GMR POWER & URBAN INFRA

May 17, 2024

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

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

Dear Sir/Madam,

Sub: Outcome of Board Meeting –May 17, 2024

Ref: Intimation under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to inform that the Board of Directors of the Company at its meeting held on May 17, 2024 (commenced at 02:30 P.M. and concluded at 5.45 PM) have approved the following items:

1. The Board of Directors of the Company approved the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2024. In this regard, please find enclosed herewith the Annual Financial Results (Standalone and Consolidated), Cash Flow Statement, Statement of Asset and Liabilities accompanied by the Audit Report thereon with unmodified opinions on the aforesaid Audited Financial Results.

2. GMR Power and Urban Infra Limited (the "**Company**") is raising funds by way of issuance of 15,026 (Fifteen Thousand and Twenty Six) rredeemable, rated, listed, secured non-convertible debentures ("**NCDs**") of face value of Rs. 1,00,000/- each, for an aggregate amount of up to Rs. 150,26,00,000 (Rupees One Hundred and Fifty Crores and Twenty Six lakhs) on a private placement basis, at the coupon /interest rate of 10.9277% (ten decimal nine two seven seven per cent) per annum, subject to receipt of regulatory /statutory approvals, in accordance with applicable laws.

   The NCDs are proposed to be listed on National Stock Exchange of India Limited for a redemption period of more than one year and payable in structured instalments from the deemed date of Allotment. The NCDs are secured by the irrevocable and unconditional corporate guarantees by the GMR Enterprises Private Limited, and other group companies which are providing security by way of first ranking exclusive mortgage on the land parcels owned by the group companies. Further, the NCDs are also secured by a charge by way of hypothecation to be created by the Company over the designated account where the subscription monies shall be received.

Please take the same on the record.

Thanking you,

for **GMR Power and Urban Infra Limited**

Vimal Prakash
Company Secretary &
Compliance Officer
Encl: As above

GMR POWER AND URBAN INFRA LTD.

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

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

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of GMR Power and Urban Infra Limited ('the Company') for the year ended 31 March 2024, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

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

   (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and

   (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2024.

Basis for Opinion

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

Emphasis of Matters

4. As explained in note 3(a) to the accompanying Statement, the Company has invested in GMR Generation Assets Limited ('GGAL') and GMR Consulting Services Limited ('GCSL'), subsidiaries of the Company, which have further invested in step down subsidiaries and joint ventures. The Company together with GGAL and GCSL has investments in GMR Energy Limited ('GEL'), a subsidiary of the Company, amounting to Rs. 1,169.61 crore and has outstanding loan (including accrued interest) amounting to Rs. 2,268.77 crore recoverable from GEL as at 31 March 2024. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL') and GMR Warora Energy Limited ('GWEL'), both subsidiary companies, and GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a Joint Venture of GEL. The carrying value of investment of the Company in GEL is dependent upon fair values of GKEL, GWEL and GBHHPL. The aforementioned investments are designated at their respective fair values as at the reporting date as per Ind AS 109 – 'Financial Instruments'.

With respect to aforesaid fair values, we draw attention to:

(a) Note 3(d) to the accompanying Statement which states that the fair value of investment in GKEL considered for the purpose of determining the carrying value of aforesaid investment in GEL is based on the valuation of GKEL performed by an external valuation expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as expansion and optimal utilization of existing plant capacity, and timing and amount of settlement of disputes with customers and capital creditors, which are outstanding as on 31 March 2024 as further explained in the said note.

(b) Note 3(b) and note 3(c) to the accompanying Statement which states that the fair value of investment in GWEL considered for the purpose of determining the carrying value of aforesaid investment in GEL, is based on the valuation of GWEL performed by an external valuation expert using the discounted future cash flows method which is dependent upon recoverability of claims relating to transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') as explained below, which are under dispute and pending settlement / realization as on 31 March 2024, capacity utilization of plant in future years and certain other key assumptions as considered in the aforementioned valuation performed by an external valuation expert.

The claims pertain to recovery of transmission charges from MSEDCL by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. However, based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 08 May 2015, currently contested by MSEDCL in the Honorable Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges amounting to Rs. 616.33 crore in the Statement of Profit and Loss for the period from 17 March 2014 to 31 March 2024 and accordingly has disclosed the aforesaid transmission charges and those invoiced directly to MSEDCL, a customer of GWEL, by Power Grid Corporation Limited for the period December 2020 to March 2024 as contingent liability, as further described in aforesaid note.

(c) Note 3(e) to the accompanying Statement which states that the fair value of investment in GBHHPL considered for the purpose of determining the carrying value of aforesaid investment in GEL is based on the valuation of GBHHPL performed by an external valuation expert using the discounted future cash flows method which is also dependent upon achievement of business plans of GBHHPL and recoverability of capital advances outstanding as at 31 March 2024 given to contractor of GBHPPL's project, which along with other claims and counter claims are pending before the Arbitral Tribunal as described in the said note.

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external valuation expert, is of the view that the carrying value of the aforesaid investment in GEL, taking into account the matters described above in relation to the investment made by GEL in GWEL, GKEL and GBHHPL, is appropriate and accordingly, no adjustments to the aforesaid balances have been made in the accompanying Statement for the year ended 31 March 2024. Our opinion is not modified in respect of these matters.

5. We draw attention to note 4 to the accompanying Statement, in relation to the investment made by the Company together with GMR Highways Limited (GMRHL), a subsidiary of the Company, in GMR Hyderabad Vijayawada Expressway Private Limited (GHVEPL) amounting to Rs. 1,136.54 crore. The aforesaid investment is designated at fair value as at reporting date in the Statement as per Ind AS 109 – 'Financial Instruments'.

   The fair value of investment in GHVEPL considered for the purpose of determining the carrying values of aforesaid investments is based on the valuation performed by an external valuation expert using the discounted future cash flows method which is significantly dependent upon claims receivables from National Highway Authority of India (NHAI) as detailed in aforesaid note 4, that are pending before Honorable High Court as on 31 March 2024.

   The management of the Company, based on its internal assessment, legal opinion, certain interim favourable orders and valuation assessment made by the external valuation expert as mentioned above, is of the view that the carrying value of the aforesaid investment of the Company along with GMRHL in GHVEPL, taking into account the aforesaid matter, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the year ended 31 March 2024. Our opinion is not modified in respect of this matter.

6. We draw attention to note 5 to the accompanying Statement which describes that the Company has recognised certain claims in the current year ended 31 March 2024 and preceding year ended 31 March 2023 pertaining to Dedicated Freight Corridor Corporation ('DFCC') project, basis evaluation by the joint venture ('JV') incorporated between the Company and SEW Infrastructure Limited, of JV's entitlement under the contract towards recovery of prolonged cost, as further detailed in the aforesaid note. Based on the legal opinion, the management is of the view that the aforesaid claims as included in unbilled revenue as at 31 March 2024 are fully recoverable. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

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

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

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

Auditor's Responsibilities for the Audit of the Statement

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

14. The Statement includes the financial results for the quarter ended 31 March 2024, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

Anamitra Das
Partner
Membership No. 062191
UDIN: 24062191BKDFYE8015

Place: New Delhi
Date: 17 May 2024

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

Statement of standalone financial results for the quarter and year ended March 31, 2024

(Rs. in crore)

Particulars	Quarter ended			Year Ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Refer note 11)	Unaudited	(Refer note 11)	Audited	Audited
1. Income					
a) Revenue from operations					
Sales/ income from operations	150.16	168.72	288.95	778.96	1,408.78
b) Other income					
Other income	7.56	9.68	17.90	23.47	31.97
Total income	**157.72**	**178.40**	**306.85**	**802.43**	**1,440.75**
2. Expenses					
a) Cost of materials consumed	10.60	24.85	133.76	107.51	589.15
b) Sub-contracting expenses	17.96	27.77	80.56	109.46	308.73
c) Employee benefit expenses	2.16	3.33	7.43	25.08	34.71
d) Other expenses	32.90	27.54	24.73	136.11	157.01
Total expenses	**63.62**	**83.49**	**246.48**	**378.16**	**1,089.60**
3. Earnings before finance cost, tax, depreciation and amortisation expenses (EBITDA) and exceptional items (1-2)	**94.10**	**94.91**	**60.37**	**424.27**	**351.15**
4. Finance costs	122.56	109.44	136.02	446.63	551.22
5. Depreciation and amortisation expenses	3.88	3.55	3.70	14.67	16.03
6. Loss before exceptional items and tax expenses (3 - 4 - 5)	**(32.34)**	**(18.08)**	**(79.35)**	**(37.03)**	**(216.10)**
7. Exceptional items (refer note 7)	401.44	326.34	(277.31)	682.04	(66.76)
8. Profit/ (loss) before tax (6) ± (7)	**369.10**	**308.26**	**(356.66)**	**645.01**	**(282.86)**
9. Tax expense	-	-	-	-	-
10. Profit/ (loss) for the period/ year (8) ± (9)	**369.10**	**308.26**	**(356.66)**	**645.01**	**(282.86)**
11. Other comprehensive income (net of tax)					
Items that will not be reclassified to profit or loss					
-Re-measurement loss on defined benefit plans	(0.05)	(0.20)	(0.02)	(0.03)	(0.79)
-Net loss on fair valuation through other comprehensive income ('FVTOCI') of equity securities	(108.11)	(147.38)	(148.62)	(507.02)	(357.66)
Total other comprehensive income for the period/ year	**(108.16)**	**(147.58)**	**(148.64)**	**(507.05)**	**(358.45)**
12. Total comprehensive income for the period/ year (comprising profit/ (loss) and other comprehensive income (net of tax) for the period/ year) (10±11)	**260.94**	**160.68**	**(505.30)**	**137.96**	**(641.31)**
13. Paid-up equity share capital (Face value Rs. 5 per share)	**301.80**	**301.80**	**301.80**	**301.80**	**301.80**
14. Other equity (excluding equity share capital)				**217.31**	**101.47**
15. Earnings per share (EPS) (Rs.) (not annualised)					
Basic	6.11	5.11	(5.91)	10.69	(4.69)
Diluted	6.10	5.11	(5.91)	10.69	(4.69)

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GMR POWER AND URBAN INFRA LTD.

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

(Rs. in crore)

	Particulars	As at March 31, 2024	As at March 31, 2023
A	**Assets**		
1	**Non-current assets**		
	Property, plant and equipment	74.51	88.49
	Intangible assets	2.41	2.72
	Financial assets		
	Investments	3,160.47	3,035.09
	Trade receivables	0.83	0.83
	Loans	1,210.91	1,082.00
	Other financial assets	10.91	11.88
	Income tax assets (net)	9.36	5.20
	Other non-current assets	2.60	2.60
		4,472.00	**4,228.81**
2	**Current assets**		
	Inventories	21.18	47.58
	Financial assets		
	Investments	223.85	-
	Trade receivables	41.60	33.02
	Cash and cash equivalents	18.65	14.91
	Bank balances other than cash and cash equivalents	26.15	41.17
	Loans	549.07	1,011.33
	Other financial assets	1,391.45	1,378.64
	Other current assets	67.85	79.94
		2,339.80	**2,606.59**
	Total assets	**6,811.80**	**6,835.40**
B	**Equity and liabilities**		
3	**Equity**		
	Equity share capital	301.80	301.80
	Other equity	217.31	101.47
	Total equity	**519.11**	**403.27**
	Liabilities		
4	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	3,149.34	3,021.72
	Lease liabilities	1.25	-
	Other financial liabilities	47.09	44.21
	Provisions	0.08	3.27
		3,197.76	**3,069.20**
5	**Current liabilities**		
	Financial liabilities		
	Borrowings	766.39	643.23
	Lease liabilities	0.57	-
	Trade payables		
	a) Total outstanding dues of micro enterprises and small enterprises	57.55	71.11
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	334.43	424.59
	Other financial liabilities	1,784.18	2,086.94
	Other current liabilities	151.79	136.74
	Provisions	0.02	0.32
		3,094.93	**3,362.93**
	Total equity and liabilities	**6,811.80**	**6,835.40**

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GMR Power And Urban Infra Limited
Audited Standalone Statement of cash flows for the year ended March 31, 2024

(Rs. in crore)

Particulars		March 31, 2024	March 31, 2023
Cash flow from operating activities			
Profit /(loss) before tax expenses		645.01	(282.86)
Adjustments to reconcile Profit/(loss) before tax to net cash flows			
Depreciation and amortization expenses		14.67	16.03
Exceptional items		(682.04)	66.76
Net foreign exchange differences (unrealised)		25.56	73.07
Gain on disposal of assets (net)		(1.09)	(1.13)
Provisions/liabilities no longer required, written back		(9.36)	(7.65)
Reversal of upfront loss on long term construction cost		(2.53)	(16.14)
Profit on sale of current investments		(3.00)	(2.73)
Provision / write off of doubtful receivables		(4.80)	-
Finance income (including finance income on finance asset measured at amortised cost)		(381.42)	(372.17)
Finance costs		446.63	551.22
Operating profit before working capital changes		**47.63**	**24.40**
Working capital adjustments:			
Change in inventories		26.40	36.81
Change in trade receivables		(8.58)	(23.33)
Change in other financial assets		49.83	452.05
Change in other assets		12.09	91.79
Change in trade payables		(91.83)	1.65
Change in other financial liabilities		(1.93)	(16.69)
Change in provisions		(3.51)	(0.59)
Change in other liabilities		15.05	24.73
Cash generated from operations		**45.15**	**590.82**
Direct taxes paid (net)		(4.16)	(0.53)
Net cash flow generated from operating activities	**(A)**	**40.99**	**590.29**
Cash flow from investing activities			
Purchase of property, plant and equipment		(0.15)	(0.10)
Proceeds from disposal of property, plant and equipment		2.93	2.37
Purchase of non-current investments/ non- convertible debentures		(1,225.14)	(577.18)
Proceeds from sale and redemption of non-current investments		251.69	1,755.77
(Purchase)/ sale of current investments (net)		(220.85)	2.93
Movement in bank deposit (having original maturity of more than three months) (net)		15.99	16.86
Loans given to group companies		(1,106.14)	(1,586.90)
Loans repaid by group companies		1,879.38	1,316.85
Interest received		243.95	160.86
Net cash flow (used in)/ generated from investing activities	**(B)**	**(158.34)**	**1,091.46**
Cash flow from financing activities			
Proceeds from non-current borrowings		225.00	157.45
Repayment of non-current borrowings (including current maturities)		(62.30)	(1,450.02)
Proceeds from /(repayment) of current borrowings (net) (excluding current maturities)		51.40	(58.17)
Finance costs paid		(92.49)	(321.76)
Repayment of lease liability principal		(0.25)	-
Repayment of lease liability interest		(0.27)	-
Net cash flow from/ (used in) financing activities	**(C)**	**121.09**	**(1,672.50)**
Net increase in cash and cash equivalents	**(A + B + C)**	**3.74**	**9.25**
Cash and cash equivalents as at beginning of the year		14.91	5.66
Cash and cash equivalents as at the end of the year		**18.65**	**14.91**
Components of cash and cash equivalents			
Balances with banks:			
- On current accounts		3.61	14.55
Deposits with original maturity of less than three months		15.04	0.35
Cash on hand		0.00	0.01
Total cash and cash equivalents as at the end of the year		**18.65**	**14.91**

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GMR Power and Urban Infra Limited

Notes to the audited standalone financial results for the quarter and year ended March 31, 2024

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

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

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

3. (a) The Company together with GMR Consulting Services Limited ('GCSL'), a subsidiary of the Company, which have further invested in step down subsidiaries and joint ventures. The Company together with GCSL has investments in GMR Energy Limited ("GEL") amounting Rs. 1,169.61 crore and has outstanding loan (including accrued interest) amounting to Rs. 2,268.77 crore in GEL as at March 31, 2024. GEL has certain underlying subsidiaries/ associates/ joint ventures which are engaged in energy sector as further detailed in note 3(b), 3(c), 3(d) and 3(e), below which have been incurring losses/ accumulated losses resulting in substantial erosion in their net worth. Based on management's internal assessment with regard to future operations and valuation assessment by an external expert during the period ended December 31, 2023, the management of the Company has fair valued its investments and for reasons as detailed in 3(b), 3(c), 3(d) and 3(e) below, the management is of the view that the fair value of the Company's investments in GEL is appropriate.

   (b) GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, is engaged in the business of generation and sale of electrical energy from its coal-based power plant of 600 MW situated at Warora. GWEL had accumulated losses of Rs. 391.52 crore as at March 31, 2024. GWEL has generated profit of Rs 194.02 crore during the year ended March 31, 2024. There have been delays in receipt of the receivables from customers which has resulted in delays in meeting its financial liabilities. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ('PPA') and have filed petitions with the regulatory authorities for settlement of such claims in favor of GWEL. GWEL has trade receivables, other receivables, and unbilled revenue (net of impairment allowance) of Rs. 491.21 crore and the payment from the customers against the claims including Interest on such claims which are substantially pending receipt. The management of GWEL based on its internal assessment, has accounted for an impairment allowance amounting to Rs. 393.89 crore on the aforesaid outstanding receivables by making adjustments in the standalone financial statements of GWEL for the year ended March 31, 2024 and accordingly the management has performed valuation of GWEL after adjusting for these outstanding receivables.

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

During the year ended March 31, 2021, GWEL filed a petition with Central Electricity Regulatory Commission ('CERC') for settlement of the dispute. During the year ended March 31, 2022, the said petition was decided in favour of GWEL vide CERC order dated January 20, 2022 wherein CERC directed the customer to pay the aforesaid outstanding capacity charges along with delayed payment surcharge within 60 days from the date of the aforesaid order.

The customer has filed an appeal against the said CERC order before Appellate Tribunal for Electricity ('APTEL') during the quarter ended June 30, 2022, APTEL issued an interim order and directed the customer to pay 25% of the principal amount within a period of one week from the date of its interim order to GWEL and deposit the balance outstanding amount in an interest-bearing fixed deposit receipt with a nationalized bank. However, GWEL has not received any amount from the customer and the matter is pending conclusion. The management, based on its internal assessment has accounted for impairment allowance on the aforesaid capacity charges during the year ended March 31, 2024.

Further, GWEL has successfully implemented Resolution Plan under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI during the previous year ended March 31, 2023.

Accordingly, GWEL has generated profit after tax of Rs 194.02 crore during the year ended March 31, 2024 and the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2024, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the implementation of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management is of the view that the carrying value of the investments in GWEL by GEL as at March 31, 2024 is appropriate.

(c) GWEL entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of

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evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with APTEL.

APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power.

GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 08, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claims of Rs. 616.33 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2024.

MSEDCL preferred an appeal with the Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) are being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited ('PGCIL') and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period from December 2020 to March 2024. The final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favorable Order from APTEL, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before the Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 616.33 crore relating to the period from March 17, 2014 to March 31, 2024. Further the cost of transmission charges as stated with effect from December 2020 has been is directly invoiced by PGCIL to DISCOMS and such amount together with aforesaid reimbursement has been disclosed as contingent liability in the financials of GWEL pending the final outcome of the matter in the Hon'ble Supreme Court of India.

(d) GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of GEL, is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal-based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has an excess of current liabilities over current assets of Rs.132.20 crore and has accumulated losses of Rs. 1,091.14 crore as at March 31, 2024 due to operational difficulties faced during the early stage of its operations. GKEL has generated profits after tax amounting to Rs. 296.14 crore during the current year.

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Further, GKEL has trade receivables and unbilled revenue of Rs. 1,093.61 crore and Rs.681.94 crore respectively as at March 31, 2024, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt as at March 31, 2024. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favorable outcome towards the outstanding receivables of GKEL. The management of GKEL based on its internal assessment, external opinion and certain regulatory favourable orders is of the view that the carrying value of the trade receivables and unbilled revenue as at March 31, 2024 is appropriate.

Further GKEL has signed PPA for supply of 102 MW round the clock to TANGEDCO for a period of five years through the aggregator M/s PTC India Limited. Further GKEL is actively pursuing its customers for realization of claims.

GKEL has signed fuel supply agreement with Coal India Limited for supply of coal from its Mahanadi Coal Field Mines for 3.64 million ton, which is within a distance of 15 KM from the plant site. In addition to the above, GKEL has won the bid (Shakti-III) for supply of 0.40 million ton of coal for balance 150 MW. There has been an improvement in tariff and higher demand on Exchange, as evidenced by higher profits during the year ended March 31, 2024.

Further, GKEL had entered an agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings.

The Arbitral Tribunal has issued an opinion (the Award) on September 07, 2020 against GKEL. Since there were computation/ clerical/ typographical errors in the Award, both parties (GKEL and SEPCO) immediately applied for correction of the award under Section 33 of the Arbitration & Conciliation Act 1996 (as amended). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020. GKEL already accounted for the aforementioned liability as per the award pertaining to the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL had challenged the award under section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Orissa on February 15, 2021 and December 31, 2021 respectively.

The Hon'ble High Court of Orissa vide its judgement and order dated June 17, 2022 has dismissed the petition filed by GKEL on February 15, 2021 to put aside the Final Award on the basis that impugned award does not fall under the category which warrants interference under Section 34 of the Arbitration Act. GKEL has challenged judgement by filing special leave petition before the Supreme Court of India on grounds; a) Violation of Principles of Natural

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Justice, b) Judgement is in violation of the guidelines laid by the Hon'ble Supreme Court for timely pronouncing of judgements c) Violation of due process of law and others.

The Hon'ble Supreme Court of India in the hearing on July 25, 2022 has issued notice and stayed the operation of the Section 34 Judgment. Vide its order dated May 15, 2023, the Hon'ble Supreme Court has disposed of SLP by allowing GKEL to approach the Commercial Appellate Division Bench, as constituted by the Hon'ble High Court of Orissa by way of an appeal under Section 37 of the Arbitration Act with liberty to raise all grounds and contentions. It had further directed that the aforesaid stay shall continue till June 30, 2023.

In furtherance of the order of the Hon'ble Supreme Court, GKEL has filed an appeal under Section 37 of the Arbitration Act before the Hon'ble High Court of Orissa on June 09, 2023, challenging Section 34 judgement and the Award. The Hon'ble High Court of Orissa pronounced its judgement on September 27, 2023 wherein it has allowed the Section 37 appeal and set aside Section 34 judgement and the Award. Further, during the current year, SEPCO has filed a special leave petition (SLP) with Supreme Court on December 21, 2023 which was registered on January 30, 2024 by Supreme Court and will be listed for hearing in due course. GKEL has also raised and filed its preliminary objections to the very maintainability of the SLP filed by SEPCO.

Based on legal advice the liability including interest and other costs under the Final Award has been set aside until the claims are raised again by SEPCO basis the available legal recourse GKEL in its books has made provisions in view of the disputes between SEPCO and GKEL, based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/ heading/ title/ narration, etc., such provisions do not make GKEL liable for payment since liability is disputed. GKEL expects to have a favourable outcome in the aforesaid pending litigations, hence resulting in reduction of liabilities towards SEPCO. Consequently, pending conclusion, GKEL has retained liabilities towards SEPCO as per the Arbitration award dated September 07, 2020

In view of these matters explained above, business plans and valuation of GKEL performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as expansion and optimal utilization of existing plant capacity, timing and amount of settlement of disputes with customers and capital creditors which are outstanding as on March 31, 2024, the management is of the view that the carrying value of the investments in GKEL held by GEL as at March 31, 2024 is appropriate.

(e) GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a joint venture of GEL has set up 180 MW hydro-based power plant in Chamba, District of Himachal Pradesh. It experienced delays in the completion of construction and incurred cost overruns. During the previous year ended March 31, 2023, GBHHPL commenced commercial operations.

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

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

Further on June 10, 2022, GBHHPL invoked arbitration against the contractor to recover their further dues (capital advances) amounting to Rs. 273.00 crore (assumed at discounted value of Rs. 196.56 crore, GPUIL's share Rs.156.97 crore). However counter claims were also filed by the contractor before the arbitration tribunal towards costs and damages on account of prolongation of the Contract. GBHHPL filed its reply to the Statement of Defense and counter claims on March 01, 2023. Subsequently, consolidated statement of claims and counter claims were directed to be filed by the Arbitration Tribunal which have been filed in the month of August 2023. Next hearing date is yet to be decided. Currently, the matter is pending adjudication before the Arbitral Tribunal.

Based on the assessment of such claims and upon consideration of advice from the independent legal consultant, the management believes that GBHHPL has reasonable chances of recovery of its dues from the contractor in the future and accordingly, based on the valuation assessment carried out by an external expert during the period ended December 31, 2023, is of the view that the carrying value of its investments of Rs. 257.48 crore in GBHHPL held by GEL as at March 31, 2024 is appropriate.

4. The Company together with GMR Highway Limited ("GMRHL") a subsidiary of the Company, has invested in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') amounting to Rs. 1,136.54 crore. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the period ended December 31, 2023 the management of the Company has fair valued its investments and for reasons as detailed below, the management is of the view that the fair values of the Company's investments in GHVEPL is appropriate.

GHVEPL, a step-down subsidiary of the Company, has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,803.99 crore as at March 31, 2024. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of

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Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI').

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

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

The Arbitral Tribunal vide its order dated March 31, 2020, had pronounced the award unanimously, upholding GHVEPL's contention that bifurcation of state of Andhra Pradesh and ban on sand mining in the region constitutes Change in Law event and GHVEPL is entitled for compensation for the loss of revenue arising as a result of drop in commercial vehicles. The majority of the Tribunal members have directed NHAI to constitute a committee for determining the claim amount based on data/ records available with GHVEPL and NHAI. The minority member in the Tribunal however was of the opinion that Tribunal should have constituted the Committee instead of directing NHAI, which is against the principle of natural justice. GHVEPL, aggrieved by the findings, had filed applications under Section 9 and 34 of the Arbitration Act, 1996, before the Hon'ble High Court of Delhi challenging the award on the limited ground of (i) constitution of the committee by NHAI for quantification of compensation and (ii) for interim measures by restraining NHAI, demanding premium and taking coercive / precipitate measures under the Concession Agreement. Vide order dated August 04, 2020, the Hon'ble High Court of Delhi upheld the decision of the Arbitral Tribunal that there was a change in law due to ban on sand mining and State bifurcation.

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

On February 28, 2022, the Sole Arbitrator had submitted his report to the Hon'ble High Court of Delhi by determining the claim amount at Rs. 1,672.20 crore, as against the claimed amount of Rs. 1,676.34 crore, up to March 31, 2020 with direction to follow the same methodology and formula for computation of claims for the financial year ended March 31, 2021 and onwards.

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Further, the Sole arbitrator has also granted interest on claim amount in terms of Clause 47.5 of the Concession Agreement.

The report submitted by the Sole Arbitrator has been taken on record by the Hon'ble High Court of Delhi and the Court has fixed the next hearing on July 10, 2024. On March 29, 2022, NHAI had made an application before the Sole Arbitrator seeking correction of computational error in his report submitted to the Hon'ble High Court. On October 20, 2022 the Sole Arbitrator passed an order dismissing the application made by NHAI. NHAI, in the interim has also filed an application u/s 34 of Arbitration Act before the Hon'ble High Court of Delhi against the report of Sole Arbitrator which is posted for hearing in September 2024.

NHAI has challenged the aforesaid Order dated August 04, 2020 before divisional bench of the Hon'ble High Court of Delhi, wherein the Hon'ble High Court of Delhi has clarified that the Sole Arbitrator shall continue to discharge his duties subject to final outcome of the appeal however in the interim order dated September 14, 2021 the Hon'ble High Court of Delhi has formed a prima facie view that it would only be fair that NHAI should secure the Premium payable by the GHVEPL till the issues are resolved. Aggrieved by the said order of Divisional Bench, the GHVEPL filed a Special Leave Petition before the Hon'ble Supreme Court, wherein the Hon'ble Supreme Court vide its Order dated March 10, 2022 has quashed the impugned interim order with the request directing the Hon'ble High Court of Delhi to decide the matter as expeditiously as possible. The Divisional Bench of Hon'ble High Court of Delhi has pronounced its judgement on May 07, 2024 wherein it has upheld the order dated August 04, 2020.

On May 08, 2020, GHVEPL has received a notice from NHAI stating that it is satisfied that six-laning is not required for the project highway and four laning is sufficient for operating the project highway thereby restricting the concession period to 15 years pursuant to Clause 3.2.2 of the Concession Agreement dated October 09, 2009. GHVEPL has filed a response with NHAI on May 26, 2020, June 16, 2020, August 31, 2020 and October 19, 2020 seeking material on record on the basis of which NHAI has decided that six-laning is not required, since in terms of GHVEPL's assessment, six-laning shall be required considering the current traffic flow on the project highway.

NHAI, however vide its letter dated June 24, 2020 and October 15, 2020 has stated that the contention of GHVEPL is unmerited and due reasons have been conveyed, even though no substantial information is provided on the basis of which such decision is taken. In this regard, GHVEPL has obtained a legal opinion from its Counsel handling NHAI matter in the Hon'ble High Court of Delhi which has opined that with the majority findings of the Arbitral Award in favour of GHVEPL, issuance of Notice dated May 08, 2020 and letter dated June 24, 2020 / October 15, 2020 by NHAI is in bad light and arbitrary.

Legal Counsel opined that NHAI being aware of the financial implications of the notice dated May 08, 2020 trying to somehow avoid quantifying and making any payment of the claim to GHVEPL under Change in Law. The Counsel further opined that, NHAI after having failed in its series of coercive steps including the notices for recovery of alleged Premium, suspension

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notice and notices in relation to non-compliance of O & M requirements has, on May 08, 2020, issued the Notice under Article 3.2.2 of the Concession Agreement and that too in the middle of extensive arguments in the aforesaid petitions before the Hon'ble High Court of Delhi, only to make GHVEPL to somehow give up its claims and avoid determination of claims.

GHVEPL on October 30, 2020 has issued Notice of Dispute under Article 44.2 read with Clause 44.1.2 of the Concession Agreement to NHAI for amicable settlement as a first step in dispute resolution, which has been declined by NHAI on December 04, 2020. Pursuant to the notice dated April 06, 2021, the Arbitrators have been appointed and the Arbitral Tribunal has held its first hearing setting procedural timelines for hearing the litigation.

The Hon'ble Tribunal vide interim order dated September 29, 2021 has stayed the letter and the matter is in process. NHAI subsequently has suggested resolving all the disputes through the process of conciliation and the matter was referred to Committee of Conciliation of Independent Experts (CCIE-III) constituted by NHAI on approval from GHVEPL.

The Committee has held two hearings and, in the hearing, held on April 25, 2022, GHVEPL had given a proposal for amicable settlement to which the Committee granted one month's time to NHAI to discuss internally and inform the Committee of its decision, which has not reached any effective conclusion and hence discontinued. In view of the same, the Arbitral Tribunal has been reconstituted. The arguments and submissions are completed before the Arbitral Tribunal and the matter is currently reserved for pronouncement of award.

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

GHVEPL has been recognizing a provision of additional concession fees (premium) of Rs. 1,627.82 crore including interest payable thereon till March 31, 2024 which is unpaid pending finality of litigation proceedings as detailed above.

Further, the valuation expert based on the assumptions that it would be receiving the compensation in the future and expected future traffic flow over a concession period of 25 years had determined value in use of GHVEPL assets as at March 31, 2024 (i.e. valuation date) which is higher than the carrying value of assets.

The management, based on its internal assessment, legal opinion, certain interim favourable orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Company together with GMRHL in GHVEPL, taking into account the matters described above is appropriate and accordingly, no adjustments to the

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aforesaid balance have been made in the accompanying audited standalone financial results for the quarter and year ended March 31, 2024.

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

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

   During the year ended March 31, 2023, the JV had submitted its claim against DFCCIL for the period of delay i.e. from January 2019 to December 31, 2021, DFCCIL has rejected such claim citing the amendments made in the contract, while granting the extensions of time. JV has invoked the dispute resolution process and accordingly Dispute Adjudicating Board (DAB) is constituted.

   As per directions of DAB, JV had submitted its Statement of Claim ('SoC') before DAB on May 22, 2023 for an amount of Rs. 449.01 crore for Contract Package 202 and on June 09, 2023 for an amount of Rs. 398.63 crore for Contract Package 201 respectively (excluding interest and GST) for cost incurred during the period from January 21, 2019 to September 30, 2022. Further, JV has reserved its right to claim further additional cost for the damages to be suffered during the period (i.e. September 30, 2022 till completion of the project) to be computed in the same manner as set out in the SoC.

   DFCCIL has submitted its Statement of Defense ('SoD') and has also filed counter claims for both the Contract Packages.

   JV has further its amended its statement of Claim for Rs. 812.99 Crore on March 15, 2024 for Contract Package 201 and for Rs 1013.47 Crore on February 17, 2024 for Contract Package 202 for cost incurred during the period from January 21, 2019 to September 30, 2022.

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As per the revised timelines set forth by DAB, both JV and DFCCIL has submitted their revised statement of defense and rejoinders. Presently , the arguments by both the parties before DAB are in progress.

Based on internal assessment and review of the technical and legal aspects by independent experts, the management of the JV and the Company recognized such claim in its books of account and basis back-to-back agreement with the JV, the Company has also included an incremental budgeted contract revenue of Rs. 461.18 crore (out of total claim amount of Rs. 1,826.46 crore) for determination of the revenue recognition in accordance with Ind AS 115 and has recognized in the quarter ended December 31, 2023 and preceding year ended March 31, 2023.

The management of the JV and the Company is confident of the favourable outcome of such claims and considers the unbilled revenue recognized amounting to Rs. 454.25 crore for the aforesaid claims as fully recoverable.

6. The standalone financial results for the year ended March 31, 2024 reflected an excess of current liabilities over current assets of Rs. 755.13 crore the Company has earned profit from operations after tax amounting to Rs. 645.01 crore in the current year and the net worth of the Company is positive amounting to Rs. 519.11 crore as at March 31, 2024. Further Management is taking various initiatives including monetization of assets, recovery of outstanding claims in various infra business (highway sector/EPC), raising finances from financial institutions/group companies, strategic investors & from other strategic initiatives, settlement of dues and refinancing of existing debts. Such initiatives will enable the Company to have sufficient funds to meet its financial obligations in an orderly manner.

7. Exceptional items comprise of the reversal/ creation of provision for impairment in carrying value of investments and loans/ advances/ other receivables carried at amortised cost and write back of liability.

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

9. The Company has presented earnings before finance costs, taxes, depreciation, amortisation expense and exceptional items as EBITDA.

10. The accompanying audited standalone financial results of the Company for the quarter and year ended March 31, 2024 have been reviewed by the Audit Committee in their meeting on May 16, 2024 and approved by the Board of Directors in their meeting on May 17, 2024.

11. Figures for the quarter ended March 31, 2024 and March 31, 2023 represent the difference between audited figures for the financial year and the limited reviewed figures for the nine months period ended December 31, 2023 and December 31, 2022 respectively.

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GMR Power and Urban Infra Limited

Notes to the audited standalone financial results for the quarter and year ended March 31, 2024

12. Previous quarter/ year's figures have been regrouped/ reclassified, wherever necessary to confirm the current period classification.

For **GMR Power and Urban Infra Limited**

Place: New Delhi
Date: May 17, 2024

Srinivas Bommidala
Managing Director
DIN: 00061464

GMR POWER AND URBAN INFRA LTD.

CHANDIOK WALKER & CO LLP CHARTERED ACCOUNTANTS

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

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

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of GMR Power and Urban Infra Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates, joint ventures and joint operation for the year ended 31 March 2024, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, associates, joint ventures and joint operation, as referred to in paragraph 13 below, the Statement:

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

   (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and

   (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group, its associates, joint ventures and joint operation, for the year ended 31 March 2024.

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, its associates and joint ventures, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

4. We draw attention to:

   a. Note 2(a) to the accompanying Statement which states that on 21 November 2023, the Group has acquired additional 29.14% stake from another investor Power and Energy International (Mauritius) Limited of an existing Joint venture Company, GMR Energy Limited ('GEL') at a purchase consideration of Rs. 237.55 crore. Owing to acquisition of additional stake in GEL, the Group has obtained control over GEL and has classified investment in GEL as investment in subsidiary with effect from 22 November 2023. Accordingly, Group has consolidated financial results of GEL in accordance with accounting principles enunciated under Ind AS 110 – 'Consolidated Financial Statements' with effect from 22 November 2023. Further, the Group accounted for the acquisition under the acquisition method of accounting for business combinations in accordance with Ind AS 103 – 'Business Combination'. Accordingly, the purchase price was allocated to the assets acquired (including identifiable intangible assets and investments in subsidiaries and Joint ventures) and liabilities (including contingent liabilities, if any) assumed based on their fair values determined on provisional basis as on the acquisition date in the previous quarter. The Group has completed the purchase price allocation in the current quarter ended 31 March 2024 basis which goodwill amounting to Rs. 35.89 crore as at acquisition date has been recognised. Our opinion is not modified in respect of this matter.

   b. Note 2(c) to the accompanying Statement, in connection with the dispute pertaining to recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. However, based on the order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 8 May 2015, currently contested by MSEDCL in the Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges amounting to Rs. 616.33 crore for the period from 17 March 2014 to 31 March 2024 and accordingly, has disclosed the aforesaid transmission charges and those invoiced directly to MSEDCL, a customer of GWEL, by Power Grid Corporation Limited, for the period December 2020 to March 2024 as contingent liability, as further described in aforesaid note. Our opinion is not modified in respect of this matter.

      The above matter is also reported as an emphasis of matter in the audit report dated 01 May 2024 issued by other firm of chartered accountants on the financial statements of GWEL for the year ended 31 March 2024.

   c. Note 2(e) to the accompanying Statement in connection with trade receivables and unbilled revenue of Rs 1,093.61 crore and Rs 681.94 crore respectively of GMR Kamalanga Energy Limited ('GKEL'), step-down subsidiary of Holding Company, which are pending settlement/ realisation and are substantially overdue as on 31 March 2024. Further, the carrying value of non-current assets relating to GKEL, amounting to Rs. 4,985.00 crore, as at 31 March 2024 is dependent upon achievement of certain key assumptions considered in the valuation performed by an external valuation expert using the discounted future cash flows method as explained in the said note. The management of GKEL based on its internal assessment, external legal opinions, certain interim favorable regulatory orders and valuation assessment made by the external expert, is of the view that the aforesaid balances pertaining to trade receivables and unbilled revenue are fully recoverable as at 31 March 2024 and the carrying value of non-current assets relating to GKEL is appropriate and accordingly, management has not made any adjustments in the accompanying Statement. Our opinion is not modified in respect of this matter.

Further, considering the accumulated losses and net liability position of GKEL, we as statutory auditors of GKEL, have also given a separate section on the material uncertainty relating to going concern in our audit report dated 30 April 2024.

d. Note 2(f) to the accompanying Statement, regarding the investment made by the Group in GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a joint venture of the Group, amounting to Rs. 194.21 crore as at 31 March 2024. The recoverability of such investment is dependent upon achievement of business plans of GBHHPL and recoverability of capital advances outstanding as at 31 March 2024 given to the contractor for GBHPPL's project, which along with other claims and counter claims, are pending before the Arbitral Tribunal as described in the said note.

   The management of the Holding Company, based on its internal assessment, legal opinion and valuation assessment made by an external valuation expert, is of the view that the carrying value of the aforesaid investment of the Group in GBHPPL, is appropriate and accordingly, no adjustments have been made in the accompanying Statement for the year ended 31 March 2024. Our opinion is not modified in respect of this matter.

e. Note 5 to the accompanying Statement relating to certain claims and counter claims filed by GMR Power Corporation Limited ('GPCL'), (an erstwhile step down subsidiary of the Holding Company, now merged with GMR Generation Assets Limited ('GGAL'), a subsidiary of the Holding Company vide National Company Law Tribunal ('NCLT') order dated 13 March 2020), and Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) which are pending before the Honorable Supreme Court of India and Appellate Tribunal For Electricity ('APTEL') as detailed in the aforesaid note. Based on GPCL's internal assessment and legal opinion, pending final outcome of the litigation, the management is of the view that no further adjustments in addition to those described in aforementioned note are required to be made to the accompanying Statement for the aforesaid matter. Our opinion is not modified in respect of this matter.

   The above matter is also reported as an emphasis of matter in the audit report dated 29 April 2024 issued by another firm of chartered accountants on the standalone financial statements of GGAL for quarter and year ended 31 March 2024. Further, considering the erosion of net worth and net liability position of GGAL, such auditor has also given a separate section on the material uncertainty relating to going concern in their audit report.

f. Note 6 and note 7 to the accompanying Statement which relates to the ongoing arbitrations with National Highways Authority of India (NHAI) for compensation of losses being incurred by GACEPL and GHVEPL, step-down subsidiaries of the Holding Company, since the commencement of commercial operations. Pending outcome of the aforementioned arbitration proceedings, GHVEPL has not paid to NHAI an amount of Rs. 1,627.82 crore as at 31 March 2024 towards additional concession fee along with interest thereon and GACEPL has not provided for interest on the negative grant amounting to Rs. 60.32 crore calculated up-to 25 August 2020 in the accompanying Statement, as explained in the said notes.

   GACEPL's claim for compensation of losses is currently pending for re-initiation of arbitration proceedings as per the order of the High Court of Delhi dated 26 September 2022 which has set aside the earlier issued Arbitral Award dated 26 August 2020 appealed under Section 34 by GACEPL.

   Further, based on management's internal assessment of compensation inflows, implementation of resolution plan of GACEPL, external legal opinions, and valuation performed by independent valuation experts, the management is of the view that the recoverable amounts of the carriageways of GACEPL and GHVEPL is assessed to be higher than the respective carrying values amounting Rs. 229.86 crore and Rs. 1,701.66 crore as at 31 March 2024. Currently, useful life of 25 years has been considered in arriving at the carrying value and amortisation of carriageways of GHVEPL, on the basis of management's plan to develop the six-lane project subject to the outcome of aforesaid arbitration. This useful life is subject to the outcome of the dispute between GHVEPL and NHAI in relation to the restriction of concession period by NHAI to 15 years and withdrawal of six laning of the highway project, in which case the useful life will need to be revised. The management has obtained a legal opinion and is of the view that the original contractual term of 25 years is likely to be enforced and accordingly, no adjustments to the consolidated financial results are considered necessary. Our opinion is not modified in respect of above matters.

The above matters have also been reported as emphasis of matters in the audit reports dated 29 April 2024 and 29 April 2024 issued by other firms of chartered accountants on the financial statements of GACEPL and GHVEPL, respectively, for the year ended 31 March 2024. Further, considering the erosion of net worth and net liability position of these entities, such auditors have also given a separate section on the material uncertainty relating to going concern in their respective audit reports.

g. Note 4 to the accompanying Statement, which describes the uncertainty related to the outcome of a tax assessment from Maldives Inland Revenue Authority ('MIRA') on business profit tax. As per the statement issued by MIRA dated 28 October 2021, GMR Male International Airport Private Limited ('GMIAL') has to settle business profit tax amounted to USD 0.72 crore and fines on business profit tax amounted to USD 0.82 crore. As per the letter dated 22 January 2020 issued by the Ministry of Finance Male, Republic of Maldives, "the amount of tax assessed by the MIRA relating to the final arbitration award is only USD 0.59 crore and this amount should be paid by whom the payment was settled to GMIAL in the event of any tax payable by GMIAL". Further, the letter also confirms that GMIAL is not liable to pay for the taxes assessed by MIRA on the arbitration sum and the Government of Maldives have initiated communication with MIRA to settle the taxes and fines payable on the arbitration award. In view of the management, the ultimate outcome of the business tax assessment sent by MIRA cannot be determined and hence, the effect on the consolidated financial results is uncertain and accordingly, the Group has not made any provision in the accompanying Statement. Our opinion is not modified in respect of this matter.

   The above matter has also been reported as an emphasis of matter in the audit report dated 01 April 2024 issued by other firm of chartered accountants on the financial statements of GMIAL for the year ended 31 December 2023.

h. Note 8 to the accompanying Statement, which states that Honorable High Court of Delhi vide its order dated 6 April 2022, in favour of GMR Pochanpalli Expressways Limited ('GPEL'), a step down subsidiary of the Holding Company, has held that overlay work is to be carried out as and when the roughness index of roads surpasses the specified thresholds. However, basis legal opinion obtained, the Group's management is of the view that pending finality of the appeal filed by NHAI before the divisional bench of Honorable Delhi High Court, since the matter is sub-judice, the Group has not given financial effect to the impact of the aforementioned order in the accompanying Statement. Our opinion is not modified in respect of this matter.

   The above matter has also been reported as an emphasis of matter in the audit report dated 29 April 2024 issued by other firm of chartered accountants on the financial statements of GPEL for year ended 31 March 2024.

i. Note 9 to the accompanying Statement which describes that the Holding Company has recognised certain claims in the current year ended 31 March 2024 and preceding year ended 31 March 2023 pertaining to Dedicated Freight Corridor Corporation ('DFCC') project basis evaluation by the joint venture ('JV') incorporated between the Holding Company and SEW Infrastructure Limited (SIL), of JV's entitlement under the contract towards recovery of prolonged cost, as further detailed in the aforesaid note. Based on the legal opinion, the management is of the view that the aforesaid claims as included in unbilled revenue as at 31 March 2024 are fully recoverable. Our opinion is not modified in respect of this matter.

   The above matter has also been reported as an emphasis of matter in the audit report dated 13 May 2024 issued by other firm of chartered accountants on the financial statements of GIL-SIL-JV for year ended 31 March 2024.

j. Note 3 to the accompanying Statement in relation to the matter of compliances with CERC (Procedures, terms and conditions for grant of trading license and other related matters) Regulation, 2020 ('Regulations') and its impact on the operations of GMR Energy Trading Limited ('GETL'), a subsidiary of the Holding Company. During the year, GETL has implemented processes to ensure necessary compliance on the current/liquidity ratio and subsequent to the Balance Sheet date, has achieved the requisite criteria mandated under the Regulations. Our opinion is not modified in respect of this matter.

The above matter has also been reported as an emphasis of matter in the audit report dated 20 April 2024 issued by other firm of chartered accountants on the financial statements of GETL for year ended 31 March 2024.

Responsibilities of Management and Those Charged with Governance for the Statement

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group including its associates, joint ventures and joint operation in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group and its associates, joint ventures and joint operation, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associates, joint ventures and joint operation, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

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

7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates, joint ventures and joint operation.

Auditor's Responsibilities for the Audit of the Statement

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- Conclude on the appropriateness of Board of Directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates, joint ventures and joint operation, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates, joint ventures and joint operation to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, and its associates, joint ventures and joint operation, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

10. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

13. We did not audit the annual financial statements of 67 subsidiaries and 1 joint operation included in the Statement (including 12 subsidiaries and 1 joint operation consolidated for the year ended 31 December 2023, with a quarter lag and including 13 subsidiaries, being GEL and its subsidiaries, of which control was acquired by the Group during the year as described in Note 2(a), whose financial information reflects total revenues of Rs. 796.11 crore, total net profit after tax of Rs. 73.70 crore, total comprehensive income of Rs. 58.94 crore, consolidated for the period from 22 November 2023 to 31 March 2024), whose financial information reflects (before adjustments for consolidation) total assets of Rs. 19,066.79 crores as at 31 March 2024, total revenues of Rs. 3,535.64 crores, total net loss after tax of Rs. 456.04 crores, total comprehensive loss of Rs. 466.07 crores, and cash outflows (net) of Rs. 451.40 crores for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 309.57 crores and total comprehensive loss of Rs. 301.03 crores for the year ended 31 March 2024, in respect of 1 associate and 14 joint ventures (including 11 joint ventures, being GEL and its subsidiaries, before their acquisition by the Group in the current year as described in Note 2(a), for which the Group's share of net loss after tax was Rs. 108.27

crore and total comprehensive loss was Rs. 108.74 crore, considered for the period from from period from 01 April 2023 to 21 November 2023, respectively), whose annual financial statements have not been audited by us. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures/ joint operation is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 12 above.

Further, of these subsidiaries, associates, joint ventures and joint operation, 12 subsidiaries, 3 joint ventures, and 1 joint operation are located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, associates, joint ventures and joint operation from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates, joint ventures and joint operation, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

14. The Statement includes the annual financial information of 5 subsidiaries (including 5 subsidiaries consolidated for the year ended 31 December 2023, with a quarter lag), which have not been audited, whose annual financial information reflect total assets of Rs. 24.31 crores as at 31 March 2024, total revenues of Rs. 0.02 crores, total net loss after tax of Rs. 7.58 crores, total comprehensive loss of Rs. 7.58 crores for the year ended 31 March 2024, and cash inflow (net) of Rs. 0.05 crores for the year then ended, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 0.19 crores, and total comprehensive loss of Rs. 0.19 crores for the year ended 31 March 2024, in respect of 3 joint ventures (including 3 joint ventures consolidated for the year ended 31 December 2023, with a quarter lag), based on their annual financial information, which have not been audited by their auditors. These financial information have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries, associates and joint ventures, is based solely on such unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Group.

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

15. The Statement includes the consolidated financial results for the quarter ended 31 March 2024, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

CHARTERED ACCOUNTANTS * WALKER CHANDIOK & CO LLP

Anamitra Das
Partner
Membership No. 062191
UDIN: 24062191BKDFYD6890

Place: New Delhi
Date: 17 May 2024

Annexure 1

List of entities included in the Statement

S. No.	Name of the entity	Relation
1	GMR Power and Urban Infra Limited (GPUIL)	Holding Company
2	GMR Energy (Netherlands) B.V. (GENBV)[1]	Subsidiary
3	Honey Flower Estates Private Limited (HFEPL)	Subsidiary
4	GMR Infrastructure (UK) Limited (GIUL)	Subsidiary
5	GMR Aviation Private Limited (GAPL)	Subsidiary
6	GMR Infrastructure (Singapore) Pte Limited (GISPL)	Subsidiary
7	GMR Coal Resources Pte Limited (GCRPL)	Subsidiary
8	GIL SIL JV	Joint Venture
9	GMR Corporate Services Limited [Formerly known as GMR Aerostructure Services Limited (GASL)]	Subsidiary
10	GMR Energy Trading Limited (GETL)	Subsidiary
11	GMR Ambala Chandigarh Expressways Private Limited (GACEPL)	Subsidiary
12	GMR Pochanpalli Expressways Limited (GPEL)	Subsidiary
13	GMR Hyderabad Vijayawada Expressways Private Limited (GHVEPL)	Subsidiary
14	Aklima Properties Private Limited (AKPPL)	Subsidiary
15	Amartya Properties Private Limited (AMPPL)	Subsidiary
16	Advika Properties Private Limited (APPL)	Subsidiary
17	Asteria Real Estates Private Limited (AREPL)	Subsidiary
18	Bougianvile Properties Private Limited (BOPPL)	Subsidiary
19	Baruni Properties Private Limited (BPPL)	Subsidiary
20	Camelia Properties Private Limited (CPPL)	Subsidiary
21	Deepesh Properties Private Limited (DPPL)	Subsidiary
22	Eila Properties Private Limited (EPPL)	Subsidiary
23	GMR Bundelkhand Energy Private Limited (GBEPL)[2]	Subsidiary
24	GMR Consulting Services Limited (GCSL)[3]	Subsidiary
25	GMR Indo-Nepal Power Corridors Limited (GINPCL)[2]	Subsidiary
26	GMR Londa Hydropower Private Limited (GLHPPL)	Subsidiary
27	GMR Maharashtra Energy Limited (GMAEL)[2]	Subsidiary
28	GMR Smart Electricity Distribution Private Limited [formerly known as GMR Mining & Energy Private Limited (GMEL)]	Subsidiary
29	GMR Highways Limited (GMRHL)	Subsidiary
30	Gerbera Properties Private Limited (GPL)	Subsidiary
31	GMR Rajam Solar Power Private Limited (GRSPPL)[2]	Subsidiary
32	GMR SEZ & Port Holdings Limited (GSPHL)	Subsidiary
33	GMR Vemagiri Power Generation Limited (GVPGL)[2]	Subsidiary
34	Honeysuckle Properties Private Limited (HPPL)	Subsidiary
35	Idika Properties Private Limited (IPPL)	Subsidiary
36	Krishnapriya Properties Private Limited (KPPL)	Subsidiary
37	Lantana Properies Private Limited (LPPL)	Subsidiary
38	Larkspur Properties Private Limited (LAPPL)	Subsidiary
39	Lilliam Properties Private Limited (LPPL)	Subsidiary
40	Lakshmi Priya Properties Private. Limited (LPPPL)	Subsidiary

S. No.	Name of the entity	Relation
41	Nadira Properties Private Limited (NPPL)	Subsidiary
42	Namitha Real Estates Private Limited (NREPL)	Subsidiary
43	Padmapriya Properties Private Limited (PAPPL)	Subsidiary
44	Prakalpa Properties Private Limited (PPPL)	Subsidiary
45	Pranesh Properties Private Limited (PRPPL)	Subsidiary
46	Purnachandra Properties Private Limited (PUPPL)	Subsidiary
47	Radhapriya Properies Private Limited (RPPL)	Subsidiary
48	Shreyadita Properties Private Limited (SPPL)	Subsidiary
49	Sreepa Properties Private Limited (SRPPL)	Subsidiary
50	Suzone Properties Private Limited (SUPPL)	Subsidiary
51	Dhruvi Securities Limited (DSL) [formerly known as Dhruvi Securities Private Limited (DSPL)]	Subsidiary
52	Indo Tausch Trading DMCC (ITTD)[4]	Subsidiary
53	GMR Chennai Outer Ring Road Private Limited (GCORRPL)	Subsidiary
54	GMR Krishnagiri SIR Limited (GKSIR)	Subsidiary
55	GMR Male International Airport Private Limited (GMIAL)	Subsidiary
56	GMR Generation Assets Limited (GGAL)	Subsidiary
57	GMR (Badrinath) Hydro Power Generation Private Limited (GBHPL)[2]	Subsidiary
58	GMR Bajoli Holi Hydropower Private Limited (GBHHPL)	Joint Venture
59	GMR Gujarat Solar Power Limited (GGSPL)[2]	Subsidiary
60	GMR Rajahmundry Energy Limited (GREL)	Associate
61	GMR Power & Urban Infra (Mauritius) Limited [formerly known as GMR Infrastructure (Mauritius) Limited (GIML)]	Subsidiary
62	GMR Lion Energy Limited (GLEL)[2]	Subsidiary
63	Gateways for India Airports Private Limited (GFIAL)	Subsidiary
64	GMR Upper Karnali Hydropower Limited (GUKHL)[2]	Subsidiary
65	Karnali Transmission Company Private Limited (KTCPL)[2]	Subsidiary
66	GMR Warora Energy Limited (GWEL)[2]	Subsidiary
67	Megawide GISPL Construction Joint Venture (MGCJV)	Joint operation
68	GMR Energy (Mauritius) Limited (GEML)[2]	Subsidiary
69	GMR Energy Projects (Mauritius) Limited (GEPML)	Subsidiary
70	GMR Infrastructure (Overseas) Limited (GIOL)	Subsidiary
71	GMR Infrastructure (Cyprus) Limited (GICL)[5]	Subsidiary
72	GMR Infrastructure Overseas Limited (Malta)	Subsidiary
73	Limak GMR Joint Venture (CJV)	Joint Venture
74	GMR Infrastructure (Global) Limited (GIGL)[6]	Subsidiary
75	PT GMR Infrastructure Indonesia (PTGII)	Subsidiary
76	GMR Energy Limited (GEL)[2]	Subsidiary
77	GMR Kamalanga Energy Limited (GKEL)[2]	Subsidiary
78	GMR Tenaga Operations and Maintenance Private Limited (GTOM)	Joint Venture
79	GMR Green Energy Limited (GGEL) (formerly known as GMR Green Energy Private Limited)	Subsidiary
80	GMR Agra Smart Meters Limited (GASML)[7]	Subsidiary
81	GMR Triveni Smart Meters Limited (GTSML)[8]	Subsidiary

S. No.	Name of the entity	Relation
82	GMR Kashi Smart Meters Limited (GKSML)[8]	Subsidiary

1. Dissolved w.e.f. 31 January 2023
2. Joint ventures till 21 November 2023, become subsidiaries w.e.f. 22 November 2023
3. Joint venture till 31 October 2023, become subsidiary w.e.f. 01 November 2023
4. Till 30 June 2023
5. Dissolved w.e.f. 09 June 2023
6. Dissolved w.e.f. 20 March 2023
7. Incorporated on 14 August 2023
8. Incorporated on 10 August 2023

CHARTERED ACCOUNTANTS * WALKER CHANDIOK & CO LLP

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

Statement of consolidated financial results for the quarter and year ended March 31, 2024

(Rs. in crore)

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Refer note 14)	Unaudited	(Refer note 14)	Audited	Audited
A. Continuing operations					
1. Income					
a) Revenue from operations					
Sales/ income from operations	1,634.48	1,102.79	1,423.37	4,488.98	5,515.74
b) Other income					
Other income	121.93	106.43	165.55	345.69	362.61
Foreign exchange fluctuations gain (net)	12.78	-	-	-	-
Total Income	**1,769.19**	**1,209.22**	**1,588.92**	**4,834.67**	**5,878.35**
2. Expenses					
a) Revenue share paid/ payable to concessionaire grantors	55.21	52.89	49.59	211.99	191.51
b) Consumption of fuel	606.71	288.38	-	895.09	-
c) Cost of materials consumed	10.60	24.84	133.72	107.51	589.16
d) Purchase of traded goods	209.35	223.32	960.95	1,393.35	3,392.27
e) Increase in stock in trade	(9.24)	-	-	(9.24)	-
f) Transmission and distribution charges	0.87	0.46	-	1.33	-
g) Sub-contracting expenses	55.96	48.58	120.26	202.63	437.61
h) Employee benefits expense	58.66	39.18	22.36	150.80	83.25
i) Other expenses	207.87	117.62	69.39	452.10	365.50
j) Foreign exchange fluctuations loss (net)	-	11.36	-	23.00	29.43
Total expenses	**1,195.99**	**806.63**	**1,356.27**	**3,428.56**	**5,088.73**
3. Earnings before finance cost, tax, depreciation and amortisation expenes (EBITDA) and exceptional items (1-2)	**573.20**	**402.59**	**232.65**	**1,406.11**	**789.62**
4 Finance costs	523.45	404.70	326.40	1,479.41	1,350.05
5 Depreciation and amortisation expenses	126.79	100.06	21.04	305.46	149.22
6. Loss before share of (loss) / profit of investments accounted for using equity method, exceptional items and tax from continuing operations (3 - 4 - 5)	**(77.04)**	**(102.17)**	**(114.79)**	**(378.76)**	**(709.65)**
7 Share of (loss) / profit of investments accounted for using equity method (Dividend received from joint venture and associates during the year ended March 31, 2023 - Rs.806.01 crore)	(76.25)	(73.67)	(145.47)	(154.85)	741.47
8. (Loss)/ profit before exceptional items and tax from continuing operations (6) + (7)	**(153.29)**	**(175.84)**	**(260.26)**	**(533.61)**	**31.82**
9 Exceptional items (refer note 11)	333.08	220.65	(206.12)	456.00	1,231.94
10. Profit/ (loss) before tax from continuing operations (8) + (9)	**179.79**	**44.81**	**(466.38)**	**(77.61)**	**1,263.76**
11 Tax expense/(credit) on continuing operations (net)	9.36	1.64	(0.54)	33.63	92.74
12. Profit/ (loss) after tax from continuing operations (10) - (11)	**170.43**	**43.17**	**(465.84)**	**(111.24)**	**1,171.02**
B. Discontinued operations					
13 Loss before tax expenses from discontinued operations	(0.04)	(0.01)	(5.07)	(16.23)	(31.78)
14 Tax expense on discontinued operations (net)	-	-	-	-	-
15. Loss after tax from discontinued operations (13) - (14)	**(0.04)**	**(0.01)**	**(5.07)**	**(16.23)**	**(31.78)**
16. Profit/ (loss) after tax for the respective periods (12) + (15)	**170.39**	**43.16**	**(470.91)**	**(127.47)**	**1,139.24**

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GMR POWER AND URBAN INFRA LTD.

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Refer note 14)	Unaudited	(Refer note 14)	Audited	Audited
17. Other comprehensive income (net of tax)					
Items that will be reclassified to profit or loss	5.12	10.98	26.16	14.88	180.94
Items that will not be reclassified to profit or loss	(64.38)	39.71	0.17	(24.89)	(0.55)
Total other comprehensive income, net of tax for the respective periods	**(59.26)**	**50.69**	**26.33**	**(10.01)**	**180.39**
18. Total comprehensive income for the respective periods (16) + (17)	**111.13**	**93.85**	**(444.58)**	**(137.48)**	**1,319.63**
Profit attributable to					
a) Owners of the Company	162.18	45.38	(473.09)	(103.03)	1,182.79
b) Non controlling interest	8.21	(2.22)	2.18	(24.44)	(43.55)
Other comprehensive income attributable to					
a) Owners of the Company	(56.19)	47.26	24.48	(9.44)	169.21
b) Non controlling interest	(3.07)	3.43	1.85	(0.57)	11.18
Total comprehensive income attributable to					
a) Owners of the Company	105.99	92.64	(448.61)	(112.47)	1,352.00
b) Non controlling interest	5.14	1.21	4.03	(25.01)	(32.37)
19. Paid-up equity share capital (Face value - Rs. 5 per share)	**301.80**	**301.80**	**301.80**	**301.80**	**301.80**
20. Total equity (excluding equity share capital)				(3,284.11)	(3,043.28)
21. Earnings per share - (Rs.) (not annualised)					
a) Basic and diluted earnings per share	2.69	0.75	(7.84)	(1.71)	19.60
b) Basic and diluted earnings per share from continuing operations	2.69	0.75	(7.76)	(1.44)	20.12
c) Basic and diluted earnings per share from discontinued operations	(0.00)	(0.00)	(0.08)	(0.27)	(0.52)

(Rs. in crore)

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GMR POWER AND URBAN INFRA LTD.

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

(Rs. in crore)

	Particulars	As at March 31, 2024	As at March 31, 2023
A	**Assets**		
1	**Non-current assets**		
	Property, plant and equipment	7,889.38	284.28
	Right of use asset	284.13	10.62
	Capital work-in-progress	357.38	-
	Investment property	339.71	550.27
	Goodwill	36.93	-
	Other intangible assets	2,387.48	2,066.88
	Intangible assets under development	0.39	-
	Investments accounted for using equity method	197.86	903.47
	Financial assets		
	Investments	215.32	1,190.61
	Trade receivables	110.20	153.30
	Loans	870.17	792.36
	Other financial assets	945.68	830.63
	Income tax assets (net)	30.55	18.87
	Deferred tax assets (net)	1.85	4.12
	Other non-current assets	58.85	62.27
		13,725.88	**6,867.68**
2	**Current assets**		
	Inventories	211.88	50.25
	Financial assets		
	Investments	237.11	17.00
	Trade receivables	1,541.04	544.69
	Cash and cash equivalents	430.22	965.53
	Bank balances other than cash and cash equivalents	251.59	138.38
	Loans	19.79	1,234.01
	Other financial assets	2,258.79	1,639.33
	Other current assets	472.87	139.44
		5,423.29	**4,728.63**
3	**Assets included in disposal group held for sale**	319.53	206.22
	Total assets	**19,468.70**	**11,802.53**
B	**Equity and liabilities**		
4	**Equity**		
	Equity share capital	301.80	301.80
	Other equity	(3,219.02)	(2,923.16)
	Equity attributable to equity holders of the parent	(2,917.22)	(2,621.36)
	Non-controlling interest	(65.09)	(120.12)
	Total equity	**(2,982.31)**	**(2,741.48)**
	Liabilities		
5	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	11,684.16	6,480.84
	Trade payables	-	151.79
	Lease liabilities	16.22	5.37
	Other financial liabilities	1,022.81	273.01
	Other non-current liabilities	47.01	18.94
	Provisions	147.87	68.85
	Deferred tax liabilities (net)	44.33	-
		12,962.40	**6,998.80**
6	**Current liabilities**		
	Financial liabilities		
	Borrowings	2,170.72	1,720.14
	Trade payables	2,595.88	2,603.51
	Lease liabilities	4.51	9.39
	Other current financial liabilities	2,621.10	2,289.25
	Other current liabilities	1,276.97	246.55
	Provisions	759.09	640.85
	Current tax liabilities (net)	37.24	12.44
		9,465.51	**7,522.13**
7	**Liabilities included in disposal group held for sale**	23.10	23.08
		9,488.61	**7,545.21**
	Total equity and liabilities	**19,468.70**	**11,802.53**

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GMR Power And Urban Infra Limited
Consolidated Segment Information

(Rs. in crore)

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	(Refer note 14)	Unaudited	(Refer note 14)	Audited	Audited
1. Segment revenue					
a) Power	1,372.72	797.64	969.18	3,176.46	3,473.16
b) Roads	194.88	178.46	176.00	717.26	655.04
c) EPC	36.04	82.71	193.30	340.88	1,082.68
d) Others	252.10	99.03	131.71	586.26	424.76
	1,855.74	1,157.84	1,470.19	4,820.86	5,635.64
Less: Inter segment	(221.26)	(55.05)	(46.82)	(331.88)	(119.90)
Segment revenue from operations	**1,634.48**	**1,102.79**	**1,423.37**	**4,488.98**	**5,515.74**
2. Segment results (including share of (loss) / profit of investments accounted for using equity method)					
a) Power	287.25	117.30	(114.27)	428.77	710.55
b) Roads	50.31	52.49	119.56	209.69	297.15
c) EPC	0.25	16.15	(54.67)	45.08	3.26
d) Others	(20.19)	7.87	68.53	96.27	207.17
Total segment results	317.62	193.81	19.15	779.81	1,218.13
Less: finance costs (net of finance income)	(470.91)	(369.65)	(279.41)	(1,313.42)	(1,186.31)
(Loss)/ profit before exceptional items and tax from continuing operations	**(153.29)**	**(175.84)**	**(260.26)**	**(533.61)**	**31.82**
Exceptional items (refer note 11)	333.08	220.65	(206.12)	456.00	1,231.94
Profit / (loss) before tax expenses from continuing operations	**179.79**	**44.81**	**(466.38)**	**(77.61)**	**1,263.76**
Tax expense/(credit) on continuing operations (net)	9.36	1.64	(0.54)	33.63	92.74
Profit/ (loss) after tax from continuing operations	**170.43**	**43.17**	**(465.84)**	**(111.24)**	**1,171.02**
Loss before tax expenses from discontinued operations	(0.04)	(0.01)	(5.07)	(16.23)	(31.78)
Tax expense on discontinued operations (net)	-	-	-	-	-
Loss after tax from discontinued operations	**(0.04)**	**(0.01)**	**(5.07)**	**(16.23)**	**(31.78)**
Profit/ (loss) after tax for the respective period/ year	**170.39**	**43.16**	**(470.91)**	**(127.47)**	**1,139.24**
3. Segment assets					
a) Power	12,512.23	13,510.43	1,878.77	12,512.23	1,878.77
b) Roads	2,918.36	2,981.27	3,436.83	2,918.36	3,436.83
c) EPC	1,207.78	1,258.49	1,395.28	1,207.78	1,395.28
d) Others	728.25	643.36	2,230.45	728.25	2,230.45
e) Unallocated	1,782.55	2,226.19	2,654.98	1,782.55	2,654.98
f) Assets included in disposal group held for sale	319.53	310.61	206.22	319.53	206.22
Total assets	**19,468.70**	**20,930.35**	**11,802.53**	**19,468.70**	**11,802.53**
4. Segment liabilities					
a) Power	3,666.67	5,025.94	2,816.90	3,666.67	2,816.90
b) Roads	1,945.02	1,864.43	1,638.58	1,945.02	1,638.58
c) EPC	532.95	557.12	706.25	532.95	706.25
d) Others	185.13	202.54	95.98	185.13	95.98
e) Unallocated	16,098.14	16,448.10	9,263.22	16,098.14	9,263.22
f) Liabilities included in disposal group held for sale	23.10	23.09	23.08	23.10	23.08
Total liabilities	**22,451.01**	**24,121.22**	**14,544.01**	**22,451.01**	**14,544.01**

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GMR POWER AND URBAN INFRA LTD.

GMR Power And Urban Infra Limited
Audited Consolidated statement of cash flows for the year ended March 31,2024

(Rs. in crore)

Particulars		March 31, 2024	March 31, 2023
Cash flow from operating activities			
(Loss) / profit from continuing operations before tax expenses		(77.61)	1,232.19
Loss from discontinued operations before tax expenses		(16.23)	(0.21)
(Loss) / profit before tax expenses		**(93.84)**	**1,231.98**
Adjustments to reconcile (loss) /profit before tax to net cash flows			
Depreciation of property, plant and equipment, investment property and amortization of intangible assets		306.85	151.39
Income from government grant		(0.92)	-
Adjustments to the carrying value of investments (net)		(1.57)	(0.56)
Provisions no longer required, written back		(37.82)	(28.38)
Exceptional items		(456.00)	(1,231.94)
Unrealised exchange loss		23.00	29.43
Profit on sale/write off on property, plant and equipment and investment property (net)		(13.78)	(53.54)
Provision / write off of doubtful advances and trade receivables		19.31	5.70
Reversal of upfront loss on long term construction cost		(2.53)	(16.14)
Profit on sale of current investment (net)		(3.03)	(2.73)
Finance costs		1,479.41	1,350.25
Finance income		(374.14)	(429.97)
Share of loss / (profit) of investment accounted for using equity method		154.85	(741.47)
Operating profit before working capital changes		**999.79**	**264.02**
Movements in working capital :			
Changes in trade payables, other financial liabilities, other liabilities and provisions		119.34	287.53
Changes in non-current/current financial assets and other assets		575.72	772.47
Cash generated from operations		**1,694.85**	**1,324.02**
Direct taxes paid (net)		(4.57)	(93.69)
Net cash generated from operating activities	**(A)**	**1,690.28**	**1,230.33**
Cash flow from investing activities			
Purchase of property, plant and equipment, investment property, intangible assets and cost incurred towards such assets under construction / development (net)		(98.63)	(24.49)
Proceeds from sale of property, plant and equipment, investment property and intangible assets		58.93	95.17
Payment for acquisition of stake in joint venture (net of cash acquired)		(173.58)	-
Loans received / (given) (net)		10.87	(595.31)
Purchase of investments (net)		(610.41)	(169.57)
Consideration received on disposal of joint ventures/associates/subsidiaries (net of cash disposed)		16.20	3,433.55
Investment in non convertible debentures		-	(542.13)
Movement in bank deposits (net) (having original maturity of more than three months)		(222.46)	(57.34)
Dividend received from associates and joint ventures		-	806.01
Finance income received		116.44	147.90
Net cash flow (used in) / generated from investing activities	**(B)**	**(902.64)**	**3,093.79**
Cash flow from financing activities			
Proceeds from non-current borrowings		2,754.34	1,126.30
Repayment of non-current borrowings (including current maturities)		(2,938.26)	(4,282.23)
(Repayment) of / proceeds from current borrowings (net) (excluding current maturities)		(104.07)	407.45
Repayment of lease liability principal		(10.95)	(5.81)
Repayment of lease liability interest		(1.50)	(0.53)
Finance costs paid		(1,023.28)	(1,084.91)
Net cash used in financing activities	**(C)**	**(1,323.72)**	**(3,839.73)**
Net (decrease)/ increase in cash and cash equivalents	**(A + B + C)**	**(536.08)**	**484.39**
Cash and cash equivalents as at beginning of the year		965.97	455.65
Effect of exchange translation difference on cash and cash equivalents held in foreign currency		0.84	25.93
Cash and cash equivalents as at the end of the year		**430.73**	**965.97**
Components of cash and cash equivalents			
Balances with banks:			
- On current accounts		233.03	419.47
Deposits with original maturity of less than three months		195.97	544.81
Cash on hand		1.22	1.25
		430.22	**965.53**
Cash at bank and short term deposits attributable to entities held for sale		0.51	0.44
Total cash and cash equivalents as at the end of the year		**430.73**	**965.97**

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GMR Power and Urban Infra Limited

Notes to the audited consolidated financial results for the quarter and year ended March 31, 2024

1. **Consolidation and Segment Reporting**

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

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

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

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

2. (a) GMR Energy Limited ('GEL') was incorporated on October 10, 1996 and is engaged in the business of development, operation and maintenance of power projects, power generation, transmission, distribution and trading of electricity, through its subsidiaries and Joint ventures.

GMR Power and Urban Infra Limited alongwith its subsidiaries (Group) held 69.58% stake in GEL till November 21, 2023 and accordingly accounted as an Joint Venture using equity method in accordance with Ind AS 28 'Investments in Associates and Joint Ventures' in the consolidated financial statements. The group entered into a settlement agreement with Power and Energy International (Mauritius) Limited (hereinafter referred to as 'Tenaga') on November 17, 2023 to acquire additional 29.14% stake of GEL at a purchase consideration of Rs.237.55 crore (USD 28.50 million). The Group paid the entire purchase consideration of Rs. 237.55 crore on November 21, 2023 ('transaction date').

With this complete buy-out of Tenaga stake, the Shareholders Agreement ("SHA") with Tenaga stands terminated thereby increasing the shareholding of the Group by 29.14% and enabling control over GEL and full line-by-line consolidation w.e.f. November 22, 2023 in accordance with Ind AS 110' Consolidated Financial Statements'

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Further, the Group accounted for the acquisitions under the acquisition method of accounting for business combinations in accordance with Ind AS 103 – 'Business Combination'. Accordingly, the purchase price was allocated to the assets acquired (including identifiable intangible assets and investments in subsidiaries and Joint ventures) and liabilities (including contingent liabilities, if any) assumed based on their fair values determined on provisional basis as on the acquisition date in the previous quarter. The Group has completed the purchase price allocation in the current quarter ended March 31, 2024 basis which, goodwill amounting to Rs. 35.89 crore as at acquisition date has been recognised and accordingly, the Group has made adjustments to the aforesaid assets and liabilities recognised during the previous quarter basis which bargain purchase amounting to Rs. 39.85 crore was recognised

On account of this transaction, total assets & total liabilities (before elimination) as at March 31, 2024 and total revenue (before elimination) for the year are higher by Rs. 13,973.91 crore, Rs.12,782.08 crore, Rs.1,709.70 crore respectively.

(b) GMR Warora Energy Limited ('GWEL'), a subsidiary of the Company, is engaged in the business of generation and sale of electrical energy from its coal-based power plant of 600 MW situated at Warora. GWEL had accumulated losses of Rs. 391.52 crore as at March 31, 2024. GWEL has generated profit of Rs 194.02 crore during the year ended March 31, 2024. There have been delays in receipt of the receivables from customers which has resulted in delays in meeting its financial liabilities. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ('PPA') and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (net of impairment allowance) of Rs.491.21 crore and the payment from the customers against the claims including interest on such claims which are substantially pending receipt. The management of GWEL based on its internal assessment, has accounted for an impairment allowance amounting to Rs. 393.89 crore on the aforesaid outstanding receivables by making adjustments in the standalone financial statements of GWEL for the year ended March 31, 2024 and accordingly the management has performed valuation of GWEL after adjusting for these outstanding receivables Further, GWEL received notices from one of its customers disputing payment of capacity charges of Rs. 132.01 crore for the period from March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under the force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof.

During the year ended March 31, 2021, GWEL filed a petition with Central Electricity Regulatory Commission ('CERC') for settlement of the dispute. During the year ended March 31, 2022, the said petition was decided in favour of GWEL vide CERC order dated January 20, 2022 wherein CERC directed the customer to pay the aforesaid outstanding capacity charges along with delayed

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GMR POWER AND URBAN INFRA LTD

appeal against the said CERC order with Appellate Tribunal for Electricity ('APTEL') during the quarter ended June 30, 2022. APTEL issued an interim order and directed to pay 25% of the principal amount within a period of one week from the date of interim order and deposit balance outstanding amount in an interest-bearing fixed deposit with a nationalized bank. However, GWEL has not received any amount from the customer and the matter is pending conclusion. The management, based on its internal assessment has accounted for impairment allowance on the aforesaid capacity charges during the year ended March 31, 2024.

(c) GWEL entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with APTEL.

APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 08, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claims of Rs. 616.33 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2024.

MSEDCL preferred an appeal with the Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) are being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited ('PGCIL') and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period from December 2020 to March 2024. The final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favorable Order from APTEL, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before the Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 616.33 crore relating to the period from March 17, 2014 to March 31, 2024. Further the cost of transmission charges as stated with effect from December 2020 has been directly invoiced by PGCIL to DISCOMS and such amount together with aforesaid reimbursement has been disclosed as contingent liability in the financials of GWEL pending the final outcome of the matter in the Hon'ble Supreme Court of India.

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(d) GWEL has successfully implemented Resolution Plan under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI during the previous year ended March 31, 2023.

Accordingly, GWEL has generated profit after tax of Rs. 194.02 crore during the year ended March 31, 2024 and the management of GWEL expects that the plant will generate sufficient profits in the future years also and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2024, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the implementation of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management of the Group is of the view that the carrying value of the assets in GWEL as at March 31, 2024 is appropriate.

(e) GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of the Company, is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal-based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has an excess of current liabilities over current assets of Rs.132.15 crore and has accumulated losses of Rs.1,091.14 crore as at March 31, 2024 due to operational difficulties faced during the early stage of its operations. GKEL has generated profit after tax amounting to Rs. 296.14 crore during the current year. Further, GKEL has trade receivables and unbilled revenue of Rs. 1,093.61 crore and Rs.681.94 crore respectively as at March 31, 2024, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt as at March 31, 2024. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, internal assessment and external opinion, the management is confident of a favorable outcome towards the outstanding receivables of GKEL. Accordingly, the management of GKEL is of the view that the carrying value of the trade receivables and unbilled revenue as at March 31, 2024 is appropriate.

Further GKEL has signed PPA for supply of 102 MW round the clock to TANGEDCO for a period of five years through the aggregator M/s PTC India Limited. Further GKEL is actively pursuing its customers for realization of claims.

GKEL has signed fuel supply agreement with Coal India Limited for supply of coal from its Mahanadi Coal Field Mines for 3.64 million ton, which is within a distance of 15 KM from the plant site. In addition to above, GKEL has won the bid (Shakti-III) for supply of 0.40 Million ton of coal for balance 150 MW. There has been an improvement in tariff and higher demand on Exchange, as evidenced by higher profits during the year ended March 31, 2024.

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Further, GKEL had entered an agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. The Arbitral Tribunal has issued an opinion (the Award) on September 07, 2020 against GKEL. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) immediately applied for correction of the award under Section 33 of the Arbitration & Conciliation Act 1996 (as amended). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020. GKEL already accounted for the aforementioned liability as per the award pertaining to the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL had challenged the award under section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Orissa on February 15, 2021 and December 31, 2021 respectively.

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

The Hon'ble Supreme Court of India in the hearing on July 25, 2022 has issued notice and stayed the operation of the Section 34 Judgment. Vide its order date May 15, 2023, the Hon'ble Supreme Court of India has disposed of SLP by allowing GKEL to approach the Commercial Appellate Division Bench, as constituted by the Hon'ble High Court of Orissa by way of an appeal under Section 37 of the Arbitration Act with liberty to raise all grounds and contentions. It had further directed that the aforesaid stay shall continue till June 30, 2023. In furtherance of the order of the Hon'ble Supreme Court, GKEL has filed an appeal under Section 37 of the Arbitration Act before the Hon'ble High Court of Orissa on June 09, 2023, challenging Section 34 judgement and the Award. The Hon'ble High Court of Orissa has pronounced its judgement on September 27, 2023 wherein it has allowed the Section 37 appeal and set aside Section 34 judgement and the Award.. Further, during the current year, SEPCO has filed a special leave petition (SLP) with Supreme Court on December 20, 2023 which was registered on January 30, 2024 by the Hon'ble Supreme Court and will be listed for hearing in due course. GKEL has also raised and filed its preliminary objections to the very maintainability of the SLP filed by SEPCO.

Based on legal advice, the liability including interest and other costs under the Final Award has been set aside until the claims are raised again by SEPCO basis the available legal recourse. GKEL in its books has made provisions in view of the disputes between SEPCO and GKEL, based on generally accepted accounting practices. Irrespective of the heads under which they appear or their nomenclature/ heading/ title/ narration, etc., such provisions do not make GKEL liable for payment since liability is disputed. GKEL expects to have a favourable outcome in the aforesaid pending

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litigations, hence resulting in reduction of liabilities towards SEPCO.. Consequently, pending conclusion, GKEL has retained liabilities towards SEPCO as per the Arbitration award dated September 07, 2020

In view of these matters explained above, favorable interim orders, external legal opinion, business plans and valuation of GKEL performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as expansion and optimal utilization of existing plant capacity, timing and amount of settlement of disputes with customers and capital creditors which are outstanding as on March 31, 2024, the management is of the view that the carrying value of the non current assets amounting to Rs. 4,985.00 crore of GKEL as at March 31, 2024 is appropriate.

(f) The Group has investment in GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a joint venture of the Company has set up 180 MW hydro based power plant in Chamba, District of Himachal Pradesh. It experienced delays in the completion of construction and incurred costs overruns. During the previous year ended March 31, 2023, GBHHPL commenced commercial operations.

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

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

Further on June 10, 2022, GBHHPL invoked arbitration against the contractor to recover their further dues (capital advances) amounting to Rs. 273.00 crore (assumed at discounted value of Rs. 196.56 crore, GPUIL's share Rs.156.97 crore). However counter claims were also filed by the contractor before the arbitration tribunal towards costs and damages on account of prolongation of the Contract. GBHHPL filed its reply to the Statement of Defense and counterclaims on March 01, 2023. Subsequently, consolidated statement of claims and counter claims were directed to be filed by the Arbitration Tribunal which have been filed in the month of August 2023. Next hearing date is yet to be decided. Currently, the matter is pending adjudication before the Arbitral Tribunal.

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Based on the assessment of such claims and upon consideration of advice from the independent legal consultant, the management believes that GBHHPL has reasonable chances of recovery of its dues from the contractor in the future and accordingly, based on the valuation assessment carried out by an external expert during the period ended December 31, 2023, is of the view that the carrying value of its investments in GBHHPL of Rs. 194.21 crore held by the Group as at March 31, 2024 is appropriate.

3. The Central Electricity Regulatory Commission ('CERC') has issued CERC (Procedures, terms and conditions for grant of trading license and other related matters) Regulation 2020, (the 'Regulations') on January 31, 2020 repealing its earlier subsisting regulations in this regard. GMR Energy Trading Limited (GETL), a subsidiary of the Company, has assessed the impact of its loans given to associate companies on the net worth calculation as per the regulations and non-achievement of other ratios in terms of the Regulations as at March 31, 2024. GETL has implemented processes to ensure necessary compliances with its net worth and current/liquidity ratio as per the Regulations, in the ensuing quarter. Subsequent to the balance sheet date, GETL has achieved the requisite criteria mandated under the regulations. The management on the basis of legal opinion is of the view that there is no material implication of the same on the operation of GETL.

4. In GMR Male International Airport Private Limited ('GMIAL'), during the year ended March 31, 2018, Maldives Inland Revenue Authority ('MIRA') has issued tax audit reports and notice of tax assessments demanding business profit tax amounting to USD 1.44 crore and USD 0.29 crore as the additional withholding tax excluding fines and penalties.

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

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

   GMIAL has obtained the statement of dues from MIRA on October 28, 2021, according to which GMIAL is required to settle business profit tax amounting to USD 0.72 crore and fines on business profit tax amounting to USD 0.82 crore and GMIAL is required to settle withholding tax amounting USD 0.29 crore and fines on withholding tax amounted to USD 0.44 crore (withdrawing the interim tax liability claim of USD 0.72 crore).

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

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

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

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

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

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

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

6. GMR Ambala Chandigarh Expressways Private Limited ('GACEPL'), a subsidiary of the holding Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 544.13 crore as at March 31, 2024. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads.

   GACEPL had invoked arbitration proceedings against National Highways Authority of India (NHAI), State of Haryana (SoH) and State of Punjab (SoPb) as per the terms of the Concession Agreement dated November 16, 2005 and State Support Agreement dated February 21, 2006 and March 08, 2006 respectively due to continued losses suffered by GACEPL on account of diversion of traffic to parallel roads developed by SoH and SoPb. GACEPL had raised its contention that NHAI, SoH & SoPb has breached the provisions of Concession Agreement and State Support Agreements by building parallel highways resulting in loss of traffic to the GACEPL's toll road. GACEPL had filed a net claim of Rs. 1,003.35 crore including interest, calculated up to March 31, 2019 before the Tribunal.

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

   Further, in accordance with the terms of the Concession Agreement entered into with National Highways Authority of India (NHAI), dated November 16, 2005, GACEPL has an obligation to pay an amount of Rs. 174.75 crore by way of Negative Grant over the concession period. The total value of Negative Grant has been recognized in the financials by way of capitalization in the cost of carriageway and a corresponding obligation has been created towards deferred payment. During earlier years GACEPL has paid negative grant to NHAI in various instalment and balance negative grant of Rs. 66.40 crore was due in instalments (i.e. Rs.17.47 crore, Rs.17.48 crore, Rs. 26.21 crore and Rs. 5.24 crore were due in August 2013, August 2014, August 2015 and August 2016 respectively) but have not been remitted to NHAI as there was a stay on account of arbitration. The Arbitral Tribunal on August 26, 2020 while rejecting the GACEPL's prayer for compensation for breach of State Support Agreement & Concession Agreement by State Government of Haryana,

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State Government of Punjab and NHAI, vacated the stay granted on payment of Negative Grant and NHAI consequently demanded the payment of negative grant including interest from GACEPL and the Escrow Banker. The claim by NHAI for interest communicated to GACEPL and the Escrow Banker was Rs. 101.34 crore calculated up October 31, 2020, though the interest on balance negative grant dues as computed by GACEPL upto August 25, 2020 from aforesaid respective due dates is Rs. 60.32 crore (@SBI PLR plus 2%). Escrow Banker based on the demand from NHAI, has remitted Rs. 6.08 crore as per the waterfall mechanism to NHAI. NHAI has been demanding the Negative grant along with interest calculated at the rate SBI plus 2% from GACEPL through various communications. GACEPL has discharged the entire liability of negative grant of Rs 66.40 crore during the year ended March 31, 2024.

The dissenting opinion of the other Arbitrator also rejected GACEPL's contention on the non-payment of Negative Grant and has concluded that GACEPL shall be bound by the Concession Agreement in relation to payment of Negative Grant. GACEPL in terms of its communication to NHAI has provided for delay in payment of interest on negative grant w.e.f. August 26, 2020 onwards amounting to Rs. 22.29 crore till March 31, 2024 under prudence, pursuant to the vacation of stay on payment of negative grant vide Arbitral Award dated August 26, 2020. Further, the management is of the opinion that there is no charge of interest in pursuance of stay given by the Arbitral Tribunal for period prior to August 26, 2020 and effect, if any, will be given on the upon the matters attaining finality as the management is of the opinion that the GACEPL's claim on NHAI for diversion of traffic and interest there on are higher than the counter claim of interest payable on negative grant as the total claim has to be looked at net effect or upon implementation of the resolution plan.

GACEPL aggrieved by rejection of all the claims by majority members had preferred an appeal, in both Punjab and Haryana matters, under Section 34 and Section 9 of the Arbitration Act before the Hon'ble High Court of Delhi requesting to stay the Majority Award and grant stay on payment of Negative Grant. The Hon'ble High Court of Delhi had admitted the application under Section 34 whereas the application under Section 9 had been dismissed on the ground that the losing party in an Arbitration proceeding cannot seek relief under Section 9 of Arbitration Act. The same had been further dismissed by the Division Bench of the Hon'ble High Court of Delhi. Aggrieved by the dismissal of application by Division Bench as well GACEPL has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India under Section 9 seeking interim relief on recovery of Negative Grant till the time Section 34 petition is decided by Hon'ble High Court of Delhi. Subsequently, the Hon'ble High court vide its order dated September 26, 2022 has set aside the Arbitral Award dated August 26, 2020 appealed under section 34 and has directed that the entire dispute is required to be referred to arbitration once again, for which the parties are at liberty to re-initiate Arbitration Proceedings as per the Contractual covenants. GACEPL has withdrawn all the SLPs filed before the Hon'ble Supreme Court for the Stay on Payment of Negative Grant and interest thereon in view of the Arbitral Award being set aside by the Hon'ble High Court of Delhi vide its order dated September 26, 2022.

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In the meanwhile, NHAI and SoH have filed appeal under section 37 of the Arbitration and Conciliation Act, 1996 with the Hon'ble High Court against setting aside of Arbitral Award dated August 26, 2020. The Hon'ble High Court in its judgment dated September 20, 2023 has upheld the order dated August 26, 2020. Further GACEPL has also filed an appeal under section 37 of the Arbitration and Conciliation Act. 1996 act with the Hon'ble High Court with a request to consider minority award as final award as the majority award is set aside by the Hon'ble High Court. The Company, however, in view of the Hon'ble Supreme Court judgement in another case, has withdrawn the appeal under section 37 filed by the Company. In the interim, NHAI has filed SLPs against the order of Divisional Bench before the Hon'ble Supreme Court of India, which is listed in September 02, 2024.

Based on the conclusion and findings arrived by the Hon'ble High Court in its Order setting aside the Arbitral Award and legal opinion and as per the internal assessment, the management is of the view that GACEPL has a good and tenable case on re-initiation of the arbitration proceeding and is reasonable certain that the arbitral claims will flow in to GACEPL on matter attaining finality and has considered that there would be no cash outflow related to negative grants or interest thereon and that there will be net cash inflows even if the Negative Grant outflows are considered and expects realisability of GACEPL's claims in the near future. The Company has initiated the Arbitration Process and has also appointed its nominee, however NHAI is yet to appoint its nominee, in view of the pendency of the SLPs in the Hon'ble Supreme Court of India. . Due to failure of NHAI, GoPb and GoHR to appoint their respective nominee arbitrators within 30 days, GACEPL has approached the Hon'ble Delhi High Court u/s 11 (6) of Arbitration and Conciliation Act,1996 for appointment of arbitrators on behalf of NHAI, GoPb and GoHR. In view of the pendency of SLPs filed by NHAI, matter is now listed for hearing on May 22, 2024.

Furthermore, GACEPL's right to receive the user fee for usage of the toll roads have been affected due to the farmers protests from October 12, 2020 to December 14, 2021 where the farmers did not allow for collection of toll fees. GACEPL had approached NHAI for loss of revenue due to farmers' protest. GACEPL had submitted its claim for compensation of Rs 15.18 crore towards Operation and Maintenance expenses and interest on RTL incurred from October 12, 2020 to December 14, 2021. Pursuant to the claim filed by the GACEPL, NHAI vide its communication dated October 19, 2022 has approved the claim of Rs.8.70 crore which was recognized during the previous year ended March 31, 2023.

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

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Further, NHAI has also conveyed its approval for extension of concession period by 429 days equal to the period effected by Farmers agitation from the scheduled completion of the Concession agreement.

Further, due to constant stress on cash flows, GACEPL had submitted a Resolution Plan of debt restructuring to its lenders in terms of RBI Circular dated June 07, 2019. The lenders after analyzing the plan have approved the same and GACEPL has executed the restructuring documents for implementation of Resolution Plan on September 29, 2023. The lender has implemented the resolution plan in their books of account and accordingly, the management of the group has also given the effects of the same in the books of account during the quarter ended December 31, 2023 .

Based on internal assessment and external legal opinions, the management is confident of compensation inflow from claims for loss due to diversion of traffic in arbitration proceedings. Based on the valuation performed by independent experts as at December 31, 2023 (i.e. valuation date), the management is of the view that the recoverable amounts of the carriageways of GACEPL is higher than the carrying value of the carriageways. Accordingly, management is of the opinion that carrying value of Carriageway in GACEPL of Rs. 229.86 crore as at March 31, 2024 is appropriate.

7. GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') a subsidiary of the Company, has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,803.99 crore as at March 31, 2024. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI'). The claim of GHVEPL was rejected by NHAI and accordingly during the year ended March 31, 2018, GHVEPL had decided to proceed with arbitration and accordingly Arbitral Tribunal was constituted and claims were filed.

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

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The Arbitral Tribunal vide its order dated March 31, 2020, had pronounced the award unanimously, upholding GHVEPL's contention that bifurcation of state of Andhra Pradesh and ban on sand mining in the region constitutes Change in Law event and GHVEPL is entitled for compensation for the loss of revenue arising as a result of drop in commercial vehicles. The majority of the Tribunal members have directed NHAI to constitute a committee for determining the claim amount based on data/ records available with GHVEPL and NHAI. The minority member in the Tribunal however was of the opinion that Tribunal should have constituted the Committee instead of directing NHAI, which is against the principle of natural justice. GHVEPL, aggrieved by the findings, had filed applications under Section 9 and 34 of the Arbitration Act, 1996, before the Hon'ble High Court of Delhi challenging the award on the limited ground of (i) constitution of the committee by NHAI for quantification of compensation and (ii) for interim measures by restraining NHAI from demanding premium and taking coercive / precipitate measures under the Concession Agreement. Vide order dated August 04, 2020, the Hon'ble High Court of Delhi upheld the decision of the Arbitral Tribunal that there was a change in law due to ban on sand mining and State bifurcation.

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

On February 28, 2022, the Sole Arbitrator had submitted his report to the Hon'ble High Court of Delhi by determining the claim amount at Rs. 1,672.20 crore, as against the claimed amount of Rs. 1,676.34 crore, up to March 31, 2020 with direction to follow the same methodology and formula for computation of claims for the financial year ended March 31, 2021 and onwards. Further, the Sole arbitrator has also granted interest on claim amount in terms of Clause 47.5 of the Concession Agreement. The report submitted by the Sole Arbitrator has been taken on record by the Hon'ble High Court of Delhi and the Court has fixed the next hearing on July 10, 2024. On March 29, 2022, NHAI had made an application before the Sole Arbitrator seeking correction of computational error in his report submitted to the Hon'ble High Court.. On October 20, 2022 the Sole Arbitrator passed an order dismissing the application made by NHAI. NHAI, in the interim has also filed an application u/s 34 of Arbitration Act before the Hon'ble High Court of Delhi against the report of Sole Arbitrator which is posted for hearing in September 2024.

NHAI has challenged the aforesaid Order dated August 04, 2020 before divisional bench of the Hon'ble High Court of Delhi, wherein the Hon'ble High Court of Delhi has clarified that the Sole Arbitrator shall continue to discharge his duties subject to final outcome of the appeal however in the interim order dated September 14, 2021 the Hon'ble High Court of Delhi had formed a prima facie view that it would only be fair that NHAI should secure the Premium payable by the GHVEPL till the issues are resolved. Aggrieved the said order of Divisional Bench, GHVEPL filed a Special Leave Petition before the Hon'ble Supreme Court, wherein the Hon'ble Supreme Court vide its Order dated March 10, 2022 has quashed the impugned interim order with the request directing the

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Hon'ble High Court of Delhi to decide the matter as expeditiously as possible. The Divisional Bench of Hon'ble High Court of Delhi has pronounced its judgement on May 07, 2024 wherein it has upheld the order dated August 04, 2020.

On May 08, 2020 GHVEPL has received a notice from NHAI stating that it is satisfied that six-laning is not required for the project highway and four laning is sufficient for operating the project highway thereby restricting the concession period to 15 years pursuant to Clause 3.2.2 of the Concession Agreement dated October 09, 2009. GHVEPL has filed a response with NHAI on May 26, 2020, June 16, 2020, August 31, 2020 and October 19, 2020 seeking material on record on the basis of which NHAI has decided that six-laning is not required, since in terms of GHVEPL's assessment, six-laning shall be required considering the current traffic flow on the project highway. NHAI, however vide its letter dated June 24, 2020 and October 15, 2020 has stated that the contention of GHVEPL is unmerited and due reasons have been conveyed, even though no substantial information is provided on the basis of which such decision is taken. In this regard, GHVEPL has obtained a legal opinion from its Counsel handling NHAI matter in the Hon'ble High Court of Delhi which has opined that with the majority findings of the Arbitral Award in favor of GHVEPL, issuance of Notice dated May 08, 2020 and letter dated June 24, 2020 / October 15, 2020 by NHAI is in bad light and arbitrary.

Legal Counsel opined that NHAI being aware of the financial implications of the notice dated May 08, 2020 trying to somehow avoid quantifying and making any payment of the claim to GHVEPL under Change in Law. The Counsel further opined that, NHAI after having failed in its series of coercive steps including the notices for recovery of alleged Premium, suspension notice and notices in relation to non-compliance of O & M requirements has, on May 08, 2020, issued the Notice under Article 3.2.2 of the Concession Agreement and that too in the middle of extensive arguments in the aforesaid petitions before the Hon'ble High Court of Delhi, only to make GHVEPL to somehow give up its claims and avoid determination of claims. GHVEPL on October 30, 2020 has issued Notice of Dispute under Article 44.2 read with Clause 44.1.2 of the Concession Agreement to NHAI for amicable settlement as a first step in dispute resolution, which has been declined by NHAI on December 04, 2020. Pursuant to the notice dated April 06, 2021, the Arbitrators have been appointed and the Arbitral Tribunal has held its first hearing setting procedural timelines for hearing the litigation. The Hon'ble Tribunal vide interim order dated September 29, 2021 has stayed the letter and the matter is in process NHAI subsequently has suggested resolving all the disputes through the process of conciliation and the matter was referred to Committee of Conciliation of Independent Experts (CCIE-III) constituted by NHAI on approval from GHVEPL. The Committee has held two hearings and, in the hearing, held on April 25, 2022, GHVEPL had given a proposal for amicable settlement to which the Committee granted one month's time to NHAI to discuss internally and inform the Committee of its decision which has not reached any effective conclusion and hence discontinued. In view of the same, the Arbitral Tribunal has been reconstituted. The arguments and submissions are completed before the Arbitral Tribunal and the matter is currently reserved for pronouncement of award.

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

GHVEPL has been recognizing a provision of additional concession fees (premium) of Rs. 1,627.82 crore including interest payable thereon till March 31, 2024, which is unpaid pending finality of litigation proceedings as detailed above.

Further, the valuation expert based on the assumptions that it would be receiving the compensation in the future and expected future traffic flow over a concession period of 25 years had determined value in use of GHVEPL assets as at March 31, 2024 (i.e. valuation date) which is higher than the carrying value of assets.

The management of the Group is confident that it will be able to claim compensation from the relevant authorities for the loss it suffered due to aforementioned reasons. Accordingly, based on the aforesaid legal opinion, and valuation assessment by an external expert based on expected compensation claim inflows, the management of the Group believes that the carrying value of carriage ways of Rs. 1,701.66 crore of GHVEPL as at March 31, 2024, is appropriate.

8. GMR Pochanpalli Expressways Limited ('GPEL') a subsidiary of the Company had invoked Arbitration proceedings against NHAI in respect of the dispute on applicability of carrying out periodic maintenance (overlay work) of the road project once in every five years in the Concession Agreement. On January 14, 2020, the Hon'ble Tribunal had pronounced the award wherein it had directed GPEL has to carry out overlay irrespective of the condition of the road and commence second overlay work with effect from April 01, 2020 and complete by December 31, 2020 and also complete the third overlay work by April 01, 2025. The NHAI has challenged the award before the Hon'ble High Court of Delhi with regard to extending the timeline to commence and complete the second overlay work and third overlay work stating that such concession is not in accordance with Concession Agreement.

   The Arbitral Tribunal had further directed NHAI to refund the amount of Rs. 10.79 crore which was wrongly deducted from the annuity along with interest @12% p.a. from the date of deduction. The Arbitral Tribunal has also directed NHAI to pay Rs. 0.30 crore towards costs of litigation and the entire amount of fee paid to the Arbitrators by GPEL on behalf of NHAI. NHAI had challenged the award with regard to directions for refund of amount before the Hon'ble High Court of Delhi.

   Aggrieved by the findings of the Arbitral Tribunal, to the limited issue of requirement of overlay upon every 5 years, GPEL filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Delhi. By challenging the award to the extent of wrong interpretation of clause 4.3.1 of schedule "I" to CA and rejection of claims for reimbursement of

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cost of overlay incurred by the company which under given circumstance was not required pending disposal of appeal.

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

NHAI has filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 against the order of Single Judge of the Hon'ble Delhi High Court before the Division bench of the Hon'ble Delhi High Court and Court has directed on July 11, 2022 to maintain status quo of arbitration proceeding and the matter has not yet attained finality. The implication of the favorable order to GPEL would have affected the carrying value of Service Concession Receivables by reduction of outflows on overlay cost which would have resulted in significant modification gain to GPEL on reversal of those provisions. Pending finality and clarity in the matters, the Group under prudence has not affected the financial impact of the order. The impact of modification gains and reversal of provision for overlay cost, if any, would be given on the finality of legal proceedings.

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

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

   During the previous year ended March 31, 2023, the JV had submitted its claim against DFCCIL for the period of delay i.e. from January 2019 to December 31, 2021. DFCCIL has rejected such claim citing the amendments made in the contract, while granting extension of time. JV has invoked the dispute resolution process and accordingly Dispute Adjudicating Board (DAB) is constituted. As per directions of DAB, JV has submitted its Statement of Claim ('SoC') before DAB on May 22, 2023 for an amount of Rs. 449.01 crore for Contract Package 202 and on June 09, 2023 for an

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amount of Rs. 398.63 crore for Contract Package 201 respectively (excluding interest and GST) for cost incurred during the period from January 21, 2019 to September 30, 2022. Further, JV has reserved its right to claim further additional cost for the damages to be suffered during the period (i.e. September 30, 2022 till completion of the project) to be computed in the same manner as set out in the SoC.

DFCCIL has submitted its Statement of Defense ('SoD') and has also filed counter claims for both the Contract Packages.

JV has further amended its Statement of Claim for Rs. 812.99 Crore on March 15, 2024 for Contract Package 201 and for Rs. 1,013.47 Crore on February 17, 2024 for Contract Package 202 for cost incurred during the period from January 21, 2019 to September 30, 2022.

As per the revised timelines set forth by DAB, both JV and DFCCIL has submitted their revised Statement of Defense and Rejoinders. Presently, the arguments by both the parties before DAB are in progress.

Based on internal assessment and review of the technical and legal aspects by independent experts, the managements of the JV and the Company recognized such claim in its books of account and basis back-to-back agreement with the JV, the Company has also included an incremental budgeted contract revenue of Rs. 461.18 crore (out of total claim amount of Rs.1,826.46 crore) for determination of the revenue recognition in accordance with Ind AS 115 and has recognised in the current year ended March 31, 2024 and preceding year ended March 31, 2023. The management of the JV and the Company is confident of the favourable outcome of such claims and considers the unbilled revenue recognized amounting to Rs. 454.25 crore for the aforesaid claims as fully recoverable.

10. The consolidated financial results for the year ended March 31, 2024 reflected total equity of Rs. (2,982.31) crore and excess of current liabilities (including liabilities included in disposal group held for sale) over current assets (including assets included in disposal group held for sale) of Rs. 3,745.79 crore and loss from continuing operations after tax amounting to Rs. 111.24 crore.

    The Group has in the past incurred losses primarily on account of losses in the energy and highway sector as detailed in notes 2, 6 and 7 which had impact on net worth. Management is taking various initiatives including monetization of assets, recovery of outstanding claims in various infra business (highway sector/EPC) investee entities, raising finances from financial institutions/ group companies, strategic investors & from other strategic initiatives, settlement of dues and refinancing of existing debts to ensure sufficient funds to meet financial obligations in a normal course of business.

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

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Notes to the audited consolidated financial results for the quarter and year ended March 31, 2024

i) In the case of DFCC, there are various claims under various heads which has been either agreed by DFCCIL or Group has got the award through Dispute Adjudication Board (DAB). Total amount of claim as on March 31, 2024 is approximately Rs. 194.30 crore which will be received progressively based on the work to be carried out. Also refer note 9.

ii) The Group has also raised a claim on DFCCIL under Change in Law on account of Mining Ban in the state of UP and has invoked arbitration after DFCCIL declined to accept the DAB award which was in favor of the Group. The Arbitral Tribunal has given its award on April 22, 2023 wherein it has quantified the claims up to December 2019 in a sum of Rs. 46.86 crore. Based on the principles laid down by the Tribunal for quantification, total claim on account of Change in Law for the entire Project period will come to Rs. 91.16 crore. The Group has already received the amount quantified up to December 2019 and balance amount will be received progressively.

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

11. Exceptional items comprise of the impairment of investment in joint venture and associates, reversal of impairment of investments, gain/(loss) on disposal of investment in associate, write back of liability, write off/ provision against receivables/ loans, reversal of provision of receivables and provision / loss on investment property.

12. The Company has presented profit before finance costs, taxes, depreciation, amortisation expense and exceptional items as EBITDA.

13. The accompanying audited consolidated financial results of the Group for the quarter and year ended March 31, 2024 have been reviewed by the Audit Committee in their meeting on May 16, 2024 and approved by Board of Directors in their meeting on May 17, 2024.

14. Figures for the quarter ended March 31, 2024 and March 31, 2023 represent the difference between audited figures for the financial year and the limited reviewed figures for the nine months period ended December 31, 2023 and December 31, 2022 respectively.

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15. Previous quarter/ year's figures have been re-grouped/ reclassified, wherever necessary to confirm the current period classification.

For **GMR Power and Urban Infra Limited**

Srinivas Bommidala
Managing Director
DIN: 00061464

Place: New Delhi
Date: May 17, 2024

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