industries Limited (GVKIL), subsidiary company of GVKEL, and GVK Gautami Power Limited (GVKGPL), jointly controlled entity of GVKEL. These group companies have made losses of Rs. 46,511 lakhs during the current period (March 31, 2020: Rs. 39,310 lakhs). The lenders have classified the loan balances of these group companies as non-performing assets. One of the lenders in the consortium of GVKIL has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and hearing on petition is pending.

GVKEL is confident that the Government of India will take necessary steps/initiatives to improve the situation of natural gas. However, in the interim, these group companies are working with the lenders for a one time settlement proposal wherein the loans would be settled at the value of the plant to be realized on its sale to APDISCOM. 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 these group companies continue 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. GVKEL has given corporate guarantee for the loan taken by GVKGPL. GVKEL based on the valuation performed for these entities, has made a provision for diminution for full value of investments to the extent of Rs. 64,295 lakhs in its standalone financial statements during the FY ended March 31, 2020.

GVKEL accordingly believes that no provision for impairment/diminution is required towards carrying value of assets aggregating to Rs.56,525 Lakhs & Rs.92,560 Lakhs of GVKIL & GVKGPL respectively and also no provision towards corporate guarantee given by GVKEL to GVKGPL is necessary

b) 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 of GVKEL and mine operator for coal mine allotted to GVKPGSL, was offered of 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. Nominated authority further approved Rs 13,827 Lakhs against the claim recently and GVKCTPL has appealed against the same for the differential amount.

GVK Energy has written off its investment in GVKCTPL amounting to Rs. 10,986 lakhs during the year ended March, 2018. GVK Energy has also given corporate guarantee for the loan taken by GVKCTPL. Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mines and accordingly no provision is required towards corporate guarantee given by GVKEL to GVKCTPL.

c) Uncertainty is being faced by coal based Thermal Power plant with carrying value of assets aggregating to Rs. 380,291 lakhs (March 31, 2020: Rs. 415,025 lakhs) of GVK Power (Goindwal Sahib) Limited ('GVKPGSL'), subsidiary company of GVKEL, due to uncertainty in supply of fuel consequent to the Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVKPGSL. Management had filed petition with Punjab State Electricity Regulatory Commission (PSERC) for re-negotiation of terms of power purchase agreement claiming force majeure and change in law as envisaged under Power Purchase Agreement. It had also applied for the approval of completed capital cost and determination of final tariff for the Project.

The subsidiary company GVKPGSL was allotted 1.7 million tons of coal from M/s Central Coal Fields Limited (CCL) under Scheme for Harnessing Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI). It entered into an agreement with CCL on 16th February, 2018.

PSERC had approved the capital cost of Rs 3,05,837 Lakhs on January 17, 2022 against the claim of Rs 4,49,106 Lakhs. PSERC has also not allowed complete pass through of cost on account of fuel. Aggrieved with the above order, the company has preferred an appeal against the said order before Appellate Tribunal for Electricity (APTEL).

The GVKPGSL has defaulted on repayment of dues to lenders. One of the lenders in the consortium of GVKPGSL has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and hearing on petition is still pending.

Further based on the valuation performed, GVK Energy has made a provision for diminution of investments to the extent of Rs 108,210 Lakhs & Rs. 18,310 lakhs during the year ended March 31, 2021 & March 31, 2020 respectively in its standalone financial statements towards investments in GVKPGSL.

Management is actively looking to implement the resolution plan with the lenders. Accordingly, management believes that no provision is required to be made to the assets carrying value of Rs. 380,291 Lakhs.

d) The parent company (GVKPIL) has assessed and based on the valuation carried out, provided an amount of Rs 25,100 Lakhs for year ended March 31, 2021 (Rs 4,900 Lakhs during the year March, 2020) in its standalone financial statement towards its investments in GVKEL. No provision is considered necessary in standalone books of accounts of GVKPIL towards the remaining carrying value of Rs 73,923 Lakhs of its investments in GVKEL based on the valuation carried out and other relevant factors and loans of Rs 10,314 Lakhs.

e) The Group has already accounted the share of its losses in previous years related to GVK Energy Limited (Jointly Controlled Entity) to the extent of its investments and hence there is no further provisioning required of the losses in Group Accounts during the year.

f) The Group also has receivables of loan of Rs. 35,274 lakhs (March 31, 2020: Rs. 28,600 lakhs) from GVKEL and the parent company has also given corporate guarantee of Rs 3,100 Lakhs (March, 2020 Rs. 4,500 Lakhs) to GVKEL. The management believes that no provision for diminution for such loans and no provision for corporate guarantees given by the parent Company is required considering the overall evaluation of the Jointly Controlled Entity.

11 Note on going concern as included in the consolidated financial statements of GVKEL.

As at March 31, 2021, the Group had accumulated losses and the Group has incurred losses during the previous year and the current year. The Group's current liabilities are in excess of current assets. The Group has delayed payment of loans and interest and certain loan accounts of the Group have been classified as non-performing by the lenders. GVK Power & Infrastructure Limited has provided corporate guarantee for the loans taken by GVKEL and has given sponsor undertaking for the loans taken by GVKPGSL. Further, as detailed in Note 10 above, uncertainties are being faced by various projects in the Group such as losses incurred by power plants, re-negotiation of terms of power purchase agreement of coal based plant, approval of resolution plan, one time settlement proposal, litigations with respect to tariff, etc. 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 establish profitable operations and meet its commitments. Further, management is confident that aforesaid entities would win litigations, obtain approval of regulators, obtain requisite fuel allocation etc. as required and would establish profitable operations.

12 The company has wholly own subsidiary company viz. GVK Transportation Pvt. Ltd. (GVKTPL). GVKTPL has made investment into four subsidiaries out of which two subsidiaries are facing uncertainties, detailed as below:



a) GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL)

GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL) step subsidiary of the Company has spent an amount of Rs 67,374 lakhs till March 31, 2021, comprising Rs 58,904 lakhs towards project expenditure and Rs. 8,470 lakhs net towards advances to contractor. (March 31, 2020: Rs 67,374 lakhs) on various works under this Concessionaire Agreement. During the course of 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 also. 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 which notice, 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 inspite 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.

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 for production of additional documents, the hearing was concluded and orders in the said application are reserved.

All the loan accounts become non-performing assets as on the date of the balance sheet and company received recalled notices from the banks and financial institutions and hence borrowing from the banks and financial intuitions are treated as other current financial liabilities.

Based on its internal assessment/legal advice, 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. 67,026 lakhs; comprising Rs.67,023 lakh as Other Non-Current financial assets and Rs.3 lakh as Property Plant & Equipment on March 31,2021 (March 31, 2020 Rs. 67,011 lakhs) at carrying value in the financial statements and no provision for diminution is necessary.

b) GVK Deolikota Expressway Private Limited (GVK DKEPL)

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 defence. GVK DKEPL is also taking other necessary legal remedies in this regard and the Arbitration tribunal is yet to decide the date for hearing on these claims.

Meanwhile, the NHAI has paid a Gross total of Rs 49,767 Lakhs (Net Rs 24,977 Lakhs after deduction of Income Tax TDS Rs 1,303 Lakhs, GST TDS Rs 995 Lakhs, Premium Rs 16,917 Lakhs, Interest on Premium Rs 5,141 Lakhs, TCS Rs 338 Lakhs and Interest on TCS Rs 97 Lakhs) till November 30, 2021 towards our Termination payment claim. The company has thereafter filed an interim application U/s 17 of the Arbitration and Conciliation Act, 1996 for full amount of termination payment as calculated by NHAI. Meanwhile the company has also filed Rejoinder and partly arguments were heard on on various dated and next hearing is fixed on December 31, 2021.

GVK DKEPL has defaulted in repayment of principal amount and payment of interest on such term loans taken from consortium of banks & 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 DEPL. Under the liquidation basis of accounting, all assets and liabilities are measured at their net realisable 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/ legal advice 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 recognise total assets aggregating to Rs.51,777 lakh; comprising Rs.45,094 lakh as Other Non-Current assets, Rs 6,594 Lakh as the Current Assets and Rs.89 lakh as Property Plant & Equipment on March 31,2021 (Rs.87,462 lakh as on March 31,2020) at carrying value in the financial statements.

13 GVK Jaipur Expressway Private Limited (GVKJEPL)

Toll collections were suspended by NHAI due to the Lock down announced by the Ministry of Road Transport & Highways (MoRTH) vide its order H-25016/01/2018-Toll dated March 25, 2020 on account of COVID 19. The suspension of Toll continued till April 20, 2020. However, due to the impact of the lockdown and reduced traffic due to covid, the daily Toll collection continued to be much less than the average daily collection prior to the lockdown. GVKJEPL at present has the concession to operate and collect the toll till March 16, 2023. However, NHAI vide its Policy circular No. 8.3.33/2020 dated 26th May, 20 had provided relief measures to BOT (Toll) Concessionaires from the impact of COVID-19, wherein extension of concession period was granted, based on certain criteria, for a minimum of three months and a maximum of six months period from the end of the concession period. Accordingly, GVKJEPL has applied for extension of concession period and is confident of getting the extension and considered the impairment of goodwill accordingly.

14 GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), step 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 has spent/ paid advances having outstanding of an amount of Rs. 101,552 lakhs (March 31, 2020: Rs. 107,298 lakhs) on this project for various works. There has been a significant delay 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 has offered for an amicable settlement and requested for the termination of concession agreement, but JKPDD rejected such settlement stating that the delays tantamount to event of default from GVK Ratle. Subsequent to this, GVK Ratle has initiated the arbitration process and the same is in advance stages. In the arbitration proceedings, GVK Ratle has made a total claim of Rs: 513,648 lakhs and JKPDD has made a counter claim of Rs: 518,963 lakhs.

The Tribunal vide its order dated 11th July,2020 and rectification order dated 7th September 2020 has given an award of Rs.29,048 Lakhs in favour of GVK Ratle. The GVK Ratle has filed an appeal on 8th December,2020 against the said award.

Further, the GVK Ratle has entered into a settlement agreement on 24th November 2021 with its Lender. Considering the settlement term with the lender and pending legal proceedings, the management believes that it is appropriate to recognize assets aggregating to Rs.101,552 Lakhs (comprising of Capital Work in Progress Rs.57,067 Lakh, Other Non Current Assets Rs.38,860 lakh, Other Current Assets Rs.5,603 lakh and Property Plant & Equipment (PPE) of Rs.22 lakh) as on March 31, 2021, (Rs.107,298 Lakhs as on March 31, 2020) at carrying value in the financial statement and no provision for diminution is necessary.



15 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, 2020 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 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. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA) (Refer Note 17 a). However, Hon'ble High Court of Telangana has stayed the proceedings by issuing Show Cause Notice to ED.

The matter is under litigation. Pending these litigations, the Investment Property having book value of Rs.11,655 Lakh (March 2020: Rs 11,655 Lakhs) is shown as recoverable since the Management is confident of winning the cases on merits.

16 Impact of Covid 19 pandemic on the Group

The spread of COVID-19 has severely impacted airport & toll road operations around the globe including India. There has been a significant decline in the revenue from aeronautical and non-aeronautical sources on account of disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The group has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property plant and equipment, receivables and other assets. In developing the assumptions relating to the possible future uncertainties because of this pandemic, the group, as at the date of approval of these consolidated financial, and economic forecasts based on internal and external sources of information, to assess the carrying value and recoverability of property plant and equipment, receivables and other assets as at the balance sheet date and the necessary adjustments have been considered in the consolidated financial statements.

Airport operations note as per financial statement of MIAL.

The aviation industry has been severely impacted by COVID-19 and the Airport operations of MIAL have been disrupted due to the nation-wide lockdown beginning March 24, 2020 and subsequent restrictions on domestic and international flight operations. Later, the Government of India and the Government of Maharashtra have partially permitted commencement of scheduled domestic flights w.e.f. May 25, 2020 with various measures in place to ensure passenger safety. However, the pandemic has had a significant impact on the revenue and profits of MIAL subsequent to the year ended March 31, 2020.

The Covid-19 pandemic has caused MIAL to invoke the force majeure provision as per Operation, Management and Development Agreement ('OMDA') with the Airports Authority of India (AAI). MIAL has thus claimed relief from AAI towards, inter alia, suspension/ excuse from discharging its annual fee obligations till the time of force majeure event and such additional period thereafter as is necessary to enable MIAL to achieve the level of activity prevailing before the event of force majeure. Consequently, MIAL provided AAI with various details, as requested by them from time to time, for provide for force majeure relief. However, AAI continued its demand for seeking annual fee. In order to claim urgent relief on the matter, MIAL filed an application with Honourable High Court of Delhi ("DHC") under Section 9 of the Arbitration and Conciliation Act, 1996. The DHC has vide its final order dated 27th November, 2020 allowed the petition of MIAL post which MIAL is able to access and utilize the funds for its requirements pertaining to running and operating of the CSMI Airport and other obligations linked thereto under the OMDA. Further, as per DHC order, MIAL is required to retain 38.7% of actual payments received from activities connected with OMDA in the Escrow Proceeds Account however AAI is restrained from transferring / withdrawing the said amount retained in the Escrow Proceeds Account. These direction are applicable prospectively from the date of pronouncement of the order and will remain in force until varied / modified by subsequent orders either from the higher courts or arbitration tribunal.

Against the aforesaid order dated 27th November, 2020, AAI had filed an appeal before the division bench of the Delhi High Court which was disposed-off on 14th January, 2021 vide consent order.

Currently, the matter is under arbitration before the Arbitral Tribunal for final Award. Further, the Arbitral Tribunal has passed an order dated 28th June, 2021 wherein Arbitral Tribunal have disposed-off section 17 application preferred by MIAL and AAI by passing a similar order as that of the Divisional Bench of the Delhi High Court (consent order).

Against this order, MIAL & AAI has preferred an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Delhi High Court which is pending for hearing. Pending decision of the Honourable Delhi High Court on the above appeal, legal opinion and Award of the Arbitral Tribunal, MIAL has not provided for its annual fee liability in these financial statements.

17 a) 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 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. The investigation of CBI is currently under progress. 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.

Various companies that are part of GVK group and its associates had received notices under Section 206(5) and Section 207 of the Companies Act, 2013 during the earlier years to which the Companies have provided responses and further notices have also been received in December 2020 that have been responded to.

The Audit Committee of the holding 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.

(b) Note as included in the consolidated financial statements of MIAL.

On June 27, 2020, the Central Bureau of Investigation ('CBI'), has registered a First Information Report (FIR) against the Company, its holding Company, GVK Airport Holdings Limited (GVKAHL), erstwhile Managing Director of the Company and the erstwhile Chairman of the Company, who was also a whole time director of the Company ('together called as promoter directors') and has initiated investigations against the Company in respect of various matters alleging irregularities arising due to potential conflict of interest by the erstwhile Managing Director and GVK group of Companies in respect of a few contracts with its vendors/customers and misuse of the funds of MIAL.

The Enforcement Directorate ('ED') has also taken up the investigation under the Prevention of Money Laundering Act on the basis of FIR registered by the CBI. The investigation of CBI is currently in progress and the Company is co-operating with the investigating agency. ED has filed a complaint before the City Civil Court and Additional Sessions 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 Company had also received a Notice of Inspection from Ministry of Corporate Affairs (MCA) under section 206(5) of Companies Act, 2013 in October 2019, requiring the Company to furnish books of accounts and records and management has responded to the enquiries/notice.

Considering the status of these proceedings, the implications if any, arising from the aforesaid investigations would be known only after the matters are concluded and accordingly, adjustments if any, that may arise would be made on conclusion of the aforesaid investigations.

(c) Note as included in the standalone financial statements of GVKAHL.



On June 27, 2020, Central Bureau of Investigation (CBI) has registered an First Information Report (FIR) against GVK AHL, its subsidiary Company i.e. MIAL, Managing Director of MIAL and the chairman of the GVK group, who is also a whole time director of GVK AHL (together called as promoter directors) and various other parties and has initiated investigation against the aforesaid parties in respect of various matters alleging irregularities arising due to potential conflict of interest by the Managing Director of MIAL and GVK group of companies in respect of few contracts with its vendors/ customers and misuse of funds of MIAL.

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. The investigation of the CBI and ED are currently in progress and MIAL is cooperating with the investigating agencies. GVK AHL has also received a notice of inspection from Ministry of Corporate Affairs (MCA) under Section 206(5) of the Companies Act, 2013 in October 2020, requiring it to furnish books of accounts and records and management has responded to the enquiries/ notices. MIAL has also received a notice of inspection from MCA under Section 206(5) of Companies Act, 2013 in October 2019, requiring it to furnish books of accounts and records and management of MIAL has responded to the enquiries/ notice. Has received further letter as per Section 206(5)/207 of Companies Act, 2013 on December 24, 2020.

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.

Considering the status of the proceedings, the implication, if any, arising from the aforesaid investigations would be known only after the matters are concluded and accordingly, adjustments if any, that may arise would be made to the financial statements on conclusion of the aforesaid investigation.

18 Navi Mumbai International Airport Private Limited (NMIAL), a subsidiary of MIAL had entered into financing arrangement for INR 864,500 Lakhs with Yes Bank Limited to fund part cost of Design, development, financing construction, operations & maintenance (DBFOT) of Phase I of Navi Mumbai International Airport. Subsequently, Yes Bank Ltd., vide letter dated 3rd April, 2020 cancelled the facility granted to the Company unilaterally. Hence, Company has requested Yes Bank Limited to refund the facility fees paid amounting to INR 13,997 Lakhs including stamp duty paid on documentation for financing arrangement excluding taxes. In the meantime, there was a change in the management of the NMIAL and new management again requested Yes Bank Limited on 15 September, 2021.

19 As per the requirements of Section 96(1) of the Companies Act, 2013, the Parent Company was required to hold its Annual General Meeting (AGM) at which the Board of Directors were to lay the Balance Sheet and the statement of Profit and Loss account for the year ended March 31, 2020 by December 31, 2020 and for the year ended March 31, 2021 by November 30, 2021. While the Balance Sheet and statement of Profit and Loss account for the year ended March 31, 2020 was approved at the AGM held on October 29, 2021, the parent Company, however, could not lay the Balance Sheet and the statement of Profit and Loss account for the year ended March 31, 2021, before November 30, 2021 and will be applying to the relevant authority (ies) for compounding of these non-compliance under the relevant sections of the Companies Act, 2013 and the Rules made thereunder.

As per the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the parent Company was required to file its Audited Financial Results for the year ended March 31, 2021 by May 30, 2021 and for subsequent quarters by relevant applicable dates with The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited (Exchanges). However, the Parent Company could not do so. Further, the parent company has submitted its audited accounts for year ended March 2020 and the quarter ended June 30, 2020, Sept 30, 2020 and December 31, 2020 to the Exchanges with delays.

20 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 : December 28, 2021

GVK Power & Infrastructure Limited

P V Prasanna Reddy

P V Prasanna Reddy
Whole-Time Director



GVK Power & Infrastructure Limited
Segment Reporting (Consolidated) for the Year ended March 31, 2021

(Rs. In Lakhs)

Sr No	Particulars	Year ended	
		31.03.2021 (Audited)	31.03.2020 (Audited)
1	Segment Revenue		
	Power	-	-
	Roads	31,045	35,609
	Others	2,075	2,412
	Total	33,120	38,021
	Less: Inter segment revenue	2,087	2,320
	Net sales / income from Continuing operations	31,033	35,701
	Net sales / income from Discontinuing operations	160,220	348,986
2	Segment Result		
	Power	(5,082)	(131)
	Roads	18,252	20,442
	Others	(6,316)	(12,210)
	Total	6,854	8,101
	Less:		
	Interest Expense	30,527	40,158
	Add:		
	Other unallocable income net off unallocable expenditure	(1,405)	(70,335)
	Total Loss before tax Continuing operations	(25,078)	(102,392)
	Total Loss before tax Discontinuing operations	(84,517)	(44,362)
3	Capital Employed		
	(Segment Assets)		
	Power	101,602	107,344
	Roads	121,962	179,750
	Airports	-	-
	Others*	47,538	16,339
	Unallocated	45,966	61,278
	Total Segment Assets	317,068	364,711
	Assets classified as held for Sale	1,681,035	1,686,680
	(Segment Liabilities)		
	Power	123,992	114,057
	Roads	299,846	338,946
	Others*	2,207	10,869
	Unallocated	5,014	(15,195)
	Total Segment Liabilities	431,059	448,677
	Liabilities classified as held for Sale	1,673,898	1,616,084
	Net Capital employed	(113,991)	(83,966)
	Net Capital employed - classified as held for Sale	7,137	70,596

*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



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Chartered Accountants

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Independent Auditor's Report on Consolidated Annual 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

Qualified Opinion

1. We have audited the accompanying consolidated financial results of **GVK Power & Infrastructure Limited ('the Holding Company')** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the year ended 31 March, 2021 and the consolidated statement of assets and liabilities and the consolidated cash flow statement as at and for the 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) ('Listing Regulations'), 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 ventures, as referred to in Other Matters paragraph below, the statement;
 - i. includes the annual financial results of the entities listed in **Annexure -1**;
 - ii. presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except the indeterminate effects / possible effects of the matters referred in Basis of Qualification paragraph below; and
 - iii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of consolidated net loss after tax and other comprehensive income and other financial information of the group, its associate and joint ventures for the year ended 31 March, 2021 and the consolidated statement of assets and liabilities and the consolidated cash flow statement as at ended on that date, except for the indeterminate effects / possible effects of the matters referred to in Basis for Qualified Opinion paragraph below.



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Basis for qualified Opinion

3. We draw your attention to:

- a. As discussed more fully in Note 9 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.827,149 lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs.2,272 lakhs) as at March 31, 2021 with respect to which there are multiple significant uncertainties including outlook on the sector including those arising from COVID, 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 exceed current assets by USD 2,423 million (Rs.17,69,794 Lakhs) as at March 31, 2021 as per Unaudited Financials.

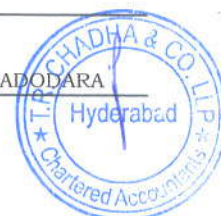
In this regard, while the Group has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.414 Lakh during year ended March 31, 2021 and Rs.78,634 Lakh during year ended March 31, 2020, we are unable to comment on the viability of the project and of the 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. The following qualifications included in the audit opinion on the consolidated financial results of GVK Energy Limited (GVKEL), a joint venture of the Holding Company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated December 08, 2021, is reproduced by us as under:
 - i. "The outstanding fixed charge component of the tariff on the increased capital cost for the years 1997-98 to 2000-01 amounting to Rs.4,512 Lakhs considered recoverable from AP Transco in GVK Industries Limited, a subsidiary company and regarding outstanding minimum alternate tax, amounts claims for reimbursement, disincentives recoverable and other receivable amounting to Rs.2,878 lakhs, Rs.3,531 lakhs and Rs.75 lakhs respectively considered recoverable from AP Transco and consequential impact on taxes in the books of GVK Industries Limited and GVK Gautami Power Limited, a subsidiary company and a jointly controlled entity respectively, which are being refuted by AP Transco/subject to approvals.

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Pending resolution of these matters, we are unable to comment upon the recoverability of these receivables together with consequential impact, if any, arising out of the same in these accompanying consolidated financial statements. Refer Note * to the consolidated financial statements.”

- ii. “We draw attention to Note no.* (GVK Industries Limited) & Note no.* (GVK Gautami Limited) to the financial statements, with regard to the uncertainties faced by the company on account of availability/ supply of natural gas. However, the company GVKEL is confident that the Government of India will take necessary steps/initiatives to improve the situation of natural gas. In the interim, these group companies are working with the lenders for a one-time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to APDISCOM. Further, GVKEL based on the valuation performed for these entities, has made a provision for diminution for full value of investments to the extent of Rs.64,295 Lakhs in its standalone financial statements in previous year. The company accordingly believes that no provision for impairment/diminution is required towards balance carrying value of assets aggregating to Rs.56,525 Lakhs and Rs.92,560 Lakhs of GVKIL & GVKGPL respectively and also no provision towards corporate guarantee given by GVKEL to GVKGPL is necessary. The said note to the results of the subsidiary is included as Note no.* to the accompanying consolidated financial statements.

Pending resolution of the uncertainties/ approvals towards supplies/ availability of gas, recovery of capacity charges and approval of one time settlement proposal with lenders, we are unable to comment upon the recoverability of assets with carrying value amounting to Rs.149,085 lakhs and the provision, if any, required for the corporate guarantee given to the jointly controlled entity, together with consequential impact, if any, arising out of the same on these accompanying consolidated financial statements.”

- iii. “The Hon'ble Supreme court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, the aforesaid subsidiary 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 Company has given corporate guarantee for the loan taken by the subsidiary. Pending approval of the claim by the adjudicating authority, we are unable to comment on the recoverability of assets with carrying value of Rs. 19,882 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements. Refer Note * to the consolidated financial statements.”

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- iv. "We draw attention to Note * to the financial statements, regarding revision in tariff. The matters relating to Power Purchase Agreement pending with Punjab State Power Corporation Limited (PSCPL) on account of uncertainty in revision in tariff, considering enhanced project cost and differential coal procurement cost and other components mentioned in aforesaid note. In view of the detailed in said note and pending confirmation of dues from PSCPL as on reporting date and outcome of such matters, we are unable to comment on the provision, if any, is required against the said matters. The said note is included as Note No.* to the accompanying consolidated financial statement. Consequentially, we are unable to comment upon the recoverability of assets with carrying value amounting to Rs.380,291 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated financial statements"

The note * is included as Note 10(a), 10(b), and 10(c) to the Consolidated Financial Results.

Refer Note 10 (e) to the Consolidated Financial Results, wherein, the group has accounted the share of its losses relating to GVK Energy Limited in previous years to the extent of its investment and hence, no further provisioning of the losses is required in Group Accounts.

As referred in Note 10 (f) to the consolidated financial results, in the light of the note 10 (a) to Note 10 (c) above, we are unable to comment on the extent of eventual recoverability of the loans to GVK Energy Limited and its subsidiary aggregating to Rs.35,274 lakhs as disclosed under "loans" after recording Groups share of losses and the provisions, if any, required for the corporate guarantee given to the joint venture amounting to Rs.3,100 Lakhs. The impact of this matter on the consolidated financial statements is presently not ascertainable.

- c. The following qualifications included in the audit opinion on the 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 August 31, 2021, is reproduced by us as under:
- i. "The project of the Company was terminated by Gujarat State Road Development Corporation (GSRDC) by referring the defaults of the Concessionaire. Consequent to the termination of the project, Company has accounted the cost incurred on the project of 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. Company has disputed the termination notice issued by GSRDC and invoked arbitration in terms of the provisions of concession agreement. The matter is sub-judice before Hon'ble Arbitral Tribunal. We are unable to

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comment upon its recoverability in the absence of availability of related convincing audit evidence as to its recoverability.”

- ii. “Non-provision of advance to EPC contractor (Crescent EPC Projects and Technical Services Limited) amounting to Rs.8,470 lakhs though doubtful of recovery, has resulted in under-statement of loss for the year by Rs.8,470 lakhs and overstatement of advances by the same amount.”
- iii. “Balances of borrowings (including interest accrued thereon) from lender amounting to Rs.75,767 Lakh as at March 31, 2021 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 the Balance Sheet.”

Refer Note 12 (a) to the Consolidated Financial Results in this regard.

Considering the above qualifications by the Component Auditor and other details as given in Note 12 (a) to the Consolidated Financial Results, we are unable to comment towards the recoverability of total assets aggregating to Rs.67026 Lakh and the impact on the liabilities as appearing in the Consolidated Financial Results related to this step-down subsidiary.

d. i) Note 17(a) 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, we are unable to comment on the effect thereof on the consolidated financial results including prior year comparatives considering allegations over GVK Group.

ii) We also draw your attention to the following qualification in audit opinion on the consolidated financial statements of Mumbai International Airport Limited (MIAL), a step-down subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated September 18, 2021, reproduced by us as under:

“As more fully described in Note * of the consolidated Ind AS financials, pending completion of the investigation by various authorities for the period prior 27 June 2020 on the Holding Company, we are unable to comment on the effect thereof on these accompanying consolidated Ind AS financial statements.”

Note * is included as Note 17(b) to the consolidated financial results.



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iii) We also draw your attention to the following qualification in the audit opinion on the financial statements of GVK Airport Holding Limited, a wholly owned subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated October 27, 2021 reproduced by us as under:

“We draw attention to Note * of the standalone Ind AS Financial statements, which describes pending completion of the investigation on various matters by various authorities on the Company and Mumbai International Airport Limited (its subsidiary company), we are unable to comment on the effect thereof on these accompanying standalone Ind AS financial statements including prior period comparatives”

Note * is included as Note 17(c) to the consolidated financial results.

iv) We also draw your attention to the following qualification in the audit opinion on the financial statements of GVK Airport Developers Limited, a wholly owned subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated October 27, 2021 reproduced by us as under:

“We draw attention to Note * of the standalone Ind AS Financial statements, which describes pending completion of the investigation on various matters by various authorities on the Company and Mumbai International Airport Limited (its subsidiary company), we are unable to comment on the effect thereof on these accompanying standalone Ind AS financial statements including prior period comparatives”

e. Note 19 to the consolidated financial results regarding the requirements of Section 96(1) of the Companies Act, 2013, the Parent Company was required to hold its Annual General Meeting (AGM) at which the Board of Directors were to lay the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2020 by December 31, 2020 and for the year ended March 31, 2021 by November 30, 2021. While the Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2020 was approved at the AGM held on October 29, 2021, the parent Company, however, could not lay the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2021, before November 30, 2021 and will be applying to the relevant authority(ies) for compounding of these non-compliance under the relevant sections of the Companies Act, 2013 and the Rules made thereunder. We are unable to comment on the impact of these non-compliances on the consolidated financial results.



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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 Consolidated Financial Results' section of our report. We are independent of the Group, its associates, and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 and that obtained by other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion

5. Material Uncertainty Related to Going Concern

- i. We draw attention to note 6 to the consolidated financial results, which indicates that the Group, its associate and joint ventures has significant accumulated losses as at year ended March 31, 2021, has continued to incur significant losses during the year ended March 31, 2021 and in previous years, current liabilities are significantly higher than current assets, has defaulted in repayment of loan and interest payments and material uncertainties including termination of projects, including those arising due to COVID19, are faced by various projects being executed by the Group, its associate and joint ventures, 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.
- ii. We draw your attention to the following Material Uncertainty Related to Going Concern paragraph included in the audit opinion on the consolidated financial results of GVK Energy Limited, a Joint venture of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated December 08, 2021, reproduced by us as under:

"We draw attention to note * of the consolidated financial statements of GVK Energy Limited which states that regarding losses incurred by the Company, defaults in loan, interest payments and uncertainties faced by various projects in which the Company has made investments and provided guarantees. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern as Management believes that the Group would be able to establish profitable operations and meet its commitments. Further, the Management is confident that aforesaid entities would win litigations, obtain necessary

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approvals from regulators and obtain requisite fuel allocation etc. as required and would establish profitable operations. Our opinion is not modified in respect of this matter.”

Note *is included as note 11 to the consolidated financial results.

6. Emphasis of Matter

- a. Note 7 to the Consolidated financial results regarding binding agreement entered into by the Company and its subsidiary GVK Airport Developers Limited (GVK ADL) with Adani Airport Holdings Limited (AAHL) on August 31, 2020 for sale of Group’s interest in Mumbai International Airport Limited (MIAL) and the companies related to Airport Vertical by sale of securities held by the Group in GVK Airport Developers Limited (GVKADL). Based on the agreements reached, the Group’s investment in GVK ADL is considered fully recoverable and no adjustment was considered necessary to be made to the assets classified as Held for Sale.
- b. Note 8 to the consolidated financial results regarding the parent Company and GVK ADL (the holding company of GVKADL) have entered into an agreement with Adani Airport Holdings Limited on August 31, 2020 towards certain disinvestments in Airport Vertical and accordingly, the income and expenditure relating to airport vertical for the Year Ended March 31, 2021 is netted and shown as Loss before Tax for the year from discontinuing operations. Further, income and expenditure relating to previous year has also been represented for discontinued operations. The Assets and Liabilities relating to Airport Vertical has been shown as Assets Held for Sale and Liabilities held for Sale as on March 31, 2021.
- c. We draw your attention in the audit opinion of the financial results of GVK Bagodara Vasad Expressway Private Limited, a stepdown subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated August 31, 2021, reproduced by us as under:

“Note * to the financial statements, which states that since the project undertaken by the company had been terminated, “Going concern assumption is not appropriate, hence financial have drawn accordingly”

Note * of the financial statements, which states that the company had taken loans from consortium of Banks and a financial institution. Company Borrowings have been classified as Non-Performing Assets by the Lenders due to defaults in payment of related dues, Lenders have recalled the entire facilities extended to the company. Our opinion is not modified in respect of these matters.”

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Note * is included as Note 12(a) to the consolidated financial results.

- d. We draw your attention to the following Emphasis of Matter paragraph included in the audit opinion of the standalone financial results of GVK Deoli Kota Expressway Private Limited, a stepdown subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated August 31, 2021

"Note * and Note * to the Ind AS financial statements 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.88,163 Lakh after setting off toll assets and other related future liabilities, which is subject to decision and process of arbitration between Company and NHAI."

"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 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 NHAI has paid a Gross total of Rs 49,767 Lakh (Net 24,977 Lakh after deduction of Income Tax TDS Rs 1303 Lakh, GST TDS Rs.995 Lakh, Premium amount of Rs 16,917 Lakh, Interest on Premium Rs 5,141 Lakh, TCS Rs.338 Lakh and Interest on TCS Rs.97 Lakh) during the year towards out of Termination payment of Rs 1,69,650 Lakh claimed by the company under the Concession agreement of Termination of the contract with NHAI. This amount requires to be adjusted on settlement / Finalization of the termination of the contract against the cost of the Assets handed over. The matter is pending before Arbitration. Our opinion is not modified in respect of these matters".

Note * is included as Note 12(b) to the consolidated financial results.

- e. We draw your attention to Note 13 to the Consolidated Financial Results regarding GVK Jaipur Expressway Private Limited (GVKJEPL). Toll collections were suspended by NHAI due to the Lock down announced by the Ministry of Road Transport & Highways vide its order dated March 25, 2020 on account of COVID 19. The suspension of Toll continued till April 20, 2020. However, due to the impact of the lockdown and reduced traffic due to covid, the daily Toll collection continued to be much less than the average daily collection prior to the lockdown. GVKJEPL at present has the concession to operate and collect the toll till March 16, 2023. However, NHAI vide its Policy circular No. 8.3.33/2020 dated 26th May, 20 had provided relief measures to BOT (Toll)

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Concessionaires from the impact of COVID-19, wherein extension of concession period was granted, based on certain criteria, for a minimum of three months and a maximum of six months period from the end of the concession period. Accordingly, GVKJEPL has applied for extension of Concession period and is confident of getting the extension and considered the impairment of Goodwill accordingly.

Our opinion is not modified in respect of these matter.

- f. Emphasis of Matters paragraphs included in the audit reports of the financial results of GVK Rattle Hydro Electric Project Private Limited, the stepdown subsidiary of the Holding Company issued by independent firm of Chartered Accountants vide their report dated July 12, 2021, reproduced by us as under:

“We draw your attention to note * to the financial statements, regarding termination of agreement, arbitration proceedings and other matters as explained in the aforesaid note in respect of this Hydro Power Project being executed by the Company. The ultimate outcome of this matter for assets having carrying value of Rs.1,01,552 Lakh cannot be presently determined because the company has filed an appeal against the Tribunal vide its order dated 11th July,2020 and rectification order dated 7th September 2020 and other uncertainties. Our opinion is not qualified in respect of the aforesaid matter”

Note * is included as Note 14 to the consolidated financial results.

Further, we draw your attention to the Note no.14 of the financial results which states the subsequent development in this matter that the company has entered into a settlement agreement on 24th November 2021 with the Lender. Accordingly, considering the settlement terms with the lender and pending legal proceedings, the management believes that it is appropriate to recognize assets aggregating to Rs.101,552 Lakhs (CWIP Rs.57,067 Lakh, Other Non-Current Assets Rs.38,860 Lakh and Other Current Assets Rs.5,603 Lakh) at carrying value in the financial results and no provision for diminution is necessary.

- g. We draw attention to Note 15 to the consolidated financial results regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company, which 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

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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 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. 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 has stayed the proceedings by issuing Show Cause Notice to ED. The matter is under litigation. Pending these litigations, the Investment Property having book value of Rs.11,655 Lakh is shown as recoverable since the Management is confident of winning the cases on merits.

Our opinion is not modified in respect of the aforesaid matter.

- h. An Emphasis of Matter paragraphs included in the audit opinion of the consolidated financial statements of Mumbai International Airport Limited (MIAL) issued by an independent firm of Chartered Accountants vide their reports dated September 18, 2021, reproduced by us as under:

"We draw attention to Note * to the consolidated financial statements of MIAL, which describes the possible effect of uncertainties relating to COVID-19 pandemic and management evaluations of the impact on the financial statements of the company as at the balance sheet date.

The above matter to the extent relating to the impact of the pandemic on the subsidiary's / one of joint venture's financial statements has also been reported as an emphasis of matter in the audit report dated 18 September 2021 issued by other firm of Chartered Accountants on the standalone financial statements of the subsidiary / joint venture for the year ended March 31, 2021."

Note * is included as Note 16(a) to the consolidated financial results.

- i. An Emphasis of Matter paragraphs included in the audit opinion of the standalone financial results of Navi Mumbai International Airport Private Limited issued by independent firm of Chartered Accountants vide their report dated September 18, 2021, reproduced by us as under;

"We draw attention to the note * to the consolidated Ind AS financial statement and considering the events occurred since close of accounts for the year ended 31st March, 2021 and as explained therein the management of the company is of the opinion that the facility fees paid to yes bank limited including stamp duty can be recovered"

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Note * is included as Note 18 to the consolidated financial results.

Board of Directors' Responsibilities for the Consolidated Financial Results

7. This Consolidated financial results, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements that gives a true and fair view of the consolidated net loss after tax and other comprehensive income and other financial information of the Group including its associates and joint ventures and the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards 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. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements 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 statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group and its associates and joint ventures or to cease operations, or has no realistic alternative but to do so.

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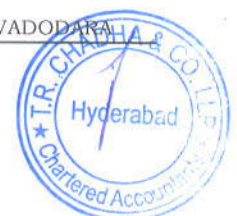




9. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 these consolidated financial results.
11. As part of an audit in accordance with Standards on Auditing, 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 Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors
 - Conclude on the appropriateness of 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 and



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Chartered Accountants

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its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern. The material uncertainty with regard to Going Concern is reported in Para 5 of our report.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements 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 ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. 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.
14. 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.



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Other Matters

15. The financial result for the quarter and year ended March 31, 2020 were audited by the erstwhile auditor whose report dated August 24, 2021, expressed a modified conclusion on those financial results. We have relied upon the said report for the purpose of our report on this statement.
16. We did not audit the financial results of 17 subsidiaries included in the consolidated financial results, whose annual financial results reflect (before adjustments for consolidation) total assets of Rs.27,57,449 lakhs and net assets of Rs. 280,274 lakhs as at March 31, 2021, total revenues of Rs. 191,305 lakhs, total net (loss) after tax of Rs.(142,408) lakhs, and total comprehensive income/ loss of Rs.(142,291) lakhs for the for the year ended March 31, 2021, and cash inflows flows (net) of Rs. 31,214 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss after tax of Rs. Nil and total comprehensive income/ loss of Rs. Nil lakhs for the year ended March 31, 2021 respectively, as considered in the consolidated financial statements, in respect of 9 joint ventures and one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the audit reports of the other auditors and the procedures performed by us as stated in paragraph 11 above.
17. The consolidated financial results include the Group's share of net (loss) after tax of Rs. Nil and Rs. Nil and total comprehensive income of Rs. Nil and Rs. Nil for the year ended March 31, 2021 and for the period from January 01, 2020 to March 31, 2020, respectively, as considered in the consolidated financial results, in respect of one associate, whose financial information have not been audited by us. This financial information is unaudited and 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 this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.
18. Our opinion on the consolidated Financial Results is not modified in respect of the matter as described in para 16 and 17 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.



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19. The Consolidated Financial statements includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.

For T R Chadha & Co LLP

Chartered Accountants

Firm Registration No. 006711N/N500028

Pravin Kumar Jabade

(Partner)

Membership No. 107196

UDIN: 21107196AAAAD05854

Date: 28th December, 2021

Place: Hyderabad



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Annexure-1

Sl.no	Name of the company	Relationship	Location
1	GVK Developmental Projects Private Limited (GVKDPPL)	Subsidiary	India
2	GVK Rattle Hydro Electric Project Private Limited (GVKRHEPPL)	Stepdown Subsidiary	India
3	GVK Perambalur SEZ Private Limited (GVKPSPL)	Subsidiary	India
4	GVK Airport Services Private Limited (GVKASPL)	Subsidiary	India
5	GVK Transportation Private Limited (GVKTPL)	Subsidiary	India
6	GVK Jaipur Expressway Private Limited (GJEPL)	Subsidiary	India
7	Sutara Roads & Infra Limited (SRIL)	Subsidiary	India
8	GVK Deoli Kota Expressway Private Limited (GVKDKEPL)	Subsidiary	India
9	GVK Bagodara Vasad Expressway Private Limited (GVKBEPL)	Subsidiary	India
10	GVK Shivpuri Dewas Expressway Private Limited (GVKSDEPL)	Subsidiary	India
11	GVK Airport International Pte limited (GVKAIPL)	Subsidiary	Singapore
12	PT GVK Indonesia (PTGVKS)	Subsidiary	Indonesia
13	GVK Energy Limited (GVKEL)	Joint Controlled Entity (JCE)	India
14	GVK Industries Limited (GVKIL)	Subsidiary of JCE	India
15	GVK Gautami Power Limited (GVKGPL)	JCE of JCE	India
16	Alaknanda Hydro Power Company Limited (AHPCL)	Subsidiary of JCE	India
17	GVK Power (Goindwal Sahib) Limited (GVKPGSL)	Subsidiary of JCE	India
18	GVK Coal (Tokisud) Company Private Limited (GVKCCPL)	Subsidiary of JCE	India
19	GVK Power (Khadur Sahib) Private Limited (GVKPKSPL)	Subsidiary of JCE	India
20	Seregraha Mines Limited (SML)	Associate of JCE	India
21	GVK Airport Developers Limited (GVKADL)	Subsidiary	India
22	GVK Airport Holdings Limited (GVKAHL)	Subsidiary	India
23	Mumbai International Airport Private Limited (MIAL)	Subsidiary	India
24	Navi Mumbai Airport Developers Private Limited (NMADPL)	Subsidiary	India
25	Mumbai Aviation Fuel Farm Facility Private Limited (MAFFPL)	JCE	India
26	Mumbai Airport Lounge Services Private Limited (MALSPL)	JCE	India
27	Bangalore Airport & Infrastructure Developers Limited (BAIDL)	Subsidiary	India
28	GVK Coal Developers (Singapore) Pte. Ltd	Associate	Singapore

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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 - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Rs In Lakhs				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (Audited figures after adjusting for qualifications)
	1.	Turnover / Total income	33,249	33,249
	2.	Total Expenditure	58,327	66,797
	3.	Net Profit/(Loss)	(93,484)	(102,171)
	4.	Earnings Per Share	(4.84)	(5.38)
	5.	Total Assets	1,998,103	1,993,233
	6.	Total Liabilities	2,104,957	2,104,957
	7.	Net Worth	(106,854)	(115,324)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

Audit Qualification (each audit qualification separately):

Details of Audit Qualification:

II.

1. As discussed more fully in Note 9 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.827,149 lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs.2,272 lakhs) as at March 31, 2021 with respect to which there are multiple significant uncertainties including outlook on the sector including those arising from COVID, 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 exceed current assets by USD 2,423 million (Rs.17,69,794 Lakhs) as at March 31, 2021 as per Unaudited Financials.

In this regard, while the holding company has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.414 Lakh during year ended March 31, 2021 and Rs.78,634 Lakh during year ended March 31, 2020, 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 a 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. The following qualifications included in the audit opinion on the consolidated financial results of GVK Energy Limited (GVKEL), a joint venture of the Holding Company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated December 08, 2021, is reproduced by us as under:

- i. "The outstanding fixed charge component of the tariff on the increased capital cost for the years 1997-98 to 2000-01 amounting to Rs.4,512 Lakhs considered recoverable from AP Transco in GVK Industries Limited, a subsidiary company and regarding outstanding minimum alternate tax, amounts claims for reimbursement, disincentives recoverable and other receivable amounting to Rs.2,878 lakhs, Rs.3,531 lakhs and Rs.75 lakhs respectively considered recoverable from AP Transco and consequential impact on taxes in the books of GVK Industries Limited and GVK Gautami Power Limited, a subsidiary company and a jointly controlled entity respectively, which are being refuted by AP Transco/subject to approvals. Pending resolution of these matters, we are unable to comment upon the recoverability of these receivables together with consequential impact, if any, arising out of the same in these accompanying consolidated financial statements. Refer Note * to the consolidated financial statements."
- ii. "We draw attention to Note no.* (GVK Industries Limited) & Note no.* (GVK Gautami Limited) to the financial statements, with regard to the uncertainties faced by the company on account of availability/ supply of natural gas. However, the company GVKEL is confident that the Government of India will take necessary steps/initiatives to improve the situation of natural gas. In the interim, these group companies are working with the lenders for a one time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to APDISCOM. Further, GVKEL based on the valuation performed for these entities, has made a provision for diminution for full value of investments to the extent of Rs.64,295 Lakhs in its standalone financial statements in previous year. The company accordingly believes that no



provision for impairment/diminution is required towards balance carrying value of assets aggregating to Rs.56,525 Lakhs and Rs.92,560 Lakhs of GVKIL & GVKGPL respectively and also no provision towards corporate guarantee given by GVKEL to GVKGPL is necessary. The said note to the results of the subsidiary is included as Note no.* to the accompanying consolidated financial statements.

Pending resolution of the uncertainties/ approvals towards supplies/ availability of gas, recovery of capacity charges and approval of one time settlement proposal with lenders, we are unable to comment upon the recoverability of assets with carrying value amounting to Rs.149,085 lakhs and the provision, if any, required for the corporate guarantee given to the jointly controlled entity, together with consequential impact, if any, arising out of the same on these accompanying consolidated financial statements.”

iii. “The Hon'ble Supreme court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, the aforesaid subsidiary 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 Company has given corporate guarantee for the loan taken by the subsidiary. Pending approval of the claim by the adjudicating authority, we are unable to comment on the recoverability of assets with carrying value of Rs. 19,882 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements. Refer Note * to the consolidated financial statements.”

iv. “We draw attention to Note * to the financial statements, regarding revision in tariff. The matters relating to Power Purchase Agreement pending with Punjab State Power Corporation Limited (PSCPL) on account of uncertainty in revision in tariff, considering enhanced project cost and differential coal procurement cost and other components mentioned in aforesaid note. In view of the detailed in said note and pending confirmation of dues from PSCPL as on reporting date and outcome of such matters, we are unable to comment on the provision, if any, is required against the said matters. The said note is included as Note No.* to the accompanying consolidated financial statement. Consequentially, we are unable to comment upon the recoverability of assets with carrying value amounting to Rs.380,291 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated financial statements”

The note * is included as Note 10(a), 10(b), and 10(c) to the Consolidated Financial Results.

Refer Note 10 (e) to the Consolidated Financial Results, wherein, the group has accounted the share of its losses relating to GVK Energy Limited in previous years to the extent of its investment and hence, no further provisioning of the losses is required in Group Accounts.

As referred in Note 10 (f) to the consolidated financial results, in the light of



the note 10 (a) to Note 10 (c) above, we are unable to comment on the extent of eventual recoverability of the loans to GVK Energy Limited and its subsidiary aggregating to Rs.35,274 lakhs as disclosed under “loans” after recording Groups share of losses and the provisions, if any, required for the corporate guarantee given to the joint venture amounting to Rs.3,100 Lakhs. The impact of this matter on the consolidated financial statements is presently not ascertainable.

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 subsidiary, GVK Energy Limited is confident that the Government of India will take necessary steps/initiatives to improve the situation of natural gas. In the interim, these group companies are working with the lenders for a one time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to APDISCOM. Hence, the impact of the same is unascertainable.

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. Nominated authority vide its order dated October 25, 2021 has enhance the compensation by Rs 13,827 Lakhs. However, since the company not satisfied with the order, is preferring an appeal before the tribunal constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957. Hence, the impact of the same is unascertainable.

The Coal Based Power project (step down subsidiary) has challenged the Tariff passed by the Punjab State Electricity Regulatory Commission (PSERC) before the Appellate Tribunal. It has also submitted resolution plan to the lenders. Pending adjudication of Tariff order by the Tribunal and acceptance of the Resolution plan, it is difficult to estimate the impact.

3. The following qualifications included in the audit opinion on the 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 August 31, 2021, is reproduced by us as under:

- i. “The project of the Company was terminated by Gujarat State Road Development Corporation (GSRDC) by referring the defaults of the Concessionaire. Consequent to the termination of the project, Company has accounted the cost incurred on the project of 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. Company has disputed the termination notice issued by GSRDC and invoked arbitration in terms of the 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. “Non-provision of advance to EPC contractor (Crescent EPC Projects and Technical Services Limited) amounting to Rs.8,470 lakhs though doubtful of recovery, has resulted in under-statement of loss for the year by Rs.8,470 lakhs and overstatement of advances by the same amount.”
- iii. “Balances of borrowings (including interest accrued thereon) from lender amounting to Rs.75,767 Lakh as at March 31, 2021 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 the Balance Sheet.”

Refer Note 12 (a) to the Consolidated Financial Results in this regard.

Considering the above qualifications by the Component Auditor and other details as given in Note 12 (a) to the Consolidated Financial Results, we are unable to comment towards the recoverability of total assets aggregating to Rs.67,026 Lakh 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 the defaults of the Concessionaire. Consequent to the termination of the project, 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. Company has disputed the termination notice and invoked arbitration in terms of the provisions of concession agreement. The matter is sub-judice before Hon'ble Arbitral Tribunal. Hence, the impact of the same is unascertainable.

Non provision of advance to EPC contractor (GVK Projects and Technical Services Limited) amounting to Rs. 8,470 lakhs as doubtful of recovery. This has resulted in under-statement of loss of the year by Rs. 8,470 lakhs and overstatement of advances by the same amount. Management is expecting to recover the amounts.

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.

- 4. i) Note 17(a) 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, we are unable to comment on the effect thereof on the consolidated financial results including prior year comparatives considering allegations over GVK Group.

ii) We also draw your attention to the following qualification in audit opinion on the consolidated financial statements of Mumbai International Airport Limited (MIAL), a step-down subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated September 18, 2021, reproduced by us as under:

“As more fully described in Note * of the consolidated Ind AS financials, pending completion of the investigation by various authorities for the period prior 27 June 2020 on the Holding Company, we are unable to comment on the effect thereof on these accompanying consolidated Ind AS financial statements.”

Note * is included as Note 17(b) to the consolidated financial results.

iii) We also draw your attention to the following qualification in the audit opinion on the financial statements of GVK Airport Holding Limited, a wholly owned subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated October 27, 2021 reproduced by us as under:

“We draw attention to Note * of the standalone Ind AS Financial statements, which describes pending completion of the investigation on various matters by various authorities on the Company and Mumbai International Airport Limited (its subsidiary company), we are unable to comment on the effect thereof on these accompanying standalone Ind AS financial statements including prior period comparatives”

Note * is included as Note 17(c) to the consolidated financial results.

iv) We also draw your attention to the following qualification in the audit opinion on the financial statements of GVK Airport Developers Limited, a wholly owned subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated October 27, 2021 reproduced by us as under:

“We draw attention to Note * of the standalone Ind AS Financial statements, which describes pending completion of the investigation on various matters by various authorities on the Company and Mumbai International Airport Limited (its subsidiary company), we are unable to comment on the effect thereof on these accompanying standalone Ind AS financial statements including prior period comparatives”

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 under process and the ultimate outcome is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.

5. Note 19 to the consolidated financial results regarding the requirements of Section 96(1) of the Companies Act, 2013, the Parent Company was required to hold its Annual General Meeting (AGM) at which the Board of Directors were to lay the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2020 by December 31, 2020 and for the year ended March 31, 2021 by November 30, 2021. While the Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2020 was approved at the AGM held on October 29, 2021, the parent Company, however, could not lay the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2021, before November 30, 2021 and will be applying to the relevant authority(ies) for compounding of these non-compliance under the relevant sections of the Companies Act, 2013 and the Rules made thereunder. We are unable to comment on the impact of these non-compliances 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:

Non holding of the Annual General Meeting (AGM)

Company has already taken appropriate steps to comply with all statutory compliances and it is in a process of completing within a short span of time.



III.

For GVK Power and Infrastructure Limited

P.V. Prasanna Reddy

P. V .PRASANNA REDDY
Whole Time Director



Balasubramanian.S

Balasubramanian.S
Audit Committee Chairman

For T R Chadha & Co LLP

Chartered Accountants

Firm registration number: 006711N/N500028

Pravin Kumar Jabade

Pravin Kumar Jabade
Partner

Membership No. 107196



A. Issac George

A. ISSAC GEORGE
Whole Time Director & CFO

Place: Hyderabad

Date: December 28, 2021

