

11th November, 2022



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 : Un-audited Financial results for the quarter and half year ended 30th September, 2022.

Ref : 1) BSE Scrip Code:532708, NSE Scrip Code: GVKPIL.

2) Notice of the Board meeting of the Company dated 27th October, 2022

3) Regulation 33 & 52 of the SEBI (LODR) Regulations, 2015.

With reference to the subject stated above, we are enclosing herewith the un-audited financial results of our company for the quarter and half year ended 30th September, 2022 along with a limited review report from the Statutory Auditors of the Company. The said results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meetings held on 11th November, 2022

The Board Meeting commenced at 11:30 a.m and concluded at 1:15 p.m

Please acknowledge receipt of the above.

Thanks & regards,

For GVK Power & Infrastructure Ltd

**P V Rama Seshu
Vice President, Company Secretary & Compliance Officer**



GVK Power & Infrastructure Limited
CIN: L74999TG2005PLC059013

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 quarter and half year ended September 30, 2022

(Rs. In Lakhs)

S. No.	Particulars	Quarter ended (Unaudited)			Half year ended (Unaudited)		Year ended (Audited)
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
1	Income						
	Revenue from operations	250	250	-	500	-	1,000
2	Other income	194	76	7,047	270	7,777	8,218
3	Total revenue	444	326	7,047	770	7,777	9,218
4	Expenses						
	Employee benefit expenses	21	22	19	43	42	76
	Other expenses	297	300	2,109	597	2,179	2,774
	Impairment of non-current investments	-	-	-	-	669	669
	Depreciation	4	4	3	8	6	12
	Total Expenses	322	326	2,131	648	2,896	3,531
5	Profit/(loss) from ordinary activities but before	122	-	4,916	122	4,881	5,687
6	Exceptional items	-	-	-	-	-	-
7	Profit/(loss) from ordinary activities (5-6)	122	-	4,916	122	4,881	5,687
8	Tax Expenses	-	-	-	-	-	100
9	Profit/(loss) from ordinary activities after tax (7-8)	122	-	4,916	122	4,881	5,587
10	Other comprehensive income (net of tax)	-	-	-	-	-	-
11	Total comprehensive income (after tax) (9+10)	122	-	4,916	122	4,881	5,587
12	Paid-up equity share capital	15,792	15,792	15,792	15,792	15,792	15,792
13	Earnings per share (EPS)						
	a) Basic (in Rs.)	0.01	-	0.31	0.01	0.31	0.35
	b) Diluted (in Rs.)	0.01	-	0.31	0.01	0.31	0.35

GVK Power & Infrastructure Limited

P V Prasanna Reddy

P V Prasanna Reddy
Whole-time Director

Place: Hyderabad
Date : November 11, 2022



GVK Power & Infrastructure Limited
Standalone Statement of assets and liabilities

(Rs. In Lakhs)

	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	55	63
Investments	94,167	93,809
Non Current tax assets (net)	1,132	1,122
Other non-current assets	13	13
	<u>95,367</u>	<u>95,007</u>
Current assets		
Financial assets		
Investments	146,705	144,393
Trade receivables	618	1,199
Cash and cash equivalents	5,433	4,034
Loans	6,752	11,829
Other financial assets	73	6
Other current assets	428	519
	<u>160,009</u>	<u>161,980</u>
Total	255,376	256,987
Equity and Liabilities		
Equity		
Equity share capital	15,792	15,792
Other equity	70,981	70,859
	<u>86,773</u>	<u>86,651</u>
Liabilities		
Non-current liabilities		
Financial liabilities		
Unearned financial guarantee liability	2,695	2,695
	<u>2,695</u>	<u>2,695</u>
Current liabilities		
Financial liabilities		
Borrowings	36,760	36,838
Trade payables		
• Total outstanding dues of micro enterprises and small ente	-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	76	1,212
Other financial liabilities	129,049	129,257
Provisions	6	6
Other current liabilities	17	328
	<u>165,908</u>	<u>167,641</u>
Total liabilities	168,603	170,336
Total	255,376	256,987



GVK Power & Infrastructure Limited
Standalone Cash flow statement

(Rs. In Lakhs)

	Half year ended September 30, 2022	Year ended March 31, 2022
1 CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	122	5,687
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expenses	8	12
Impairment of non-current investments and receivables	-	669
Gain on sale of current investments (net)	(173)	(359)
Interest Income	(76)	-
Profit on Sale of Investments	-	(4,576)
Gain on fair valuation of equity share	-	(2,336)
Reversal of previous year expenses	-	18
Liabilities/ Provisions no longer required, written back	-	(783)
Operating profit before working capital changes	(119)	(1,668)
Movement in working capital:		
Decrease/(Increase) in trade receivables	581	851
Decrease in other current/non current assets	165	(611)
Increase/(Decrease) in trade payables, current liabilities and provisions	(1,448)	1,325
Cash generated from operations	(821)	(103)
Taxes (paid)/refund	(3)	(111)
Net cash generated from operating activities	(A) (824)	(214)
2 CASH FLOW FROM INVESTING ACTIVITIES		
Net Purchase/ Sale of current investments	(2,215)	(4,451)
Investments in subsidiaries/ associates/related party including share application money	(358)	(810)
Loans (given)/refunds to/from subsidiaries/related party	5,082	7,974
Purchase of property, plant and equipment	-	(19)
Net Cash (used in)/ generated from investing activities	(B) 2,509	2,694
3 CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of short term borrowings (net)	(286)	1,497
Net Cash generated from/(used in) financing activities	(C) (286)	1,497
Net increase/ (decrease) in Cash and Cash Equivalents	(A+B+C) 1,399	3,977
Cash and Cash Equivalents at the beginning of the year	4,034	57
Cash and Cash Equivalents at the end of the year	5,433	4,034
Components of cash and cash equivalents		
Balance with banks:		
Current accounts	5,433	4,034
Total cash and cash equivalents	5,433	4,034



GVK Power & Infrastructure Limited

CIN: L74999TG2005PLC059013

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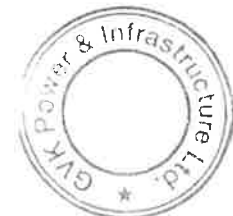
Website: www.gvk.com; Email: sanjeevkumar.singh@gvk.com

Statement of Consolidated Financial Results for the Half year and quarter ended September 30, 2022

(Rs. in lakhs)

S. No.	Particulars	Quarter ended (Unaudited)			Half year ended (Unaudited)		Year ended (Audited)
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
1	Income						
	Revenue from operations	99,455	61,469	9,036	160,924	16,109	85,826
2	Other income	1,750	568	335	2,318	583	3,045
3	Total Income	101,205	62,037	9,371	163,242	16,692	88,871
4	Expenses						
	(a) Cost of materials consumed	23,848	21,497	-	45,345	-	14,693
	(b) Employee benefit expenses	791	747	208	1,538	426	1,417
	(c) Finance costs	38,984	39,070	4,047	78,054	8,332	42,070
	(d) Depreciation and amortisation	12,832	12,523	1,515	25,355	2,700	13,617
	(e) Other expenses	7,555	7,081	12,454	14,636	14,234	40,507
	Total expenses	84,010	80,918	18,224	164,928	25,692	112,304
5	Profit/(Loss) from ordinary activities but before exceptional items (3-4)	17,195	(18,881)	(8,853)	(1,686)	(9,000)	(23,433)
6	Exceptional items	1	(19,486)	-	(19,485)	-	50,380
7	Profit/(Loss) from ordinary activities (5-6)	17,196	(38,367)	(8,853)	(21,171)	(9,000)	26,947
8	Add: Share of profit/(loss) from associates/ jointly controlled entities	(43)	(47)	-	(90)	-	(21)
9	Profit/(Loss) before tax for the period from Continuing operations (7+8)	17,153	(38,414)	(8,853)	(21,261)	(9,000)	26,926
10	Tax expense	1,766	1,594	1,747	3,360	2,935	7,279
11	Profit/(Loss) for the period from Continuing operations (9-10)	15,387	(40,008)	(10,600)	(24,621)	(11,935)	19,647
12	Profit/(Loss) before Tax for the period from discontinued operations	-	-	250,101	-	239,850	239,850
13	Tax expense of discontinued operations	-	-	-	-	(4,094)	(4,094)
14	Profit/(Loss) for the period from discontinued operations (12-13)	-	-	250,101	-	243,944	243,944
15	Profit / Loss for the Period (11+14)	15,387	(40,008)	239,501	(24,621)	232,009	263,591
	Other comprehensive (expense)/income -Continuing operations	41	(47)	18	(6)	18	(66)
	Other comprehensive (expense)/income -discontinued operations	-	-	-	-	-	-
16	Total other comprehensive (expense)/income	41	(47)	18	(6)	18	(66)
17	Total comprehensive income for the period (15+16)	15,428	(40,055)	239,519	(24,627)	232,027	263,525
18	Profit/(Loss) for the period attributable to:						
	- Owners of the Company						
	Profit/(Loss) for the period from Continuing operations	(1,119)	(35,672)	(10,600)	(36,791)	(11,934)	15,302
	Profit/(Loss) for the period from discontinued operations	-	-	250,101	-	249,234	249,234
	- Non controlling interests						
	Profit/(Loss) for the period from Continuing operations	16,506	(4,336)	-	12,170	(1)	4,345
	Profit/(Loss) for the period from discontinued operations	-	-	-	-	(5,290)	(5,290)
		15,387	(40,008)	239,501	(24,621)	232,009	263,591
19	Other comprehensive income for the period attributable to:						
	- Owners of the Company						
	Profit/(Loss) for the period from Continuing operations	39	(50)	18	(11)	18	(55)
	Profit/(Loss) for the period from discontinued operations	-	-	-	-	-	11
	- Non controlling interests						
	Profit/(Loss) for the period from Continuing operations	2	3	-	5	-	(11)
	Profit/(Loss) for the period from discontinued operations	-	-	-	-	-	(11)
		41	(47)	18	(6)	18	(66)
20	Total comprehensive income for the period attributable to:						
	- Owners of the Company						
	Profit/(Loss) for the period from Continuing operations	(1,080)	(35,722)	(10,582)	(36,802)	(11,916)	15,247
	Profit/(Loss) for the period from discontinued operations	-	-	250,101	-	249,234	249,245
	- Non controlling interests						
	Profit/(Loss) for the period from Continuing operations	16,508	(4,333)	-	12,175	(1)	4,334
	Profit/(Loss) for the period from discontinued operations	-	-	-	-	(5,290)	(5,301)
		15,428	(40,055)	239,519	(24,627)	232,027	263,525
21	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792	15,792	15,792	15,792	15,792
	Basic and Diluted earnings per share in Rs						
	- Continuing operations	(0.07)	(2.26)	(0.67)	(2.33)	(0.76)	0.97
	- Discontinuing operations	-	-	15.84	-	15.78	15.78
	- Total operations	(0.07)	(2.26)	15.17	(2.33)	15.03	16.75

GVK Power & Infrastructure Limited

Place: Hyderabad
Date : November 11, 2022P.V. Prasanna Reddy
Whole Time Director

GVK Power and Infrastructure Limited
Consolidated statement of Assets and Liabilities

(Rs In Lakhs)

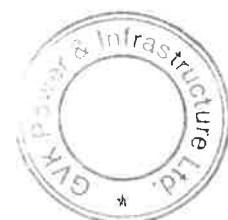
S.No.	Particular	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
	Assets		
I)	Non-current assets		
	Property, plant and equipment	691,200	713,041
	Investment Property	11,655	11,655
	Intangible assets	2,822	6,129
	Right of use asset	1,578	1,725
	Investments	7,136	7,136
	Other non-current financial assets	101,194	101,194
	Deferred tax assets (net)	14,422	5,766
	Tax assets (Net)	3,784	3,774
	Other non-current assets	5,562	6,847
	Total	839,353	857,267
II)	Current Assets		
	Inventories	10,669	7,544
	Financial assets		
	Investments	127,919	130,385
	Trade receivables	55,554	46,712
	Cash and cash equivalents	55,098	55,485
	Balances with banks other than cash and cash equivalents	3,756	208
	Loans	3	2
	Other financial assets	45,358	50,275
	Current tax assets	5,481	4,961
	Other current assets	6,525	4,353
	Total	310,363	299,925
	Grand Total	1,149,716	1,157,192
	Equity and Liabilities		
I)	Equity		
	Equity share capital	15,792	15,792
	Other equity	(411,565)	(399,742)
	Equity attributable to owners of the Group	(395,773)	(383,950)
II)	Non-controlling interest	109,787	76,216
	Total Equity	(285,986)	(307,734)
III)	Non-current liabilities		
	Financial Liabilities		
	Borrowings	339,498	351,082
	Other financial liabilities	3,645	3,105
	Provisions	71	104
	Deferred tax liability (net)	20	152
	Total	343,234	354,443
IV)	Current liabilities		
	Financial liabilities		
	Borrowings	668,263	701,213
	Trade payables - Total outstanding dues of:		
	- micro and small enterprises	228	1
	- other than micro and small enterprises	7,578	8,338
	Other financial liabilities	400,020	393,278
	Provisions	1,405	1,464
	Current tax liabilities (net)	9,254	127
	Other current liabilities	5,720	6,062
	Total	1,092,468	1,110,483
	Grand Total	1,149,716	1,157,192



GVK Power and Infrastructure Limited
Consolidated statement of cash flow

(Rs In Lakhs)

	Half year ended September 30, 2022	Year ended March 31, 2022
A. Cash Flow From Operating Activities		
Profit/(Loss) before tax for the year from Continuing operations	(21,261)	26,926
Adjustments for:		
Depreciation and amortisation (net)	25,355	13,617
Loss on sale / Impairment of fixed assets (net)	-	18
Interest expense	77,625	41,495
Exceptional item (net)	19,485	(50,380)
Share of loss in joint venture	90	21
Interest income	(1,763)	(1,555)
Liabilities written back/ Reversal of previous year expenses	(34)	(291)
Income from investment	(266)	(770)
Provision for doubtful debts	1,931	193
Advances written off	30	8,715
Goodwill written off	-	15,142
Loss on exchange fluctuation (net)/ Other non cash expenses	3	14
Provision for Periodic overlay	2,035	2,992
Operating Profit before Working Capital Changes	103,230	56,137
Change in operating assets and liabilities:		
Decrease/(Increase) in trade receivables	(8,842)	(10,964)
Decrease/(Increase) in Inventories	(3,125)	2,064
Decrease/(Increase) in Financial Assets loans, others, other current and noncurrent assets	2,165	23,184
(Decrease)/Increase in Provisions	(66)	(3,808)
Increase in Trade payables, other financial liabilities and current liabilities	(2,777)	(27,601)
Cash Generated from Operations	90,585	39,012
Taxes (paid)/ refund (net)	(3,593)	(4,697)
Net Cash flow from Operating Activities (A)	86,992	34,315
B. Cash Flow From/(Used In) Investing Activities		
Proceeds/ (Purchase) of fixed assets	(70)	(1,107)
Capital Advances	-	34,777
(Purchase) / proceeds from sale of current investments (net)	2,658	(13,375)
Loans (given) to / taken from related parties and others (net)	(136)	5
(Investment)/ Realization of bank deposits (having original maturity of more than 3 months)	(3,548)	5,451
Interest received	1,661	1,536
Net Cash flow from/(used in) Investing Activities (B)	565	27,287
C. Cash Flow Used In Financing Activities		
Payment towards Purchase of Non controlling interest	-	(199)
Repayment of long term borrowings	(18,480)	(67,124)
Repayment/ Proceeds from short term Loans and advance (net)	(36)	29,425
Interest paid	(69,428)	(15,601)
Net Cash flow used in Financing Activities (C)	(87,944)	(53,499)
Net increase/(decrease) in Cash and Cash Equivalents		
- For the period from Continuing operations (A+B+C)	(387)	8,103
- For the period from Discontinuing operations	-	(39,534)
Cash and Cash Equivalents at the beginning of the year	55,485	46,486
Add: Upon addition and deletion of subsidiaries	-	40,430
Cash and Cash Equivalents at the end of the year	55,098	55,485
Components of cash and cash equivalents as per Cash Flow Statement		
Balance with banks:		
Current accounts	17,225	12,688
Deposit accounts	37,388	42,235
Cash	9	8
Cheques	476	554
Total Cash and Cash Equivalents	55,098	55,485



GVK Power & Infrastructure Limited
Segment Reporting (Consolidated) for the half year and quarter ended September 30, 2022

(Rs In Lakhs)

Sr No	Particulars	Quarter ended (Unaudited)			Half year ended (Unaudited)		Year ended (Audited)
		30.09.2022	30.06.2022	30.09.2021	30.09.2022	30.09.2021	31.03.2022
1	Segment Revenue						
	Power	89,439	52,269	-	141,708	-	50,348
	Roads	11,014	9,838	9,039	20,852	16,115	35,487
	Others	250	250	3	500	5	1,007
	Unallocated	-	-	-	-	-	-
	Total	100,703	62,357	9,042	163,060	16,120	86,842
	Less: Inter segment revenue	1,248	888	6	2,136	11	1,016
	Net sales / income from Continuing operations	99,455	61,469	9,036	160,924	16,109	85,826
	Net sales / income from Discontinued operations	-	-	-	-	33,851	33,851
2	Segment Result						
	Power	68,801	(5,092)	(3)	63,709	(46)	22,601
	Roads	5,344	5,442	(2,826)	10,786	1,349	7,831
	Others	(271)	(263)	(2,309)	(534)	(2,551)	(13,503)
	Total	73,874	87	(5,138)	73,961	(1,248)	16,929
	Less:						
	Interest Expense	38,983	39,070	4048	78,053	8,332	42,070
	Add:						
	Other unallocable income net off unallocable expenditure	(17,738)	569	333	(17,169)	580	52,067
	Total Loss before tax Continuing operations	17,153	(38,414)	(8,853)	(21,261)	(9,000)	26,926
	Total Loss before tax Discontinuing operations	-	-	250,101	-	239,850	239,850
3	Capital Employed						
	(Segment Assets)						
	Power	864,156	853,019	101,547	864,156	101,547	869,273
	Roads	109,908	109,858	133,188	109,908	133,188	109,451
	Others*	151,963	151,607	194,874	151,963	194,874	177,995
	Unallocated	23,689	16,548	12,436	23,689	12,436	473
	Total Segment Assets	1,149,716	1,131,032	442,045	1,149,716	442,045	1,157,192
	(Segment Liabilities)						
	Power	1,139,580	1,143,072	123,984	1,139,580	123,984	1,165,727
	Roads	178,129	177,916	292,435	178,129	292,435	176,984
	Others*	108,719	109,263	6,710	108,719	6,710	110,813
	Unallocated	9,274	2,067	1,623	9,274	1,623	11,401
	Total Segment Liabilities	1,435,702	1,432,318	424,752	1,435,702	424,752	1,464,925
	Net Capital employed	(285,986)	(301,286)	17,293	(285,986)	17,293	(307,733)

*Others include Investment, Manpower, SEZ and Other companies

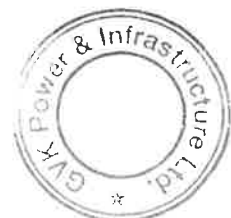
The above has been regrouped based on realignment of segment after considering the discontinuing operations of Airport vertical, addition and deletion of GVK Energy Ltd & its subsidiaries.



GVK Power & Infrastructure Limited

Notes for standalone & consolidated financial results

1. The above Statement of Standalone and Consolidated unaudited Financial Results and the notes of the GVK Power & Infrastructure Limited ("The Company) has been drawn up in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) rules, 2015 as amended from time to time and other accounting principles generally accepted in India. The financial results have been prepared in accordance with the recognition and measurement principles prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices generally accepted in India.
2. Company carries its businesses in various segments viz., Power, Roads, Airports (Discontinuing operations) and others through various subsidiaries, associates and jointly controlled entities, being special purpose vehicles exclusively formed to build and operate various infrastructure projects. The consolidated results published above present the full revenues and expenses of the Company, its subsidiaries, share of profits / (losses) of associates and jointly controlled entities, except for airport vertical for which it is shown separately as discontinuing operations in the previous year (collectively "the Group").
3. The above published consolidated results have been prepared in accordance with principles and procedures as set out in the IND-AS 110 on "Consolidated financial statements" and IND - AS 28 on "Investment in associate and joint venture" notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
4. The above standalone & consolidated financial results have been reviewed by the audit committee on November 11, 2022 and have been approved by board of directors at their meeting held on November 11, 2022 and have been subjected to the limited review by the statutory auditors of the Company.
5. As at September 30, 2022, the Group had accumulated losses and the Group has incurred losses during the current period/ preceding years. The Group's current liabilities are in excess of current assets. The group has delayed in repayments of loans and interest thereon and various loan accounts have been classified as non-performing by banks/ lenders. The Group has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 7, 8, 10(a) and 10(b) (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Deoli Kota Expressway Private Limited) uncertainties are being faced by various projects such as delays in development of coal mines in an overseas project where the parent Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge, re-negotiation of terms of PPA and litigation with respect to tariff of coal based power plant, arbitration on delay of commencement of road projects, termination of various projects etc. . These factors may indicate significant doubt on going concern ability of the group. Notwithstanding the above, the financial statements of the Group have been prepared on going concern basis as management believes that the Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required despite current macro-economic environment challenges.



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

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

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

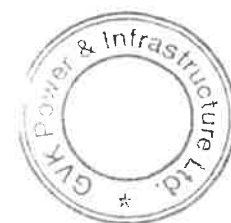
GVKPIL has sold its majority holding in GVKADL to AAHL and AAHL has acquired and hold the securities as per Para (ii) above during the financial year ended March 31, 2022. The management of the group considered GVKPIL as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.137,464 Lakhs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

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

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

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

The Group has also given guarantees and commitments for loans amounting Rs. 923,536 lakhs (March 31, 2022: Rs. 858,478 lakhs) taken by GVK Coal as at September 30, 2022 part of which is collateralized by the pledge of 37% shares of GVK Airport Holdings Limited, and has also undertaken to provide financial assistance of USD 3.11 million (Rs. 2,536 lakhs) as at September 30, 2022 (March 31, 2022: Rs. 2,358 lakhs), an entity whose current liabilities exceeds current assets by USD 2,683 million (Rs. 2,117,686 lakhs) as at June 30, 2022 (March 31, 2022:



USD 2459 million (Rs. 18,64,024 lakhs)) and the entity has also incurred net losses of USD 308 Million (Rs.24,319 Lakh) for the year ended June 30, 2022 (June 30, 2021; USD 48 Million (Rs.35,616 Lakh)) based on the unaudited financial statements. GVK Coal is witnessing various material uncertainties. The prices of the coal have fallen since GVK coal had acquired a stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal and also necessary environmental and regulatory clearances. 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.

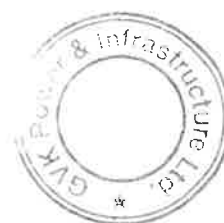
The lenders have since filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaken by the lenders dated March 23,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

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

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

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

- a) The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary company of GVKEL and mine operator was offered 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. The GVKEL has also given corporate guarantee for



the loan taken by GVKCTPL. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed with regard to R&R costs.

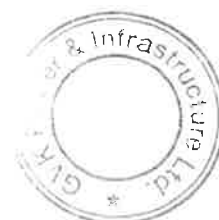
Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mine and accordingly no provision is required towards corporate guarantee given by GVKEL for loan taken by GVKCTPL and carrying value (Balance of claims) of Rs 6,015 Lakhs.

- b) Uncertainty is being faced by coal based Thermal Power plant with carrying value of assets aggregating to Rs. 341,596 lakhs (March 31, 2022: Rs. 381,412 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 only of Rs 3,05,837 Lakhs on January 17, 20220 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).

Punjab State Power Corporation Limited(PSPCL) has issued a "Preliminary Default Notice" on 29.10.2021 applying seller event of default as per clause 14.3.1 of the Power Purchase Agreement (PPA) and also issued a memo dated 26.01.2022 terminating the PPA. Based on legal opinions obtained, suitable reply has been submitted to PSPCL on 11.11.2021. Thereafter, Goindwal Sahib based on dispatch instructions issued by PSPCL through e-mail dated 08.12.2021 is supplying power to PSPCL. Aggrieved of the notice referred to above issued by PSPCL, the company also filed a writ petition before the Hon'ble Supreme Court on 22.12.2021 praying to quash the Default Notice issued by PSPCL. The Hon'ble Supreme court was pleased to stay both the notice and memo issued by PSPCL & restrained PSPCL from taking any coercive action against the company till the company avails its effective alternate remedy in the matter. Subsequently, the company has approached PSERC on the same and PSERC was also pleased to grant interim stay on the said Notice and memo issued by PSPCL.

The GVKPGSL has defaulted on repayment of dues to lenders and the lead lender has issued notice for invoking pledge of shares pledged to them which was stayed by Hon'ble High Court of Telangana State on a writ petition filed by GVKPGSL. Union Bank of India has filed an application before Debt Recovery Tribunal (DRT) for recovery of its dues on 25.11.2021 and is pending for adjudication. Pending outcome of said proceeding, no adjustments have been made in the standalone financials results of GVKPGSL. The Loan balances and interest accrued thereon is subject to reconciliation. Axis Bank Ltd, 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. GVKPGSL is admitted in Corporate Insolvency Resolution Process on October 10, 2022 and Interim Resolution professional appointed by NCLT has taken possession of all assets of GVKPGSL. GVKEL has filed an appeal against this order before NCLAT, Chennai on October 27, 2022 and next hearing is on November 14, 2022.

As per the legal opinion, there is a high possibility to get the favorable order in NCLAT, Chennai. Accordingly, Management is confident and actively looking to implement the debt restructuring plan with the lenders. Hence, management believes that no provision is required to be made to the assets carrying value of Rs. 341,596 Lakhs.

- c) There has been uncertainty regarding supplies/availability of gas to power plant of GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL. The company has incurred losses of Rs. 17,793 Lakhs during the period ended September 30, 2022 (March 31, 2022: Rs. 37,439 Lakhs). The lenders have classified the loan balances of the company as Non-Performing Assets. The GVKGPL is confident that Government of India will continue to take necessary steps/initiatives to improve the situation of natural gas. However, in the interim the GVKGPL is working with the lenders for one-time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to AP DISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that the GVKGPL continues to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one-time settlement proposal. The GVKEL has also given corporate guarantee for the loan taken by GVKGPL. The GVKEL believes that no provision for impairment/diminution is required towards carrying value of assets aggregating to Rs. 81,000 Lakhs as at September 30, 2022 of GVKGPL (March 31, 2022 of Rs.82,799 lakhs) and also no provision towards corporate guarantee given by GVKEL to GVKGPL is necessary.

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

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

Further, Edelweiss Asset Reconstruction Company Ltd. and Bank of Baroda issued Loan recall notices dated 21st January, 2022 and 4th February, 2022 respectively. Edelweiss Asset Reconstruction Company Ltd issued a notice dated 19th July, 2022 under section 13(2) of The Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act 2002 ("SARFAESI Act") read with Security interest (Enforcement) Rules, 2002 ("Rules"). Documents to be served to the GVKGPL and counter replies to be filed on or before December 05, 2022.

One of the Lender have not provided confirmation of loan balances as on 30th September, 2022. The Company is providing interest in the books of account on loan accounts as per the rate in the loan agreement and since Company's loan accounts have become Non-performing Asset, some of the lenders are either not confirming interest accrued on loans or balances confirmed by them. Hence, subject to reconciliation



- d) The parent company (GVKPIL) has assessed and based on the valuation carried out and other relevant factors, no provision is considered necessary in standalone books of accounts of GVKPIL towards the carrying value of investment in GVKEL of Rs 74,122 Lakhs (March 31, 2022 Rs.74,122 Lakhs).
9. During the earlier years, GVK Energy Ltd. (GVKEL) and Alaknanda Hydro Power Company Limited (AHPCL) have issued debentures vide respective Trust Deed and also taken loans from ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss"). These Debentures and Loans are also secured by pledge of shares of GVK Power (Goindwal Sahib) Limited, GVK Coal Tokisud Company Private Limited and AHPCL held by GVKEL and shares of GVKEL held by GVKPIL as investment in respective companies. The loans were further secured by Corporate Guarantee given jointly by GVKEL and GVKPIL

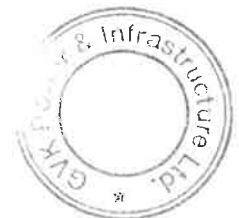
Since the repayment of loan and interest was defaulted, GVKEL and AHPCL have entered into settlement agreement with Edelweiss on 31.10.2020 which resulted in settlement of principal and interest outstanding of Rs.687.30 Crores (GVKEL Rs.121.39 Crores and AHPCL Rs.565.91 Crores) at Rs.525 Crores (GVKEL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

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

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

GVKEL filed a suit before Delhi High Court on May 30, 2022, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. The Hon'ble High Court Delhi has given interim order dated May 31, 2022 wherein it is stated that while selling the shares of AHPCL by Lenders, the best offer received by them would be communicated to the GVKEL and GVKPIL as well as to the Court, and an opportunity would be given to them to match the said offer within five days. In the meanwhile, if GVKEL and GVKPIL get an offer for the aforesaid shares, they shall also inform the defendants as well as the Court. In the event GVKEL and GVKPIL are unable to match the offer of the lenders, the lenders would be free to sell the said shares at the best offer received by them. Till the time, the shares which are invoked are sold in the aforesaid manner, the lenders shall not sell any other shares that have been pledged by the GVKEL and GVKPIL with the lenders. However, the lenders shall be free to invoke the pledged shares. Next hearing of the case is scheduled on November 28, 2022.

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



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

Edelweiss (through its debentures trustee namely Catalyst Trusteeship Limited) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKPIL and GVKEL on October 21, 2022 and the company is in the process of filing the replies thereagainst.

10. The parent company has wholly own subsidiary company viz. GVK Transportation Pvt. Ltd. (GVKTPL). Two of the subsidiaries of GVKTPL are facing uncertainties, detailed as below:

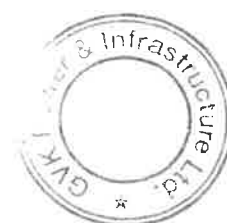
- a) **GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL)**, a step down subsidiary of the parent company has carried out project work towards the Concessionaire Agreement entered with Gujarat State Road Development Corporation Limited (GSRDC). During the course of construction, there has been 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. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to the same, GVK BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement process will be as per the Concession Agreement.

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

GVK BVEPL is closely working with the lenders by explaining to them the intricacies of the project and outlining support required to give effect to the process of arbitration. Tribunal heard arguments of both sides in respect of Application dated 23-09-2021 and the hearing was concluded. Both parties filed the written arguments and Tribunal reserved the orders.

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

Based on its internal assessment/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. 58,919 lakhs; comprising Rs.58,916 lakh as Other Non-Current financial assets and Rs.3 lakh as Property



Plant & Equipment on September 30,2022 (March 31, 2022 Rs. 58,919 lakhs) at carrying value in the financial statements and no provision for diminution is necessary.

- b) **GVK Deoli Kota Expressway Private Limited (GVK DKEPL)**, a step down subsidiary of the parent company. On June 25, 2019, GVK DKEPL has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway. Further, GVK DKEPL has claimed a termination payment of Rs. 169,650 lakhs (apart from various other claims towards future loss, Loss of Toll Revenue, Loss suffered on account of additional overheads etc.) from NHAI as per the terms of the Concession Agreement. In response to the above notice, GVK DKEPL has received letter from NHAI dated July 03, 2019 denying the claim of GVK DKEPL stating that the termination notice issued under clause 37.2.2 is invalid as defaults alleged by GVK DKEPL are false and NHAI has not committed any material default in complying with the provisions of the Concession Agreement.

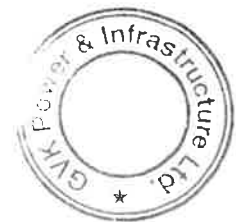
On September 12, 2019, NHAI has issued a termination notice as per clause 37.2.1 of the Concession Agreement for non-fulfillment of the obligation as stated in the Concession Agreement by Concessionaire. NHAI by virtue of this notice, is deemed to have taken possession and control of the project highway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

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defense and next cross examining the witness of GVK DKEPL is schedule on 16th of November, 2022.

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

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

GVK DKEPL based on its internal assessment/ 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 recognize total assets aggregating to Rs.45,465 lakh; comprising Rs.45,094 lakh as Other Non-Current assets, Rs.9 lakh as Property Plant & Equipment and Rs 362 Lakh as the Current Assets on September 30,2022 (Rs.45,465 lakh as on March 31,2022) at carrying value in the financial statements.



11. GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), step down subsidiary of GVK Power and Infrastructure Limited has entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. 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.

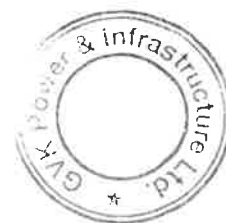
The Tribunal vide its order dated 11th July, 2020 and rectification order dated 7th September 2020 has given an award of Rs.29, 048 Lakhs in favour of GVK Ratle. The GVK Ratle has filed an appeal on 8th December, 2020 against the said award.

Further, GVK Ratle has entered into a settlement agreement with its lender on 24th November 2021. Considering the fact of termination of the project and settlement with the lenders, the company has adopted the liquidation basis of accounting in preparation of these financial statements. Under the liquidation basis of accounting, all assets are measured at their net realisable value, liabilities are measured at their expected settlement values and as a result a gain of Rs 28,497 Lakhs has been shown as exceptional item in statement of Profit and Loss for the year ending March 31, 2022.

12. GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company has Investment Property having book value of Rs.11, 655 Lakh (March 31, 2022 Rs.11,655 Lakh). GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Parent Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, in spite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act,1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and 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 (March 2022: Rs 11,655 Lakhs) is shown as recoverable since the Management is confident of winning the cases on merits.

13. In June 2020, Central Bureau of Investigation (CBI) has registered a First Information Report (FIR) against MIAL, its holding Company GVK Airport Holdings Limited (GVKAHL) (both are erstwhile step down subsidiaries of the Company), the Chairman and Vice Chairman of the Company and has initiated investigation on various matters alleging misuse of funds of MIAL including for the benefit of other GVK group and related parties. 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.

The Audit Committee of the parent Company, based on the legal advice received by the Audit committee of MIAL, have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid investigation.

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


The application has filed with National Company Law Tribunal, Hyderabad on 31st March, 2022, arguments completed and Tribunal reserved the orders.

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

GVK Power & Infrastructure Limited

Place: Hyderabad
Date: November 11, 2022




P V Prasanna Reddy
Whole-Time Director

T R Chadha & Co LLP

Chartered Accountants

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Independent Auditor's Review Report on Standalone unaudited quarterly and Half yearly financial results of the Company ended on 30th September 2022 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**TO THE BOARD OF DIRECTORS OF
GVK Power & Infrastructure Limited
Paigah House, 156-159,
Sardar Patel Road
Secunderabad, Telangana 500003**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the statement') of **GVK Power & Infrastructure Limited ('the Company' or "GVKPIL")** for the quarter and half year ended September 30, 2022 ("the Statement"), 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. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel who are responsible for financial and accounting matters and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw your attention to the following matters:
 - i. As discussed more fully in Note 7 to the Standalone Financial Results regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the company has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the company has provided guarantees and commitments for loans aggregating to Rs. 923,536 Lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs. 2,536 Lakhs) as at September 30, 2022 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



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entity's current liabilities exceeded current assets by USD 2,683 million (Rs.2,117,686 Lakhs) as at June 30, 2022 and has incurred net losses of USD 308 million (Rs. 24,319 Lakhs) for the year ended June 30, 2022.

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

In this regard, while the Company has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79048 Lakhs till September 30, 2022, we are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments (in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company, is also given in favour of the lenders) and the resultant impact of the same on these Standalone financial results.

- ii. Note no. 8 to the Standalone financial results regarding GVK Energy Limited (a subsidiary company) and its subsidiaries and jointly controlled entity in which the company has investments and loans aggregating to Rs.80,857 Lakh. With respect to GVK Energy Limited, there are multiple significant uncertainties in the step-down subsidiaries and joint venture entity like (a) various receivables aggregating to Rs.10,996 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 8. The Company has made total provision of Rs.34,400 Lakhs towards its investments in GVK Energy Limited till March 31 2022 based on the valuation reports obtained. In this regard, considering the uncertainties, we are unable to ascertain whether any adjustments are required to the standalone financial results with respect to the balance amount of investments and loans aggregating to Rs. 80,998 Lakh.
- iii. Note 13 to the Standalone 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 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.



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5. Emphasis of Matter

- a. We draw attention to Note 6 to the Standalone financial results regarding sale of majority holding of GVK Airport Developers Limited (GVKADL) by company to Adani Airport Holding Limited (AAHL) as per binding co-operation agreement dated August 31, 2020 and other related transaction documents. AAHL has acquired and hold the securities as per co-operation agreement at the end of the financial year. The management considered the company as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs 137,464 Lakhs held by AAHL as per co-operation agreement in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of company in the Standalone financial results.
- b. We draw attention to Note 12 to the statement regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company. GVK SEZ has Investment Property having book value of Rs.11,655 Lakh. GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Parent Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, in spite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition 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.

Our opinion is not modified in respect of above matters.

6. Material Uncertainty Related to Going Concern

We draw attention to note 5 to the Standalone financial results, which indicates that the company has incurred significant losses during the current and previous periods and material uncertainties are faced by various projects, in which the company has made investments, given loan, provided guarantees / commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our Opinion is not modified in respect of this matter.



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7. Based on our review conducted as above, **except for the indeterminate effects of the matters stated in Paragraph 4 above**, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
8. The matters described in the Material Uncertainty related to going concern and emphasis of matter paragraphs above, in our opinion, may have an adverse effect on the functioning of the company.

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

Aashish Gupta
(Partner)

Membership No. 097343

UDIN: 22097343BCUOWV5753



Date: 11th November 2022

Place: New Delhi

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Independent Auditor's Review Report on Consolidated unaudited quarterly and half yearly financial results of the Company ended on September 30, 2022, pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**TO THE BOARD OF DIRECTORS OF
GVK Power & Infrastructure Limited
Paigah House, 156-159,
Sardar Patel Road
Secunderabad, Telangana 500003**

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the statement') 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 quarter and half year ended September 30, 2022 (the "Statement") being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel who are responsible for financial and accounting matters and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/144/2019 dated 29th March 2019 issued by the SEBI under regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



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4. The statement also includes the results of the following entities:

Subsidiary entities including step down subsidiaries:

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

Joint Control Entity

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

Associate Companies:

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

Basis for Qualified Conclusion:

5. We draw your attention to the following matters:

- a. As discussed more fully in Note 7 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. 923,536 Lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs. 2,536 Lakhs) as at September 30, 2022 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 exceeded current assets by USD 2,683 million (Rs.2,117,686 Lakhs) as at June 30, 2022 and has incurred net losses of USD 308 million (Rs. 24,319 Lakhs) for the year ended June 30, 2022.



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

In this regard, while the Group has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79048 Lakhs till September 30, 2022, we are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments (in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company, is also given in favour of the lenders) and the resultant impact of the same on these consolidated financial results.

- b. As discussed more fully in Note 8(a) to the Consolidated Financial Results regarding GVK Coal (Tokisud) Private Limited, a step down subsidiary of the Holding Company. The Hon'ble Supreme court of India has deallocated coal mine allocated to the company. As directed by Hon'ble High Court of Delhi, the company 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 GVKEL, holding company, has given corporate guarantee for the loan taken by the company. The nominated authority under the Ministry of Coal vide his order dated 16th March 2022 has released compensation of Rs.13,867 Lakhs. Out of this the nominated authority has deposited an amount of Rs.8,883 Lakhs in interest bearing account with Register General of the Court as per the directions of the high court of Delhi dated 11th April 2022 as the lenders have challenged the compensation determined by the Nominated Authority. Further, an amount of Rs.4,984 Lakhs being the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid by the lenders, the Nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed with regard to R&R costs.

Pending filing of the claim before the Coal Tribunal and adjudication of the same, we are unable to comment on the recoverability of assets with carrying value of Rs.6,015 Lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements.

Further, no provision for Corporate Guarantee given by GVK Energy Limited for loan taken by GVK Coal (Tokisud) Private Limited has also not been considered.



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- c. As discussed more fully in Note 8(b) to the Consolidated Financial Results regarding GVK Power (Goindwal Sahib) Limited (GVKPGSL), a step-down subsidiary of the Holding Company; there are uncertainties associated with recoverability of project cost due to lower project cost approved by the Punjab State Electricity Regulatory Commission (PSERC), aggrieved of which the company filed a petition before Appellate Tribunal for Electricity (APTEL).

Regarding uncertainty of availability of coal faced by the Company, the management is confident in continuing the operations with long term coal linkage through “Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI scheme)” for significant part of its capacity.

Regarding Preliminary Default Notice dated October 29, 2021 issued by Punjab State Power Corporation Limited (PSPCL) for cancellation of Power Purchase Agreement (PPA). Based on legal opinions obtained, reply has been submitted to PSPCL and also filed a writ petition before the Hon'ble Supreme Court praying to quash the Default Notice issued by PSPCL. The Hon'ble Supreme court was pleased to stay both the notice and memo issued by PSPCL & restrained PSPCL from taking any coercive action against the company till the company avails its effective alternate remedy in the matter. Subsequently, the company has approached PSERC on the same and PSERC was also pleased to grant interim stay on the said Notice and memo issued by PSPCL.

The GVKPGSL has defaulted on repayment of dues to lenders and the lead lender has issued notice for invoking pledge of shares pledged to them which was stayed by Hon'ble High Court of Telangana State on a writ petition filed by GVKPGSL. Union Bank of India has filed an application before Debt Recovery Tribunal (DRT) for recovery of its dues and is pending for adjudication. Pending outcome of said proceeding, no adjustments have been made in the standalone financials results of GVKPGSL. The Loan balances and interest accrued thereon is subject to reconciliation.

Axis Bank Ltd, 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, GVKPGSL is admitted in Corporate Insolvency Resolution Process on October 10, 2022 and GVKEL filed an appeal before NCLAT, Chennai on October 27, 2022 and next hearing is on November 14, 2022. As per the legal opinion, there is a high possibility to get the favorable order in NCLAT, Chennai.

In view of the above, the management of the company has not considered provision for impairment of property, plant and equipment”.

In the light of the above, we are unable to comment upon the recoverability of assets with carrying value amounting to Rs.341,596 Lakhs together with consequential impact, if any, arising out of the same in the accompanying consolidated financial results.



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- d. (i) The following qualifications included in the review report on the standalone financial results of GVK Gautami Power Limited (GVKGPL), a step down Jointly controlled entity of the Holding Company for the quarter and half year ended September 30, 2022 issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated 04.11.2022 is reproduced by us as under:

“We draw attention to note * to the Statement, regarding the uncertainties associated with recoverability of carrying value of Property, plant and Equipment, we are unable to comment on the adequacy of the provision made for impairment of Property, Plant and Equipment, which have to be accounted for as per Indian Accounting Standard (Ind AS 36) – Impairment of Assets”

Refer note 8 (c) to the consolidated financial results.

(ii) In addition to above, as discussed more fully in note no 8(c) to the Consolidated financial results in the matter of GVK Gautam Power Limited (GVKGPL), a step down jointly controlled entity of the GVKPIL, there are uncertainty of supplies/availability of gas to power plant GVKGPL. GVKGPL has incurred losses of Rs. 17,793 Lakhs during the period ended September 30, 2022 (March 31, 2022: Rs. 37,439 Lakhs). The lenders have classified the loan balances of the company as Non-Performing Assets. In the interim the GVKGPL is working with the lenders for one-time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to AP DISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that the GVKGPL continues to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one-time settlement proposal.

The GVKEL has also given corporate guarantee for the loan taken by GVKGPL and no provision towards corporate guarantee given by GVKEL to GVKGPL is necessary.

(iii) We draw attention to note 8(c) to the Consolidated financial results, regarding outstanding minimum alternate tax amounts claims for reimbursement under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2009-10 to 2010-11, aggregating to Rs.1,500 Lakhs which has been disputed by AP Transco/are subject to approvals. 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.

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

Further, Edelweiss Asset Reconstruction Company Ltd. and Bank of Baroda issued Loan recall notices dated 21st January, 2022 and 4th February, 2022 respectively. Edelweiss



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Asset Reconstruction Company Ltd issued a notice dated 19th July, 2022 under section 13(2) of The Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act 2002 ("SARFAESI Act") read with Security interest (Enforcement) Rules, 2002 ("Rules"). Documents to be served to the GVKGPL and counter replies to be filed on or before December 05, 2022.

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

- e. The following qualifications included in the review report on the standalone financial results of Alaknanda Hydro Power Company Limited (AHPCL), a step down subsidiary of the Holding Company for the quarter and half year ended September 30, 2022 issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated 02.11.2022 is reproduced by us as under:

"We draw your attention to Note no * to the Statement regarding (i) default in redemption of debentures of INR 13,900.00 Lakhs and repayment of term loan of INR 7,974.21 Lakhs along with interest accrued thereon up to 16 May 2022 of INR 1,735.07 Lakhs due to Edelweiss group were transferred to GVK Energy Limited based on the letter received from GVK Energy Limited on 31 May 2022 and the company has not provided interest on such debentures and term loan from 17 May 2022 consequent to such transfer and (ii) the Company and GVK Energy Limited have considered that the above liabilities along with the liabilities of GVK Energy Limited as on 16 May 2022 gets extinguished in view of invocation of shares held by G V K Energy Limited in Alaknanda Hydro Power Company Limited pledged to Edelweiss group. The same has been informed to Edelweiss Group and Debenture Trustees in various correspondence in response to their communications. We are unable to comment on the consequence of such transfer of the liabilities by the Company. In this regard it is also relevant to note that GVK Energy Limited vide its letter dated 31 May 2022 has given an undertaking to face the liabilities, if any, that may arise there from, on such transfer of liabilities to them."

As discussed more fully in Note 9 to the Consolidated Financial Results regarding annulment of settlement by Edelweiss with respect to their loans / NCDs to GVKEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GVKEL of Rs.10 each, recording of exceptional loss of Rs.194.86 Crores by GVKEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned.

Since the matter is Sub Judice and the agreement for selling these invoked shares are not yet concluded, the management cannot ascertain the number of shares of AHPCL required



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to settle the debt of Edelweiss as the actual implication thereof on the books is highly probable on the valuation of shares and outcomes of the legal proceedings.

Edelweiss (through its debentures trustee namely Catalyst Trusteeship Limited) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKPIL and GVKEL on October 21, 2022 and the company is in the process of filing the replies thereagainst.

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

- f. We draw attention to Note No. 10(a) to the Consolidated Financial Results regarding GVK Bagodara Vasad Expressways Private Limited, the project of the company was terminated by GSRDC by referring the defaults of the Concessionaire. Consequent to the termination of the project, the company has accounted cost incurred upto 30th September 2022, Rs.589.04 crores as amount receivable from GSRDC as the management has represented that project of the company was terminated due to the reasons attributable to the GSRDC. The company has disputed the termination notice and invoked Arbitration in terms of provisions of concession agreement. The matter is sub-judice before Arbitral Tribunal. We are unable to comment upon its recoverability in the absence of availability of related convincing audit evidence as to its recoverability.
- g. Note 13 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.

We are unable to comment on the impact of these non-compliances on these consolidated financial results.

6. Emphasis of Matter

- a. We draw attention to Note 6 to the consolidated financial results regarding sale of majority holding of GVK Airport Developers Limited (GVKADL) by company to Adani Airport Holding Limited (AAHL) as per binding co-operation agreement dated August 31, 2020 and other related transaction documents. AAHL has acquired and hold the securities as per co-operation agreement at the end of the financial year. The management considered the company as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs 112,464 Lakhs held by AAHL as per co-operation agreement in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of company in the consolidated financial results.



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- b. We draw your attention to the following paragraph included in the review report on the standalone financial results of GVK Bagodara Vasad Expressways Private Limited (GVK BVEPL), a stepdown subsidiary of the Holding Company for the quarter and September 30, 2022 issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated 04-11-2022 is reproduced by us as under:

Note No. * to the unaudited financial statements of assets and liabilities for the period ending 30th September 2022, which states that Since the project undertaken by the company had been terminated, “Going concern assumption is not appropriate, hence financial statement have been drawn accordingly.

Note No. * to the unaudited financial statement of asset and liabilities for the period ending 30th September 2022. The Company had taken term loans from consortium of banks & 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”

Note * is included as Note 10(a) to the consolidated financial results.

- c. We draw your attention to the following paragraph included in the review report on the standalone financial results of GVK Deoli Kota Expressway Private Limited, a stepdown subsidiary of the Holding Company for the quarter and September 30, 2022 issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated 04-11-2022 is reproduced by us as under:

“Note * and * to the financial results, which explains the reason for preparation of this financial statements on realization basis assuming the Company is no longer a going concern. The Company has recorded receivable from NHAI of Rs. 881.63 Crores after setting off toll assets and other related future liabilities, which is subject to decision and in process of arbitration between Company and NHAI.”

Note * is included as Note 10(b) to the consolidated financial results.

Further, as per said Note 10 (b) to the financial results, which states that the Company has defaulted in Repayment of principal amount and payment of interest on such term loans taken from consortium of banks & financial institution. As a result, the lenders have classified the term loans as Non-Performing Asset and have recalled the entire facilities extended to the Company and outstanding on September 30, 2022. As a result of that, the term loans have become repayable on demand and as lenders have classified Company's borrowing facility as NPA, Company has not received borrowing statements and confirmation of borrowing balances from lenders and not made available to us. The matter is pending before Arbitration.

Our opinion is not modified in respect of these matters”



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- d. We draw your attention to the following paragraph included in the review report on the standalone financial results of GVK Ratle Hydro Electric Project Private Limited, a stepdown subsidiary of the Holding Company for the quarter and September 30, 2022 issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated 26-10-2022 is reproduced by us as under:

“We draw your attention to Note * to the Ind AS Financials results for the 6 months ended September 30, 2022, regarding termination of agreement and other matters as explained in the aforesaid note”

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

- e. We draw your attention to the following paragraph included in the review report on the standalone financial results of GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary of the Holding Company for the quarter and September 30, 2022 issued by an independent firm of Chartered Accountants (Independent Auditor) vide its report dated 20-10-2022 is reproduced by us as under:

“We draw your attention to Note * to the IND AS Financial results for the half year ended September 30, 2022 regarding the Company (GVK SEZ) stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by GVKPIL (the Parent Company). GVKPIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, in spite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition stating that Bank exercising of general lien under section 17 I 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.”

Note * is included as note 12 of the consolidated financial results.

- f. We draw your attention to the following paragraph included in the review report on the standalone financial results of GVK Gautami Power Limited, a step down Jointly controlled entity of the Holding Company for the quarter and September 30, 2022 issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated 04.11.2022 is reproduced by us as under



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“We also draw attention to note * to the Statement regarding reconciliation of loan balances of the lenders, the management is confident that on reconciliation there will not be any material impact on unaudited interim financial results.

“We also draw attention to note * to the Statement regarding non-receipt of confirmation of balance from one of the lenders leads to reconciliation of loan balance. We are unable to comment on the correctness of the carrying value of loan balance from said lender and as the impact, if any, arising on account of lack of confirmation is not ascertainable. The balances confirmed by some of the other lenders are subject to reconciliation. However, the management is confident that on confirmation / reconciliation there will not be any material impact on unaudited interim financial results.”

Our conclusion is not qualified in respect of these matters”.

Note * is included as Note 8(c) to the consolidated financial results.

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

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

We draw attention to note 5 to the consolidated financial results, which indicates that the Group, its associates and Joint Control Entity has incurred significant losses 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, are faced by various projects being executed by the Group, its associates and Joint Control Entity, in which the Group has made investments, and / or provided guarantees/ commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

8. Based on our review conducted as above, **except for the indeterminate effects/possible effects of the matters described in the Basis for Qualified Conclusions in paragraph 5 above**, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

9. The matters described in the Material Uncertainty related to going concern and emphasis of matter paragraphs above, in our opinion, may have an adverse effect on the functioning of the group.

10. **Other Matters**

a. We did not review the half yearly financial results of 14 subsidiaries included in the consolidated unaudited financial results, whose half yearly financial results reflect (before adjustments for consolidation) total revenues of Rs.109,601 lakhs, total net profit after tax of



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Rs.30,850 lakhs and total comprehensive profit of Rs.30,874 lakhs, for the half year ended September 30, 2022, respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net loss after tax of Nil and total comprehensive loss of Nil for the half year ended September 30, 2022, respectively, as considered in the consolidated unaudited financial results, in respect of 1 joint ventures, whose interim financial results have not been reviewed by us. These half yearly financial results have been reviewed by other auditors in accordance with SRE 2410, Engagements to Review Historical Financial Statements and their reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

- b. The consolidated unaudited financial results include the interim financial results of 2 subsidiaries which have not been reviewed by the respective auditor, whose interim financial results reflect (before adjustments for consolidation) total revenue of Rs. 51,823 Lakhs, total net (loss) after tax of Rs.54041 Lakhs and total comprehensive loss of Rs.54,041 Lakhs for the half year ended September 30, 2022, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management,
- c. The consolidated unaudited financial results do not include the interim financial results of 2 associate. According to the information and explanations given to us by the Management, these quarterly financial results are not material to the Group.

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

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


Aashish Gupta
(Partner)
Membership No. 097343
UDIN: 22097343BCUPGB5166

Date: 11th November, 2022
Place: New Delhi