

4th October, 2021



Bombay Stock Exchange Limited
1st Floor, New Trading Ring,
Rotunda Building,
P J Towers, Dalal Street, Fort
MUMBAI – 400 001.

The National Stock Exchange of India Ltd
Exchange Plaza,
5th Floor, Plot No.C/1, G Block,
Bandra Kurla Complex, Bandra (E)
MUMBAI – 400 051

Dear Sir,

Sub: Notice of 26th Annual General Meeting (AGM) and Annual Report for the Financial Year 2019-20.

Ref: BSE: 532708; NSE: GVKPIL.

Pursuant to Regulation 30 read with Schedule III Para A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), we are enclosing herewith the Notice of the **26th Annual General Meeting (AGM)** of the Company to be held on **Friday, the 29th October, 2021 at 11.30 a.m.** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the said Notice forms part of the Annual Report 2019-20 which is also being sent through electronic mode to those members whose email addresses are registered with the company / Depository Participants / Registrar and Share Transfer Agent. The Annual Report for the Financial Year 2019-20 and other related documents are available on the website of the company at <https://www.gvk.com/investorrelations/financialinformation/financialannualreports.aspx>.

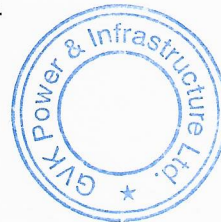
As per provisions of the Act and read with SEBI Listing Regulations, the Members holding shares either in physical form or dematerialized form, as on the **cut-off date i.e., 22nd October, 2021**, may cast their vote electronically on the business set forth in the Notice of AGM through electronic voting system of the KFin Technologies Private Limited (KFinTech). The instructions for e-voting are mentioned in the e-voting notice and email covering letter.

The Register of Members and Share Transfer books of the Company shall remain closed from **25th October, 2021 to 29th October, 2021** (both days inclusive) for the purpose of the AGM as per clause 42(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Yours faithfully

For GVK Power & Infrastructure Limited

P V Rama Seshu
Vice President & Company Secretary



GVK POWER & INFRASTRUCTURE LIMITED

26TH ANNUAL REPORT 2019 - 20



GVK Jaipur Kishangarh Expressway



GVK Power (Goindwal Sahib), Punjab



Alakananda HEP, Srinagar



GVK Jaipur Kishangarh Expressway



Alakananda HEP, Srinagar

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Corporate Information

Board of Directors

(As on August 24, 2021)

Dr. GVK Reddy	Chairman
G V Sanjay Reddy	Vice Chairman
P V Prasanna Reddy	Whole-time Director
Krishna R Bhupal	Director
A Issac George	Whole-time Director & CFO
S Balasubramanian	Independent Director
S Anwar	Independent Director
Anumolu Rajasekhar	Independent Director
N Anil Kumar Reddy	Independent Director (Appointed w.e.f 01-01-2021)
Ms. Rama Rao	Independent Woman Director (Appointed w.e.f 01-01-2021)
P V Rama Seshu	Vice President & Company Secretary

Committees of the Board

Audit Committee

S Balasubramanian	Chairman
Anumolu Rajasekhar	
N Anil Kumar Reddy	

Nomination and Remuneration Committee

S Anwar	Chairman
Krishna R Bhupal	
Ms. Rama Rao	

Stakeholders Relationship Committee

A Issac George	Chairman
S Anwar	
Ms. Rama Rao	

Corporate Social Responsibility Committee

G V Sanjay Reddy	Chairman
S Anwar	
Ms. Rama Rao	

Outgoing Statutory Auditors

Price Waterhouse Chartered Accountants LLP
Plot No: 77/A,8-2-624/A/1, 3rd Floor, Road No.10,
Banjara Hills, Hyderabad – 500 034

Incoming Statutory Auditors

T R Chadha & Co LLP
Office No: 2, 2nd Floor, Block A, 6-3-1092/S/3
Shanthi Sikhara Complex, Rajbhavan Road,
Somajiguda, Hyderabad – 500 082

Secretarial Auditor

Narender & Associates
Company Secretaries
403, Naina Residency, Srinivasa Nagar(East)
Ameerpet, Hyderabad – 500 038

Registered & Corporate Office

Registrar & Share Transfer Agents

KFin Technologies Private Limited
(earlier known as Karvy Fintech Private Limited)
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District
Nanakramguda
Hyderabad – 500 032

Internal Auditors

Rambabu & Co
Chartered Accountants
H.O.: 31, Pancom Chambers
Rajbhavan Road, Hyderabad - 500 082

“Paigah House” 156-159
Sardar Patel Road, Secunderabad – 500 003

Stock Code

BSE : 532708
NSE : GVKPIL

ISIN

INE251H01024

CIN

L74999TG2005PLC059013

Financials at a glance

(Rs. Lakhs)

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Financial Performance				
Operational Incomes	2,320	2,321	384,687	409,817
EBIDTA	(88,611)	(3,084)	65,554	170,667
Other Income	7867	7,710	14,391	26,493
Finance Costs	1320	1,248	148,422	151,302
Depreciation	21	12	80,250	79,158
Profit / (Loss) from ordinary activities	(82,085)	3,366	(148,727)	(33,300)
Share of profit of associate	-	-	-	-
Share of loss of jointly controlled entity	-	-	1,973	2,551
Loss before tax	(82,085)	3,366	(146,754)	(30,749)
Tax expense/(credit)	730	(8028)	7,718	(307)
Non - controlling interest			(5,129)	5,907
Loss for the year	(82,815)	11,394	(149,343)	(36,349)
Other comprehensive income, net	-	-	(79)	(241)
Total comprehensive income	(82,815)	11,394	(149,422)	(36,587)
EPS (Rupees) :				
Weighted Average no. of Equity Shares	1,579,210,400	1,579,210,400	1,579,210,400	1,579,210,400
Basic and Diluted	(5.24)	0.72	(9.46)	(2.30)
Financial Position:				
Fixed Assets (Net of depreciation)	72	92	1,636,496	1,722,356
Cash and Bank balance	28	49	31,787	56,827
Net current assets	(51,740)	(49,986)	(491,687)	(362,246)
Total Assets	157,418	244,288	2,051,391	2,182,486
Equity	15,792	15,792	15,792	15,792
Other equity	85,896	168,711	(285,519)	(136,097)
Net worth	101,688	184,503	(269,727)	(120,305)
Market Capitalisation	35,532	120,810	35,532	120,810

Notice

Notice is hereby given that the 26th Annual General Meeting of the members of GVK Power & Infrastructure Limited (CIN:L74999TG2005PLC059013) will be held on **Friday, October 29, 2021 at 11:30 a.m.** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business. Registered office of the Company situated at "Paigah House", 156-159, Sardar Patel Road, Secunderabad - 500003 shall be deemed to be the venue of this meeting.

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2020 and the Report of the Board of Directors ('the Board') and the auditors thereon.
2. To appoint a director in place of Mr. Krishna R Bhupal (DIN00005442), who retires by rotation and, being eligible, seeks re-appointment with or without modification.
3. To appoint M/s. T R Chadha & Co LLP, Chartered Accountants (Membership No: Reg. No: 006711N/N500028) as Statutory Auditors and pass the following resolution, with or without modification(s).

RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Audit and Auditors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. T R Chadha & Co LLP, Chartered Accountants, (Registration No. 006711N/N500028), be and are hereby appointed as Statutory Auditors of the company for the FY 2020-21 in the casual vacancy caused by the resignation of M/s Price Waterhouse Chartered Accountants, LLP (Firm Registration No:012745N/N500016) who will hold office till the conclusion of 27th Annual General Meeting at a remuneration of Rs.56.50 Lacs as recommended by the Audit Committee and fixed by the Board of Directors of the Company, in addition to the re-imbursment of applicable taxes, actual out of pocket and travelling expenses incurred in connection with the audit.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Sections 2(94), 196, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory amendment, modifications, or re-enactment thereof and subject to such other requisite approvals, as may be required and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendations of the Nomination & Remuneration Committee and the Board of Directors, approval of the shareholders be and is hereby accorded to the Company for the re-appointment of **Mr. P V Prasanna Reddy** (DIN: 01259482) as Whole-time Director of the Company for another period of 3 (three) years with effect from 14th November, 2020 to 13th November, 2023 without any remuneration."

"RESOLVED FURTHER THAT P V Rama Seshu, Vice President & Company Secretary of the Company be and is hereby authorised to intimate the concerned Regulatory Authorities for giving effect to this resolution."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT **Mr. N. Anil Kumar Reddy** (DIN 00017586), who was appointed earlier by the Board of Directors as an Additional Director of the Company with effect from 01.01.2021 to hold office up to the date of Annual General Meeting (AGM) to be held under the Companies Act ("Act") and since the company could not convene the AGM by 30.09.2021, he is deemed to have vacated his office as Additional Director as on that date and the Board of Directors of the company, based on the recommendations of the Nomination and Remuneration Committee at its meeting held on 09.09.2021 approved and once again appointed Mr. Anil Kumar Reddy as an Additional Director to hold such office till the date of this Annual General Meeting and approval of the shareholders be and is hereby accorded for the said appointment."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Schedule IV to the Act, as amended from time to time, Mr. Anil Kumar Reddy (DIN - 00017586) who meets the criteria for independence as per the relevant provisions of the Companies Act and SEBI(LODR) Regulation, 2015 as amended from time to time and who has submitted a declaration to that effect, and being eligible for appointment as such, Shareholders of the Company be and is hereby appoint Mr. N Anil Kumar Reddy as an Independent Director of the company not liable to retire by rotation, for a term of five years commencing from 1st January, 2021 to 31st December, 2025."

"RESOLVED FURTHER THAT Mr. P V Rama Seshu, Vice President & Company Secretary of the Company be and is hereby authorized to intimate the concerned Regulatory Authorities for giving effect to this resolution including necessary filings with the Registrar of Companies."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT **Ms. Rama Rao** (DIN: 03207492), who was appointed earlier by the Board of Directors as an Additional Director of the Company with effect from 01.01.2021 holds office up to the date of Annual General Meeting (AGM) to be held under the Companies Act (“Act”) and since the company could not convene the AGM by 30.09.2021, she is deemed to have vacated her office as Additional Director as on that date and the Board of Directors of the company, based on the recommendations of the Nomination and Remuneration Committee at its meeting held on 09.09.2021 approved and once again appointed Ms. Rama Rao as an Additional Director to hold such office till the date of this Annual General Meeting and approval of the shareholders be and is hereby accorded for the said appointment.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Schedule IV to the Act, as amended from time to time, Ms. Rama Rao (DIN: 03207492), who meets the criteria for independence as per the relevant provisions of the Companies Act and SEBI(LODR) Regulation, 2015 as amended to date and who has submitted a declaration to that effect, and being eligible for appointment as such, Shareholders of the Company be and is hereby appoint Ms. Rama Rao as an Independent Woman Director of the company not liable to retire by rotation, for a term of five years commencing from 1st January, 2021 to 31st December, 2025.”

“RESOLVED FURTHER THAT Mr. P V Rama Seshu, Vice President & Company Secretary of the Company be and is hereby authorized to intimate the concerned Regulatory Authorities for giving effect to this resolution including necessary filings with the Registrar of Companies.”

By order of the Board
For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : 9th September, 2021

P V Rama Seshu
Vice President & Company Secretary

Notes

1. In view of ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, General Circular Nos. 20/2020 dated May 05, 2020, followed by General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") has allowed the Companies to conduct Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The Securities and Exchange Board of India ("SEBI") vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "SEBI Circulars") has granted relaxation in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode. In terms of the said Circulars, the 26th AGM of the Company is being held through VC. Hence, Members can attend and participate in the AGM through VC only.
2. Pursuant to the aforesaid MCA Circulars, Members attending the 26th AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
3. As per the Companies Act, 2013, ('the Act'), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. However, in terms of the MCA Circulars, the 26th AGM is being held through VC, physical attendance of Members has been dispensed with. Accordingly, in terms of the MCA Circulars and SEBI Circulars, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 26th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Board of Directors have considered and decided to include item nos. 4 to 6 given above as Special Business in the Notice to the 26th AGM, as they consider it unavoidable in nature.
5. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to item nos. 3 to 6 and the additional information required to be provided pursuant to Regulation 36 read with Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR") and Secretarial Standard on General Meeting (SS-2) prescribed by Institute of Company Secretaries of India (ICSI), regarding the Directors who are proposed to be appointed/re-appointed are annexed hereto.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, October 25, 2021 to Friday, October 29, 2021 (both days inclusive).
7. KFin Technologies Private Limited (Kfintech) is the Registrar and Share Transfer Agent (RTA) of the Company to perform the share related work for shares held in physical and electronic form.
8. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution/ authorization letter to the Scrutiniser at e-mail ID narenderg99@gmail.com with a copy marked to evoting@kfintech.com and to the Company at cs.gvcpil@gvk.com authorising its representative(s) to attend and vote through VC on their behalf at the Meeting pursuant to section 113 of the Companies Act, 2013. In case if the authorized representative attends the Meeting, the above mentioned documents shall be submitted before the commencement of said Meeting.
9. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.
10. Kfintech shall be providing the facility for voting through remote e-voting, for participation in the 26th AGM through VC facility and e-voting during 26th AGM.
11. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s). Any such changes effected by the Depository Participants will automatically reflect in the Company's records. In respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited (Unit: GVK Power & Infrastructure Limited), Selenium Tower B, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032.

Members may note that the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address by sending it to cs.gvcpil@gvk.com

12. In line with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2019-20 are being sent only through electronic mode to those Members whose email addresses are registered with the RTA/ Depositories. Members may also note that the Notice of the 26th AGM and the Annual Report 2019-20 will also be available on the Company's website at <https://www.gvk.com>, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at www.bseindia.com and www.nseindia.com respectively, and on the website of the RTA at <https://evoting.kfintech.com/>.
13. Pursuant to Regulation 40 of SEBI LODR, transfer of securities held in physical form shall not be processed and any transfer of securities will be possible only in dematerialized mode. Hence members are advised to dematerialize their shares that are held in physical form for any further transfer.
14. Further with reference to the SEBI circular (Ref. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018) directing security holders, holding securities in physical form to update details of their PAN and bank account, we request all such security holder to immediately update the required details or any change therein with the RTA/ Company.
15. Members who hold shares in dematerialized form and wish to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.
16. As per the provisions of Section 72 of the Companies Act, 2013, nomination facility is available to the members, in respect of equity shares held by them. Nomination forms can be obtained from the RTA.
17. As per Rule 3 of Companies (Management and Administration) Rules, 2014, Register of Members of the Company should have additional details pertaining to e-mail, PAN / CIN, UID, Occupation, Status, Nationality. We request all the Members of the Company to update their details with their respective Depository Participants (DPs) in case of shares held in electronic form and with the Company's RTA in the case of physical holding, immediately.
18. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be: -
 - a) the change in the residential status on return to India for permanent settlement, and
 - b) the particulars of the updated Bank Account in India.
19. Since the AGM will be held through VC Facility, the Route Map being not relevant, is not annexed to this Notice.
20. Members may join the 26th AGM through VC Facility by following the procedure as mentioned separately in the notice, which shall be kept open for the Members from 11:00 a.m. IST i.e. 15 minutes before the time scheduled to start the 26th AGM and shall not be closed for at least 15 minutes after such scheduled time.
21. Members may note that the VC Facility, provided by Kfintech, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 26th AGM without any restriction on account of first-come first-served principle.
22. Copies of all documents referred to in the notice and explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 annexed thereto are available for inspection electronically. Members seeking to inspect such documents can send an email to cs.gvcpil@gvk.com

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available electronically for inspection by the members during the AGM.

Member seeking any information with regard to any queries regarding the Annual Report, may write to the Company at cs.gvcpil@gvk.com
23. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment

GVK Power & Infrastructure Limited

Rules, 2015, Secretarial Standard-2 on General Meetings and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members with facility to exercise their votes by electronic means through remote e-voting services provided by KFin Technologies Private Limited (Service Provider) on all resolutions set forth in this Notice.

24. The process and manner for remote E-Voting

In compliance with the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Members are provided with the facility to cast their vote electronically, through the modes listed below, on all resolutions set forth in this Notice, by way of remote e-voting.

A) Information and instructions for remote e-voting by Individual Shareholders holding shares of the Company in demat mode:

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

The procedure to login and access remote e-voting, as devised by the Depositories/ Depository Participant(s), is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. Members already registered for NSDL IDeAS facility;</p> <ul style="list-style-type: none">i. please visit the following URL https://eservices.nsd.com.ii. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section.iii. A new screen will prompt and you will have to enter your User ID and Password.iv. Post successful authentication, click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page.v. Click on company name or e-Voting service provider name i.e., Kfintech and you will be re-directed to Kfintech website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>2. Members who have not registered for IDeAS facility, may follow the below steps;</p> <ul style="list-style-type: none">i. To register for IDeAS facility visit the URL at https://eservices.nsd.comii. Click on “Register Online for IDeAS” or for direct registration click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jspiii. On completion of the registration formality, follow the steps provided above. <p>3. Members may alternatively vote through the e-voting website of NSDL in the following manner;</p> <ul style="list-style-type: none">i. Visit the following URL: https://www.evoting.nsd.com/ii. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.iii. Members to enter User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code shown on the screen.iv. Post successful authentication, you will be redirected to NSDL IDeAS site wherein you can see e-Voting page.v. Click on company name or e-Voting service provider name i.e., Kfintech and you will be redirected to Kfintech website for casting your vote.

Individual Shareholders holding securities in demat mode with CDSL	<p>1. Members already registered for Easi/ Easiest facility may follow the below steps;</p> <ol style="list-style-type: none"> Visit the following URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com Click on the “Login” icon and opt for “New System Myeasi” (only applicable when using the URL: www.cdslindia.com) On the new screen, enter User ID and Password. Without any further authentication, the e-voting page will be made available. Click on Company name or e-voting service provider name i.e. Kfintech to cast your vote. <p>2. Members who have not registered for Easi/Easiest facility, may follow the below steps;</p> <ol style="list-style-type: none"> To register for Easi/Easiest facility visit the URL at https://web.cdslindia.com/myeasi./Registration/EasiRegistration On completion of the registration formality, follow the steps mentioned above. <p>3. Members may alternatively vote through the e-voting website of CDSL in the manner specified below:</p> <ol style="list-style-type: none"> Visit the following URL: www.cdslindia.com Enter the demat account number and PAN Enter OTP received on mobile number and email registered with the demat account for authentication. Post successful authentication, the member will receive links for the respective e-voting service provider i.e. Kfintech where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> Members may alternatively log-in using the credentials of the demat account through their Depository Participant(s) registered with NSDL/CDSL for the e-voting facility. On clicking the e-voting icon, members will be redirected to the NSDL/CDSL site, as applicable, on successful authentication. Members may then click on Company name or e-voting service provider name i.e. Kfintech and will be redirected to Kfintech website for casting their vote.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants’ website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders / members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

B) Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and for all shareholders holding securities in physical mode.

Member will receive an e-mail from Kfintech [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number (“EVEN”), User ID and Password:

- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
- Enter the login credentials (i.e., User ID and Password). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and Password for casting your vote.
- After entering these details appropriately, click on ‘LOGIN’
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric

GVK Power & Infrastructure Limited

value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the 'EVENT', i.e., GVK Power & Infrastructure Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-Off Date under 'FOR/AGAINST' or, alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option 'ABSTAIN'. If you do not indicate either 'FOR' or 'AGAINST' it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
- viii. Equity shareholders holding multiple folios/demat accounts may choose the voting process separately for each folio/demat accounts.
- ix. You may then cast your vote by selecting an appropriate option and click on 'Submit'.
- x. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, you can login any number of times till you have voted on the Resolution.
- xi. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorised to vote, to the Scrutiniser through e-mail ID narenderg99@gmail.com with a copy marked to evoting@kfintech.com and to the Company at cs.gvcpil@gvk.com. The file scanned image of the Board Resolution should be in the naming format "Company Name, Event No."
- xii. In case e-mail id of a Member is not registered with the Company/ Depository Participant(s), (including Members holding shares in physical form), please follow the steps for registration as mentioned in para 11 of the Notes.
 - a) Upon registration, Member will receive an e-mail from Kfintech which includes details of E-Voting Event Number (EVEN), USER ID and password.
 - b) Please follow all steps from aforesaid Note. No. 26 (B) (i) to (xi) above to cast your vote by electronic means.
- xiii. A person, whose name is recorded in the register of equity shareholder or in the register of beneficial owners maintained by the depositories as on the Cut-Off Date only shall be entitled to avail the facility of remote e-voting as well as e-voting at the Meeting.
- xiv. Persons holding securities in physical mode and non-individual shareholders holding securities in demat mode who become equity shareholder after dispatch of the Notice of the Meeting but on or before the Cut-Off Date, i.e., Friday, October 22, 2021, may obtain User ID and Password in the manner as mentioned below:
 - I. If the mobile number of the equity shareholder is registered against Folio No./DP ID-Client ID, the Member may send SMS: MYEPWD<SPACE>Folio No. or DP ID-Client ID to +91 9212993399. In case of physical holding, prefix Folio No. with EVEN.
Example for NSDL: MYEPWD<SPACE>IN12345612345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE>XXX1234567890
(XXXX being EVEN)
 - II. If email address of the equity shareholder is registered against Folio No./DP ID-Client ID, then on the home page of <https://evoting.kfintech.com>, the equity shareholder may click 'Forgot Password' and enter Folio No. or DP ID-Client ID and PAN to generate a password.
 - III. Equity shareholders may send an e-mail request to <https://evoting.kfintech.com>. If the equity shareholder is already registered with the KFinTech's e-voting platform, then such equity shareholder can use his/her existing User ID and Password for casting the vote through remote e-voting.
 - IV. In case of any queries, please visit Help and Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com>. For any grievances related to e-voting, please contact Mr. SV Raju, Deputy Vice President, KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramgula, Serilingamapally Mandal, Hyderabad-500 032 at evoting.kfintech.com, Toll Free No: 1800-309-4001.

25. Remote e-voting

The remote e-voting period commences on Tuesday, October 26, 2021 at 9.00 a.m. IST and ends on Thursday, October 28, 2021 at 5.00 p.m. IST (both days inclusive). During this period, the Members of the Company holding shares in physical form or in dematerialized form, may cast their votes by remote e-voting in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, being Friday, October 22, 2021 will be entitled to cast their votes by remote e-voting.

26. The voting rights of the equity shareholder shall be in proportion to their shareholding of the paid up equity share capital of the Applicant Company as on Cut-Off Date, i.e., Friday, October 22, 2021.

27. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

28. VOTING AT THE AGM:

- i Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same.
- ii Members who have voted through Remote e-voting will be eligible to attend the AGM, however, they shall not be allowed to cast their vote again during the AGM.
- iii The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM and shall also announce the start of the casting the vote at AGM through the e-Voting platform of our RTA - Kfintech and thereafter the e-Voting at AGM shall commence.
- iv Upon the declaration by the Chairman about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.
- v Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- vi However, this facility shall be operational till all the resolutions are considered and voted upon in the meeting.
- vii A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a Member casts votes by both modes i.e. voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

29. To facilitate Members to receive the Company's Annual Report and Notice for the Annual General Meeting (including remote e-voting instructions) electronically and cast their vote, the Company has made special arrangements with Kfintech for registration of email addresses of the Members in terms of the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA. Eligible Members who have not submitted their email address to the Company or Kfintech are required to provide/update their email address to Kfintech, on or before 5:00 p.m. (IST) on October 21, 2021.

The process for registration / updation of email address with Kfintech for receiving the Notice of AGM and Annual Report and login ID and password for e-voting is as under:

- a Visit the link: <http://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>.
- b Select the Company name viz. GVK Power & Infrastructure Limited.
- c Enter the DP ID & Client ID/Physical Folio Number and PAN details. In the event the PAN details are not available on record for Physical Folio, Member shall enter one of the Share Certificate numbers.
- d Upload a self-attested copy of the PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation.
- e Enter your email address and mobile number.
- f The system will then confirm the email address for receiving this AGM Notice.

OTHER INSTRUCTIONS

1. Mr. Narender Gandhari, (Membership No. FCS 4898), Practicing Company Secretary have been appointed as the Scrutinizer for conducting the remote e-voting, and e-voting process (in a fair and transparent manner).
2. The Scrutinizer will, after the conclusion of e-voting during the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorised by him in writing who shall countersign the same in compliance of Rule 20 of Companies (Management and Administration) Rules, 2014 (including amendments made thereto) read with Regulation 44 of SEBI LODR.
3. The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
4. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company at www.gvk.com and on Service Provider's website at <https://evoting.kfintech.com/> immediately after the result is declared by the Chairman or by person authorised by him and communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

Instructions for attending the AGM through VC:

1. Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com> by using their DP ID / Client ID / Folio No. as applicable as the credentials.
2. The facility for joining the AGM shall open 30 minutes before the time scheduled to start the 26th AGM and shall not be closed for at least 15 minutes after such scheduled time.
3. Members are encouraged to join the Meeting using Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.
4. Members will be required to grant access to the web-cam to enable two-way video conferencing.
5. Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC smoothly, without any fluctuations in the audio/video quality.
6. Members who may want to express their views or ask questions at the AGM may visit <https://evoting.kfintech.com> and click on the tab "Annual General Meeting Post Your Queries Here" to post their queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall remain active during the remote e-voting period and shall be closed on Thursday, October 28, 2021 at 5:00 p.m.
7. In addition to the above mentioned step, the Members may register themselves as speakers for the AGM to raise their queries. Accordingly, the Members may visit <https://evoting.kfintech.com/> and click on tab 'Speaker Registration for eAGM' during the period mentioned below. Members shall be provided a 'queue number' before the AGM. The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

The 'Speaker Registration' window shall be activated on Monday, October 25, 2021 at 9.00 A.M. and shall be closed on Wednesday, October 27, 2021 at 9.00 A.M. Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM provided they hold shares as on the cut-off date i.e., Friday, October 22, 2021. The Company reserves the right to restrict the number of speakers and time allotted per speaker subject to availability of time as appropriate for smooth conduct of the AGM.

8. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same.
9. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfin Technologies Private Limited at toll free number 1800-309-4001 or write to them at einward.ris@kfintech.com and/or evoting@kfintech.com. Kindly quote your name, DP ID Client ID/ Folio No and e-voting Event Number in all your communications.

By order of the Board
For GVK Power & Infrastructure Limited

Place: Hyderabad
Date : 9th September, 2021

P V Rama Seshu
Vice President & Company Secretary

Explanatory statement

In respect of the Special Business Pursuant to section 102(1) of the Companies Act, 2013

Item No: 3

Pursuant to the provisions of section 139(8) of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 as amended from time to time and based on the recommendations of the Audit Committee, the Board of Directors of our company at its meeting held on 9th September, 2021 had appointed T R Chadha & Co LLP (firm no: Reg. No: 006711N/N500028) as the Statutory Auditors of the Company in the Casual Vacancy caused by the resignation of PwC for auditing the books of accounts and other financial statements of the company, on a standalone and consolidated basis, for the financial year 2020-21. Since this appointment is made to fill the Casual Vacancy caused by the resignation of existing auditors, it is required to be ratified (within 3 months) by the Shareholders at this AGM.

The Audit Committee at its meeting held on 9th September, 2021 had recommended the appointment of T R Chadha & Co LLP to the Board of Directors, with a remuneration of Rs.56.50 Lacs plus applicable taxed thereon for auditing the books of accounts for FY 2020-21 on the broad terms as envisaged under the provisions of section Sec 139(8) of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and the SEBI (LODR) Regulations, 2015 as amended from time to time. This remuneration is marginally higher than what was paid to PwC for FY 2019-20, as T R Chadha & Co LLP need to consolidate the financials of our subsidiaries including Mumbai International Airport Limited for the year ended 31st March, 2021. Their fee payable from FY 2021-22 onwards will be reviewed by the Audit Committee when they are appointed for a specific term as envisaged under section 139(1) of the Companies Act, 2013.

Following is the brief profile of T R Chadha & Co LLP for the kind perusal of the Shareholders.

T R Chadha & Co LLP is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm Registration No. 006711N/N500028 and they are in practice since May 1946. The firm has 19 partners and total staff of more than 500 people working with them. The firm has its presence in 10 cities in India viz. New Delhi, Mumbai, Gurugram, Chennai, Ahmedabad, Bengaluru, Hyderabad, Pune, Tirupati and Vadodara. Their firm also provides range of services which include Audit & Assurance, Taxation, Risk Advisory, etc.

Your Board believes that T R Chadha is one of the best chartered accountant firms in the country who can substitute PwC who had resigned as statutory auditors. None of the Key Managerial Persons or Directors, whether directly or indirectly, are interested in this appointment and the Board recommends their appointment under agenda item no: 3 of this AGM Notice for your approval.

Item No: 4

Mr. P V Prasanna Reddy (DIN 01259482) had joined the Company as a Director during 11th August, 2017, and later appointed as a Whole-time Director of the Company from 14th November, 2017 for a period of three years without any remuneration. Thereupon, the Company has notified him to the Ministry of Corporate Affairs as one of the Key Managerial Personnel (CFO) under section 203 of the Act subsequent to resignation of Dr. GVK Reddy as Managing Director. His current tenure as Whole-time Director was completed on 13th November, 2020.

In recognition of his services to the Company, the Board at its meeting held on 10th August, 2020 has decided to avail his continuous services and accordingly, based on the recommendations of the Nomination and Remuneration Committee of the Company at its meeting held on 6th August, 2020, the Board has re-appointed him as Whole-time Director of the Company as per Sec 2(94), Sec 196, 203 and as per applicable provisions of Companies (Appointment and Qualification of Directors) Rules, 2014 read with applicable regulations of SEBI (LODR) Regulations, 2015 as may be required, subject to approval of the shareholders at this meeting, for a further period of 3 years with effect from 14th November, 2020 to 13th November, 2023 without any remuneration.

A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, 2015 is set out in the 'Report on Corporate Governance' appearing at page 34 of the Annual Report.

He is not related to any of the Directors or other Key Managerial Personnel of the Company. Except Mr. P V Prasanna Reddy, being the incumbent, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this Special Resolution.

The Board considers that his continued association would be of immense benefit to the Company and it is desired to avail his continuous services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in item No. 4 of this Notice.

Item No: 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had earlier approved the appointment of Mr. N. Anil Kumar Reddy (DIN: 00017586) as an Independent Director, not liable to retire by rotation, for a period of 5 years from 1st January, 2021 to 31st December, 2025, through a Circular Resolution dated 1st January, 2021 subject to further approval of Members at the ensuing Annual General Meeting. This appointment is in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force).

Further, Mr. Anil Kumar Reddy was appointed as an Additional Director to hold office up to the date of Annual General Meeting to be held as per the provisions of Companies Act 2013. Since, the Company could not convene the AGM by 30.09.2021, he is deemed to have vacated his office of Additional Director on 30.09.2021. The Board of Directors of your company, based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 09.09.2021, approved and once again appointed Mr. N. Anil Kumar Reddy (DIN: 00017586) as an Additional Director to hold office till the date of this Annual General Meeting.

The Company has received declarations from Mr. N. Anil Kumar Reddy (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

The brief details of Mr. N Anil Kumar Reddy, in terms of Regulation 36(3) of the Listing Regulation is set out in the 'Report on Corporate Governance, appearing at page 33 of the Annual Report.

Except Mr. Mr. N Anil Kumar Reddy, being the incumbent, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this resolution. He is not related to any of the Directors or Key Managerial Personnel of the Company.

Accordingly, consent of the Shareholders is sought for approving the resolution as set out in agenda item No. 5 of this Notice.

Item No. 6

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors through a circular resolution dated 1st January, 2021 had appointed Ms. Rama Rao (DIN:03207492) as an Independent (Woman) Director of the Company, not liable to retire by rotation, for the period of 5 years from 1st January, 2021 to 31st December, 2025 subject to approval of Members at this Annual General Meeting.

Further, Ms. Rama Rao was appointed as an Additional Director to hold office up to the date of Annual General Meeting to be held as per the provisions of Companies Act 2013. Since, the Company could not convene the AGM by 30.09.2021, she is deemed to have vacated her office of Additional Director on 30.09.2021. The Board of Directors of your company, based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 09.09.2021, approved and once again appointed Ms. Rama Rao (DIN: 03207492) as an Additional Director to hold office till the date of this Annual General Meeting.

The Company has received declarations from Ms. Rama Rao (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

The brief details of Ms. Rama Rao in terms of Regulation 36(3) of the Listing Regulation is set out in the 'Report on Corporate Governance, appearing at page 34 of the Annual Report.

In the opinion of the Board, Ms. Rama Rao fulfills the conditions for appointment as an Independent Women Director as specified in the Act and the Listing Regulations. Ms. Rama Rao is independent of the management and possesses appropriate skills, experience and knowledge.

Except Ms. Rama Rao, none of the other directors or the Key Managerial Personnel or their relatives are interested or concerned whether directly or indirectly in this resolution. She is not related to any of the Directors or Key Managerial Personnel of the Company.

Accordingly, consent of the Shareholders is sought for approving the resolution as set out in agenda item No. 6 of this Notice.

By order of the Board
For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : 9th September, 2021

P V Rama Seshu
Vice President & Company Secretary

Directors' Report

Dear Stakeholders,

Your Directors present the 26th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2020.

Reasons for delay in holding Annual General Meeting;

The Shareholders may please note that pending receipt of audited financial statements for the year ended 31st March, 2020 from Mumbai International Airport Limited (MIAL – which is a material subsidiary and also contributes more than 90% revenue of that year) and the companies under Airport vertical business, our company could not consolidate / publish its financial results for that year and the subsequent quarterly results. Consequently, the AGM for that year along with Q1, Q2, Q3 and Q4 results for FY 2020-21 and the AGM for this year are also delayed beyond the scheduled time limit which is beyond the control of the management. Your Company had duly intimated the reasons for this delay to both the SEBI and stock exchanges through various letters.

Having completed the process of consolidation of financial statements and the audit, your board is now pleased to enclose the same for your adoption.

Financial Results

Following is the summary of Standalone and consolidated financial results of the Company including its subsidiaries, associate and joint ventures.

(Rs. Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Financial Performance				
Operational Incomes	2,320	2,321	384,687	409,817
EBIDTA	(88,611)	(3,084)	65,554	170,667
Other Income	7867	7,710	14,391	26,493
Finance Costs	1320	1,248	148,422	151,302
Depreciation	21	12	80,250	79,158
Profit / (Loss) from ordinary activities	(82,085)	3,366	(148,727)	(33,300)
Share of profit of associate	-	-	-	-
Share of loss of jointly controlled entity	-	-	1,973	2,551
Loss before tax	(82,085)	3,366	(146,754)	(30,749)
Tax expense/(credit)	730	(8028)	7,718	(307)
Non - controlling interest			(5,129)	5,907
Loss for the year	(82,815)	11,394	(149,343)	(36,349)
Other comprehensive income, net	-	-	-79	(238)
Total comprehensive income	(82,815)	11,394	(149,422)	(36,587)
EPS (Rupees) :				
Weighted Average no. of Equity Shares	1,579,210,400	1,579,210,400	1,579,210,400	1,579,210,400
Basic and Diluted	(5.24)	0.72	(9.46)	(2.30)
Financial Position:				
Fixed Assets (Net of depreciation)	72	92	1,636,496	1,722,356
Cash and Bank balance	28	49	31,787	56,827
Net current assets	(51,740)	(49,986)	(491,687)	(362,246)
Total Assets	157,418	244,288	2,051,391	2,182,486
Equity	15,792	15,792	15,792	15,792
Other equity	85,896	168,711	(285,519)	(136,097)
Net worth	101,688	184,503	(269,727)	(120,305)
Market Capitalisation	35,532	120,810	35,532	120,810

Our total income from operations is decreased by 6.13 % to Rs. 3,84,687 Lakhs from Rs. 4,09,817 Lakhs in the previous year. The Transportation segment contributed an income of Rs. 35,609 Lakhs (9.26% of total income) compared to Rs. 39,818 Lakhs in the previous year. Airport Segment contributed an income of Rs. 349,070 Lakhs (90.74% of total income) as compared to Rs. 3,69,999 Lakhs in the previous year. The Airport assets (Mumbai) have contributed to net profit/ (Loss) of Rs. (10,256) Lakhs compared to Rs. 11,934 Lakhs in the previous year.

The net profit/ (loss) after tax, share of profit from associate, share of profit from joint venture and non-controlling interest was Rs. (149,343) Lakhs as against of Rs. (36,349) Lakhs in the previous year.

Dividend

The Board of Directors of your Company has not recommended any dividend for the FY 2019-20

Transfer to Reserves

During FY 2019-20, there are no funds that are required to be transferred to Reserves.

Share Capital

The paid up equity share capital of the Company as on March 31, 2020 is Rs. 157.92 Crore. There was no public issue, rights issue, bonus issue or preferential issue etc., during the year. The Company has not issued any shares with differential voting rights, sweat equity shares nor has it granted any stock options during the year under review.

Management Discussion and Analysis

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this Annual Report.

Business Responsibility Report

Business Responsibility Report for the year under review, as stipulated under Regulation 34(2)(f) of SEBI (LODR) Regulations, forms part of the Annual Report.

Corporate Governance

As in the past, your Company continues to follow best of Corporate Governance policies. As stipulated under the requirements of the Listing Regulations, a report on Corporate Governance is appended for the information of the Members. A Certificate from the Practicing Company Secretary confirming compliance with the conditions of the Corporate Governance is annexed to the Directors Report.

Subsidiaries and Consolidated Financial Statements

As on March 31, 2020 your Company has 6 direct Subsidiaries, 18 step down subsidiaries and one Associate Company as per Companies Act, 2013. There has been no material change in the nature of the business of the Company and its subsidiaries. Details of major subsidiaries of the Company and their business operations during the year under review are covered in the Management Discussion and Analysis Report. There were no Subsidiaries, Associates or joint ventures which have ceased to be a subsidiary, joint ventures or associate during the year.

A statement containing salient features of the financial statement of these companies as required to be provided under section 129(3) of the Act, are enclosed herewith in the specified form, as **Annexure A**. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. Any member intends to have a certified copy of the Balance Sheet and other financial statements of these subsidiaries may write to the Company Secretary. These documents are available for inspection during business hours at the registered office of the Company and that of the respective subsidiary companies. The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: https://www.gvk.com/files/investorrelations/investors/corpgovernance/policy_for_determining_material_subsidaries_gvk_pil.pdf.

Developments in Airport assets

On 31st August, 2020 GVK Airport Developers Limited ("GVKADL") and GVK Airport Holdings Limited ("GVKAHL") subsidiaries of our Company, notified the Abu Dhabi Investment Authority, National Investment and Infrastructure Fund and PSP, collectively ("Investors") that the definitive agreements entered into with them in respect of a proposed investment in GVKAHL stand terminated.

On the same day, GVK Airport Developers Limited ("GVKADL") and GVK Airport Holdings Limited ("GVKAHL") signed an Agreement to cooperate with Adani Airport Holdings Limited ("AAHL"), the flagship holding company of Adani Group, for airports business (and a subsidiary of Adani Enterprises Limited ("AEL"))

The terms of cooperation include:

1. Acquisition of debt by Adani from various GVK lenders including a Goldman Sachs led consortium and HDFC.
2. Release GVK of various obligations, securities and Corporate Guarantees given in respect of debt to be acquired by Adani.
3. The ability for Adani to convert the acquired debt to equity of GVKADL on mutually agreed terms, subject to obtaining necessary regulatory approvals.
4. Infusion of funds by Adani into Mumbai International Airport Limited to provide liquidity support.
5. Achieving Financial Closure of the Navi Mumbai International Airport project by Adani at the earliest in order to commence construction.

As all the members are aware, the aviation industry has been severely impacted by COVID-19, setting it back by many years which has also negatively impacted the financials of Mumbai International Airport Limited (MIAL). It was therefore important, that Company bring in a financially strong investor in the shortest possible time to improve the financial position of MIAL. Besides,

GVK Power & Infrastructure Limited

it would also help achieve financial closure of Navi Mumbai International Airport project (NMIAL), which is a project of national importance. It is under these circumstances that Company agreed to cooperate with Adani so as to achieve these twin objectives

Further, this step would help reduce a significant portion of GVK debt and will enable us to reorganise the company to take advantage of new opportunities for future growth.

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company and Regulation 36(3) of Listing Regulations, 2015, Krishna R Bhupal, Director of the Company will retire by rotation at this ensuing Annual General Meeting and being eligible, your Board recommends his re- appointment.

Members may please note that, based on the recommendations of the Nomination and Remuneration Committee of the Company, the Board, through a circular resolution dated January 01, 2021 has appointed Mr. N Anil Kumar Reddy, as an independent Director not liable to retire by rotation for a period of 5 years from 1st January, 2021 to 31st December, 2025.

Mr. P V Prasanna Reddy, whole-time Director of the Company has been re-appointed by the Board for another term of three years without any remuneration with effect from 14th November, 2020.

Mr. Ch. G Krishna Murthy resigned as Independent Director, due to his old age with effect from 1st June, 2020 and also Mrs. Sudha Vasanth has resigned from the Board of the Company with effect from 9th September, 2020.

Further, as per Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 with effect from 1st April, 2020 the Board of directors of top 1000 listed entities shall have at least one independent woman director. However, due to the precautionary nationwide lock down from March to May, 2020 to curtail the spread of Covid-19 Virus and also due to non-availability of suitable person, your company could not appoint a woman director from 01.04.2020 till 31.08.2020. Subsequently, on 01.09.2021 your company had appointed Ms. Rama Rao as an Independent Woman Director to be in compliance with the relevant regulation of the SEBI (LODR) Regulations, 2015. Subsequently, the Board of your Company by circular resolution dated 1st January, 2021 has appointed Ms. Rama Rao as independent woman director not liable to retire by rotation for a period of 5 years from 1st January, 2021 to 31st December, 2025.

Chairman being a Non-Executive Director, the Board of your Company has an optimum mix of Executive and Non-Executive Directors..

Key Managerial Personnel

Except, Mr. P V Prasanna Reddy, Whole-time Director of the Company who is being re-appointed for another term of three years at this meeting, there are no other changes amongst the Key Managerial Personnel of the Company during the year.

Declaration by Independent Directors

Each of the Independent Directors have given a declaration to the Company that they meet the criteria of independence as required under section 149(7) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, 2015.

An exclusive meeting of the Independent Directors of the Company has been held on 14th February, 2020 which was attended by all the Independent Directors. They have reviewed the performance of the non-independent directors and the Board as a whole, performance of chairperson and quality of information to the Board as provided under Schedule IV of the Companies Act, 2013.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors have formulated and adopted a policy on appointment / remuneration of directors including criteria for determining qualifications, positive attributes, independence of the Directors and other matters. This policy also covers the performance evaluation of all directors, Board, Committees and Key Managerial Personnel.

The Company has adopted a program on familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of business and the industry in which the Company operates among other things. The same is put up on the website of the Company at the link https://www.gvk.com/files/investorrelations/investors/corpgovernance/Familiarisation_Programme_for_Independent_Directors.pdf

Evaluation of Board

Board evaluation is in line with the Corporate Governance Guidelines of the Company. Annual Performance Evaluation was conducted for all directors along with the working of the Board and its Committees. This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the Listing Regulations, and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017.

The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings. Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance and compensation to whole-time director, etc. Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc. The outcome of the Board evaluation for financial year 2018-19 was discussed by the Nomination and Remuneration Committee and the Board at their respective meetings held in May, 2019. The Board has received improved ratings on its overall effectiveness, including higher rating on Board communication, relationships and Board Committees. The Board has also noted areas requiring more focus in the future.

Policy on Director's Appointment and Remuneration

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013. Salient features of the Remuneration Policy is set out in the Corporate Governance Report. The Remuneration Policy is available on the Company's website at <https://www.gvk.com/files/investorrelations/investors/corpgovernance/Remuneration-Policy.pdf>.

Board Meetings

During the year 2019-20, four Board Meetings were held, the details of which are given in the Corporate Governance Report.

Board Committees

All Committees of the Board of Directors are in line with the provisions of the Companies Act, 2013 and the applicable Listing Regulations, 2015.

Audit Committee

The Audit Committee comprises of Mr. S Balasubramanian, Chairman, Mr. Anumolu Rajasekhar and Mr. Anil Kumar Reddy, members, all of whom are Independent Directors. All the recommendations made by the Audit Committee were accepted by the Board.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20. However the auditors have qualified their opinion for operating effectiveness over internal financial controls over use of assumptions for analysis for asset impairments.

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibilities Statement, it is hereby confirmed that;

- i) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit or loss of the Company for the said period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts for the financial year ended March 31, 2020 on a "going concern" basis;
- v) they have laid down internal financial controls in the Company that are adequate and were operating effectively and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Secretarial Auditors

The Board had appointed Mr. G Narender of Narender & Associates, a firm of Practicing Company Secretaries, to carry out the Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder. The report of the Secretarial Auditor in Form MR-3 is enclosed to this report as **Annexure B**. The Secretarial Auditor Report does not contain any qualification, reservation or adverse remarks

Statutory Auditors

Price Waterhouse Chartered Accountants LLP (Firm Registration No: 012754N/N500016) (PWC) vide their letter dated 13th August 2020 informed the Company about their intention to resign as Statutory Auditors of the Company which would be effective immediately upon discharge of their obligations under the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019. Subsequently, PWC also resigned as Statutory Auditors of GVK Airport Developers Limited a Wholly owned subsidiary of the Company. The Audit Committee and the Board of Directors have duly deliberated on the reasons cited by the Statutory Auditors in their resignation letter. The PWC having completed the audit of the Company for the FY 2019-20 has informed the Company vide letter dated 6th September, 2021 stating that their resignation has become effective and is in compliance with the SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.

In terms of Sec 139(8) (i) of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 and SEBI (LODR) Regulations as amended, the Audit Committee and the Board at their respective meetings held on 09.09.2021 have approved the appointment of T R Chadha & Co LLP, Chartered Accountants (Reg. No: 006711N/N500028) as Statutory Auditors of our Company for FY 2020-21 in the resultant casual vacancy caused by the resignation of M/s Price Waterhouse Chartered Accountants LLP (FRN: 012754N/N500016) to hold office till the conclusion of 27th Annual General Meeting.

Cost Records

Your Company is not required to maintain cost audit records for any of the services of the Company as per Section 148(1) of the Act.

Reasons for suspension of trading

Due to non-publication of financial results of the company for two consecutive quarters from March, 2020 and June, 2020 onwards, the stock exchanges have temporarily suspended the trading in equity shares of your company from 18.01.2021. However, the stock exchanges have allowed the general public to trade only for once in a week (every Monday) till 02.08.2021. Your Company had also paid all the penalties that were levied by the stock exchanges for non-publication of the financial results. Your company had informed both the SEBI and the stock exchanges as to why it was unable to publish the results which is pending mainly due to non-receipt of audited financial statements for the year ended 31.03.2020 and the subsequent quarterly results from Mumbai International Airport Limited and the companies under Airport vertical business without which, we cannot consolidate our financial statements as per the SEBI (LODR) Regulations, 2015 and publish the same. The resignation of our statutory auditors is also one of the reasons for the delay in publication of financial results. Your Management and the Board of Directors are confident and hopeful that this would be resolved at the earliest possible time so as to be back on track with the timely publication of financial results.

Management's response on the Statutory Auditors Qualification / Comments

Management's response on the qualifications made by Statutory Auditors on Standalone Financial statements

The company has already made a provision of the entire investment and receivables amounting to Rs. 78,634 lakhs. It is also engaged in a settlement negotiation with the lenders, and it is hopeful of an amicable settlement. Any further provision cannot be estimated due to significant uncertainties including fluctuating coal prices, timely achieving financial closure for the project, and concluding an appropriate solution with various stakeholders by GVK Coal and of settlement with lenders which is typical to such negotiations.

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

Investigations by various agencies are under process and the ultimate outcome is subject to Judicial scrutiny and hence the impact of the same is not ascertainable.

Management is unable to estimate the impact, reasons for the same:

- a. Non holding of the Annual General Meeting (AGM)
- b. Non filing of the audited financial statements with Exchanges
- c. Non-compliance with section 44AB of the Income-tax Act, 1961.

Company will take appropriate steps to comply with all statutory compliances post the finalization of accounts. It will also apply for condonation of delay.

Management's response on the qualifications made by Statutory Auditors on Consolidated Financial statements

The company has already made a provision of the investment and receivables amounting to Rs. 78,634 lakhs. It is also engaged in a settlement negotiation with the lenders, and it is hope full of an amicable settlement. Any further provision cannot be estimated

due to significant uncertainties including fluctuating coal prices, timely achieving financial closure for the project, and concluding an appropriate solution with various stakeholders by GVK Coal and of settlement with lenders which is typical to such negotiations.

The Hon'ble Supreme Court of India had deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, GVK Coal (Tokisud) Private Limited has submitted its claim for an amount Rs. 19,882 lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Hence, the impact of the same is unascertainable.

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

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

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

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

Management is unable to estimate the impact, reasons for the same:

Investigations by various agencies are under process and is subject to Judiciary scrutiny and hence the impact of the same is not ascertainable.

Management is unable to estimate the impact, reasons for the same:

- a. Non holding of the Annual General Meeting (AGM)
- b. Non filing of the audited financial statements with Exchanges
- c. Non-compliance with section 44AB of the Income-tax Act, 1961.

Company will take appropriate steps to comply with all statutory compliances post the finalization of accounts. It will also apply for condonation of delay.

Awards and recognitions

Following are some of the awards and recognitions that your Company and its Subsidiaries have received during the year under review.

In its continuous journey towards excellence, in a short time-frame of 10 years, MIAL has won multiple awards and recognition for consistently delivering superior travel experience to passengers and during the year under review won the following prestigious awards and accolades:

- GVK CSMIA bagged the 'Outstanding Contribution to Supply Chain Management – Air Cargo' award at the 5th India Logistics and Supply Chain Awards
- GVK's Jaya He Museum has bagged the prestigious 'Excellence in Customer Service' award by the Indian Express Group at the InfoComm India 2019 Summit
- GVK CSMIA has been awarded the National Tourism Award for 'Best Airport in India' by the Ministry of Tourism, Government of India
- GVK MIAL has been conferred the 'Excellent Energy Efficient Unit' award by Confederation of India Industry (CII)
- 'Jaya He Safari' was awarded the 'Golden Peacock Award 2019' under the Innovative product/Service category at the 29th World Congress on Leadership for Business Excellence & Innovation
- GVK CSMIA bagged the prestigious Gold - Green Airports Recognition 2019, themed "Green Airport Infrastructure", "over 45 million passengers per annum" category for outstanding environmental projects carried out at the airport.
- CSMIA Terminal 2 was recognized as the Outstanding Airport Project under the Infrastructure category at the 8th EPC World Awards, on February 7, 2019.
- First airport in India and third in Asia to achieve the 'IATA CEIV' certification for supporting the air transport industry to comply with pharmaceutical manufacturers' requirements.
- GVK CSMIA bagged the prestigious Silver - Green Airports Recognition 2020, themed "Water Management", "over 35 million passengers per annum" category for outstanding environmental projects carried out at the airport.

GVK Power & Infrastructure Limited

- CSMIA was recognized for the 'Best Airport Staff' in India and Central Asia 2020 by Skytrax
- CSMIA achieved Level 2 of ACI Airport Customer Experience Accreditation 2020
- CSMIA won STAT Times International Award for Excellence in Air Cargo under the category of 'Cargo Airport of the Year - India, Year2019'

Particulars of Loans, Guarantees or Investments

Particulars of loans and guarantees given, investments made and securities provided under Section 186 of the Companies Act, 2013 are given under the Notes to the financial statements and forms part of this Annual Report.

Contracts and Arrangements with the Related Parties

All the related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. These transactions are placed before the Audit Committee and the Board for their prior approvals. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on a materiality of related party transactions. The policy on related party transactions is available on our website under the following link <https://www.gvk.com/files/investorrelations/investors/corpgovernance/relatedpartytransactionpolicy.pdf>

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 in the prescribed **Form AOC-2**, is appended as **Annexure C** to the Board's report.

Extract of Annual Return

Pursuant to provision of Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, as amended, extract of the Annual Return as on March 31, 2020 in form MGT-9 have been uploaded on the website of the Company. The same can be accessed at the link <https://www.gvk.com/investorrelations/investors/generalmeetings.aspx>.

Internal Financial Control Systems and their adequacy

The Management continuously reviews the internal control systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the audit on regular basis and the Audit Committee periodically reviews internal audit reports and effectiveness of internal control systems.

Public Deposits

During the year under review, your Company has neither invited nor accepted any deposits from the public.

Vigil Mechanism/Whistle Blower Policy

In terms of section 177(9) & (10) of the Companies Act, 2013 read with Regulation 22 of the Listing Regulation a Vigil Mechanism for Directors and employees to report genuine concerns has been established by the Board along with the whistle blower policy. The Vigil Mechanism and whistle blower policy have been uploaded on the website of the Company. The same can be accessed at the link <https://www.gvk.com/files/investorrelations/investors/corpgovernance/Whistle-Blower-Policy.pdf>

Under this policy, your Company encourages its employees to report any fraudulent financial or other information to the stakeholders, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. The Audit Committee periodically reviews the functioning of this mechanism. No personnel of the Company was denied access to the Audit Committee.

Corporate Social Responsibility

Since, there are no adequate net profits during the preceding financial year, there are no specific funds that are required to be set aside and spent by the Company during the year under review. Members can access the CSR Policy on the website of the Company at link https://www.gvk.com/files/investorrelations/investors/corpgovernance/CSR_Policy_final_copy.pdf

Particulars of employees and related disclosures

During the year under review, none of the employees are in receipt of remuneration which is in excess of the limits as specified in Rules 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.

Disclosures relating to remuneration and other details as required under Section 197(12) read with Rule 5(1) of Companies (Appointment & Remuneration of Managerial personnel) Rules, 2015.

Sl. No.	Name of the Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (Rs In lakhs)	% Increase in Remuneration in the Financial year 2019- 20	Ratio of remuneration of each director/ median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	P V Prasanna Reddy Whole Time Director	---	---	---	Other than CS, no KMP is being paid any remuneration. Hence not applicable
2.	A Issac George Director (Whole-time) & CFO	---	---	---	
3.	P V Rama Seshu Vice President & Company Secretary	34.31	---	---	

Particulars regarding Conservation of energy, Research and Development and Technology Absorption

Details of steps taken by your Company to conserve Energy, Research and Development and Technology Absorption have been disclosed as part of the MD&A Report.

Foreign exchange earnings and Outgo

In accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013, read with the Rule 5 of the Companies (Accounts) Rules, 2014, the information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Profit and Loss Account.

Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report

Details of Significant and Material Orders Passed by the regulators/Courts/Tribunals Impacting the Going Concern Status and the Company's Operations in Future

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

Reporting of frauds by Auditor

During the year under review, neither the statutory auditor nor the secretarial auditor has reported any instance of fraud committed against the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

Information Required under Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013

Your Company has a policy and framework for employees to report sexual harassment complaints at workplace and its process ensures complete anonymity and confidentiality of information. Ethics Committee of the Company monitors the complaints, if any, which are dealt with in compliance of this policy. During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is available on the website of the Company at <https://www.gvk.com/investorrelations/investors/otherdisclosures.aspx>.

Acknowledgements

Your Directors take this opportunity to thank every shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. I am sure you will join our Directors in conveying our sincere appreciation to all employees of the Company and its subsidiaries and associates for their hard work and commitment. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the Infrastructure industry.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : September 9, 2021

Dr GVK Reddy
Non-Executive Chairman

Holding Company

GVK Power & Infrastructure Limited

Subsidiaries (As on March 31, 2020)

1. GVK Energy Limited
2. GVK Airport Developers Limited
3. GVK Transportation Private Limited
4. GVK Perambalur SEZ Private Limited
5. GVK Developmental Projects Private Limited
6. GVK Airport Services Private Limited

Step Down Subsidiaries (As on March 31, 2020)

1. GVK Industries Limited
2. GVK Gautami Power Limited
3. Alaknanda Hydro Power Company Limited
4. GVK Power (Goindwal Sahib) Limited
5. GVK Coal (Tokisud) Company Private Limited
6. GVK Ratle Hydro Electric Project Private Limited
7. GVK Power (Khadur Sahib) Private Limited
8. GVK Airport Holdings Limited
9. Bangalore Airport & Infrastructure Developers Limited
10. GVK Airports International Pte Ltd, Singapore
11. Mumbai International Airport Limited
12. Navi Mumbai International Airport Private Limited
13. GVK Jaipur Expressway Private Limited
14. Sutara Roads & Infra Limited
15. GVK Deoli Kota Expressway Private Limited
16. GVK Bagodara Vasad Expressway Private Limited
17. GVK Shivpuri-Dewas Expressway Private Limited
18. PT GVK Services, Indonesia

Associate (As on March 31, 2020)

Seregarha Mines Limited

Annexures

Annexure A

FORM NO. AOC-1

(Pursuant to First proviso to sub-section (3) of section 129 of the Companies Act, 2013

Read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Rs in lakhs)

Sl. No.	1	2	3	4	5	6
Name of the Subsidiary/ Associate Company/ Joint Venture	GVK Energy Ltd	GVK Airport Developers Ltd	GVK Transportation Pvt Ltd	GVK Perambalur SEZ Pvt Ltd	GVK Developmental Projects Pvt Ltd	GVK Airport Services Pvt Ltd
Reporting period for subsidiary concerned, if different from the holding company's reporting period	01-04-2019 to 31-03-2020	01-04-2019 to 31-03-2020	01-04-2019 to 31-03-2020	01-04-2019 to 31-03-2020	01-04-2019 to 31-03-2020	01-04-2019 to 31-03-2020
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR
Share Capital	88,831	30,000	3,770	1	1	19
Other Equity #	76,136	(2,75,162)	(23,978)	2,431	96,340	72
Total Assets	2,76,112	2,01,257	86,191	14,226	1,15,684	96
Total Liabilities	2,76,112	2,01,257	86,191	14,226	1,15,684	96
Investments *	2,58,056	1,78,239	86,184	-	26,559	10
Turnover	3,064	12	-	-	8	-
Profit before Taxation	(80,443)	(52,632)	32	(6)	(8)	(4)
Provision for taxation	253	-	7	(168)	-	2
Profit after taxation	(80,696)	(52,632)	24	162	(8)	6
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	62.8	100	100	100	100	100

Including borrowings in the nature of equity

* Including Deemed Investments

Part “B”: Associate and Joint Venture

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associate	Seregarha Mines Limited
1	Latest audited Balance Sheet Date	31/03/2020
2	Shares of Associate held by the company on the year end	44.45%
	No.	51,73,108
	Amount of Investment in Associates / Joint Venture	-
	Extent of Holding %	44.45%
3	Description of how there is significant influence	We have power to participate in the financial and / or operating policy decisions of the investee but not control over these policies
4	Reason why the associate / joint venture is not consolidated	Not applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs. 517 Lakhs
6	Profit / Loss for the year	Rs. (148.50) Lakhs
	i. Considered in Consolidation	Nil
	ii. Not considered in Consolidation	Not applicable

For and on behalf of the Board of Directors

Place : Hyderabad

Date : 24th August, 2021

Dr GVK Reddy
Non-Executive Chairman

Annexure B

SECRETARIAL AUDIT REPORT

(As per Form No. MR-3)

for the financial year ended 31-03-2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
M/s GVK Power & Infrastructure Limited
(CIN: L74999TG2005PLC059013)
Paigah House, 156-159, Sardar Patel Road
Secunderabad – 500003.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. GVK Power & Infrastructure Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

The maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Based on my verification of the M/s. GVK Power & Infrastructure Limited's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s GVK Power & Infrastructure Limited for the financial year ended on 31st march, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6. The Company being an "Ultimate Holding Company" and without any manufacturing/production activities on its own, most of the labour Laws are not applicable to the company. However, the company is complying with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972.

GVK Power & Infrastructure Limited

7. As regards compliance of Environmental Laws, as may be applicable to the company, we state that the company does not have any manufacturing unit since it is a Holding Company. As per the management, the respective subsidiary/associates of the company are complying with the applicable Environmental Laws. Therefore, the company need not comply with any specific Environmental Laws by itself.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. SEBI Listing obligations and disclosure requirement (LODR) Regulations, 2015 and amendments applicable therein.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company not entered into / carried out any activity that has major bearing on the Company's affairs.

For NARENDER & ASSOCIATES
Company Secretaries

G NARENDER
Proprietor

FCS:4898, CoP:5024

Place : Hyderabad
Date : July 16, 2020
UDIN : F004898B000460848

Annexure C
FORM NO. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

1. Details of contracts or arrangements or transactions not at Arm's length basis :

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2020, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.
(Rs in lakhs)

Name of the related party	Nature of relation ship	Duration of contract	Salient terms	Amount
Nature of Contract:				
Fees for services rendered (Includes Corporate guarantee commission income)				
Mumbai International Airport Private Limited	Subsidiary	5 years	Man power consultancy service	1,270
GVK Jaipur Expressway Private Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	470
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	1,452
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	8
GVK Energy Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	54
Navi Mumbai International Airport Private Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	1,050
GVK Transportation Private Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	145
GVK Coal Developers (Singapore) Pte Limited	Associate	Till loan is paid	Corporate Guarantees Commission	1,772
Reimbursement of expenses (Billable expenses)				
Alaknanda Hydro Power Company Limited	Subsidiary	Not applicable	Business Support Service	0
GVK Power (Goindwal Sahib) Limited	Subsidiary	Not applicable	Business Support Service	0
GVK Industries Limited	Subsidiary	Not applicable	Business Support Service	0
GVK Gautami Power Limited	Subsidiary	Not applicable	Business Support Service	0
GVK Jaipur Expressway Private Limited	Subsidiary	Not applicable	Business Support Service	0
GVK Deoli Kota Expressway Private Limited	Subsidiary	Not applicable	Business Support Service	0
GVK Technical & Consultancy Services Private Limited	Subsidiary	Not applicable	Business Support Service	0
Services received				
GVK Airport Developers Limited	Group Company	Not applicable	Manpower Service	12
GVK Airport Holdings Pvt Ltd	Group Company	Not applicable	Manpower Service	28
Sutara Roads & Infra Limited	Group Company	Not applicable	Manpower Service	12
GVK Developmental Projects Private Limited	Group Company	Not applicable	Manpower Service	8
TAJ GVK Hotels & Resorts Limited	Group Company	Not applicable	Manpower Service	1
Orbit Travels & Tours Private Limited	Group Company	5 years	Cost of Flight services	10
GVK Technical & Consultancy Services Private Limited	Group Company	5 years	Manpower Service	137
Loans/advances given/expenditure incurred on behalf				
GVK Industries Limited	Subsidiary	Not applicable	Advance given	16
GVK Airport Developers Limited	Subsidiary	Not applicable	Advance given	50
GVK Transportation Private Limited	Subsidiary	Not applicable	Advance given	33
GVK Perambalur SEZ Private Limited	Subsidiary	Not applicable	Advance given	7
Loans/advances recovered				
GVK Energy Limited	Subsidiary	Not applicable	Advance recovered	17
Crescent EPC Projects and Technical Services Limited	Group Company	Not applicable	Advance recovered	21
Interest income on financial assets				
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Preference shares	654
GVK Coal Developers (Singapore) Pte Limited	Associate	Till loan is paid	Preference shares	2,250

GVK Power & Infrastructure Limited

Advances and Investments (Including deemed) written off/Fair value loss including provision for impairment				
GVK Energy Limited	Subsidiary	One time	Impairment of non-current investments	4,900
GVK Transportation Private Limited	Subsidiary	One time	Impairment of non-current investments	4,951
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	One time	Impairment of non-current investments	414
GVK Coal Developers (Singapore) Pte Limited	Associate	One time	Impairment of non-current investments	77,535
Loan taken				
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan taken	579
Loan repaid				
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan repaid	444
Guarantees given				
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Guarantees given	131,500
Guarantees released				
GVK Airport Developers Limited	Subsidiary	Not applicable	Not applicable	20,175
GVK Jaipur Expressway Private Limited	Subsidiary	Not applicable	Not applicable	18,101
GVK Transport Private Limited	Subsidiary	Not applicable	Not applicable	18,159
Provision for doubtful debts				
GVK Coal Developers (Singapore) Pte Limited	Associate	Till loan is paid	Corporate Guarantees Commission	1,098
Equity/ preference shares allotted during the year				
GVK Coal Developers (Singapore) Pte Limited	Associate	Not applicable	Preference shares	4,313
Director sitting fees				
Mr. GV Sanjay Reddy	Director	Not applicable	Not applicable	1
Mr. Krishna R Bhupal	Director	Not applicable	Not applicable	1
Mr. S Balasubramanian	Director	Not applicable	Not applicable	1
Mr. Anil Kumar Reddy	Director	Not applicable	Not applicable	0
Ms. Sudha Vasanth	Director	Not applicable	Not applicable	1
Mr. S Anwar	Director	Not applicable	Not applicable	1
Mr. A. Rajashekar	Director	Not applicable	Not applicable	1
Mr.G.Krishna Murthy	Director	Not applicable	Not applicable	2

Report on Corporate Governance

In compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015 (Listing Regulations, 2015) the Company is providing below report on the matters as mentioned in the said Regulation and practices followed by the Company.

Philosophy of the Company on the code of governance

The Company aims at achieving transparency, accountability and equity in all facets of its operations, and in its interactions with stakeholders, including shareholders, employees, government, lenders and other constituents, while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

The Company believes that all its operations and actions must result in enhancement of the overall shareholders value in terms of maximizing shareholders' benefits, over a sustained period of time.

Board of Directors

Size and composition of the Board

The Board is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management. The total strength of the Board as on March 31, 2020 is 11 (Eleven) Directors comprising of Three Promoter Directors, Five Independent Directors and One Non-Independent Directors. Among the Directors, two are Executive (whole time) Directors and nine are Non-executive Directors as on March 31, 2020. The Board periodically evaluates the need for increasing or decreasing its size. All the Independent Directors on the Board fulfils the conditions specified in the Companies Act and the Rules made thereunder and the Listing Regulations and are independent of the Management. Following is the composition of our Board and their number of directorships in other companies as on March 31, 2020.

Name of the Director & DIN Number	Category	Number of Directorship in other Public Companies	Number of Committee positions held in other Public Companies *		Directorship in other listed entities as on March 31, 2020 (Category of Directorship)
			Member	Chairman	
Dr. GVK Reddy (00005212)	Non- Executive Chairman Promoter	5	-	-	Taj GVK Hotels & Resorts Limited (Non-Executive Chairman)
G V Sanjay Reddy (00005282)	Non- Executive Vice Chairman Promoter	6	2	-	---
P V Prasanna Reddy (01259482)	Executive	1	-	-	---
Krishna R Bhupal (00005442)	Non-Executive Promoter	6	1	-	Taj GVK Hotels & Resorts Limited (Promoter Director)
A Issac George (00005456)	Executive	6	4	-	---
Sudha Vasanth (07095995)	Non Independent	5	-	-	---
Ch G Krishna Murthy+ (01667614)	Non-Executive Independent	5	1	5	Taj GVK Hotels & Resorts Limited (Independent Director)
S Balasubramanian (02849971)	Non-Executive Independent	7	3	1	Independent Director in 1. Sanghi Industries Limited 2. Emami Paper Mills Limited 3. TTK Healthcare Limited 4. UCAL Fuel Systems Limited 5. Jaypee Infratech Limited
S Anwar (06454745)	Non-Executive Independent	1	1	-	Taj GVK Hotels & Resorts Limited (Independent Director)
A Rajasekhar (01235041)	Non-Executive Independent	1	-	-	Taj GVK Hotels & Resorts Limited (Independent Director)
Anil Kumar Reddy# (00017586)	Non-Executive Independent	1	-	-	Taj GVK Hotels & Resorts Limited (Independent Director)

Appointed effective from 01/12/2019, however as the Annual General Meeting of the Company couldn't be held before due date, Mr. Anil Kumar Reddy has automatically vacated the office on 31-12-2020 by operation of law. To ensure continuity of compliance with provisions of SEBI (LODR),2015 he had been appointed as Additional Director of the Company with effect from 01-01-2021 for a period of five years.

*includes membership of Audit Committees and Stakeholders Relationship Committees of other Public Limited Companies.

+ Ceased to be an Independent Director with effective from 01-06-2020

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Except Promoter Directors (viz. Dr. GVK Reddy, Mr. GV Sanjay Reddy and Mr. Krishna R Bhupal), none of the Directors are related to each other.

None of the directors is;

- a board member in more than ten public limited companies or eight listed companies.
- a member in more than ten committees; and
- acting as a chairman in more than five committees across all companies in which he is a director.

Certificate from Company Secretary in Practice

Mr. G Narender of Narender & Associates, Practicing Company Secretaries has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authorities. A certificate to that effect is enclosed to this report

Board Meetings held during the Year

The Board of Directors met four times during the year on May 24, 2019, August 12, 2019, November 14, 2019 and February 14, 2020. The maximum gap between the two meetings was less than four months.

Directors Attendance and Sitting fee paid

Given in the table below is the Board Meeting attendance record of the directors during the year 2019-20.

Name of the Director	No. of meetings held	No. of meetings attended	Sitting Fees Paid (Rs.)	Presence at last AGM
Dr. GVK Reddy	4	4	80,000	Yes
G V Sanjay Reddy	4	4	80,000	Yes
Krishna R Bhupal	4	4	80,000	Yes
A Issac George	4	4	-	Yes
P V Prasanna Reddy	4	4	-	Yes
Ch G Krishna Murthy**	4	4	80,000	Yes
S Anwar	4	4	80,000	Yes
S Balasubramanian	4	3	60,000	No
Sudha Vasanth @	4	3	60,000	No
A Rajasekhar	4	3	60,000	No
Anil Kumar Reddy*	4	1	20,000	Not Applicable

* Appointed effective from 01/12/2019.

** Ceased to be an Independent Director with effective from 01-06-2020

@ Resigned from the board with effective from 09-09-2020

No. of shares held by Non-Executive Directors

The details of Shareholdings of the Non-Executive Directors in the Company as at March 31, 2020 are as follows:

Name	No. of Shares
Dr. GVK Reddy	3,09,58,857
Mr. G V Sanjay Reddy	5,57,25,951
Mr. Krishna R Bhupal	3,71,50,630
Mr. CH G Krishna Murthy*	Nil
Mr. S Balasubramanian	Nil
Mr. S Anwar	Nil
Mr. A Rajasekhar	Nil
Mr. Anil Kumar Reddy	1

* Ceased to be an Independent Director with effective from 01-06-2020

Familiarization program to Independent Directors

The Company has adopted a program on familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of business and the industry in which the Company operates among other things. The same is put up on the website of the company at the link https://www.gvk.com/files/investorrelations/investors/corpgovernance/familiarisation_programme_for_independent_directors.pdf

In the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with Members of the Board:

Area	Skill / expertise / competencies	Experts in Board
Infrastructure Business	Understanding the business dynamics across geographical markets, industry verticals and concerned regulatory jurisdictions.	Dr. GVK Reddy Mr. G V Sanjay Reddy Mr. Krishna R Bhupal

Area	Skill / expertise / competencies	Experts in Board
Strategy and Planning	Long-term and strategic planning, business principles and experience in guiding and leading management teams to make decisions in uncertain environments.	Dr GVK Reddy Mr. G V Sanjay Reddy Mr. P V Prasanna Reddy Mr. A Issac George
Governance	Developing governance practices, serving the best interests of all the stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.	Mr. Ch G Krishna Murthy Mr. S Balasubramanian Mr. A Rajasekhar
Regulatory	Dealing with various regulatory authorities	Mr. G V Sanjay Reddy Mr. A Issac George Mr. S Balasubramanian Mr. S Anwar

Brief details of Directors seeking appointment and re-appointment at this Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India

Name of the Director	Krishna R Bhupal	Anil Kumar Reddy
DIN	00005442	00017586
Date of Birth & Age	16.03.1983 (38 Years)	05.10.1959 (62 Years)
Date of first appointment in the Board	14.10.2009	01.12.2009
Qualifications	Graduate from Villanova University, USA with double major in Finance & Accounting	ICSI, ICAI, Post Graduate in Business Administration
Expertise in specific functional Areas	<p>Director of GVK Power & Infrastructure Limited, a leading Indian conglomerate with interests across energy, resources, airports, transportation, hospitality and life-sciences sectors.</p> <p>He is on the Board of Directors of several key companies of the GVK group and has been instrumental in the refurbishment of the Chhatrapati Shivaji International Airport, Mumbai, is a Director on Board of TAJ GVK Hotels and Resorts Limited and is a member with GVK EMRI (Emergency Management and Research Institute). Mr. Bhupal is a member of a Global - Non-Profit Educational Organization for today's leading business owners, the Entrepreneurs' Organization (EO), and is the Learning Chair of the EO Hyderabad Chapter.</p> <p>His visionary leadership and commitment towards developmental projects has led him to become a member of Confederation of Indian Industry [CII] - Andhra Pradesh State Council and Convener of CII - AP State Energy Panel for Power Sector besides leading the Sub Committee as Co-Chairman for Power & Energy – Southern Region.</p> <p>Mr. Bhupal has graduated from Villanova University, USA with a double major in Finance and Accounting and was youngest to be conferred with the prestigious Fellowship by GITAM School of International Business, GITAM University, Visakhapatnam, India.</p>	<p>He joined Novopan Industries Limited, a listed company as Finance Manager & Company Secretary and rose to the position of Managing Director which he held from 2000 until he left Novopan in 2008. During that period he had also held the positions of Managing Director of GVK Capital and Finance Limited, Executive Director of Pinakini Share and Stock Brokers Limited, Director of Taj GVK Hotels & Resorts Limited (listed entity) and was also Chairman of its Audit Committee for more than 10 years till 2008.</p> <p>Currently, he is the Managing Director of NR Investments and Consultants Private Limited and Greenhouse Consultants Private Limited and also a director in LRN Securities Private Limited, Green Woods Palaces and Resorts Private Limited and TajGVK Hotels and Resorts Limited.</p>
Relationship with other Directors and other Key Managerial Personnel of the Company	Dr GVK Reddy Mr G V Sanjay Reddy	Not applicable
Nature of appointment (Appointment/reappointment)	Re-appointment	Appointment
Terms and Conditions of appointment/ reappointment	Re-appointment as Non-executive director of the Company	Regularisation as Independent Director of the Company
Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Sitting fees is being paid, the details are given in Corporate Governance Report	Sitting fees is being paid.
Shareholding in the Company	3,71,50,630 shares	1 share
The number of Meetings of the Board attended during the year	Four out of four	One out of four since appointed with effective from 01.12.2019

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Name of the Director	Krishna R Bhupal	Anil Kumar Reddy
List of Companies in which outside Directorship held as on 31.03.2020 (Companies registered in India)	Taj GVK Hotels & Resorts Limited GVK Energy Limited GVK Airport Developers Limited GVK Airport Holdings Limited Crescent EPC Projects and Technical services Limited Mumbai International Airport Limited	Taj GVK Hotels And Resorts Limited
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2020	Taj GVK Hotels & Resorts Limited Audit Committee - Member Nomination and Remuneration Committee - Member	Taj GVK Hotels & Resorts Limited Nomination and Remuneration Committee - Chairman Stakeholders Relationship Committee - Chairman Audit Committee - Member

Name of the Director	P V Prasanna Reddy	Ms. Rama Rao
DIN	01259482	03207492
Date of Birth & Age	16.01.1955 (66 Years)	14.03.1956 (65 Years)
Date of first appointment in the Board	11.11.2017	01.09.2020
Qualifications	B.Sc (Honours)	Bachelor's degree in Commerce
Expertise in specific functional Areas	Business management & General Administration	Business management & General Administration
Relationship with other Directors and other Key Managerial Personnel of the Company	Not applicable	Not applicable
Nature of appointment (Appointment/reappointment)	Re-appointment	Appointment
Terms and Conditions of appointment/ reappointment	Re-appointment as Whole-time Director of the Company	Regularisation as Independent Director of the Company
Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Nil	Sitting fees is being paid.
Shareholding in the Company	Nil	Nil
The number of Meetings of the Board attended during the year	Four out of four	None, since appointed with effect from 01.09.2020
List of Companies in which outside Directorship held as on 31.03.2020 (Companies registered in India)	GVK Power (Goindwal Sahib) Limited	Nil
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2020	Nil	Nil

* Includes Audit Committee (AC), Stakeholders Relationship Committee (SRC), Nomination & Remuneration Committee (NRC).

Audit Committee

The Audit Committee constituted by the Board comprised of only Non-Executive and Independent Directors. The committee met four times during the year on May 23, 2019, August 12, 2019, November 13, 2019 and February 13, 2020. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
Ch G Krishna Murthy **	Chairman	4	4
S Balasubramanian	Member	4	2
A Rajasekhar *	Member	4	3
Anil Kumar Reddy#	Member	1	1

* Became a Member of Audit Committee effective from 25.04.2019

** Ceased to be member of the Audit Committee effective from 01/06/2020

became a Member of Audit Committee effective from 01/12/2019

The terms of reference as stipulated by the Board to the Audit Committee include:

- Review of the Company's financial reporting process and disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and recommending payment for any other services.

- c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on
 - (i) Changes in accounting policies and practices
 - (ii) Major accounting entries involving estimates based on the exercise of judgment by the management
 - (iii) Qualifications in the draft audit report
 - (iv) Significant adjustments arising out of audit
 - (v) The going concern assumption
 - (vi) Compliance with accounting standards
 - (vii) Compliance with stock exchange and legal requirements concerning financial statements
 - (viii) Disclosure of any related party transactions
- d) Reviewing with the management, the external and internal auditors the adequacy of internal control systems.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Discussion with internal auditors of any significant findings and follow up there on.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with statutory auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee constituted by the Board comprised of majority of Non-Executive Independent Directors. The committee met two times during the year on April 22, 2019 and November 22, 2019. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
S Anwar	Chairman	2	2
Ch G Krishna Murthy *	Member	2	2
Krishna R Bhupal	Member	2	2

* Ceased to be member of the Nomination and Remuneration Committee effective from 01/06/2020

The terms of reference of Nomination & Remuneration Committee include:

The committee has been constituted to recommend/review the remuneration package of the Managing/Whole-Time Directors, Key Managerial Personnel and other senior executive's one level below the Board, apart from deciding other matters such as framing and implementation of stock option plans to employees, etc. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the performance evaluation of the Independent Directors was carried out by the entire Board.

Remuneration to Directors

Remuneration to Executive / Non-Executive Directors:

- a. The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive / Non-Executive Directors of the Company within the overall limits as permitted under the Act and approved by the shareholders.
- b. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.
- c. Except sitting fees, none of the directors are being paid any other form of remuneration.

Pecuniary transactions with Non-Executive Directors

There were no pecuniary transactions with any of the Non-Executive Directors except for Sitting Fees paid to them as Directors of the Company.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of following three Directors and the majority of whom are Non-Executive Independent Directors

- Ch G Krishna Murthy* - Chairman
- A Issac George - Member
- S Anwar - Member

* Ceased to be member of the Stakeholders Relationship Committee effective from 01/06/2020

The Stakeholders Relationship Committee reviews and redresses all the grievances periodically and meets as and when required. Details of complaints received / resolved during the financial year 2019-20.

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Nature of Complaint	Received	Resolved	Pending
For Non-receipt of			
- Dividend Warrant	6	6	0
- Annual Report	41	41	0
- Share Certificate	-	-	0
Total	47	47	0

Ethics & Compliance Committee

The Board has re-constituted the Ethics & Compliance Committee of the Company vide its circular resolution dated April 23, 2019 to best Corporate Governance Practices and the applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and amended regulations of SEBI (Prevention of Insider Trading Regulations), 2015. This Committee comprises of the following Non-Executive Independent Directors.

S Anwar # - Member

Ch G Krishna Murthy* - Member

A Rajasekhar# - Member

became a Members of the Committee effective from 25.04.2019

* Ceased to be member of the Ethics and Compliance Committee effective from 01/06/2020

The Company has a Code of Conduct for Prevention of Insider Trading as prescribed by the Securities and Exchange Board of India. The Committee monitors the implementation of the Code and takes on record the status reports detailing the dealings in securities by the Eligible Persons.

Mr. P V Rama Seshu, Vice President & Company Secretary of the Company has been designated as the Compliance Officer and also acts as the Secretary to all the above Committees.

Code of Conduct

The Board of Directors of the Company has laid a code of conduct for Directors and the senior management. The code of conduct is posted on the Company's website. All Directors and designated personnel in the senior management have affirmed compliance with the code for the year under review. A declaration to this effect duly signed by Dr. GVK Reddy, Chairman is annexed to this report.

Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the Company and from any of our employees. At meetings of the Board, it welcomes the presence of concerned employees who can provide additional insights into the items being discussed. The information regularly supplied to the Board includes:

- Annual operating plans and budgets, capital budgets and updates
- Periodic Financial Statements
- Minutes of meetings of audit, compensation and investor grievance committee of the Company along with board minutes of the subsidiary companies, General notices of interest
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary
- Materially important litigations, show cause, demand, prosecution and penalty
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any
- Any materially relevant default in financial obligations to and by us
- Details of any joint venture, acquisitions of companies or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant development on the human resources front
- Sale of material, nature of investments in subsidiaries and assets, which are not in the normal course of business
- Details of foreign exchange exposure and the steps taken by the management to limit risks of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non-compliance.

Annual General Meetings

Year	Date	Time	Venue
2016-17	27.09.2017	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073
2017-18	14.11.2018	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073
2018-19	25.09.2019	11.30 A.M	Sri Satya Sai Nigamagamam, Sri Nagar Colony, Hyderabad – 500 073

Special Resolutions passed during the previous three Annual General Meetings

Financial Year	Details of Special Resolutions Passed
2018-19	Re-Appointment of Dr. GVK Reddy Re-Appointment of Mr. CH G Krishna Murthy as Independent Director of the Company Re-Appointment of Mr. S Balasubramanian as Independent Director of the Company Re-Appointment of Mr. S Anwar as Independent Director of the Company Re-Appointment of Mr. A Issac George as Whole-time Director & Chief Financial Officer of the Company
2017-18	To raise funds up to an amount of Rs. 8000 Crore by combination of various options.
2016-17	Enhancement in existing over all limits under Section 186 of the Companies Act, 2013 from Rs.10,000 Crore to Rs.15,000 Crore so as to make investments/ give guarantees/provide securities in connection with the bidding/acquiring/ negotiating/implementing the existing/new projects being under taken/implemented by the company directly or through one or more subsidiaries/step down subsidiaries/associate companies/group companies.

Details of special resolution passed during the year through postal ballot

During the year under review, there is no special resolution passed through postal ballot.

Details of special resolution proposed to be conducted through postal ballot

At the ensuing Annual General Meeting, there is no Agenda item that requires approval of the shareholder through postal ballot.

E-voting

Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management & Administration) Rules, 2014 and Regulation 44 of Listing Regulations, 2015 also requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings and the same has been provided at this AGM held through VC/OAVM.

Means of Communication

The quarterly and annual financial results of the Company are generally published in National Newspapers i.e. The Economic Times, The Financial Express or Business Standard in English and Andhra Prabha or Surya a regional newspaper in vernacular language. The results of the company are displayed on company's website www.gvk.com

Related Party Transactions

There were no materially significant related party transactions, which had potential conflict with the interests of the Company at large. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are in repetitive in nature. The related party transactions entered into were in the ordinary course of business and at arm's length basis. A statement of related party transactions is placed before the Board on quarterly basis.

The Company has framed a Policy on Related Party transactions and the same is available on website of the Company at <https://www.gvk.com/files/investorrelations/investors/corpgovernance/RelatedPartyTransactionPolicy.pdf>

Whistle-blower policy / Vigil Mechanism

The Company has established a policy for all the employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism under the said policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that during the financial year 2019-20, no employee has been denied access to the audit committee.

Material Subsidiary Companies

The Minutes of the Meetings of Board of Directors of all the subsidiary companies were periodically placed before the Board of Directors of the Company. The Policy on Material Subsidiary is available on the website of the Company at https://www.gvk.com/files/investorrelations/investors/corpgovernance/policy_for_determining_material_subsidiaries_gvk_pil.pdf

Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follow.

Name of the Company / Subsidiary	Nature of service	Amount in Lakhs
GVK Power & Infrastructure Limited (GVK PIL)	Audit Fees	22.00

Name of the Company / Subsidiary	Nature of service	Amount in Lakhs
	Other Fees	3.00
Total (A)		25.00
Subsidiaries of GVK PIL	Audit Fees	19.00
	Other Fees	1.00
Total (B)		20.00
Total (A+B)		45.00

Entities in the network firm / network entity of which the statutory auditors is a part - NIL

Information Required under Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013

Your Company has a policy and framework for employees to report sexual harassment complaints at workplace and its process ensures complete anonymity and confidentiality of information. Ethics Committee will oversee the complaints, if any, which are address in compliance with this policy. During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Prevention of insider trading

The Company has adopted an insider trading policy to regulate, monitor and report trading by insiders under SEBI (Prevention of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The policy is available on our website at https://www.gvk.com/files/investorrelations/investors/corp_governance/gvkpilinsider_trading_policy.pdf

SEBI Complaints Redressal System (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

Strictures/Penalty

No stricture or penalty has been imposed on the Company by Stock exchange or SEBI or any statutory authority, nor has been any instance of non-compliance with any legal requirements, or any matters relating to the Capital market over the last three years.

Non-compliance of any requirements of corporate governance report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations, 2015

The Company has complied with the requirement of corporate governance report of sub-regulation (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

Adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Separate persons were appointed for the posts of Chairman and Whole-time Director and the Internal Auditors directly report to the Audit Committee.

Compliance with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015

Company has complied with all the relevant corporate governance requirements stipulated in the Listing Regulations.

General Shareholder Information

1.	Annual General Meeting	
	Day, Date and Time	Friday, 29th October, 2021 at 11:30 a.m..
	Venue	This being held through VC, registered office would be deemed venue.
2.	Book Closure Dates	Monday 25th October, 2021 to Friday 29th October, 2021 (both days inclusive)
3.	Listing of equity shares is at	The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 BSE Limited Floor 25, P J Towers, Dalal Street Fort, Mumbai – 400001 Annual Listing Fee has been paid for the year 2020-21 to both the above Stock Exchanges
4.	Stock Code	BSE: 532708, NSE: GVKPIL ISIN : INE251H01024
5.	Market Price Data: High, Low during each month in last Financial year / Performance in comparison to BSE Sensex and S&P CNX Nifty	Please see Annexure 'A'
6.	Registrar & Share Transfer Agents	KFin Technologies Private Limited (earlier known as earlier known as Karvy Fintech Private Limited) Unit: GVK Power & Infrastructure Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial Dt, Nanakramguda, Hyderabad - 500 032 Phone: 040 - 67161569, Fax : 040 - 23420814 E-mail: einward.ris@kfintech.com website: www.kfintech.com
7.	Share Transfer System	As per Regulation 40 of Listing Regulations, as amended, effective from April 1, 2019, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. In view of this, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Karvy, for assistance in this regard.
8.	Distribution of Shareholding and Shareholding pattern as on March 31, 2020	Please see Annexure 'B'
9.	Dematerialization of shares and Liquidity	99.86% of the shareholding has been dematerialized as on 31 March, 2020.
10.	Commodity price risk or foreign exchange risk and hedging activities	As the Company is not engaged in commodity business, commodity risk is not applicable.
11.	Credit Ratings for debt instruments	As Company has not raised funds through any debt instruments, hence credit ratings is not applicable.
12.	Address for Correspondence	GVK Power & Infrastructure Limited 'Paigah House', 156-159, Sardar Patel Road, Secunderabad – 500003 Phone No. 040-27902663 / 64, Fax: 040-27902665 Email: cs.gvcpil@gvk.com Website: www.gvk.com
13.	Query on the Annual Report (Shall reach 10 days before the AGM)	P V Rama Seshu, Vice President & Company Secretary-Compliance Officer GVK Power & Infrastructure Limited 156-159, 'Paigah House', Sardar Patel Road, Secunderabad - 500 003 E-mail : cs.gvcpil@gvk.com Phone: 040-27902663/64 Fax: 040-27902665
14.	Disclosure relating to demat suspense account / unclaimed suspense account	Not Applicable as there is no shares lying in the demat suspense account / unclaimed suspense account of the Company.

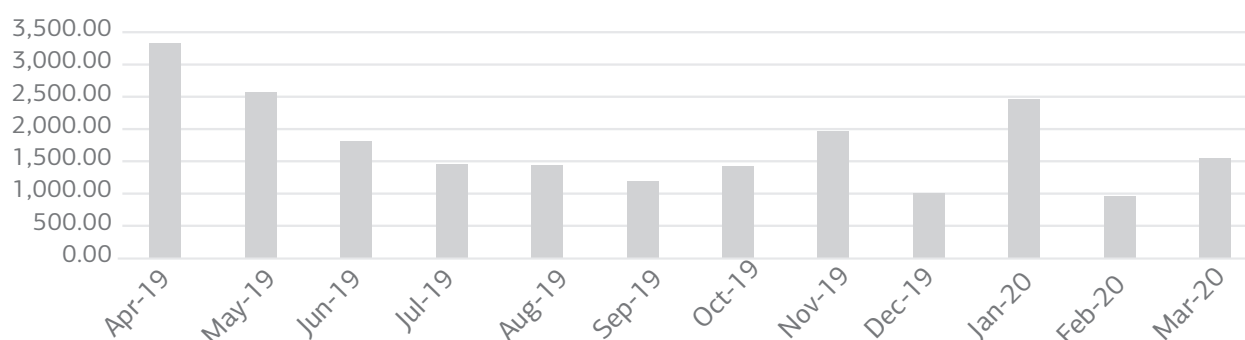
Changes in Share Capital

Date of Allotment	Number of Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	10	Nil
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	20	Nil
10/09/1996	8	10.00	Cash	Allotment to JOMC Mauritius	100	Nil
18/01/1997	20,990	10.00	Cash	Allotment to JOMC Mauritius	210,000	Nil
18/06/1997	14,000	10.00	Cash	Allotment to Triumph Investments Limited	350,000	Nil
27/08/2005	52,85,000	10.00	Other than Cash	Bonus issue in the ratio 151:1	53,200,000	Nil
14/10/2005	24,76,194	155.41	Cash	Preferential allotment to certain Promoters, Promoter Group Companies and others	77,961,940	360,063,369.54
14/10/2005	75,72,695	155.44	Cash	Preferential allotment to Transoceanic Projects Limited	153,688,890	1,461,436,130.34
21/02/2006	82,75,556	310.00	Cash	Initial Public Offering	236,444,450	3,944,102,930.34
14/05/2007	375,69,230	325.00	Cash	Qualified Institutional Placement (QIP)	612,136,750	15,778,410,380.34
17/10/2007	7,03,25,000	10.00	Other than Cash	Under the Scheme of Amalgamation	1,315,386,750	15,778,410,380.34
24/11/2007	90,46,215	10.00	Other than Cash	Under the Scheme of Arrangement	1,405,848,900*	15,778,410,380.34
09/07/2009	173,361,500	41.25	Cash	Qualified Institutional Placement (QIP)	1,579,210,400	22,756,210,755.34
Total	1,579,210,400					

* Effective from 15.02.2008 the face value of the share has been changed from Rs.10/- per share to Re.1/- per share.

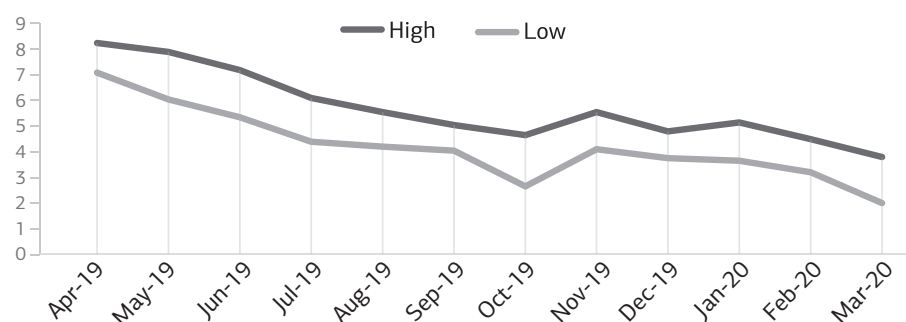
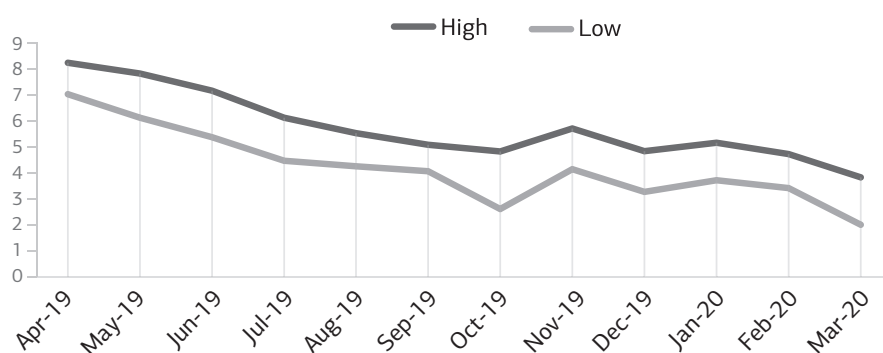
NSE MARKET Capitalization Chart

Rs in Crore



Monthly high, low and trading volume of equity shares of the Company during the financial year 2019-20

Month, Year	National Stock Exchange of India Limited (NSE)			Nifty		BSE Limited (BSE)			Sensex	
	High (Rs)	Low (Rs)	Volume (No)	High	Low	High (Rs)	Low (Rs)	Volume (No)	High	Low
April, 2019	8.25	7.1	4,40,58,432	11856.15	11549.1	8.2	7	65,36,732	39,487.45	38,460.25
May	7.9	6.05	3,72,19,817	12041.15	11108.3	7.78	6.09	59,91,356	40,124.96	36,956.10
June	7.2	5.35	2,93,87,328	12103.05	11625.1	7.13	5.35	59,30,427	40,312.07	38,870.96
July	6.1	4.4	2,68,68,739	11981.75	10999.4	6.1	4.45	57,09,260	40,032.41	37,128.26
August	5.55	4.2	3,09,07,791	11181.45	10637.15	5.51	4.24	47,04,257	37,807.55	36,102.35
September	5.05	4.05	2,70,03,246	11694.85	10670.25	5.06	4.05	42,49,940	39,441.12	35,987.80
October	4.65	2.65	4,15,18,104	11945	11090.15	4.81	2.6	96,34,778	40,392.22	37,415.83
November	5.55	4.1	4,10,68,905	12158.8	11802.65	5.68	4.13	1,36,86,798	41,163.79	40,014.23
December	4.8	3.75	2,38,76,816	12293.9	11832.3	4.82	3.26	43,05,003	41,809.96	40,135.37
January, 2020	5.15	3.65	5,73,64,311	12430.5	11929.6	5.14	3.7	82,17,798	42,273.87	40,476.55
February	4.5	3.2	2,39,97,527	12246.7	11175.05	4.7	3.4	49,47,422	41,709.30	38,219.97
March	3.8	2	5,91,32,853	11433	7511.1	3.81	2	72,98,032	39,083.17	25,638.90

Price Movement in NSE

Price Movement in BSE


GVK Power & Infrastructure Limited

Shareholding pattern as on March 31, 2020

Sl. No.	Description	No. of Shareholders	No. of Shares	% Equity
1	PROMOTER COMPANIES	1	73,28,93,902	46.41
2	RESIDENT INDIVIDUALS	2,52,299	54,20,53,668	34.32
3	PROMOTER DIRECTOR	3	12,38,35,438	7.84
4	FOREIGN PORTFOLIO - CORP	11	5,52,64,436	3.50
5	BODIES CORPORATES	2603	3,94,86,067	2.50
6	NON RESIDENT INDIANS	943	3,20,35,881	2.03
7	H U F	4236	1,49,57,897	0.95
8	NRI NON-REPATRIATION	1275	1,35,96,777	0.86
9	INSURANCE COMPANIES	1	81,82,011	0.52
10	STATE GOVERNMENTS	1	65,00,000	0.41
11	ALTERNATIVE INVESTMENT FUND	1	63,30,000	0.40
12	CLEARING MEMBERS	119	28,77,406	0.18
13	BANKS	4	5,52,694	0.04
14	NBFC	1	3,75,000	0.02
15	OVERSEAS CORPORATE BODIES	7	2,13,600	0.01
16	TRUSTS	9	41,153	0.00
17	DIRECTORS & RELATIVES	3	14,470	0.00
	Total	2,61,517	1,579,210,400	100.00

Annexure - B

Distribution by category as on March 31, 2020

Category	Number of Shares	% of holding
Promoters & Promoter Group	85,67,29,340	54.25
Foreign Institutional Investors, OCB, Foreign Nationals, NRIs	10,87,22,280	6.88
Banks, Mutual Fund, Clearing Members etc	1,81,12,111	1.15
Others	59,56,46,669	37.72
Total	157,92,10,400	100.00

Distribution Schedule as on March 31, 2020

Sl. No.	Category	Cases	% of Cases	No. of Shares	% of Holding
1	upto 1 - 5000	245,103	93.72	16,11,36,623	10.20
2	5001 - 10000	4,030	1.54	5,96,15,967	3.78
3	10001 - 20000	1,663	0.64	4,21,98,055	2.67
4	20001 - 30000	795	0.30	2,85,09,008	1.81
5	30001 - 40000	559	0.21	2,60,88,810	1.65
6	40001 - 50000	975	0.37	7,14,18,533	4.52
7	50001 - 100000	7,729	2.96	5,91,72,775	3.75
8	100001 & ABOVE	663	0.25	113,10,70,629	71.62
	Total	2,61,517	100.00	1,579,210,400	100

De-materialization of shares as on March 31, 2020

Sl. No.	Description	No of shareholders	No of shares	% of Shares
1	PHYSICAL	5040	21,58,069	0.13
2	NSDL	1,53,446	137,73,35,994	87.22
3	CDSL	1,03,031	19,97,16,337	12.65
	Total	2,61,517	157,92,10,400	100.00

As on March 31, 2020 over 99.87% of outstanding shares are held in de-mat form and the balance 0.13% in physical form. Trading in equity shares of the Company is permitted only in de-materialized form as per notification issued by the Securities and Exchange Board of India (SEBI). Shareholders interested in dematerializing / rematerializing their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.

Compliance with Regulation 26 & Part D of Schedule V of SEBI (LODR) Regulations, 2015

DECLARATION

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As stipulated under Regulation 26 & Part D of Schedule V of SEBI (LODR) Regulations, 2015, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended March 31, 2020.

For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : 24th August, 2021

Dr GVK Reddy
Non- Executive Chairman

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
GVK POWER & INFRASTRUCTURE LIMITED
Registered Office: Paigah House', 156-159 Sardar Patel Road,
Secunderabad TG 500003 IN.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GVK Power & Infrastructure Limited having CIN: L74999TG2005PLC059013 and having registered office at Paigah House, 156-159 Sardar Patel Road, Secunderabad, TG-500003IN.(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
01	VENKATA KRISHNA REDDY GUNUPATI	00005212	16/02/2005
02	VENKATA SANJAYREDDY GUNUPATI	00005282	16/02/2005
03	KRISHNA RAM BHUPAL	00005442	14/10/2009
04	ISSAC GEORGE ANICATTU	00005456	01/04/2008
05	VENKATAPRASANNA REDDY PALICHERLA	01259482	11/08/2017
06	GOPALA KRISHNA MURTHY CHODAVARAPU	01667614	13/02/2015
07	SUNDARAM BALASUBRAMANIAN	02849971	13/02/2015
08	ANWAR SOWDAGAR	06454745	13/08/2014
09	SUDHA VASANTH	07095995	25/04/2019
10	ANUMOLU RAJASEKHAR	01235041	25/04/2019
11	ANIL KUMAR REDDY NUKALAPATI	00017586	01/12/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Narender & Associates
G Narender
FCS-4898
CP:5024

Place : Hyderabad
Date : July 16, 2020

Whole-time Director and Chief Financial Officer Certification under Regulation 17(8) of SEBI (LODR) Regulations, 2015

To
The Board of Directors of
GVK Power & Infrastructure Limited

In relation to the Audited Financial Accounts of the Company as at March 31, 2020, we hereby certify that

- a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief.
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

P V Prasanna Reddy

Whole-time Director

A Issac George

Whole-time Director & CFO

Place : Hyderabad

Date : 24th August, 2021

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(As per Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
GVK Power & Infrastructure Limited

We have reviewed the compliance of conditions of Corporate Governance by GVK Power & Infrastructure Limited, for the year ended 31st March, 2020, as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Narender & Associates
Company Secretaries

G Narender, Proprietor

FCS-4898

CP:5024

Place : Hyderabad

Date : July 16, 2020

Management Discussion and Analysis

1. About the Company

GVK Power & Infrastructure Limited (the Company) is a listed entity and an ultimate holding company of “GVK” which operates in diversified business operations under different verticals. The Company operates predominantly in Energy, Airports, Transportation and has presence in other business like Resources, Urban infrastructures etc. It conducts and operates its business through 6 subsidiaries, 18 step down subsidiaries and one associate company (as on March 31, 2020). Revenues of the Company are derived primarily from the O&M fee, incentives for operating the business of subsidiaries /associate and secondly from the interest income earned out of managing the surplus funds through a better financial planning.

2. The Economy and Sectoral growth

The year 2020 witnessed unrivalled turmoil with the novel COVID-19 virus and the resultant pandemic emerging as the biggest threat to economic growth in a century. In 2019-20, the Indian economy grew by 4.2% against 6.1% expansion in 2018-19. In the final quarter of the year, that is, January-March, the growth rate of Gross Domestic Product (GDP) fell to 3.1%, reflecting the impact of the first week of the COVID-19 lockdown which began on March 25, 2020. Although this is the lowest growth rate in the last 44 quarters, it is still higher than the 2.2% growth predicted by most economists and ratings analysts. Agriculture and mining sectors picked up steam in the fourth quarter, growing at rates of 5.9% and 5.2% respectively, even while the manufacturing sector contracted further, recording a negative growth of 1.4%. Public administration, defence and other services grew at 10.1%. Although the budget estimate for GDP growth in 2019-2020 had been pegged at 8.5%, the NSO's previous estimates had pushed the projection down to 5%. On Friday, the NSO also revised downward its estimates for the first three quarters of the year, and pegged its provisional growth estimate for the whole year at 4.2%. The Indian economy grew at 6.1% in 2018-19.

Reforms undertaken during 2019-20 to boost investment, consumption and exports:

- Speeding up the insolvency resolution process under Insolvency and Bankruptcy Code (IBC).
- Easing of credit, particularly for the stressed real estate and NBFC sectors.
- The National Infrastructure Pipeline for the period FY 2020-2025 launched.

A) POWER

India is the world's third largest producer and third largest consumer of electricity. Renewable power plants, which also include large hydroelectric plants, constitute 36.8% of India's total installed capacity. During the fiscal year (FY) 2019-20, the gross electricity generated by utilities in India was 1,383.5 TWh and the total electricity generation (utilities and non-utilities) in the country was 1,598 TWh. The journey of power sector on growth trajectory has continued in the year 2019-20 with focus on reliable, economic and quality power to all. Central Electricity Authority (CEA), as one of the apex organizations in the country, has been carrying out statutory functions including planning, specifying technical regulations, facilitating timely completion of schemes and advising Central Government, State Governments, Electricity Regulatory Commissions as well as other stakeholders on technical matters to ensure sustainable power sector development. The per capita electricity consumption is low compared to most other countries despite India having a low electricity tariff.

The total capacity addition of conventional and renewable segments stood at 15,776 MW in 2019-20 when compared with 14,204 MW in 2018-19. For 2019-20, the conventional sector (including coal-fired and hydro categories) added a new capacity of 7,065 MW, up 25 per cent from 5,672 MW in 2018-19. In this, the coal-fired sector added a net capacity of 6,765 MW when compared with 5,532 MW in 2018-19. Hydro segment added 300 MW when compared with 140 MW in FY19, according to the data of CEA.

The renewable energy sector's total new capacity addition stood at 8,711 MW in 2019-20 when compared with 8,532 MW in 2018-19. But, in these periods, both conventional and clean energy segments failed to meet the capacity addition targets due to several challenges faced by the respective sectors. While renewable energy sector achieved only 74 per cent of the target (11,802 MW) for 2019-20, conventional segment's new addition in FY20 was only 58 per cent of the target (12,186 MW) for the fiscal.

Even though the Indian power sector continues to be dominated by conventional sources of energy (coal, diesel, gas, nuclear and large hydro), which accounts for nearly three-quarters of the country's installed power generation capacity, there has been a progressive shift towards renewable sources (wind, solar, bio and small hydro). In the last five years, the share of renewable energy (wind, solar, biopower and small hydro) in installed capacity has increased from 11.8 per cent (32 GW in March 2015) to 23.5 per cent (87 GW in March 2020). On the other hand, the share of thermal sources viz coal in installed capacity has been on the decline — from 61 per cent to 54 per cent — during this period, according to analysts at CARE ratings.

GVK Power & Infrastructure Limited

As of March 31, 2020, India's total installed capacity (includes thermal, nuclear, hydro and renewable) stood at 3,70,317 MW. In this, the coal-fired segment's share was 1,98,734.5 MW, while renewable energy sources accounted for 87,028 MW. Though the gap is wide, renewable is the second big segment after coal-fired category in total capacity.

While the western region leads in coal-fired power capacity at 72,935 MW, the southern region leads in renewable capacity at about 42,400 MW.

The power sector in the country has been affected by the prevailing slowdown in the Indian economy. The emerging economic disruption caused by the coronavirus pandemic would add to the weakness in the sector. As a result, India's power sector performance is expected to see a significant decline in 2020-21, pointed out CARE Ratings' analysts.

B) AIRPORTS

The COVID-19 pandemic had a massive impact on the Indian aviation sector in 2020. The sector has reported a major drop in passenger load, which has in turn impacted revenues as well. The domestic traffic has reduced from 5,85,30,038 during March-July 2019 to 1,20,84,952 during March-July 2020. The revenue of Indian carriers has reduced from Rs.25,517 crore during April-June 2019 to Rs.3,651 crore during April-June 2020. Divestment-headed Air India, which was already cash-strapped even before the start of the pandemic, also saw a total revenue decline from Rs.7,066 crore during April-June 2019 to Rs.1,531 crore during the comparable period this year. With a blow to passenger load, employment at airlines also reduced from 74,887 as on 31st March 2020 to 69,589 as on 31st July 2020. Decline was also reported in jobs at airports, ground handling and cargo operators.

When the pandemic started spreading across the country, all scheduled international flights and domestic passenger flights were suspended from March 23 and March 25, respectively. In 2019-20, approximately 205 million air passengers — 140 million domestic and 65 million international — travelled in India. CAPA India projected in October that the Indian aviation industry will lose a combined USD 6-6.5 billion in FY21, of which airlines will account for USD 4-4.5 billion. As a result, the government's plan to sell Air India has been hit. After its unsuccessful attempt to sell the national carrier in 2018, the government in January restarted the divestment process but the pandemic forced it to extend the date for submission of expression of interest (EOI) five times.

C. TRANSPORTATION

The National Highways have a total length of 1,32,500 km, which in totality serve as the arterial network of the country. The development of National Highways is the responsibility of the Government of India. The Government of India has launched major initiatives to upgrade and strengthen National Highways through various phases of the National Highways Development project (NHDP)

The year 2019-20 was a year for consolidating the gains that have accrued from major policy decisions taken in the previous five years, a time for monitoring of ongoing projects, tackling roadblocks and adding to the already impressive pace of work achieved last year. The Ministry took a decision to complete all ongoing projects that had been awarded upto 2015-16, and placed the highest ever target of construction of at least 11,000 kms of National Highways, while aspiring to upscale the construction of about 12,000 kms of National Highways as against 10,855 kms achieved during 2018- 19. Overall road projects exceeding 50,000 km in length, costing more than Rs. 5.80 lakh crore, are in progress out of which work in respect of projects of more than 33,500 km length has been completed and in balance length of more than 16,000 km works are in progress. National Highways of 6940 km length have been completed in the first nine months of FY 2019-20, as against 6703 km for the corresponding period during the last financial year. The Ministry has scaled new heights in expanding the Highway infrastructure throughout the country.

Several bridges like the Signature bridge at Dwarka, bridge over Ganga in Allahabad, state of the art tunnels like Silkyara in Uttarakhand have come up / are coming up to shorten distances in difficult terrains and make remote areas more easily accessible. World class expressways and Ring Roads are coming up to decongest high density traffic corridors. The Delhi-Meerut Expressway, Delhi-Vadodara Expressway, Vadodara-Mumbai Expressway and Bangalore-Chennai Expressway are some examples.

The Cabinet Committee on Economic Affairs approved the implementation of an umbrella programme for the National Highways – "Bharatmala Pariyojana Phase-I" in its meeting held on 24th October 2017, for construction/ up-gradation of National Highways of 34,800 kms length over a period of 5 years (2017-18 to 2021-22) at an estimated outlay of Rs.5,35,000 Crore. The programme focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International Connectivity roads, Coastal and Port Connectivity roads and Green-field expressways. Multi-modal integration is also built into this program. Special attention has been paid to fulfilling the connectivity needs of backward and tribal areas, areas of economic activity, places of religious and tourist interest, border areas, coastal areas and trade routes with neighbouring countries. Projects

with aggregate length of approximately 9674 kms (includes projects with length 347 kms which had been awarded and terminated) have already been awarded under Bharatmala Pariyojana (including residual NHDP Works) till Dec 2019, while projects with length 3555 kms are currently under bidding. Additionally, work on preparation of Detailed Project Reports for about 16,326 kms is under progress.

3. Assets under Operation

i) Energy

The two gas based projects i.e. 464 MW GVK Gautami Power Limited, 220 MW Phase II projects of GVK Industries Limited and one Hydel power project i.e. 330 MW Alaknanda Hydro Power Company Limited and one coal based project M/s GVK Power (Goindwal Sahib) Limited have recorded revenue of Rs. 1911.15 Crore for the year ended March 31, 2020 as against Rs.2256.32 Crore for the previous year.

GVK Industries Ltd

Currently plant is under shutdown and kept under preservation mode and plant is drawing power from the grid approx. @250kW needed for plant preservation activities. During the year GVK Industries Ltd reported a loss of Rs.118.36 crore for the financial year 2019-20 (PY loss of Rs.124.24 crore)

GVK Gautami Power Ltd

Currently plant is under shutdown and kept under preservation mode and plant is drawing power from the grid approx. @ 500 Kw needed for plant preservation activities. During the year GVK Gautami Power Ltd reported a loss of Rs.274.63 Crore for the financial year 2019-20 (PY loss of Rs.300.71 Crore)

Alaknanda Hydro Power Company Limited

The 330MW Shrinagar Hydro Electric Project achieved Normative Annual Plant Availability Factor (NAPAF) of 43.31% for the FY 2019-20 with a Plant Load Factor of 53.52 %. During the monsoon season, the Project operated all the four units at their full capacity. During other seasons, based on the water flows, the plant was operated with at least one turbine, either on part or full load. During the year under review, the company has generated revenues of Rs. 702 Crore with a negative profit of Rs. 179 Crore. The negative profit is mainly attributable to the increase in finance cost and other expenses which is in line with UPERC regulations

GVK Power (Goindwal Sahib) Limited

The 2X270 MW Coal based Power plant situated at Goindwal Sahib, Tarn Taran District in the State of Punjab is operating the plant from June 2017 with the special forward e-auction coal by Coal India Limited. The company could get allocation of 1.7 Million MT of coal from CCL and 6300 MT of coal from SCEL under SHAKTI scheme. The Fuel Supply Agreements under SHAKTI scheme are signed in February, 2018 and coal supply started to the plant.

ii) Airports

Mumbai International Airport Ltd (MIAL)

During the year MIAL handled 45.92 Mio (PY 48.80 mio) passengers, 304,675 ATMs (PY 321,263 ATMs) and 863,780 MT (PY 963,460 MT) of Cargo reflecting a decrease of 6.0 %, 5.2% and 10.3% respectively. The Company reported a loss after tax of Rs.119 Crore for the financial year 2019-20 (PY Profit after tax Rs. 96.10 Crore). MIAL recorded revenue of Rs.3552.70 Crore for the year ended March 31, 2020 as against that of Rs. 3847.44 Crore for the previous year, registering a decrease of 7.6%. EBIDTA margin dropped to 36.95% as compared to 38.67% in previous year.

Passengers have de-grown by 6% as Jet Airways ceased operations in April 2019. Jet Airways was the Hub carrier for CSMIA, accounting for around 30% of total operations. The void created by Jet Airways was filled within a span of 3 months for domestic, however, the International operations void is yet to be filled since it takes time to fill the gap as gestation time for International flights is much longer. The operations saw a decline in March 20 due to COVID-19, as air travel was restricted worldwide.

FY20 witnessed launch of operations by 4 Airlines (Air Tanzania – Dar Es Salaam, Virgin Atlantic – London Heathrow, Delta Airlines – JFK, Star Air - Belgaum). Existing Airlines like Etihad Airways, Indigo, SpiceJet and Vistara have also scaled up international flights. CSMIA witnessed revival in interest of our national carrier (Air India) in enhancing operations at Mumbai. Air India launched 7 new flights from Mumbai in FY 19-20. All Indian Flag carriers operating International flights scaled up International operations at CSMIA.

In its continuous journey towards excellence, in a short time-frame of 10 years, MIAL has won multiple awards and recognition for consistently delivering superior travel experience to passengers and during the year under review won the following prestigious awards and accolades:

- a. GVK CSMIA bagged the 'Outstanding Contribution to Supply Chain Management – Air Cargo' award at the 5th India Logistics and Supply Chain Awards

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- b. GVK's Jaya He Museum has bagged the prestigious 'Excellence in Customer Service' award by the Indian Express Group at the InfoComm India 2019 Summit
- c. GVK CSMIA has been awarded the National Tourism Award for 'Best Airport in India' by the Ministry of Tourism, Government of India
- d. GVK MIAL has been conferred the 'Excellent Energy Efficient Unit' award by Confederation of India Industry (CII)
- e. 'Jaya He Safari' was awarded the 'Golden Peacock Award 2019' under the Innovative product/Service category at the 29th World Congress on Leadership for Business Excellence & Innovation
- f. GVK CSMIA bagged the prestigious Gold - Green Airports Recognition 2019, themed "Green Airport Infrastructure", "over 45 million passengers per annum" category for outstanding environmental projects carried out at the airport.
- g. CSMIA Terminal 2 was recognized as the Outstanding Airport Project under the Infrastructure category at the 8th EPC World Awards, on February 7, 2019.
- h. First airport in India and third in Asia to achieve the 'IATA CEIV' certification for supporting the air transport industry to comply with pharmaceutical manufacturers' requirements.
- i. GVK CSMIA bagged the prestigious Silver - Green Airports Recognition 2020, themed "Water Management", "over 35 million passengers per annum" category for outstanding environmental projects carried out at the airport.
- j. CSMIA was recognized for the 'Best Airport Staff' in India and Central Asia 2020 by Skytrax
- k. CSMIA achieved Level 2 of ACI Airport Customer Experience Accreditation 2020
- l. CSMIA won STAT Times International Award for Excellence in Air Cargo under the category of 'Cargo Airport of the Year - India, Year2019'

As present situation is very dynamic and current economic environment is very fragile, Company is not in a position to exactly ascertain future impact of COVID-19 on its operations, business or profitability and will take cognizance of the same as clarity emerges.

iii)Transportation

GVK Jaipur Expressway Pvt Ltd

During the year, toll collections was Rs. 332.21 Crore (PY Rs. 342.75 Crore) registering a decrease of 3.07 %. The Company reported a profit after tax of Rs.83.24 Crore for the financial year (PY Rs.58.89 Crore). During the year under review, the company paid an amount of Rs. 19.85 Crore to NHAI as their revenue share (PY Rs.32.70 Crore) since the toll revenues are beyond the threshold limit as specified under the Concession Agreement. The average tollable traffic was 2141 vehicles per day during the current financial year. The average toll collection per day is Rs. 92.54 Lakhs during the year.

4. Assets under Development

Airports

Navi Mumbai International Airport (NMIAL)

The Company had executed Concession Agreement with City and Industrial Development Corporation of Maharashtra Limited (CIDCO / Authority) on 8th January 2018 for implementation of Navi Mumbai International Airport Project on Design, Build, Finance, Operate and Transfer basis (NMIA Project). As per Concession Agreement, Company and the Authority were required to fulfill / waive certain conditions before achieving Appointed Date and commencement of the Concession Period (Conditions Precedent). On fulfilment / waiver of respective Conditions Precedent, a Memorandum for Achievement of Appointed Date was signed on 7th July 2018 between the Company and Authority thereby confirming occurrence of Appointed Date on 7th July 2018. Consequently, Concession Period had begun from 7th July 2018.

The Company has requested the Authority to grant extension of Construction Period and Concession Period under the provisions of the Concession Agreement, due to delay in providing Right of Way of entire Site by the Authority which as per provisions of the Concession Agreement was to be given on or before 4th November 2018. While the Company was awaiting confirmation from the Authority for providing 100% Right of Way to the entire Site and grant of extension for Construction Period and Concession Period, in the meanwhile, Yes Bank Limited cancelled the sanctioned credit facilities to the Company. Subsequently, Company had received in-principle sanction from State Bank of India ("Bank") for sanctioning and underwriting entire debt requirement for Phase 1 and 2 of the Project. However due to occurrence of COVID-19, as mentioned below, the Company had requested the Bank that suitable changes in project parameters and assumptions need to be made due to changed aviation business scenario. The Bank has advised the Company to submit revised proposal/assumptions for participation in debt funding which is under preparation by the Company. The Company's ability to perform its obligations under the Concession Agreement has also got impacted due to COVID-19 and consequently it has invoked provisions related to Force Majeure and Unforeseen Events under the Concession Agreement and has sought remedies/reliefs required to mitigate the adverse effects of these events. The Company is in discussion, for this purpose, with CIDCO ('the Authority') to constitute conciliation/ arbitration tribunal in accordance with the provisions of the Concession Agreement.

5. Risks & Concerns

Energy

Since India entered lockdown in late March 2020, International Institute for Sustainable Development (IISD) energy program has been tracking, on a weekly basis, the impacts on different parts of the energy sector, demands for assistance from stakeholders, and responses from the government.

Amidst the lockdown, the power sector has, so far, been successful in ensuring continued supply to essential services and households. However, it has also faced some of its biggest challenges. Electricity distribution companies (DISCOMs)—who buy electricity from generators and sell it to consumers—were already struggling with finance and performance issues before COVID-19. Now, they sit in a vortex of major risks and losses that have occurred across the supply chain. In order to support economic recovery and to enable a sustainable energy transition, it is essential to stabilize the basic financial viability of the power sector. The central government has already intervened with a major stimulus package worth INR 90,000 crore (~USD 12.1 billion) and proposals to revise core electricity sector regulations.

On June 30, 2020, IISD and Council on Energy, Environment and Water (CEEW) convened 30 participants from India's energy think tank community to discuss these challenges in a closed-door roundtable. This commentary synthesizes highlights from IISD's tracking efforts and the roundtable discussion.

While India's policies so far have been geared toward creating investor confidence in the energy sector, there is a need to acknowledge that this is an extraordinary circumstance, warranting a reevaluation of risk apportionment for a temporary period (until the end of the pandemic). For example, investors in generation companies could be asked to take a cut on their return on equity, while banks could be asked to take a cut on the interest rate on loans, particularly if they are already the beneficiary of government efforts to relieve impacts in the banking sector. Regulations for cost-plus-based tariff determination from 2019 to 2024 fixed the return on equity rate at 15.5%. Reports suggest that authorities are examining the legality of reducing the fixed cost component of regulated projects, which could affect this return-on-equity component. Also, state-owned thermal power companies should have the capacity to take on more delays in payments from DISCOMs for power supplied.

The current crisis presents an opportunity for policy analysts to convene and lend a common voice to long-pending structural changes needed in the power sector. Without these, the sector will continue to struggle, even once the COVID-19 crisis is over, and will remain equally vulnerable to future shocks—ultimately undermining energy access, economic development, and a sustainable energy transition. IISD and CEEW's roundtable discussion aimed to contribute to this by bringing together a number of energy policy think tanks from the state and national levels in India. We hope that the tracking of impacts and the proposed policy interventions will be helpful not only for India but also for other countries whose utilities are struggling with the combined impacts of demand shock and legacy issues of financial unsustainability.

Airport

The financial impact of COVID-19 has been huge to the aviation industry. The International Air Transport Association (IATA) reported passenger demand in April at its lowest plunging by 94.3%² compared to April 2019. IATA initially stated⁴ that airline passenger revenues could drop by \$314 billion in 2020 due to COVID-19, a fall of 55% compared to 2019, however further analysis⁵ is now showing this could fall by as much as \$419 billion.

Regionally speaking, Asia Pacific has seen the largest net profit impact. However, Africa is seeing the highest decrease in passenger demand with expectations for this region to experience worsening effects in the coming months. The below table summarises IATA's forecasts⁶ for regional demand, capacity and effect on net profit for 2020.

Airline operators will require a well-orchestrated recovery plan supported by external agencies to safely regain operational tempo and replenish cash reserves.

The implementation of policies and practices required across many governments will take time to coordinate; however, there is considerable expertise and leadership that operators can use in support of 'opening the skies'. The resumption of international flights will require many consultations on solutions and risk management measures in responses to COVID-19. Despite varying national policies, global cooperation within aviation has remained strong. As government and industry restrictions on the aviation industry begin to ease, it is vital that the procedures set out by the appropriate industry bodies and authorities are adhered to consistently to control and manage risks such as the COVID-19 pandemic. In terms of the passenger journey, every element from the airports of departures and arrival, the flights themselves, and other supply chain operators need to ensure consistent effective risk management.

A large challenge for the industry will include the skilled employees needed to support operations. The pandemic resulted in global travel shutdown which left many forced to take leave and others without jobs. In the initial phases of the pandemic crisis, articles such as Financial Times 'Let's redeploy airline workers to help national health services'⁹ considered the skills

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of some aviation employees and how they could otherwise be utilised. The industry now needs to carefully support the return to work process with consideration to how and what aviation roles will look like in the future.

Airports need to adapt new safety and risk management measures in conjunction with operators. A joint publication with Airports Council International (ACI) and IATA was released 'Safely Restarting Aviation – ACI and IATA joint Approach' 12 . This developing from the previous publication from IATA "Restarting aviation following COVID-19" 13 . This considered medical evidence and multi-layered approaches to support the restart of operations.

Transportation

Transportation sector has been one of the primary victims of COVID-19. From rickshaw pullers to airlines, all have been affected economically by the pandemic. India's overall energy demand fell by 11% in March 2020. Due to lockdown in many countries, the demand for passenger transport has been adversely hit. The freight segment has had a mixed short-term effect in terms of transportation demand. There is a surge in demand for truck drivers in transportation of essential goods. For instance, there is 40% to 60% increase of product being moved into grocery stores and warehouses in US since COVID spread started. However, the supply chain disruption and slowdown caused by COVID is expected to pull down freight demand in the medium-term. Urban freight segments in India have also had a mixed short-term effect in terms of transportation demand.

6. GVK Power & Infrastructure Limited – Financial Performance Review

Standalone Financials

Revenue

Total income of company, which comprises of income in from operations, of power plant, Fees for technical services and other income increased to Rs. 10,187 Lakhs as compared to Rs10,031 lakhs of the previous year

Expenditure

The Company's total expenditure, comprising of Cost of Operation, Employee Benefit Expenses and other administrative expenses, increased to Rs. 90,931 Lakhs for the year ended March 31, 2020 from Rs.5,405 lakhs for the year ended March 31, 2019.

Interest

Interest expenses stood at Rs.1,320 Lakhs (previous year figure was Rs.1,248 lakhs)

Profit before tax (PBT)

Profit before tax for the year is Rs.(82,085) lakhs for the current year as compared to Profit of Rs.3,366 lakhs in the previous year.

Profit after tax

Net loss after tax is Rs.(82,815) lakhs for the year ended March 31, 2020 as compared to Net Profit of Rs.11,394 lakhs in the previous year.

EPS

The earnings per share at standalone level for the current year stands at Rs.(5.24) as compared to Rs. 0.72 per equity share of Re.1/- each in the previous year.

Consolidated Financials

The current year results include the results of the companies including subsidiaries, step down subsidiaries, joint ventures and associates. The Consolidated Financial Statements have been drawn as per the Indian Accounting Standards (Ind AS) IND-AS 110 on "Consolidated financial statements" and IND - AS 28 on "Investment in associate and joint venture" notified under Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended. These companies operate broadly in a) Power b) Road c) Airports and d) Other sectors.

Revenue

GVKPIL registered a consolidated total income from operations of Rs.384,687 Lakhs for the year ended March 31, 2020, as against Rs.4,09,817 Lakhs during the corresponding period of the previous year.

EBIDTA at a consolidated level for the year stood at Rs.65,554 Lakhs as against Rs.1,70,667 Lakhs in the previous year. EBIDTA margin at consolidated level decreased to 17.04% as compared to 42% in the previous year.

Profit after tax

Loss after tax and non-controlling interest attributable to equity holder of GVKPIL for the current year is Rs.(149,343) lakhs for 2019- 20 as compared to Rs.(36,349) lakhs in the previous year.

Earnings per Share (EPS)

The earnings per share at consolidated level for the current year stands at Rs.(9.46) as compared to Rs.(2.30) per equity share of Re.1/- each in the previous year.

Net Worth

The net worth as at the end of Financial Year 2019-20 stands at Rs.(269,727) lakhs as compared to Rs.(120,305) lakhs as at the end of the previous year.

During the period under review, there are no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Details regarding Conservation of Energy and Technology Absorption:

Information on conservation of Energy, Technology absorption and Research & Development, required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy:

(i)	the steps taken or impact on conservation of energy	Nil
(ii)	the steps taken by the company for utilizing alternate sources of energy	Nil
(iii)	the capital investment on energy conservation equipments	Nil

(B) Technology absorption:

(i)	the efforts made towards technology absorption	The Company has not absorbed any technology from any source.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	Nil
	(b) the year of import;	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	The expenditure incurred on Research and Development	Nil

7. Clean Development Mechanism

The Clean Development Mechanism (CDM) allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of Carbon-di-oxide (CO₂). These CERs can be traded and sold, and used by industrialized countries to a meet a part of their emission reduction targets under the Kyoto Protocol.

The mechanism stimulates sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction limitation targets.

Three of the group companies i.e. GVK Industries Ltd (Phase II), GVK Gautami power Ltd and Alaknanda Hydro Power Company Ltd were registered with UNFCCC and as such these projects are eligible for CER credits.

8. Internal Control System and Adequacy

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements.

The internal audit function team comprises of well-qualified, experienced professionals who conduct regular audits across the Company's operations. The internal audit reports are placed before the Audit committee for consideration. The management duly considers and takes appropriate action on the recommendations made by the statutory auditors, internal auditors and the independent Audit Committee of the Board of Directors.

9. Material developments in Human Resources/Industrial Relations front, including number of people employed

The total number of employees of GVK at the corporate office and projects sites as on March 31, 2020 stands at 2,129 approximately. Your company periodically reviews the requirement of these employees across various projects based on the need and necessity. The optimal utilization of the human resources with multi-tasking is what is being emphasized across the group.

10. Future Outlook

As you may be aware, all infrastructure companies across India are facing challenging times due to their financial exposure to Banks and Lending Institutions. Repayment of these loans have become a real task particularly when their revenue flows are which are either minimal or nothing due to delays or very long gestation periods. As a result, they are unable to make loan repayments and are branded as Non-Performing Assets (NPA) by their Lenders. The situation for some companies is very bad because even though their projects / plants are completed / ready for operations, they are unable to operate due to non-availability of natural gas / coal etc. Majority of these factors are not under the control of the management. GVK is no exception to this.

11. Cautionary Statement

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning applicable under the securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the company exercises no control, the company cannot guarantee their accuracy nor can it warrant that the same will be realized by the company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the electricity industry, changes in government regulations, tax regimes and other statutes.

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED 31-03-2021

As per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L74999TG2005PLC059013
- Name of the Company:** GVK Power & Infrastructure Limited
- Registered address:** "Paigah House", 156-159, Sardar Patel Road, Secunderabad 03
- Website: www.gvk.com
- E-mail id:** cs.gvkpil@gvk.com
- Financial Year reported:** 1st April, 2019 to 31st March, 2020
- Sector(s) that the Company is engaged in (industrial activity code-wise)

Sl. No.	Main Activity group code	Description of Main Activity group	Business Activity Code	Description of Business Activity	% of turnover of the company
1	D	Electricity, gas, steam and air condition supply	D1	Electric power generation, transmission and distribution.	-NA-
2	F	Construction	F2	Roads, railways, Utility projects	9%
3	H	Transport and storage	H5	Services incidental to land, water & air transportation	91%

- List three key products/services that the Company manufactures/provides (as in balance sheet) : Energy, Airport and transportation services
- Total number of locations where business activity is undertaken by the Company
 - Number of International Locations (Provide details of major 5)
- Markets served by the Company – Local/State/National/International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR)** 15,792 Lakhs
- Total Turnover (INR)** 2,320 Lakhs
- Total profit after taxes (INR)** (82,815) Lakhs
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) Not applicable, since the Company does not have the requisite average net profits relevant for contributing to the CSR activities during the year
- List of activities in which expenditure in 4 above has been incurred:-
 - Not applicable
 - Not applicable
 - Not applicable

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies? Yes
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)- No
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? - No If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR
 - Details of the Director/Director responsible for implementation of the BR policy/policies
 - DIN Number : 00005442
 - Name : Dr. GVK Reddy
 - Designation : Non-Executive Chairman
 - Details of the BR head

GVK Power & Infrastructure Limited

No.	Particulars	Details
1	DIN Number (if applicable)	01259482
2	Name	P V Prasanna Reddy
3	Designation	Whole-time Director
4	Telephone number	040 -27902663
5	e-mail id	pvpreddy@gvk.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ('NVGs') released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	#	#	#	#	#	#	#	#	#

Yes, the company carried out independent audit/ evaluation

If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions
1	The company has not understood the Principles
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles
3	The company does not have financial or manpower resources available for the task
4	It is planned to be done within next 6 months
5	It is planned to be done within the next 1 year
6	Any other reason (please specify)

4. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Company meets at frequent intervals as and when required and the CSR committee consists of following directors.

Mr. G V Sanjay Reddy - Chairman – Non-executive Promoter Director

Mr. S Anwar - Member -- Non-executive Independent Director

Ms. Rama Rao - Member -- Non-executive Independent Director (with effect from 01-01-2021)

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No. Financial Year 2019-20 is the first year of applicability of Business Responsibility Report. The Company is yet to publish any separate report in this regard.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No, It covers all the relevant persons.

2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the relevant financial year, the Company did not receive any complaint from any stakeholders.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

None

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): Not applicable

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

3. Does the company have procedures in place for sustainable sourcing (including transportation)? Not applicable

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Not applicable

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so. Not applicable

Principle 3

1. Please indicate the Total number of employees.

Permanent	Contractual	Total
As on 31st March, 20: 373	27 (Retainers), 1729 (outsourced)	2,129

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

Total hiring done in 2019-20: Nil

3. Please indicate the Number of permanent women employees: 6.

4. Please indicate the Number of permanent employees with disabilities

The declaration of disability is voluntary on the part of the employee. There are currently 0 employees who have declared having disabilities.

5. Do you have an employee association that is recognized by management: No.

6. What percentage of your permanent employees is members of this recognized employee association? Not applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced	Nil	Nil
2	Labour/involuntary labour Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

- (a) Permanent Employees
 - (b) Permanent Women Employees
 - (c) Casual/Temporary/Contractual Employees
 - (d) Employees with Disabilities
- } Not Applicable

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Not applicable

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. Not applicable

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. Not applicable

Principle 5

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others? Yes

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? Yes

Principle 6

Businesses should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others. Extends to them as well

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. No

3. Does the company identify and assess potential environmental risks? Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? Not applicable

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Yes. If yes, please give hyperlink for web page etc. Not applicable

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. Not applicable

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
The Company is the member of FTCCI – Federation of Telangana Chambers of Commerce and Industry and Confederation of Indian Industry (CII)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?
Not applicable

Principle 8

Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. No
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? No
3. Have you done any impact assessment of your initiative?
An impact assessment of the CSR programmes will be in place as and when needed
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the state & district where projects or programs were undertaken	Annual outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads (1) Direct expenditure on projects or programs (2)Overheads:	Cumulative Expenditure up to the reporting period	Amount spent Direct or through implementing agency
During the period under review, the Company does not have the requisite average net profits for making the mandatory contribution of funds to CSR activities.						

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so. Not applicable.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
As such there were no consumer cases filed during the financial year ended March 31, 2020.
2. Does the company display product information on the product label, over and above what is mandated as per local laws?
Not applicable
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
Not applicable
4. Did your company carry out any consumer survey/ consumer satisfaction trends?
No

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To,

To the Board of Directors of GVK POWER & INFRASTRUCTURE LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of GVK Power & Infrastructure Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and joint ventures (refer Note 48 to the consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash flow Statement for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and, except for the indeterminate effects of the matters referred to in Basis for Qualified Opinion paragraph below, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2020, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

3. We draw your attention to:
 - i. Note 59 to the consolidated financial statements regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the Group has investments and has receivables aggregating to Rs. 79,037 lakhs and to whom the holding company has provided guarantees and commitments for loans aggregating to Rs. 851,216 lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs. 2,345 lakhs) as at March 31, 2020 with respect to which there are multiple significant uncertainties including outlook on the sector including those arising from COVID, achieving of financial closure and clearances for the project and concluding an appropriate solution with various stakeholders including lenders etc. In this regard, while the company has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs. 78,634 lakhs, we are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments, collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company in favour of the lenders and the resultant impact on these consolidated financial statements.
 - ii. the following qualification to the audit opinion on the consolidated financial statements of GVK Energy Limited, a joint venture of the Holding Company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated June 23, 2020, as updated for subsequent clarification received which was included in the Memorandum of work performed of the independent auditor received vide e- mail dated March 25, 2021 is reproduced by us as under:
 - (i) "As discussed more fully in note * to the accompanying financial statements, the Hon'ble Supreme court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, the aforesaid subsidiary has submitted its claim for an amount Rs. 19,882 lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. The Company has given corporate guarantee for the loan taken by the subsidiary. Pending approval of the claim by the adjudicating authority, we are unable to comment on the recoverability of assets with carrying value of Rs. 19,882 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements."

Note * is included as Note 60(C) to the consolidated financial statements
 - (ii) "As discussed more fully in note # to the accompanying financial statements, regarding the uncertainties faced by the coal-based power plants of a subsidiary company towards the resolution plan with lenders and determination of final tariff. Pending resolution of these uncertainties/approvals, we are unable to comment upon the recoverability of assets with carrying value of Rs. 360,412 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements."

Note # is included as Note 60(b) to the consolidated financial statements. Also, this matter has subsequently been updated basis communication dated March 25, 2021 in the Memorandum of Work performed for the year ended March 31, 2020, received from the auditor of GVK Energy Limited in relation to Coal based power plant, as reproduced below for reference:

GVK Power & Infrastructure Limited

In respect of GVK Industries Limited and GVK Gautami Power Limited, the company has completely written off the investment value due to continued uncertainties faced by the gas based power plants towards supply/availability of gas, recovery of capacity charged and approval of the onetime settlement proposal with lenders.

The consolidated financial statements of GVK Energy Limited consists of Property, Plant and Equipment of GVK Industries Limited of Rs. 47,403 Lakhs and non-current assets of GVK Gautami Power Limited to the extent of Rs. 98,885 Lakhs (%).

The consolidated financial statements of GVK Energy Limited also consists of Property, Plant and Equipment and other intangible assets of Rs. 360,412 Lakhs of GVK Power (Goindwal Sahib) Limited, a Coal based power plant.

The group auditor may accordingly consider the above facts for reporting on the recoverability of these assets in the report.”

Note % is included as Note 60(a) to the consolidated financial statements

In light of the above, we are unable to comment on the extent of eventual recoverability of the investment in and loans to GVK Energy Limited aggregating to Rs. 28,600 lakhs as disclosed under “loans” after recording Groups share of losses and the provisions, if any, required for the corporate guarantee given to the joint venture amounting to Rs. 4,500 lakhs. The impact of this matter on the consolidated financial statements is presently not ascertainable.

- iii. The following qualification to the audit opinion on the standalone financial statements of GVK Bagodara Vasad Expressway Private Limited, a step-down subsidiary of the holding company issued by an independent firm of Chartered Accountants vide its report dated June 25, 2020, reproduced by us as under:

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

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

Balances of borrowings (including interest accrued thereon) from lender amounting to Rs. 69,681 lakhs as at March 31, 2020 as per books of accounts are unconfirmed. In absence of such confirmations, we are unable to comment on the appropriateness of carrying amount of borrowing (along with interest accrued thereon) as presented in the Balance Sheet.”

Note # is included as note 20 to the consolidated financial statements. Also refer note 61(a) to the consolidated financial statements.

- iv. (a) Note 68 (a) to the consolidated financial statements regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds etc, pending completion of which and non-provision of certain related information sought from the holding company including complete copy of the Enforcement Directorate complaint, we are unable to comment on the effect thereof on the consolidated financial results including prior year comparatives considering allegations over GVK Group.

- (b) We draw your attention to the following qualification in the audit report on the consolidated financial statements of Mumbai International Airport Limited, a step down subsidiary of the Holding Company issued jointly by two independent firm of Chartered Accountants vide their report dated December 31, 2020 reproduced by us as under:

As more fully described in note * of the Consolidated Ind AS financial statements, pending completion of the investigation by various authorities on the Holding Company, we are unable to comment on the effect thereof on these accompanying consolidated financial statements including prior period comparatives”.

Note * is considered appropriately as Note 68(b) to the consolidated financial statements.

- (c) We draw your attention to the following qualification in the audit report on the standalone financial statements of GVK Airport Holdings Limited, a step down wholly owned subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated March 31, 2021 reproduced by us as under:

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

Note * is considered appropriately as note 68(c) to the consolidated financial statements.

- v. (a) Note 69(a) to the consolidated financial statements regarding (a) non holding of the Annual General Meeting (AGM), in respect of financial year ended March 31, 2020 within the time limit specified under Section 96(1) of the Act, consequent non laying of the financial statements in the AGM as prescribed under Section 129(2) and Section 137 of the Act, (b) non filing of the audited financial statements for the financial year ended March 31, 2020 and subsequent quarters, with the Bombay Stock Exchange and National Stock Exchange of India Limited within the time limit as specified under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and (c) non-compliance with section 44AB of the Income-tax Act, 1961 for non-filing of tax audit reports in form 3CA-3CD with Income Tax Authorities, within the stipulated time period, for the year ended March 31, 2020. We are unable to comment on the impact of these non-compliances on the consolidated financial statements.
- (b) Note 69(b) to the consolidated financial statements regarding non holding of the Annual General Meeting (AGM) by GVK Airport Developers Limited (GVKADL), a subsidiary, in respect of financial year ended March 31, 2020 within the time limit specified under Section 96(1) of the Act and consequent non laying of the financial statements by GVKADL in the AGM as prescribed under Section 129(2) and Section 137 of the Act. The consequential impact of the aforesaid non-compliance on the consolidated financial statements is presently not ascertainable.
4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 17 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. (a) We draw attention to note 70 to the consolidated financial statements, which indicates that the Group, its associate and joint ventures incurred losses of Rs. 154,551 lakhs and has significant accumulated losses as at year ended March 31, 2020, has defaulted in repayment of loan and interest payments and material uncertainties, including those arising due to COVID19, are faced by various projects being executed by the Group, its associate and joint ventures, provided guarantees/ commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.
- (b) We draw your attention to the following Material Uncertainty Related to Going Concern paragraph included in the audit report of the consolidated financial statements of Mumbai International Airport Limited, a step down subsidiary of the Holding Company issued jointly by two independent firm of Chartered Accountants vide their report dated December 31, 2020 reproduced by us as under:

"We draw attention to Note * to the consolidated Ind AS financial statements which describes the effect of Covid 19 pandemic on the Group's operations. As at March 31, 2020, the Group's current liabilities exceed current assets by Rs. 139,399 lakhs. These conditions along with other matters set forth in Note * indicate the existence of a material uncertainty that may cast significant doubt on the Holding Company's ability to meet its debt obligations and the ability of the subsidiary, Navi Mumbai International Airport Limited to meet its financial and operational obligations under its concession agreement and thereby continue as a going concern. Management is confident that in light of the proposed change in the ownership structure of the Holding Company as per the terms of the binding arrangements entered into between GVK Airport Developers Limited (GVKADL) and Adani Airport Holdings Limited (AAHL), the restructuring proposal submitted by the proposed new management to the lenders of the Holding Company and the plans of the new management to provide financial and operational support to the subsidiary, the going concern assessment is appropriate for the preparation of the financial statements. Our opinion is not qualified in respect of this matter.

The above matter to the extent relating to the impact of the pandemic on the subsidiary's financial statements has also been reported as an emphasis of matter in the audit report dated July 01, 2020 issued by the other firm of Chartered Accountants on the standalone financial statements of the subsidiary for the year ended March 31, 2020."

Note * is included as Note 64(a) to the consolidated financial statements

- (c) We draw your attention to the following Material Uncertainty Related to Going Concern paragraph included in the audit report of the standalone financial statements of GVK Airport Holdings Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated March 31, 2021 reproduced by us as under:

GVK Power & Infrastructure Limited

"We draw attention to Note * to the standalone Ind AS financial statements which describes the effect of Covid 19 pandemic on the operations of Mumbai International Airport Limited (MIAL), the subsidiary of the company and Navi Mumbai International Airport Limited (NMIAL), the subsidiary of MIAL. These conditions alongwith other matters set forth in Note * indicate the existence of a material uncertainty that may cast significant doubt on the ability of MIAL to meet its debt obligations and the ability of NMIAL to meet its financial and operational obligations under its concession agreement and thereby continue as a going concern and resulting impact on the going concern status of the Company. The management is confident that in light of the recent change in the ownership structure of MIAL and the proposed changes in the ownership structure as per the terms of the binding arrangements entered into between the Company, Adani Airport Holdings Limited (AAHL) and certain other group companies of the Company and AAHL, the restructuring proposal submitted by the proposed new management to the lenders of MIAL and the plans of the new management to provide financial and operational support to NMIAL, the going concern assessment is appropriate for the preparation of the financial statements.

The above matter relating to the impact of the pandemic on MIAL's and NMIAL's financial statements has also been reported as an emphasis of matter in the audit report dated December 31, 2020 and July 01, 2020, issued by the other firm of Chartered Accountants on their respective financial statements for the year ended March 31, 2020. Our opinion is not qualified in respect of this matter".

Note * is included as Note 64(a) to the consolidated financial statements.

- (d) We draw your attention to the following Material Uncertainty Related to Going Concern paragraph included in the audit report of the consolidated financial statements of GVK Energy Limited, a Joint venture of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated June 23, 2020 reproduced by us as under:

"We draw attention to note * of the consolidated financial statements which states that regarding losses incurred by the Company, defaults in loan, interest payments and uncertainties faced by various projects in which the Company has made investments and provided guarantees. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated Ind AS financial statements have been prepared on a going concern basis for the reasons stated in the said note. Our opinion is not modified in respect of this matter".

Note * as described above is reproduced as note 71 to the consolidated financial statements.

Our opinion is not modified in respect of above matters.

Emphasis of Matter

6. We draw your attention to the following matters:

- A. Note 67 to the Consolidated financial statements regarding proposed sale by the Company of its interest in Mumbai International Airport Limited (MIAL) by sale of securities held by the Company in GVK Airport Developers Limited (GVKADL), a wholly owned subsidiary under a binding co-operation agreement dated August 31, 2020 and other related transaction documents, basis which no adjustment was considered necessary to be made to the carrying value of Goodwill arising on acquisition of MIAL and the assets of GVKADL along with its subsidiaries.
- B. Emphasis of Matters paragraphs included in the audit reports of the financial statements of GVK Ratle Hydro Electric Project Private Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Deoli Kota Expressway Private Limited, the step down subsidiaries of the Holding Company issued by independent firms of Chartered Accountants vide their reports dated June 23, 2020, June 25, 2020 and June 25, 2020 respectively, reproduced by us as under:
- i. "We draw your attention to Note * to the Ind AS financial statements, regarding termination of agreement, arbitration proceedings and other matters as explained in the aforesaid note in respect of this Hydro power project being executed by the Company. The ultimate outcome of this matter for assets having carrying value of Rs. 107,298 lakhs and also claim raised by Power Development Department, Government of Jammu & Kashmir of Rs. 518,963 lakhs cannot be presently determined pending arbitration proceedings and other uncertainties. Our opinion is not qualified in respect of the aforesaid matter."

Note * as described above is reproduced as note 62(a) to the consolidated financial statements.

- ii. "We draw attention to Note # in the financial statements. The company had taken term loans from consortium of banks & a financial institution. Company borrowings continues to be classified as non-performing assets by the lenders due to defaults in payment of related dues. Lenders have recalled the entire facilities extended to the company in the earlier financial year. Our audit opinion is not modified in respect of this matter."

Note # as described above is reproduced as note 23(4) to the consolidated financial statements.

iii. "Note XX to the Ind AS financial statements, which states that the Company has defaulted in repayment of principal amount and payment of interest on such term loans taken from consortium of banks & financial institution. As a result, the lenders have classified the term loans as Non-Performing Asset and have recalled the entire facilities extended to the Company and outstanding as on March 31, 2020. As a result of that, the term loans have become repayable on demand and as lenders have classified Company's borrowings facility as NPA, Company has not received borrowings statements and confirmation of borrowing balances from lenders and not made available to us. Our opinion is not modified in respect of this matter."

Note XX as described above is reproduced as note 23(6) to the consolidated financial statements.

- C. We draw your attention to note 66 to the consolidated financial statements, regarding foreign currency trade receivables amounting to Rs. 1,615 lakhs, which remaining outstanding for a period exceeding three years and the same is not in compliance with Master Directions 16/2015-16 dated January 01, 2016. The Company has filed an application with the Authorised Dealer/ Reserve Bank of India seeking approval for write off of these receivables.
- D. We draw attention to the following Emphasis of Matters included in the audit opinion on the Consolidated financial statements of GVK Energy Limited, a joint venture of the Holding Company issued by an independent firm of Chartered Accountants (independent auditor) vide its report dated June 23, 2020, is reproduced by us as under:
- i. "Regarding outstanding fixed charge component of the tariff on the increased capital cost for the years 1997-98 to 2000-01 aggregating to Rs. 4,512 lakhs considered recoverable from AP Transco in GVK Industries Limited, a subsidiary company and regarding outstanding minimum alternate tax amounts, claims for reimbursement, disincentives recoverable and other receivable aggregating to Rs. 2,031 lakhs, Rs. 2,878 lakhs and Rs. 76 lakhs respectively considered recoverable from AP Transco and consequential impact on taxes in GVK Industries Limited and GVK Gautami Power Limited's books, a subsidiary company, and a joint venture respectively.
- ii. We draw attention to note # to the financial statements which states that the management has made an assessment of the impact of Covid 19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of the above matters."

Refer note 60(d). Also, note # as described above has been considered in note 65 to the consolidated financial statements.

- E. We draw your attention to the following matter relating to Going Concern which has been included as an Emphasis of matter paragraph in the audit report on the standalone financial statements of GVK Bagodara Vasad Expressway Private Limited, a step down subsidiary of the holding company issued by an independent firm of Chartered Accountants vide its report dated June 25, 2020, reproduced by us as under:

"Note * which states that since the project undertaken by the Company had been terminated, "Going concern assumption" is not appropriate, hence financial statements have been drawn accordingly."

Note * as described above is reproduced as note 61 to the consolidated financial statements.

- F. We draw your attention to the following matter relating to Going Concern which has been included as an Emphasis of matter paragraph in the audit report on the standalone financial statements of GVK Deoli Kota Expressway Private Limited, a step down subsidiary of the holding company issued by an independent firm of Chartered Accountants vide its report dated June 25, 2020, reproduced by us as under:

"We draw your attention to Note @ to the statement, which explains the reason for preparation of these financial statements on realisation basis assuming the company is no longer a going concern. The company has recorded receivable from NHAI of Rs. 88,163 lakhs after setting off toll assets and other related future liabilities, which is subject to decision and process of arbitration between Company and NHAI."

Note @ as described above is reproduced as note 63 to the consolidated financial statements.

Our opinion is not modified in respect of above matters.

Key Audit Matters

7. Except for the matters described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the consolidated financial statements and our and other auditor's report thereon. The Directors report is expected to be made available to us after the date of this auditor's report.

GVK Power & Infrastructure Limited

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

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

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management.
 - Conclude on the appropriateness of management'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 associate and joint ventures to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. 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.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. We did not audit the financial statements of 16 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 2,602,944 lakhs and net assets of Rs. 581,382 lakhs as at March 31, 2020, total revenues of Rs. 389,608 lakhs, total net (loss) after tax of Rs. (42,109) lakhs, and total comprehensive income/ loss of Rs. (42,129) lakhs for the year ended March 31, 2020, and cash out flows (net) of Rs. 12,505 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss after tax of Rs. 1,973 lakhs and total comprehensive income/ loss of Rs. 1,980 lakhs for the year ended March 31, 2020 respectively, as considered in the consolidated financial statements, in respect of 10 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.
18. The financial information of 1 associate company whose Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. Nil is included in the consolidated financial statement, is unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a. We have sought and except for matters referred in Basis for Qualification Paragraph above obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid

GVK Power & Infrastructure Limited

consolidated financial statements.

- b. In our opinion, except for the indeterminate effects of the matters referred to in Basis for Qualified opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - d. Except for the indeterminate effects of the matters referred to in Basis for Qualified opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. The matters described in the Basis for Qualified opinion paragraph, Material Uncertainty Related to Going Concern and Emphasis of Matter paragraphs above, in our opinion, may have an adverse effect on the functioning of the group.
 - f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. The qualification relating to the maintenance of accounts and other matters connected therewith are stated in the Basis of Qualified Opinion as referred to in paragraph 19(b) above.
 - h. With respect to the adequacy of internal financial controls over financial reporting of the Group and its joint ventures and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate and joint ventures– Refer Note 45 to the consolidated financial statements.
 - ii. The Group, its associate and joint ventures did not have any material foreseeable losses on long-term contracts as at March 31, 2020. The Group, its associate and joint ventures did not have any derivative contracts as at March 31, 2020.
 - iii. During the year ended March 31, 2020, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint ventures incorporated in India.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.
20. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company, however, the Company has neither paid remuneration to any managerial personnel nor is contractually required to make any provision in this regard. Further in respect of Mumbai International Airport Limited, the step down subsidiary, the following paragraph was included in the audit report of the consolidated financial statements issued jointly by two firms of independent Chartered Accountants vide their report dated December 31, 2020 reproduced by us as under:

"In our opinion, and to the best of our information and according to the explanations given to us, with respect to Holding Company, we report that remuneration of the Managing Director and the Executive Chairman of the Board for the year ended March 31, 2020 was in excess of the limits specified under Section 197 of the Act, read with Schedule V thereto, by Rs. 1,348 lakhs as at such date, though the requisite approval from shareholders has been obtained by the management subsequent to the year end. Further, there may be an impact on the remuneration limits due to the possible effects of the matters described in the Basis for Qualified Opinion paragraph."

The Basis for Qualified Opinion paragraph referred to above has been reproduced in Paragraph 3(iv)(b) above.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

N.K. Varadarajan
Partner
Membership Number: 90196
UDIN: 21090196AAAABU7769

Place: Hyderabad
Date: August 24, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 19(h) of the Independent Auditors' Report of even date to the members of GVK Power & Infrastructure Limited on the consolidated financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of GVK Power & Infrastructure Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate company, and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate company and joint ventures, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

8. According to the information and explanations given to us and based on our audit and subject to the Basis for Qualified Opinion paragraphs in our main report, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements as at March 31, 2020:

- I. The Holding Company's internal financial controls for determining whether adjustments are required to the carrying value of investments, receivables and whether any liability to be recognised for the financial assistance, corporate guarantees and commitments given to an associate and joint venture of the Holding Company were not operating effectively, which could potentially result in non-recognition of provision with regard to the aforesaid financial statement line items (Refer paragraphs 3(i) and (ii) of our main audit report).

- II. (a) The Holding Company's internal financial controls in respect of compliance with laws and regulations, including with respect of the following:

- i. the Holding Company did not hold its Annual General Meeting (AGM) within the stipulated time prescribed and consequently, financial statements of the Company could not be laid before the shareholders within the stipulated time resulting in non-compliance with the provisions of Sections 96(1) and 129(2) of the Act, and defaults have been made by the Company in making necessary filings with the Registrar of Companies as required under the provisions of section 92(4) and 137(1) within the stipulated timelines.

- ii. non filing of the audited financial results for the year ended March 31, 2020 and financial results for the subsequent quarters with the Bombay Stock Exchange and National Stock Exchange of India Limited within the time limits as specified under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and

- iii. non-compliance with section 44AB of the Income-tax Act, 1961 for non-filing of tax audit report in form 3CA-3CD with Income Tax Authorities, within the stipulated time period, for the year ended March 31, 2020.

(Refer paragraph 3(v)(a) of our main audit report).

- (b) The subsidiary of the Company, GVK Airport Developers Limited (GVKADL) did not hold Annual General Meeting (AGM) within the stipulated time prescribed and consequently, financial statements of GVKADL could not be laid before the shareholders within the stipulated time resulting in non-compliance with the provisions of Section 96(1) and 129(2) of the Act, and defaults have been made by GVKADL in making necessary filings with the Registrar of Companies as required under the provisions of Section 92(4) and 137(1) of the Act within the stipulated timelines.

Refer paragraph 3(v)(b) of our main audit report.

These could potentially result in non-compliance with laws and regulations.

- III. (a) Pending conclusion of the investigation (Refer paragraph 3(iv)(a) of our main audit report), we are unable to comment on the impact that may arise on conclusion of such investigation on the internal financial controls system of the Group and its operating effectiveness.

- (b) We draw your attention to the following qualification to the audit opinion on internal financial control over financial statements of the consolidated financial statements of Mumbai International Airport Limited, a step-down subsidiary of the Holding Company issued jointly by two independent firms of Chartered Accountants vide their report dated December 31, 2020 reproduced by us as under:

"According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls over financial reporting with reference to these consolidated financial statements in case of its subsidiary, and joint ventures, which are companies incorporated in India, pending the conclusion of the investigation of various matters as detailed in Note * of the consolidated financial statements which has resulted in a qualification as stated in Basis for Qualified Opinion paragraph, we are unable to comment on the impact that may arise on conclusion of such investigation, over the adequacy of the Group's internal financial controls and the operating effectiveness of such controls for the year ended March 31, 2020"

Note * is included as Note 68(b) to the consolidated financial statements.

- (c) We draw your attention to the following qualification to the audit opinion on internal financial control over financial statements of the standalone financial statements of GVK Airport Holdings Limited, a step down subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated March 31, 2021 reproduced by us as under:

“According to the information and explanations given to us and based on our audit, pending the conclusion of the investigation of various matters as detailed in Note * of the standalone financial statements which has resulted in a qualification as stated in under the Basis for Qualified Opinion paragraph, we are unable to comment on the impact that may arise on conclusion of such investigation, over the adequacy of the Company’s internal financial controls and the operating effectiveness of such controls for the year ended March 31, 2020”.

Note * is included as Note 68(c) to the consolidated financial statements.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

9. In our opinion, the Holding Company, its subsidiary companies and joint ventures, which are companies incorporated in India, have in all material respects, maintained adequate internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Group and its joint ventures considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI, and except for the possible effects of the material weaknesses described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Holding Company’s, its subsidiary companies and joint ventures internal financial controls with reference to financial statements were operating effectively as of March 31, 2020.
10. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group and its joint ventures for the year ended March 31, 2020, and these material weaknesses has affected our opinion on the financial statements of the Group and we have issued a qualified opinion on the financial statements for the year ended on that date. (Also refer Basis for Qualified Opinion of the main audit report).

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

N.K. Varadarajan
Partner
Membership Number: 90196
UDIN: 21090196AAAABU7769

Place: Hyderabad
Date: August 24, 2021

Consolidated Balance Sheet

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

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	1,002,518	1,043,215
Capital work in progress	4	354,745	255,297
Expenditure incurred during construction period, pending allocation (Net)	4	39,147	23,232
Investment Property	5	11,655	11,655
Goodwill	6	112,237	112,237
Intangible assets	6	113,691	274,637
Right of use asset	56	737	-
Lease equalisation asset (Net of provision)	34	1,766	-
Intangible assets under development	7	-	2,083
Investments including in joint ventures and associates (accounted under equity method)	8	13,700	84,293
Financial assets			
Loans	9	-	5
Trade receivables	10	-	50
Other non-current financial assets	11	4,356	8,008
Deferred tax assets (net)	12	7,951	9,644
Tax assets (Net)	13	23,830	40,765
Other non-current assets		52,511	63,632
Total		1,738,844	1,928,753
Current Assets			
Inventories	14	920	943
Contract assets		3,962	7,296
Financial assets			
Investments	15	2,230	4,981
Trade receivables	16	40,260	41,668
Cash and cash equivalents	17	19,404	30,496
Balances with banks other than cash and cash equivalents	18	12,383	26,331
Loans	19	28,963	29,200
Other financial assets	20	171,303	75,448
Current tax assets		4,410	4,388
Other current assets	21	28,712	32,982
Total		312,547	253,733
Total Assets		2,051,391	2,182,486
Equity and Liabilities			
Equity			
Equity share capital	22	15,792	15,792
Other equity		(285,519)	(136,097)
Equity attributable to owners of the Group		(269,727)	(120,305)
Non-controlling interests		256,357	244,849
Total Equity		(13,370)	124,544
Non-current liabilities			
Contract liabilities		773	894
Financial Liabilities			
Borrowings	23	771,341	944,230
Lease liabilities	56	316	-
Other financial liabilities	24	190,653	270,229
Provisions	25	1,453	1,576
Deferred tax liabilities (net)	26	13,790	12,438
Other non-current liabilities	27	282,201	212,596
Total		1,260,527	1,441,963
Current liabilities			
Contract liabilities		2,237	1,230
Financial liabilities			
Borrowings	28	145,632	191,288
Lease liabilities	56	443	-
Trade payables - Total outstanding dues of:	29		
- micro and small enterprises		726	379
- other than micro and small enterprises		17,300	20,105
Other financial liabilities	30	565,651	347,874
Provisions	31	19,263	3,017
Current tax liabilities (net)		2,679	12,008
Other current liabilities	32	50,303	40,078
Total		804,234	615,979
Total Equity and liabilities		2,051,391	2,182,486

Summary of significant accounting policies

1 & 2

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 90196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of

GVK Power and Infrastructure Limited**Dr. GVK Reddy**

Chairman

DIN: 00005212

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Director & CFO

DIN: 00005456

P V Rama Seshu

VP & Company Secretary

Consolidated Statement of Profit and Loss

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

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from operations (including lease equalisation income of Rs.1,766 lakhs as per Ind AS 116)	33	384,687	409,817
Notional income not subject to annual fees	34	4,933	8,200
Other income (net)	35	9,458	18,293
Total income		399,078	436,310
EXPENSES			
Annual fee		134,880	143,770
Annual fee on lease equalisation income as per Ind AS 116 included in revenue from operations above (payable in future)		683	-
Employee benefits expense	36	23,298	21,059
Finance costs	37	148,422	151,302
Depreciation and amortisation expense (net)	38	80,250	79,158
Impairment of non-current investments	59	77,535	-
Other expenses	39	82,737	74,321
Total expenses		547,805	469,610
Profit/(Loss) before share of profit/(loss) from associate & joint venture and tax expense		(148,727)	(33,300)
Share of profit of joint venture		1,973	2,551
Loss before tax		(146,754)	(30,749)
Tax expense	40		
Current tax		5,076	(4,733)
Taxes of earlier years		2,362	-
Deferred tax		280	4,426
Total tax expense		7,718	(307)
Loss for the year		(154,472)	(30,442)
Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of post employment benefit obligations		(26)	(13)
(b) Share of OCI from Associate/JV		7	-
(c) Tax relating to above items		6	4
B. Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		(66)	(232)
Total other comprehensive (expense)/income		(79)	(241)
Total comprehensive income for the year		(154,551)	(30,683)
Profit/(loss) for the year attributable to:			
- Owners of the Company		(149,343)	(36,349)
- Non controlling interests		(5,129)	5,907
Other Comprehensive Income Attributable to :		(154,472)	(30,442)
- Owners of the Company		(79)	(238)
- Non controlling interests		-	(3)
		(79)	(241)
Total comprehensive income/(loss) for the year attributable to:			
- Owners of the Company		(149,422)	(36,587)
- Non controlling interests		(5,129)	5,904
		(154,551)	(30,683)
Earnings per equity share (Equity shares, par value of Re. 1 each)	41		
Basic earnings per share in Rs		(9.46)	(2.30)
Diluted earnings per share in Rs		(9.46)	(2.30)
Summary of significant accounting policies	1 and 2		

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 90196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

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Director & CFO

DIN: 00005456

P V Rama Seshu

VP & Company Secretary

Consolidated cash flow statement

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

		Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(loss) before tax and after other comprehensive items		(146,839)	(30,994)
Adjustments for:			
Depreciation and amortisation (net)		80,250	79,158
Loss on sale of fixed assets (net)		8,602	(124)
Interest expense		148,422	151,302
Interest income		(5,245)	(16,579)
Notional income not subject to annual fees		(4,933)	(8,200)
Liabilities written back		(2,074)	(56)
Income from investment/ fair value of investment		(108)	(357)
Straight-lined impact as per IND AS 116		(1,766)	-
Annual fee payable in future		683	-
Impairment of non-current investments		77,535	-
Provision for doubtful debts		1,726	-
Bad debts		141	35
Share of profit/loss and OCI from associate/joint venture		(1,973)	(2,551)
Fair value loss on investments in preference shares		1,000	50
Operating Profit before Working Capital Changes		155,421	171,684
Change in operating assets and liabilities:			
(Decrease)/Increase in Provisions		16,123	874
Increase in Trade payables, other financial liabilities and current liabilities		(39,448)	(76,760)
Decrease/(Increase) in Financial Assets loans, other current and non-current assets		34,886	33,605
Decrease/(Increase) in trade receivables		(268)	124
Decrease/(Increase) in Inventories		23	72
Decrease / (Increase) in Contract Assets		3,334	-
Cash Generated from Operations		170,071	129,599
Income taxes paid (net of refunds)		2,911	(4,716)
Net Cash flow from Operating Activities	(A)	172,982	124,883
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES			
Purchase of fixed assets (including capital work in progress and capital advances)		(57,563)	(131,144)
Proceeds from sale of fixed assets		(8,314)	351
(Purchase) / proceeds from sale of current investments (net)		2,859	(2,331)
Purchase of non-current investments		(5,969)	(1,570)
Loans (given) to / taken from related parties and others (net)		242	13,936
(Investment)/ Realization of bank deposits (having original maturity of more than 3 months)		13,948	21,977
Advance for investment		(2,300)	-
Interest received		5,583	20,532
Net Cash flow from/(used in) Investing Activities	(B)	(51,514)	(78,249)

		Year ended March 31, 2020	Year ended March 31, 2019
CASH FLOW USED IN FINANCING ACTIVITIES			
Proceeds from Minority Interest		16,637	82,865
Proceeds from Development fees		44,432	50,906
Proceeds from Long term Borrowings		131,500	50,105
Repayment of long term borrowings		(160,376)	(92,240)
Proceeds/ (Repayment) from/of short term borrowings (net)		(45,656)	(24,867)
Interest paid		(119,097)	(171,946)
Net Cash flow used in Financing Activities	(C)	(132,560)	(105,177)
Net Increase in Cash and Cash Equivalents	(A+B+C)	(11,092)	(58,543)
Cash and Cash Equivalents at the beginning of the year		30,496	89,039
Cash and Cash Equivalents at the end of the year		19,404	30,496
Components of cash and cash equivalents as per cash flow statement			
Balance with banks:			
Current accounts		9,578	4,038
Deposit accounts		9,766	26,205
Cash on hand		39	205
Cheques on hand		21	48
Total		19,404	30,496

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 90196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

A Issac george

Director & CFO

DIN: 00005456

P V Rama Seshu

VP & Company Secretary

Consolidated Statement of changes in equity

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

a. Equity

Equity shares of INR 1 each issued, subscribed and fully paid	Number of shares	Rs. in Lakhs
Issued and Paid up Capital at April 1, 2018	1,579,210,400	15,792
Issued during the year	-	-
Balance as at March 31, 2019	1,579,210,400	15,792
Issued during the year	-	-
Balance as at March 31, 2020	1,579,210,400	15,792

b. Other Equity

	Attributable to owners of GVK Power & Infrastructure Limited							Non Controlling Interests	Total
	Reserves and Surplus					Items of OCI			
	Loss on Treasury Shares	Capital Reserve	Securities premium reserve	General reserve	Retained earnings	Foreign Currency Translation Reserve	Total Other Equity		
As at April 01, 2018	(4,055)	40,694	215,935	952	(353,665)	220	(99,918)	156,872	56,954
Transactions with owners in their capacity as owners							-	82,073	82,073
Profit/(loss) for the year	-	-	-	-	(36,349)	-	(36,349)	5,907	(30,442)
Carrying amount of the assets where remaining useful life is Nil on April 01, 2018 as per AERA order. (Net of Deferred tax of Rs. 363 lakhs). Refer sub note iv) of Note 3	-	-	-	-	(596)	-	(596)		(596)
Others	-	-	-	-	-	1,004	1,004	-	1,004
Other comprehensive income	-	-	-	-	(6)	(232)	(238)	(3)	(241)
As at March 31, 2019	(4,057)	40,694	215,935	952	(390,616)	992	(136,097)	244,849	108,752
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	16,637	16,637
Profit/(loss) for the year	-	-	-	-	(149,343)	-	(149,343)	(5,129)	(154,472)
Other comprehensive income	-	-	-	-	(13)	(66)	(79)	-	(79)
As at March 31, 2020	(4,057)	40,694	215,935	952	(539,972)	926	(285,519)	256,357	(29,162)

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 90196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited

Dr. GVK Reddy

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DIN: 00005212

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Director & CFO

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P V Rama Seshu

VP & Company Secretary

Notes to the consolidated financial statements

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

1 Corporate information

GVK Power & Infrastructure Limited ("Parent Company") is primarily engaged in the business of providing operation and maintenance services, manpower & consultancy services and incidental services to owners of power plants, airports and infrastructure companies. The Parent Company together with its subsidiaries (collectively termed as "the Group"), joint ventures and associates are engaged in constructing and operating power plants, highway projects, airports, exploration of coal mines.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of GVK Power & Infrastructure Limited (the 'Company') and its subsidiaries, associates and joint ventures.

2.1 Basis of preparation

i. Compliance with Ind AS: The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified pursuant to section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

ii. Historical cost convention: The consolidated financial statements have been prepared on a historical cost basis, except certain financial instruments measured at fair value (refer accounting policy of financial instruments).

iii. New and amended standards adopted by the group: The group has applied the following standards and amendments for the first time for their annual reporting period commencing from April 01, 2019.

- Ind AS 116, Leases
- Long term interests in Associates and Joint ventures - Amendments to Ind AS 28, Investments in Associates and Joint ventures
- Uncertainty over income tax treatments - Appendix C to Ind AS 12, Income Taxes
- Plan amendment, curtailment or settlement - Amendments to Ind AS 19, Employee benefits
- Amendment to Ind AS 103, Business combinations and Ind AS 111, Joint Arrangements
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing costs"

The group had to change its accounting policies as a result of adoption of Ind AS 116. This is disclosed in note 56. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. The group controls as entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the group. They are deconsolidated from the date control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides an evidence of impairment of the transferred asset. Accounting policies of subsidiaries are in accordance with the group accounting policies. The acquisition method of accounting is used to account for business combinations by the group.

Non controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Balance Sheet respectively.

(ii) Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see iv below), after initially being recognised at cost. Also refer note 59.

Notes to the consolidated financial statements

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

(iii) Joint arrangements

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Interests in joint ventures accounted for using the equity method (see (iv) below), after initially being at cost.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint controlled entity are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment.

(v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account an investment because of a loss of control, joint control or significant interest, any retained interest in the equity is remeasured to its fair value with change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Notes to the consolidated financial statements

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, The Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c. Foreign currencies:

The financial statements are presented in Indian rupees lakhs, which is the functional currency of the Group and the currency of the primary economic environment in which the Group operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that are designated as part of the hedge of The Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-

Notes to the consolidated financial statements

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

monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Revenue from Contract with customer

Revenue from contract with customer is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principle in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Rendering of services:

(i). Rendering of operation and maintenance services:

Revenues represent amounts billed or accrued for services rendered and expenses incurred in relation to such services, in accordance with the Operation and Maintenance agreement with its customer. As per the operations and maintenance agreements, the Holding Company's income comprises of (a) Operating fees and (b) Reimbursement of actual expenses. Operating fees are linked to generation of electricity including deemed generation and is subject to escalations.

(ii). Manpower and consultancy services:

Revenues for manpower services are recognised as and when services are rendered on time and material basis.

(iii). Income from airport services:

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognized on accrual basis, net of service tax/Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fee (UDF), Landing, Parking of aircraft, aerobridge charges and fuel farm. The main streams of revenue from non-aeronautical includes duty-free, retail, advertisement, food & beverages, cargo, ground handling, car parking and land and space rentals.

Land and Space Rentals pertains to granting Right to use land and space primarily for catering to the need of passengers, air traffic services and air transport services.

Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.

Significant financing component

In certain cases, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for the service will be one year or less.

The Company also receives long-term advances from customers for rendering services. The transaction price for such contracts are discounted, using the rate that would be reflected in a separate financing transactions between the Company and its customers at contract inception, to take into consideration the significant financing component.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer (which consist of unbilled revenue). If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of

Notes to the consolidated financial statements

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

time is required before the payment of the consideration is due). Refer to accounting policies of financial assets in financial instruments – initial recognition and subsequent measurement

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays a consideration before the Company transfers services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

(iv). Income from Toll Operations

The revenue is recognised as and when traffic passes through toll - plazas.

(v). Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is included in finance income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable except the interest income received from customers for delayed payments which is accounted on the basis of reasonable certainty/realisation.

(vi). Dividend Income

Revenue is recognised when the share holders'/unit holders' right to receive the payment is established, which is generally when shareholders approve the dividend.

(vii). Export Incentives

Export incentives (Service Exports from India Scheme) from Government authorities are recognised in income statement when there is no significant uncertainty regarding the ultimate collection and amount can be measured reliably.

(viii). Guarantee commission

Revenue is recognised on a straight line basis taking into account the present value of the guarantee amount and the commission rate applicable.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is reduced from the related expense which it is intended to compensate. When the grant relates to an asset, a deferred income is recognised and is released to profit or loss on systematic basis over useful life of the asset and is reduced from the related depreciation and amortisation expenses.

f. Taxes

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Notes to the consolidated financial statements

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

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g. Non-current assets held for sale

The Group classifies non-current assets and disposal groups (group of assets with directly associated liabilities) as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Non-current assets and disposal groups as held for sale/ distribution are sold /distributed within one year from the date of classification.

Non-current assets held and disposal groups for sale/ distribution to owners are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale/ distribution to owners are not depreciated or amortised.

h. Property, plant and equipment

Property, plant and equipment including land are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction/erection period is capitalized as part of the construction/erection cost to the extent such expenditure is related to construction or is incidental thereto.

Subsequent expenditure incurred on existing property, plant and equipment is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

Property, plant and equipment which are significant to the total cost the item of Property, plant and equipment having difference useful life are accounted and depreciated separately.

W.e.f. April 01, 2018, the Group depreciates airport assets in accordance with order no. 35/2017-18 (as amended from time to time), issue by Airport Economic Regulatory Authority (AERA) in the matter of determination of useful lives of Airport Assets.

However, the group, based on technical assessment made by technical expert and management estimate, depreciates below mentioned assets at estimated useful life which are different from the useful life prescribed in the aforesaid order and Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair appropriate time period over which the assets are likely to be used.

Notes to the consolidated financial statements

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

Asset Class	Useful Life
Buildings (other than factory buildings) other than RCC Frame Structure	5 to 30 years
Buildings - Temporary Structure	5 years
Runways, taxiways and aprons	3 - 30 years
Roads	5 - 10 years
Vehicles	11 Years
Electrical Installations & Equipment	5 - 10 years
Plant and Equipment	7.5 - 10 years
Furniture and fittings	10 years
Office Equipment - Mobile Phones	2 to 5 years

Further depreciation on assets covered under definition of "Generating Station" as defined in "Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014" is provided under Straight Line Method at the rates and the manner prescribed under the State Regulations if they prescribe rates and the manner of depreciation else on the basis of rates and manner prescribed in Central Regulations.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Spare parts, standby equipments and service equipments are recognised in accordance with Ind AS 16 'Property, Plant and Equipment', when they meet the definition of property, plant and equipment.

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The upfront fee and other compensation paid/payable to the Airport Authority of India ("AAI"), are amortized over the primary period of the grant under OMDA i.e. 30 years. the Computer Software are amortized over their useful life of 3-6 years.

The concession rights granted by the City and Industrial Development Corporation of Maharashtra Limited (CIDCO) would be amortised over the concession period commencing from the commercial operation date of the Phase 1 of Navi Mumbai International Airport on systematic basis.

j. Investment property

Investment properties is property either to earn rental income or for capital appreciation or for both but not for sale in ordinary course of business, use in production or supply of goods or services or for administrative purpose. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Notes to the consolidated financial statements

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

k. Concession intangible and financial assets

Some companies in the Group constructs infrastructure (construction services) and operates and maintains that infrastructure (operation services) for a specified period of time.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the company bears the demand risk. The financial asset model is used when the company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.

If the company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable

- An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered
- The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised over the duration of the concession
- In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Leases

The Group, at the inception of a contract, assesses whether the contract is a lease or not a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

Group as a lessee:

Effective April 1, 2019, the Group has adopted Ind AS 116 on 'Leases' using Modified Retrospective Method

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset. There is no effect of adoption of Ind AS 116 Leases on retained earnings as at 01st April, 2019

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

The carrying amount of lease liabilities is re-measured on modification due to a change in the lease term or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments, change in escalation rate) or a change in the assessment of an option to purchase the underlying asset.

Group as a lessor:

Operating lease

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of assets are called as operating leases.

Effective April 1, 2019 the Group has adopted Ind AS 116 on 'Leases'. Rental income from operating lease is recognised on a straight line basis over the lease term.

Notes to the consolidated financial statements

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

n. Inventories

Inventories in the form of stores and spare parts held for use in rendering of services are valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

o. Impairment of non-financial assets

Each Company in the Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

p. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

q. Retirement and other employee benefits

Defined Contribution plan

Retirement and other employee benefit in the form of provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution scheme and the Group recognizes contribution payable to the fund/ scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Notes to the consolidated financial statements

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

Defined benefit plan

The Company provides for retirement benefit in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

Remeasurement, comprising of actuarial gains and losses, (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under short term provision in the Balance Sheet. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss.

r. Financial instruments :

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

Debt Instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

Notes to the consolidated financial statements

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

a) The objective of the business model is achieved both by collecting contractual cashflows and selling the financial assets, and

b) The asset's contractual cashflows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. FairValue movements are recognised in the other comprehensive income(OCI). However, the group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit & loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all the changes recognised in the profit & loss.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL.

For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity investment classified as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in the OCI. there is no recycling of the amounts from OCI to profit & loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity Instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit & loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

Each Company in the Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at FVTOCI;

Notes to the consolidated financial statements

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

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to profit & loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which

Notes to the consolidated financial statements

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

are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. There are no reclassification of financial assets.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s. Treasury shares:

The group has created GVK Employee Welfare Trust (EWT) for welfare of its employees. The EWT buys shares of the company from the market, for welfare of the employees. The group treats EWT as its extension and shares held by EWT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and are disclosed under other equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

u. Contingent Assets and Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Ind AS financial statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

v. Trade Receivables

Receivables are initially recognized at fair value, which in most cases approximates the nominal value of consideration receivable. If there is a subsequent indication that those assets may be impaired, they are reviewed for impairment and an allowance is recognized.

w. Trade Payables

Trade Payables are recognized for amounts to be paid for goods or services acquired in the ordinary course of the business whether billed by the supplier/service provided or not. Trade payables are classified as current liabilities.

x. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

y. Annual fee

Annual fee equal to 38.7% of the Mumbai International Airport Limited's actual revenues as defined under OMDA, payable to the AAI as per the terms of the OMDA, is recognised as an expenditure.

z. Premium

Premium @ 12.6% of the Gross Revenue, as defined under clause 2(b)(ii) of the concession agreement, payable to the City and Industrial Development Corporation of Maharashtra Limited (CIDCO) by Navi Mumbai International Airport Limited is recognised as an expenditure.

aa. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

Notes to the consolidated financial statements

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

3. Property, plant and equipment and capital work -in-progress

Description of Assets	Freehold land	Buildings	Computers	Roads	Bridges	Runways, Taxiways and Apron	Tools and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Communication Equipment	Total
Gross Carrying Amount													
At April 1, 2018	290	738,153	12,528	14,141	55,403	218,102	151,917	456	47,819	55,717	409	4	1,294,939
Additions	-	22,212	412	21,950	-	24,563	3,337	192	351	2,572	133	8	75,730
Disposals	-	(214)	(15)	-	-	-	(286)	(8)	(11)	-	(17)	-	(551)
Adjustments/Transfer		(25,849)	(57)	(92)	(18)	28,465	(2,513)	(33)	(284)	(1,840)			(2,221)
At March 31, 2019	290	734,302	12,868	35,999	55,385	271,130	152,455	607	47,875	56,449	525	12	1,367,897
Additions/Adjustments	-	10,006	193	7,764	7,365	21,097	3,056	119	106	2,163	163	-	52,032
Disposals/Adjustments	-	(745)	-	-	-	(2,308)	(158)	-	-	-	-	-	(3,211)
At March 31, 2020	290	743,563	13,061	43,763	62,750	289,919	155,353	726	47,981	58,612	688	12	1,416,718
Accumulated Depreciation													
At April 1, 2018	-	82,095	5,638	4,441	5,816	35,173	66,732	139	15,632	17,929	121	4	233,720
Depreciation expense	-	26,541	2,399	2,620	1,961	18,476	21,204	128	10,682	6,067	64	1	90,143
Disposals	-	(34)	(15)	-	-	-	(253)	(6)	(10)	-	(6)	-	(324)
Adjustments/Transfer	-	(4,281)	(58)	(24)	-	6,586	(739)	(23)	327	(645)	-	-	1,143
At March 31, 2019	-	104,321	7,964	7,037	7,777	60,235	86,944	238	26,631	23,351	179	5	324,682
Depreciation expense	-	30,005	2,123	4,211	2,186	15,453	22,334	130	10,148	6,651	82	3	93,326
Disposals	-	(463)	-	-	-	(2,308)	(152)	-	-	-	-	-	(2,923)
Adjustments/Transfer	-	(271)	(14)	(16)	-	-	(496)	-	(25)	(63)	-	-	(885)
At March 31, 2020	-	133,592	10,073	11,232	9,963	73,380	108,630	368	36,754	29,939	261	8	414,200
Net Block													
At March 31, 2019	290	629,981	4,904	28,962	47,608	210,895	65,511	369	21,244	33,098	346	7	1,043,215
At March 31, 2020	290	609,971	2,988	32,531	52,787	216,539	46,723	358	11,227	28,673	427	4	1,002,518

Net book value	March 31, 2020	March 31, 2019
Plant, property and Equipment	1,002,518	1,043,215
Capital Work in progress	393,892	278,529

Notes:

- Certain tangible fixed assets comprising of buildings / improvements, roads, bridges and runways, taxiways and aprons are on land leased by Airports Authority of India ('AAI') to the group pursuant to terms of OMDA and Lease Deed between AAI and the group.
- As per provisions of OMDA, the Transfer Assets created by the group, will have to be mandatorily transferred to AAI upon expiry/ termination of OMDA against Transfer Payments to be made by AAI in accordance with the provisions of OMDA.
- Bridges includes contribution towards elevated expressway to the Terminal 2.
- As per Part B of Schedule II to the Companies Act 2013 ("the Act") 'Depreciation on specific assets is to be provided considering useful lives and residual value of those assets, as may be notified by the specific Regulatory Authority. Since, Airports Economic Regulatory Authority of India (AERA) has notified vide order dated 12th January 2018, as amended from time to time, which is effective from 1st April 2018, the useful lives and residual values for the said assets, the group has considered the same as per the said order w.e.f. 1st April 2018. In cases where the remaining useful life of an asset is NIL as on 01st April 2018, the opening residual value of the assets has been adjusted in retained earnings. The said order has an impact of Rs 1,026 lakhs in Opening Reserves as at April 01, 2018 out of which Rs. 363 lakhs have been netted off against Deferred Tax Asset.
- Adjustments/ transfers during the previous year include:
 - The group has received a Service Tax refund order of Rs. 2,390 lakhs in respect of assets capitalised during earlier period, hence the same has been disclosed as an adjustment against the Gross Block for the previous year.
 - With reference to MOU dated 5th May 2009, between MIAL with Central Public Works Department (CPWD), certain facilities of CPWD at the Mumbai Airport which were constraint in the development of CSMIA were relocated to facilitate airport development and the cost incurred for relocation of those facilities are considered as costs of those assets. During the current year, based on hand over take over documents executed these facilities were transferred to CPWD. The cost of construction of these facilities is treated as enabling cost for construction of Sahar Elevated Road.

Notes to the consolidated financial statements

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

4: Capital work in progress

Particulars	Capital work in progress	Expenditure incurred during construction period	Total
Opening balance as at April 01, 2018	92,957	6,395	99,352
Additions	173,019	16,896	189,915
Capitalised/written off during the year	(10,679)	(59)	(10,738)
Closing balance as at March 31, 2019	255,297	23,232	278,529
Additions	111,031	15,915	126,946
Capitalised/written off during the year	(11,583)	-	(11,583)
Closing balance as at March 31, 2020	354,745	39,147	393,892

Expenditure incurred during construction period

Particulars	Additions FY 2019-20	Additions FY 2018-19
Personnel Expenses:		
Salaries, and bonus	4,390	7,477
Rent	153	184
Travelling and conveyance	216	1,967
Communication Expenses	26	18
Power and fuel	45	42
Contract Services	290	117
Professional charges	347	780
Miscellaneous expenses	111	198
Depreciation and amortisation	414	124
Repairs and maintenance	47	54
Financial expenses		
a. Interest on fixed period loans	2	29
b. Bank and other finance charges	60	-
c. Unwinding of interest on concession rights	7,522	5,137
d. Unwinding of interest on soft loan	2,411	769
e. unwinding of interest on liability for right of use of leasehold assets (net)	27	-
Sub Total (A)	16,061	16,896
Less: Other Income		
Excess Provision of compensated absences written back	146	-
Amounts capitalised/ transferred	-	59
Sub Total (B)	146	59
Total (C=A-B)	15,915	16,837

5. Investment property-Land

Particulars	Amount	Amount
Opening balance as at April 01,2019	11,655	11,655
Closing balance at March 31, 2020	11,655	11,655

The Group's investment properties consist of vacant land having an extent of about 2600 Acres acquired by GVKPSPL, in five villages Thirumanthurai, Eraiyur, Peraiyur, Pennakonam (North) and Pennakonam (South) in Perambalur district during the year 2007 and 2008 from local villagers. This property is located on the eastern side of NH-45 just after Thirumanthurai Toll Gate when we drive from Chennai to Trichy

As at March 31, 2020 and March 31 2019 the fair values of the properties are Rs. 75,000 lakhs and Rs. 75,000 lakhs respectively. This investment property has been pledged as security against loans taken by the Group (Refer note 23 and 28).

Notes to the consolidated financial statements

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

6. Intangibles

Description of Assets	Goodwill	Computer software	Airport Grant		Toll collection right (Refer note vi)	Concession Rights	Total
			Upfront fee	Other Compensation			
At Cost							
At April 1, 2018	112,237	1,586	10,800	25,177	198,785	-	348,585
Additions/Adjustments	-	1,123	-	-	42	68,901	70,066
Disposals	-	(169)	-	-	-	-	(169)
At March 31, 2019	112,237	2,540	10,800	25,177	198,827	68,901	418,482
Additions/Adjustments	-	138	-	-	-	-	138
Termination of concession agreement (refer note (vi) below)	-	-	-	-	(164,907)	-	(164,907)
At March 31, 2020	112,237	2,678	10,800	25,177	33,920	68,901	253,713
Amortization and impairment							
At April 1, 2018	-	1,112	1,542	3,564	16,607	-	22,825
Amortisation	-	226	514	1,188	6,855	-	8,783
At March 31, 2019	-	1,338	2,056	4,752	23,462	-	31,608
Amortisation	-	499	514	1,188	5,913	-	8,114
Adjustments/ transfers during the year	-	(595)	-	-	-	-	(595)
Termination of concession agreement (refer note (vi) below)	-	-	-	-	(11,343)	-	(11,343)
At March 31, 2020	-	1,242	2,570	5,940	18,032	-	27,784
Net Block							
At March 31, 2019	112,237	1,202	8,744	20,425	175,365	68,901	386,874
At March 31, 2020	112,237	1,436	8,230	19,237	15,887	68,901	225,928
Net book value			March 31, 2020	March 31, 2019			
Goodwill			112,237	112,237			
Other intangible assets			113,691	274,637			

Notes

- (i) Other compensation under Airport Grant represents obligation towards Retirement Compensation as per terms of OMDA.
- (ii) The remaining period of amortisation of upfront fees and other compensation is 16 years as on 31 March, 2020
- (iii) Goodwill recognised on account of acquisition is tested for impairment as at March 31, 2020. The recoverable amount in respect of Goodwill in relation to MIAL has been determined basis the Co-operation agreement with AAHL (Refer note 67) and in relation to GVK Jaipur Expressway Private Limited has been determined based on a value in use by calculating cash flow projections from financial projects. It was concluded that the fair value exceeds the value in use.
- (iv) With reference to agreement dated 22nd February 2010, between MIAL with Air India (erstwhile NACIL), some of the Air India facilities at CSMIA that were hindrance in the development of CSMIA were relocated to facilitate airport development and the cost incurred for relocation of those facilities are considered as costs of those assets. During the previous year, based on communications with Air India, these facilities were transferred to Air India. The cost of construction of these facilities is treated as enabling cost for construction of Apron.
- (v) Adjustments/ transfers during the year reflect the updated useful lives of the assets consequent on amounts capitalised as enabling costs in earlier years.

Notes to the consolidated financial statements

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

(vi) Amount of Rs. 153,565 lakhs (comprises of net block of Rs. 103,147 lakhs of toll collection rights and Rs. 50,417 lakhs of NHAI premium payable). Amount of Rs. 103,147 lakhs pertaining to Toll Collection Rights is transferred to receivables from NHAI during the year under current assets, as GVKDKEPL has terminated the project on June 25, 2019. In response to the notice, GVKDKEPL has received letter from NHAI dated July 03, 2019 denying the claim, and on September 12, 2019, NHAI has issued a termination notice as per clause 37.2.1 of the Concession Agreement. After termination notice toll plaza is deemed to have been transferred to NHAI and from September 16, 2019 onwards NHAI started collecting the toll on the project highway. However GVKDKEPL based on its internal assessment and legal advise is confident that it will be able to recover the amounts spent on the project till date on the project. Further the intangible asset created on account of NHAI premium to NHAI has been netted off against premium payable to NHAI. Also refer note 63.

7: Intangible assets under development

Particulars	Asset under construction	Expenditure incurred during construction period	Total
Balance as at April 01, 2018	2,083	-	2,083
Additions	-	-	-
Balance as at April 01, 2019	2,083	-	2,083
Reclassified as other financial assets (refer note 63)	(2,083)	-	(2,083)
Closing balance as at March 31, 2020	-	-	-

8. Non-current investments

	As at March 31, 2020	As at March 31, 2019
A. Unquoted, in fully paid securities (at cost)		
I. Investment in associate company		
GVK Coal Developers (Singapore) PTE Limited		
50,000 (March 31, 2019: 50,000) equity shares of USD 1 each fully paid-up	25	25
17,66,31,918 (March 31, 2019: 17,03,60,918) non-cumulative redeemable preference shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.	77,510	72,189
Share application money for purchase of non-cumulative redeemable preferential shares of USD 1 each (at amortised cost)	-	380
Investment in associate company	77,535	72,594
Less : Provision for impairment	(77,535)	(25)
	-	72,569
II. Investment in Joint venture		
(i) Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFPL)		
4,82,88,750 (March 31, 2019: 4,82,88,750) Equity shares of Rs. 10 each fully paid up	4,379	4,379
Add: Opening balance of accumulated profit	2,911	1,615
Add: Profit for the year	1,001	1,296
	8,291	7,290
(ii) Mumbai Airport Lounge Services Private Limited		
88,97,980 (March 31, 2019: 88,97,980) equity shares of Rs. 10 each fully paid-up	2,232	2,232
Add: Opening balance of accumulated profit	2,192	937
Add: Profit for the year	979	1,255
	5,403	4,424
(iii) GVK Energy Limited		
557,869,479 (March 31, 2019: 557,869,479) equity shares of Rs.10 each fully paid-up	114,014	114,014

Notes to the consolidated financial statements

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

	As at March 31, 2020	As at March 31, 2019
Add : Profit on deemed dilution (as per last balance sheet)	34,964	34,964
Add: Opening balance of accumulated profit/(loss)	(148,978)	(148,978)
	-	-
A	13,694	84,283
B.Other		
National Savings Certificate (pledged with government authority)	6	10
B	6	10
	13,700	84,293
Aggregate market value of unquoted investments (A+B)	13,700	84,293

9. Loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Others	-	5
	-	5

10. Trade receivables

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	-	50
	-	50

11. Other financial assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2020	As at March 31, 2019
Guarantee commission receivable	-	933
Deposits with Government, Public Bodies and Others	1,942	7,075
Advance for investment [refer note 58(xiv)]	2,300	-
Security deposits	114	-
	4,356	8,008

12. Deferred tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment	370	1,280
A	370	1,280
Deferred tax assets		
MAT Credit Entitlement	5,815	8,587
Indexation benefit on land	2,506	2,339
B	8,321	10,924
Deferred tax assets (net) (A-B)	7,951	9,644

Notes to the consolidated financial statements

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

13. Other non-current assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2020	As at March 31, 2019
Capital advances	44,833	62,839
Balance with government authorities	28	56
Service tax paid under protest [refer note 45(B)(II)(iii)]	736	736
Customs duty paid under protest [refer note 45(B)(II)(viii)]	119	-
Other deposits	6,795	1
	52,511	63,632

14. Inventories

	As at March 31, 2020	As at March 31, 2019
Stores, spares and consumables (at lower of cost and net realisable value)	920	943
Total	920	943

15. Current investments

	As at March 31, 2020	As at March 31, 2019
Investment carried at fair value through profit and loss		
Investments in units of Mutual funds	2,230	4,981
Total	2,230	4,981

16. Trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivable Considered good - Unsecured	16,507	28,343
Trade receivable Considered good - Secured (refer note (iii) below)	23,753	13,325
Trade receivables credit impaired	1,132	504
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables credit impaired	(1,132)	(504)
	40,260	41,668
Reconciliation of provision:		
Impairment allowance as at the beginning of the year	(504)	-
Changes in impairment allowance	(628)	(504)
Total	(1,132)	(504)

- i. MIAL has to recover Rs. 15,601 lakhs (March 31, 2019: 17,942 lakhs) from Air India Limited (Air India) a Company wholly owned by Government of India, and its subsidiaries. Air India has been facing financial difficulties and has been paying its dues with delays. Air India has been consistently receiving budgetary support from the Central Government for the past few years hence the Group is considering dues from Air India as good and recoverable.
- ii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- iii. Trade receivables are secured by way of security deposits and bank guarantee. (Refer note 51 - credit risk)

17. Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with Banks		
- On current accounts	9,578	4,038
- On deposit accounts	9,766	26,205
Cash on hand	39	205
Cheques in hand	21	48
Total Cash and cash equivalents	19,404	30,496

Balances with banks in current accounts include balances of Rs. Nil (March 31, 2019: Rs. 1,723 lakhs) on account of marketing fund collected from concessionaries which is to be utilised for specific purposes.

Notes to the consolidated financial statements

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

18. Bank balances other than cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Deposits with maturity of more than 3 months but less than 12 months	6,591	21,727
Deposits held as margin money with maturity of more than 3 months but less than 12 months	5,792	4,604
	12,383	26,331

The above bank balances include restrictive balances of INR 5,750 Lakhs (March 31, 2019: INR 4,567 Lakhs) on account of margin money against guarantees and INR 1,394 lakhs (March 31, 2019: Nil) on account of marketing fund collected from concessionaries which is to be utilised for specific purposes.

19. Loans

	As at March 31, 2020	As at March 31, 2019
- Unsecured, considered good		
Loans to related parties	28,963	29,200
	28,963	29,200

20. Other financial assets (Unsecured, considered good unless stated)

	As at March 31, 2020	As at March 31, 2019
Unbilled revenue	175	-
Interest receivable	1,266	1,604
Advances	1,616	300
Deposits with Government, Public Bodies and Others	-	383
Receivable from GSRDC (Refer note 61)	58,904	58,904
Receivable From NHAI (Refer note 63)	88,163	-
Capital advances*	8,470	6,001
Security deposits	59	7
Development fee receivable		
- Billed and receivable from airlines (including interest accrued)	3,467	3,355
- Balance with banks under control of Airport Authority of India	4,582	1,328
Receivables on account of passenger service fee (security component), national aviation security fee trust, net (refer note 58(ii) & (iii))	4,526	1,318
Guarantee Commission receivable	58	1,771
Financial guarantee assets	-	470
Others	17	7
	171,303	75,448

* Includes advances given to EPC contractor amounting to Rs. 8,470 lakhs net of retention money and payable against construction work (March 31, 2019 Rs. 10,551 lakhs including Rs. 4,550 lakhs classified under advances in Note (21) below) is considered recoverable from the EPC contractor as the project is terminated. However EPC contractor has submitted invoices amounting to Rs. 9,257 lakhs which is not yet certified by the independent engineer as well as lender independent engineers. Also refer note 61.

Break up of financial assets carried at amortised cost

	As at March 31, 2020	As at March 31, 2019
Non current investments	6	72,579
Loans	28,963	29,205
Trade receivables	40,260	41,718
Cash and cash equivalents	19,404	30,496
Other bank balances	12,383	26,331
Other financial assets	175,659	83,456
	276,675	283,785

Notes to the consolidated financial statements

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

Break up of financial assets carried at fair value through statement of profit and loss (P&L)

	As at March 31, 2020	As at March 31, 2019
Current investments	2,230	4,981
Total financial assets carried at fair value through P&L	2,230	5,006

21. Other current assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses (refer note 'b' below)	3,089	15,854
Advances (Also refer note in (20) above)	1,882	11,517
Balances with government authority	671	331
Other advances (including Rs. 5,269 lakhs bank guarantee encashed by JKPDD)	9,060	5,280
Advance Receivables in Cash or kind or for value to be received (refer Note "a" below)	14,010	-
	28,712	32,982

(a) The Group's subsidiary - Navi Mumbai International Airport Private Limited (NMIAL) had entered into financing arrangement for Rs. 864,500 lakhs with Yes Bank Limited to fund part cost of Design, development, financing construction, operations & maintenance (DBFOT) of Phase I of Navi Mumbai International Airport. Subsequently, Yes Bank Ltd., vide letter dated April 03, 2020 cancelled the facility granted to the Company unilaterally. NMIAL has requested Yes Bank Ltd to refund the facility fees paid amounting to Rs. 12,268 lakhs excluding taxes and Rs. 1,729 lakhs being stamp duty paid on documentation for financing arrangement.

(b) NMIAL, for obtaining financing arrangement for Phase I of Navi Mumbai International Airport, has incurred Rs. 479 lakhs on various consultants. NMIAL is of the opinion that services rendered by these consultants would be utilized by prospective lenders.

22. Equity share capital

	As at March 31, 2020	As at March 31, 2019
Authorised share capital:		
2,500,000,000 (March 31, 2019: 2,500,000,000) equity shares of Re. 1 each	25,000	25,000
Issued, subscribed and fully paid-up share capital		
1,579,210,400 (March 31, 2019: 1,579,210,400) equity shares of Re. 1 each	15,792	15,792

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Re. 1 each fully paid up				
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,579,210,400	15,792	1,579,210,400	15,792

b) Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Re. 10 per share. Shareholders are eligible for one vote per share held. The dividend proposed, if any, by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution to all preferential creditors, in proportion to their shareholding.

Notes to the consolidated financial statements

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

c) Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No.	% of holding	No.	% of holding
Vertex Projects LLP (Formerly Vertex Infratech Private Limited)	732,893,902	46.41%	732,893,902	46.41%

23. Non-current borrowings

	As at March 31, 2020	As at March 31, 2019
Secured:		
Debentures		
13,150 (March 31, 2019: Nil) 18.1% Freely transferable, redeemable and non-convertible Debentures of Rs. 1,000,000 each (Refer note "3(c)" below)	131,500	-
5,217 (March 31, 2019: 5,217) 9% Compulsorily convertible preference shares	11,999	11,999
Term loans:		
From banks	712,004	837,190
From financial institutions	173,561	128,992
From Others	-	17,167
Term loan on securitisation of Development fees		
Banks	103,929	130,849
Others	13,622	17,167
Term loan on securitisation of Real Estate Deposit		
Banks	28,726	60,853
Total	1,175,341	1,204,217
Less: Amount classified under Other current liabilities	(404,000)	(259,987)
	771,341	944,230

Entity wise details of the above long term borrowings are as follows:

Name of the entities	Non-current portion		Current maturities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
1. Parent Company (The Company)	-	-	898	3,898
2. Mumbai International Airport Private Limited (MIAL) and Navi Mumbai International Airport Limited (NMIAL)	698,270	694,247	65,759	76,372
3. GVK Airport Developers Limited (GVK ADL)	11,999	11,999	173,294	104,900
4. GVK Jaipur Expressway Private Limited (GVK JEPL)	22,708	43,639	21,284	18,408
5. GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL)	-	-	51,799	54,854
6. GVK Deoli Kota Expressway Private Limited (GVK DKEPL)	-	85,461	87,063	1,555
7. GVK Ratle Hydro Electric Project Private Limited (GVK RHEPPL)	104,124	108,884	3,903	-
	837,101	944,230	404,000	259,987
1. Parent Company (The Company)	As at March 31, 2020		As at March 31, 2019	
Term Loans from banks (secured)	898		3,898	

Term loan aggregating to Rs. 898 (March 31, 2019: Rs. 3,898) (excluding Interest) is secured by first pari-passu charge on the current assets, present and future of the Company and pledge of 299,000 preference shares of GVK Airport Developers Limited out of which 239,800 preference shares are held by Sutara Roads & Infra Limited. The loan is further secured by subservient mortgage

Notes to the consolidated financial statements

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

of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and carries an effective interest of 14.33% per annum. The loan is repayable in twenty four unequal monthly instalments after a moratorium of twelve months from the date of first drawdown viz. April 30, 2016.

2. MIAL	As at March 31, 2020	As at March 31, 2019
Term loans from		
Banks	533,199	543,263
Financial Institutions	22,843	23,273
Term Loan on securitisation of Development Fees		
Banks	103,929	130,849
Others	13,622	17,167
Term Loan on securitisation of Real Estate Deposit		
Banks	28,726	60,853
Term Loan		
Less : Unamortised transaction cost	(4,049)	(4,786)
	698,270	770,619

MIAL and NMIAL has availed the moratorium of six month's from the month of March 2020 as permitted by the Reserve Bank of India ('RBI') through notifications dated March 27, 2020 and May 22, 2020. MIAL has subsequently, on September 29, 2020, applied to lead bank of lenders consortium, State Bank of India for restructuring of loan. Existing contractual obligation has been considered for determining the current and non-current portion of the borrowings in the financial statements.

MIAL has outstanding term loan on securitisation of Real Estate Deposit from Yes Bank of Rs. 28,726 lakhs. Yes bank has a put option on the said loan which it can exercise post November 2020. MIAL has availed six months moratorium on this loan also and subsequently applied for restructuring of this loan to Yes Bank Limited. Pursuant to this, the put option due in November 2020 was not exercised by the bank. The company now awaits the response on restructuring arrangement from Yes Bank. The said loan has been considered as a part of current maturities of debt in light of the put option available with the bank.

Security:

a) Term loans from consortium of banks and financial institution are secured by way of:

- (i) First charge on pari-passu basis with Working Capital Lenders on all bank accounts (presently or in the future) including the Surplus Account excluding amount pertaining to Airport Development Fee (ADF) and Real Estate Security Deposit (RESD) to the extent permitted under OMDA.
- (ii) First mortgage and charge on pari-passu basis with working capital lenders on all the assets of the Company present and future, to the extent permitted under OMDA.
- (iii) First Charge on a pari-passu basis with ADF Lenders and Working Capital Lenders on pledge of the equity shares held by the Prime Members (i.e. GVK Airport Holdings Ltd., Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of the MIAL.
- (iv) Undertaking from Prime Members (i.e. GVK Airport Holdings Ltd., Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) in the event of termination of OMDA, for meeting shortfall, if any, between total debt outstanding and the termination payments receivable as per OMDA from AAI/GoI, in proportion to their shareholding.
- (v) First Charge on a pari-passu basis with ADF Lenders on right of substitution of the MIAL/step-in by the Lenders as provided under OMDA.
- (vi) Security available with Lenders under this facility would be shared pari-passu with the Lenders to ADF loan in case of default under the ADF Loan facility.

b) Term loans from banks and others on securitisation of Development Fee

- i) First charge on the ESCROW (ADF) Account.
- ii) Second charge on pari-passu basis with Lenders of loan against RESD on all bank accounts (presently or in the future) including the Surplus Account excluding amount pertaining to ADF and RESD to the extent permitted under OMDA.
- iii) Undertaking to extend first pari passu charge on security available to Project Term Loan Lenders in the event of default on and/or repayment of the entire project loan.
- iv) Undertaking from Prime Members (i.e. GVK Airport Holdings Limited, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) in proportion to their shareholding for meeting shortfall, if any, in the event of termination of OMDA, between total debt outstanding and the termination payments receivable as per OMDA from Airport Authority of India /Government of India.

Notes to the consolidated financial statements

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

- v) First Charge on a pari-passu basis with Project Term Loan Lenders and Working Capital Lenders on pledge of the equity shares held by the Prime Members (i.e. GVK Airport Holdings Limited, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of MIAL.
- (vi) First Charge on a pari-passu basis with Project Term Loan Lenders on right of substitution of MIAL /step-in by the Lenders as provided under OMDA.

c) Term loans from banks on securitisation of Real Estate Deposit (RE)

- (i) Second pari passu charge on cash flows of MIAL.
- (ii) First pari-passu charge on Real Estate Security deposits i.e. Security Deposits paid/payable by the lessees to MIAL for the lease of land for development of Non Transfer Assets (as defined under the OMDA) upto Rs. 100,000 lakhs.
- (iii) Letter of Comfort from GVK Airport Holdings Ltd. or an acceptable company from GVK Group.

Terms of repayment and interest:

a) Term loans from consortium of banks and financial institution: repayable in 174 structured monthly instalments as per the schedule commencing from April 2017. However, MIAL has availed moratorium towards payment of instalments for 6 months from March 2020.

As per the Project term loan facility agreement entered with consortium of lenders, the applicable rate of interest is SBI one year MCLR (at the time of drawdown) plus 180 bps effective rate being 10.30% p.a. at monthly rests. The interest reset shall happen at the anniversary of drawdown every year. However, MIAL has availed moratorium towards payment of instalments for 6 months from March 2020.

b) Term loan from banks and others on securitisation of Development Fee: Repayable in 70 structured quarterly instalments as per the schedule commencing from April 2017. The loan is repayable from collection of DF receipts and repayment commitments are as per the ADF loan agreement. As per the ADF loan agreement entered with consortium of lenders, the applicable rate of interest is SBI 1 year MCLR (at the time of drawdown) plus 115 bps effective rate of 9.30% p.a. at monthly rests. The interest reset shall happen at the anniversary of drawdown every year.

c) Term loan from banks and others on securitisation of Real Estate Deposit (RE): Loan of Rs. 32,500 Lakhs from Yes Bank is repayable in 24 structured quarterly instalments as per the schedule commencing from August 31, 2019. Applicable rate of interest shall be Yes Bank one Year MCLR plus 225 bps. However, MIAL has availed moratorium towards interest and principal repayments for 6 months from March 2020.

The rates of interest for the Term Loan, Term Loan on securitisation of Development Fee and Term Loan on securitisation of Real Estate Deposits at present range between 9.30% to 11.95%

3.GVKADL	As at March 31, 2020	As at March 31, 2019
Term Loans from financial institutions (secured)	41,793	104,900
5,217 (March 31, 2019: 5,217) 9% Compulsory convertible Preference Shares (CCPS)	11,999	11,999
13,150 (March 31, 2019: Nil) 18.1% Freely transferable, redeemable and non-convertible Debentures of Rs. 1,000,000 each	131,500	-
	185,292	116,899

a. Compulsorily convertible preference shares (CCPS) - Held by ICICI Bank Limited

The CCPS have a par value of Rs. 10 per share. The Company declares and pays dividends in Indian rupees. CCPS carry a dividend rate of 9% p.a. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Preference shares are convertible into equity shares at the end of March 31, 2021 at the price to be determined at a future date based on the average valuation in the manner provided in binding term sheet agreement between the company and the preference shareholder. GVKADL has issued 7,692,308 equity shares on June 30, 2021 in relation to the CCPS on conversion.

b. Term loans - Terms of repayment

The above term loans carries an interest rate of 13.35% payable on quarterly basis and principal is repayable at the end of July 05, 2022. These loans have been classified as current maturities of long term borrowings due to non- payment of interest on the due dates.

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

i) Security:-

- 1) First ranking security interest by way of the pledge, over 100% equity shares of the Company held by GVK Power and Infrastructure Limited (GVK PIL). Provided that the pledge of 16% of shares currently pledged for the benefit of Hancock Lenders shall be pledged immediately upon release of the same and obtaining no objection certificate.
- 2) First ranking security interest by way of a pledge, over 68% equity shares of GVK Airport Holdings Limited (GVK AHL), held by GVKADL.
- 3) First ranking security interest by way of a pledge, over 100% equity shares of Bangalore Airport and Infrastructure Developers Limited (BAIDL) held by GVKADL.
- 4) First ranking security interest by way of a pledge, over 100% of Compulsory Convertible instruments issued by Bangalore Airport Infrastructure Developers Limited held by GVKADL.
- 5) First ranking security interest by way of a Pledge of 59,200 Preference shares held by GVK PIL. Provided that, these will be pledged on release of the same by Axis bank Limited.
- 6) First ranking security interest by way of a pledge over 9,40,800 preference shares of the Company, held by Sutara Roads and Infrastructure Private Limited. Provided that 239,800 of the preference shares will be pledged upon release of the same by Axis bank Limited.
- 7) A charge over
 - (a) The proceeds of any sale or transfer or other disposal of shares held by GVK PIL in the Company including pursuant to any enforcement of pledge created over the shares of the Company.
 - (b) a designated account of GVK PIL in which the amounts specified in (a) are to be deposited, and all amounts deposited in such account from time to time.
- 8) A charge over all the assets of the Company excluding the
 - (a) GVK Airport Developers Limited Hancock Lenders Designated account and the amounts deposited therein from time to time and any amounts to be deposited by the Company into GVK PIL Hancock Lenders Designated account.
 - (b) The equity shares of GVK AHL required to be pledged for the benefits of the banks along with all rights including dividend relating to the equity shares of GVK AHL.
 - (c) The Company's existing loan Hancock Lenders - Portion and all rights and receivables of rights and receivables of the Company in relation thereto including:
 - (i) A designated account of the Company in which amounts corresponding to 68% (Percentage shall be revised from time to time to correspond to the percentage of equity capital of GVK AHL pledged for the benefit of the continuing airport lenders) of all dividends and distributions of any kind and any other sums received by the Company in its capacity as a shareholder of GVK AHL (including proceeds of any buy back, reduction of share capital or any other corporate reorganization) and over all amounts deposited in such account from time to time.
 - (ii) Existing Company's Airport Lenders portion and all rights and receivables of the Company in relation to thereto
- 9) A charge by GVK AHL over
 - (a) A designated account of GVK AHL in which amount amounts corresponding to 68% of all dividends and distributions of any kind and any other sums received by GVK AHL in its capacity of a shareholder in Mumbai International Airport Limited (Including proceeds of buy back, Reduction of share capital or any corporate reorganisation).
 - (b) And also overall amounts deposited in such account from time to time.
- 10) A charge over all assets of BAIDL (excluding the BAIDL Hancock Lenders Designated Account and the amounts deposited there in from time to time.)
- 11) Corporate Guarantee by GVK PIL.
- 12) Second Rank mortgage over the land owned by GVK Perambalur SEZ Private Limited.

C. Debentures

During the year GVKADL has issued 13,150 redeemable debentures of Rs. 1,000,000 each which carry interest rate of 18.1% per annum payable on quarterly intervals and 2% upfront interest on the face value of Debentures. The debentures are redeemable after 36 months from the pay in date i.e. June 30, 2019 or earlier of early redemption date, mandatory redemption date (24 months from the date of allotment), cash collateralised debenture redemption date or the final redemption date (36 months), as the case may be.

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In addition to the above, other securities are as follows:

(a). Combined debt (HDFC bank loan, Yes bank loan & Debentures) shall be secured by

- i) First ranking exclusive pledge over the pledged shares (100% of GVKADL's shares, 100% investment held by GVKADL in BAIDL, 68% investment held by GVKADL in GVK AHL, 100% NCRPS shares of GVKADL) created in favour of the security trustee (for the benefit of , inter alia, the secured parties), in terms of the pledge agreement.
- ii) First ranking exclusive charge over the BAIDL hypothecated assets, the GVKPIL hypothecated assets, the GVK AHL hypothecated assets and GVKADL hypothecated assets in favor of the security trustee (for the benefit of , inter alia, the secured parties), in terms of the deed of hypothecation.
- (b) The cash collateralised debentures shall be secured by first ranking exclusive charge over the cash collateralisation account assets in favor of the debenture trustee (for the benefit of the Debenture holders holding the cash collateralisation Debentures) in terms of the deed of hypothecation - cash collateralisation.
- (c) The security over the existing pledged shares pursuant to paragraph d(a)(i) above and the security created pursuant to paragraphs d(a)(ii) and (b) above will be created on or prior to pay in date.
- (d) The security created pursuant to paragraph (b) above will be created prior to the earlier of (i) Occurrence of a liquidity event, and (ii) voluntary redemption pursuant to terms and conditions as defined in the debenture trust deed and will be effective from the first cash collateralisation date.
- (e) The security over the subsequent pledged shares pursuant to para d(a)(i) above will be created (i) over the encumbered GVKADL Redeemable Preference shares (RPS), immediately upon release of encumbrance over the encumbered GVKADL RPS; and (ii) over the encumbered GVKADL shares, immediately upon release of encumbrance over encumbered GVKADL shares.
- (f) GVKADL pledged shares (i) comprise at least 84% of the paid up share capital of GVKADL on a fully diluted basis (without taking into account the GVKADL's compulsorily convertible preference shares (CCPS) and GVKADL RPS on the pay in date, and (ii) will comprise 100% of the paid up share capital of GVKADL on a fully diluted basis (without taking into account the Company's CCPS) and GVKADL RPS with effect from the date of creation of security over the encumbered GVKADL shares in favour of the Security trustee, in each case, subject to any reduction pursuant to issuance of Swap shares or pursuant to the occurrence of a liquidity event which is a permitted disposal or permitted share issue.
- (g) BAIDL pledged shares comprise at least 100% of the paid up share capital of BAIDL on a fully diluted basis on the pay in date.
- (h) GVK AHL pledged shares comprise and will comprise atleast 68% of the paid up share capital of GVK AHL on a fully diluted basis on and from the pay in date, subject to any reduction pursuant to an increase in the number of the GVK AHL shares - Hancock pursuant to a Ratchet determination, provided that the GVK AHL pledged shares shall - (A) at all times prior to a release pursuant to a Ratchet determination, be equivalent to an economic interest of not less than 34.34% of the MIAL shares; and (B) at all times on and after a release pursuant to a Ratchet Determination, be equivalent to an economic interest of not less than 31.815% of the MIAL Shares, in each case, subject to any reduction pursuant to the occurrence of a liquidity event which is a permitted disposal or permitted share issue.
- i) Corporate guarantee from GVKPIL.

4. GVK BVEPL	As at March 31, 2020	As at March 31, 2019
Term Loans from banks	51,799	54,854
	51,799	54,854

Term loans from banks and financial institutions are secured by way of

Nature of security & terms of repayment:

A. Indian rupee loan is secured to the extent permitted under the concession agreement by:

- i) First charge on all the present and future tangible moveable assets, machinery spares, tools and accessories etc, save and except the Project Assets as defined under the Rupee Loan agreement.
- (ii) First charge on all the bank accounts of GVKBVEPL including Debt Service Reserve Account/Escrow accounts/its sub accounts except the Distribution Sub account. Charge on the Escrow account shall be in a manner and only to the extent of order of priorities of payment as permitted under the Escrow agreement and supplementary Escrow agreement.
- (iii) First charge on all intangibles of GVKBVEPL including goodwill, rights, undertakings and uncalled capital both present and future save and except the Project Assets as defined under the Rupee Loan agreement.

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

- (iv) Assignment by way of security of the right, title, interests, benefits, claims and demands of GVKBEPL in and under all the project documents, approvals, insurance contracts, letter of credit, guarantees, liquidated damages and performance bond. Provided however, that the assignment as mentioned above shall be in accordance with and to the extent provided under the Substitution agreement.
- (v) As per Common Loan Agreement the pledge of 51% of voting equity share capital of GVKBEPL held by the Sponsor's until the Commercial Operation Date (COD). Subject to there being no default, Pledge of shares will be gradually reduced to 33% from COD for a period of 3 years and thereafter to 26% till final settlement date, however the total registered pledged as on March 31, 2020 is 2.45% only.
- (vi) Provided further that the charges, assignment and pledge on the assets shall in all respect rank Pari Passu inter se the Lenders without any preference or priority to one over the other or others.
- (vii) Term loans carries interest rate @ 11.75% p.a.
- (viii) The repayment schedule for the term loans is shifted by 2 years, quarterly repayments commencing from 31st December 2017 ranging between Rs. 33 lakhs to Rs. 4,013 lakhs, for which the Lead lender, Axis Bank, and the other Consortium Lenders Central Bank of India, Punjab and Sindh Bank, Oriental Bank of Commerce and India Infrastructure Finance Company Limited have given their sanctions as on the date of the Balance sheet. There is no change in the other terms and conditions. Sanction from State Bank of Mysore is awaited. On receipt of sanction from State Bank of Mysore, necessary documentation will be executed to give effect to the shift in repayment schedule.

5. GVK JEPL	As at March 31, 2020	As at March 31, 2019
Term Loans from banks	43,992	62,047

GVKJEPL has availed moratorium for principal and interest accrued and due from March 01, 2020 to May 31, 2020 as per RBI Circular RBI/2019-20/186 DOR no.BP/BC.47/21.04.048/2019-20 dated March 27, 2020. During the month of March 2020, GVKJEPL has paid an amount of Rs. 1,176 lakhs towards principal and Rs. 103 lakhs towards interest. Out of the above lenders refunded Rs. 1,141 lakhs and Rs. 103 lakhs towards principal and interest respectively in the month of April 2020 & May 2020.

GVKJEPL further applied for moratorium for another three months i.e. June 2020, July 2020 and August 2020 as per the RBI circular RBI/2019-20/244 dated May 23, 2020, all the lenders principally agreed for the same, however no communication received from the lenders till date for grant of further moratorium. Further due to availment of moratorium the repayment of principal payable during the moratorium period will be shifted for 6 months at the end of the loan tenure.

Current maturities of long term borrowings have been disclosed under the head Other current financial liabilities.

A. Term loans from banks of Rs. 31,795 lakhs are secured by way of

- i) second charge by way of mortgage of entire immovable properties of GVKJEPL, save and except project assets, both present and future.
- ii) second charge by way of hypothecation of entire movable properties of GVKJEPL, save and except project assets, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature.
- iii) second charge on entire cash flows, receivables, book debts and revenues of GVKJEPL of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future.
- iv) second charge on entire intangible assets of GVKJEPL, including but not limited to goodwill and uncalled capital, both present and future.
- v) Pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of GVKJEPL, subject to encumbrance created in favour of the existing Senior Lenders to the Project;
- vi) first charge on the Surplus Cash flows, Surplus Account and the Surplus Debt Service Reserve of GVKJEPL.
- vii) Rate of Interest: Interest payable at the rate of 12.00% per annum which is subject to reset once in every year.
- viii) Terms of Repayment: Repayable in 120 monthly instalments from November 2011.

B. loans from banks amounting to Rs. 12,197 lakhs (Axis Bank) are secured by way of

- i) second charge by way of mortgage of entire immovable properties of the GVKJEPL, save and except project assets, both present and future.
- ii) second charge by way of hypothecation of entire movable properties of GVKJEPL, save and except Project Assets, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature except project assets

Notes to the consolidated financial statements

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

- iii) second charge on entire cash flows, receivables, book debts and revenues of the GVKJEPL of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future.
- iv) second charge on entire intangible assets of the GVKJEPL except project assets, including but not limited to goodwill and uncalled capital, both present and future.
- v) way of Pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of the GVKJEPL, subject to encumbrance created in favour of the existing senior lenders of the project.
- vi) first pari passu charge on the Surplus Cashflows generated after meeting operating, Administrative, MMR provisioning (if any) for the year, senior debt servicing and appropriation after DSRA.
- vii) Corporate Guarantee of the parent Company and GVK Transportation Private Limited (only to meet the shortfall between the Facility amount and termination payments received from NHAI in case of termination of the Concession Agreement for any reason.)
- viii) Rate of Interest: Interest payable at the rate of 11.45% per annum which is subject to reset once in every year.
- ix) Terms of Repayment: Repayable in 20 quarterly instalments from June 2018.

6. GVK DKEPL	As at March 31, 2020	As at March 31, 2019
Term Loans from banks *	73,013	73,013
Term Loans from financial institutions *	14,050	14,003
	87,063	87,016

All the accounts have become Non performing assets (NPA) as on date and GVK DKEPL received recall notices from the banks and financial institutions hence, borrowings from bank and financial institution transferred under other current financial liabilities.

Term loans from banks and financial institutions are secured by way of

Indian rupee loan is secured to the extent permitted under the Concession Agreement by:

- i) A first ranking pari passu charge on all the present and future immovable and moveable assets and intangible assets except the project assets as defined under the Rupee Loan agreement.
- (ii) A first ranking pari passu charge on all revenues and receivables of the Borrower from the Project or otherwise.
- (iii) Pledge of 51% of the paid-up equity shares of GVK DKEPL held by GVKTPL (the "Sponsor") until the Commercial Operation Date and Pledge of 26% of the paid-up equity shares of the GVK DKEPL held by the Sponsor for a period of 2 years from Commercial Operation Date. Further GVKDKEPL pledged 22.98% shares to security trustee for RTL-III and the total registered pledge as on March 31, 2020 is 73.98%.
- (iv) A first ranking pari passu charge/assignment by way of security of all the project documents to the extent provided under the Substitution Agreement entered into by GVK DKEPL with the Rupee Lender and the NHAI.
- (v) A first ranking pari passu charge on all rights, title, interests, benefits, demands, and claims under the contractor guarantees, liquidated damages, any guarantees, letter of credit, or performance bonds provided by any counter party under any contract of GVK DKEPL, Insurance Contracts, and Insurance proceeds.
- (v) Corporate guarantee by GVKTPL.
- (vi) Term loans (RTL I & RTL II) carries interest @ 11.50% p.a and RTL III carries interest @10.25 %
- (vii) The Rupee Term Loan I & II are repayable in 58 quarterly instalments starting from September 30, 2016 and September 30, 2018 respectively as per the Amendment Agreement to Common Loan Agreement. The quarterly instalment amounts are a percentage of the rupee loan disbursed and varies from 0.10% to 3.24% (maximum) as mentioned in the repayment schedule to the Rupee loan agreement.
- (viii) The Rupee Term Loan III are repayable in 59 quarterly instalments starting from June 30, 2023 as per the Rupee Loan Agreement. The quarterly instalment amounts are a percentage of the rupee loan disbursed and varies from 0.50% to 25.00% (maximum) as mentioned in the repayment schedule to the Rupee loan agreement.

7. GVK RHEPPL	As at March 31, 2020	As at March 31, 2019
Term Loans from financial institutions	108,027	108,884

During the 2018-19 year, GVK RHEPPL as co-borrower 1 and GVK Developmental projects private Limited (GVK DPPL as co-borrower 2) have entered into a settlement agreement with Power Finance Corporation Limited Lender vide agreement Dated. February 4, 2019 where by existing loan along with the outstanding interest payable as on March 26, 2019 (cut-off date) was converted into two loans of Rs. 81,690 lakhs (Loan A) and Rs. 34,500 lakhs (Loan B). Repayment of both loans along with interest are to be paid in 256 equal installments of Rs. 1,090 lakhs each (EMI).

Notes to the consolidated financial statements

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

1. Rupee term loan from financial institution is secured by

a) A first ranking Charge/Mortgage/ assignment/hypothecation on:

- i) all of the GVK RHEPPL immovable properties, present and future, except forest land, river bed area and land for realignment of National Highway - 1B, subject to the Transfer of Property Act of the State Government of Jammu & Kashmir and Right to Use Forest Land.
- ii) All of the GVK RHEPPL movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, present and future, intangible, goodwill, uncalled capital, present and future relating to the Project:
- iii) all book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, of the GVK RHEPPL present and future: and
- iv) the Debt Service Reserve Account, the Trust and Retention Account, any letter of credit and other reserves and any other bank accounts of GVK RHEPPL wherever maintained, present and future;

b) First ranking assignment of the following:

- i) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL in the Project Documents (including but not limited to Power Purchase Agreements/memorandum of understanding for sale of power, package/ engineering, procurement and construction contracts/Construction contracts, O&M Agreement, Land lease Agreements, etc.), if any, duly acknowledged and consented to by the relevant counter parties to such Project Documents, each as amended, varied or supplemented from time to time.
- ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the permits, approvals and Clearances pertaining to the Project.
- iii) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party under the Project Documents, and
- iv) all the rights, title, interest, benefits, claims and demands whatsoever of GVK RHEPPL under all Insurance Contracts / Insurance Proceeds.
- v) first ranking security interest over all the immovable and movable assets and properties of Co-borrower 2.
- vi) Corporate guarantee of GVKPIL dated January 13, 2016.

Net debt reconciliation

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current borrowings	145,632	191,288
Non-current borrowings including current maturities	1,175,341	1,204,217
Cash and cash equivalents	(19,404)	(30,496)
Liquid investments	(2,230)	(4,981)
Total	1,299,339	1,360,028

Particulars	Current borrowing	Non-current borrowings	Cash	Liquid investments	Total
Net debt as on March 31, 2018	216,155	1,246,352	(89,039)	(2,293)	1,371,175
Cash flows	(24,867)	(42,135)	58,543	(2,331)	(10,790)
Fair value adjustment - non cash movement	-	-	-	(357)	(357)
Net debt as on March 31, 2019	191,288	1,204,217	(30,496)	(4,981)	1,360,028
Cash flows	(45,656)	(28,876)	11,092	2,859	(60,581)
Fair value adjustment - non cash movement	-	-	-	(108)	(108)
Net debt as on March 31, 2020	145,632	1,175,341	(19,404)	(2,230)	1,299,339

24. Other non current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Premium obligation/ Negative grant to NHAI (Refer note 63)	-	80,797
Security deposits	50,876	68,355
Annual Fee on lease income as per Ind AS 116 (Payable in future) (refer note 34)	683	-

Notes to the consolidated financial statements

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

	As at March 31, 2020	As at March 31, 2019
Soft Loan towards Pre-development works	48,499	22,896
Concession fees payable towards concessions rights	80,060	73,038
Reimbursement of pre-operative expenses	9,266	8,403
Resurfacing obligation (Refer note 63)	-	12,231
Unearned guarantee commission income on financial guarantees given to related parties	579	2,543
Retention monies	690	1,966
	190,653	270,229

25. Long term provisions

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	1,453	1,358
Provision for compensated absences	-	218
Total	1,453	1,576

26. Deferred tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Accelerated depreciation for tax purposes	66,997	66,920
Discounting of Security Deposits	2,356	819
Lease Income as per Ind AS 116	617	-
A	69,970	67,739
Deferred tax assets		
Retirement compensation payable to AAI	-	50
Gratuity and leave encashment	1,345	1,277
Provision for doubtful debts	395	176
Carried forward losses including current year	41,653	43,046
Others	921	916
Annual Fees on Lease Income as per Ind AS 116 (payable in future)	239	-
Interest on unpaid deductible on payment basis	1,786	-
Lease liabilities	5	-
MAT Credit Entitlement	9,836	9,836
B	56,180	55,301
Deferred tax liabilities (net) (A-B)	13,790	12,438

27. Other non current liabilities

	As at March 31, 2020	As at March 31, 2019
Deferred lease income pertaining to security deposits from concessionaires	61,751	68,895
Deferred Income pertaining to Airport assets (Government Grant) (Refer note "A" below)	87,229	71,459
Soft Loan towards Pre-development works (refer note "B" below)*	132,436	70,504
Reimbursement of pre-operative expenses (refer note "C" below)*	785	1,738
	282,201	212,596
A. Government Grant (Airport Development Fees)	As at March 31, 2019	As at March 31, 2018
Opening balance	91,360	76,257
Grants received during the year	34,375	34,871
Less: Released to statement of Profit and Loss (refer note 38)	(19,658)	(19,768)
Closing Balance	106,077	91,360
Classified as:		
Current Portion (refer note 32)	18,848	19,901
Non-current Portion (refer note 27)	87,229	71,459
	106,077	91,360

Notes to the consolidated financial statements

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

B. Government Grant (Navi Mumbai Airport)	As at March 31, 2020	As at March 31, 2019
Opening balance	71,163	-
Grants received during the year	63,566	71,460
Less: Released to statement of Profit and Loss (Refer note 37)	(919)	(297)
Closing Balance	133,810	71,163
Classified as:		
Current Portion (refer note 32)	1,374	659
Non-current Portion (refer note 27)	132,436	70,504
Total	133,810	71,163

C. Reimbursement of pre-operative Expenses	As at March 31, 2020	As at March 31, 2019
Opening balance	2,596	-
Grants received during the year	-	3,184
Less: Released to statement of Profit and Loss (Refer note 37)	(862)	(588)
Closing Balance	1,734	2,596
Classified as:		
Current Portion (refer note 32)	949	858
Non-current Portion (refer note 27)	785	1,738
Total	1,734	2,596

28. Borrowings

	As at March 31, 2020	As at March 31, 2019
Secured - at amortised cost		
Rupee loan from banks	42,930	70,849
Cash credit facilities from banks repayable on demand	29,073	32,231
A	72,003	103,080
Unsecured - at amortised cost		
Loans and advances from related parties repayable on demand	219	6,748
Cash credit from banks repayable on demand	-	5,038
Loans from Others	73,410	76,422
B	73,629	88,208
A+B	145,632	191,288

Entity wise details of the borrowings are as follows:

Name of the entities	As at March 31, 2020	As at March 31, 2019
GVK Airport Developers Limited (GVK ADL)	42,930	75,887
Mumbai International Airport Limited (MIAL)	29,273	32,231
GVK Transport Private Limited (GVK TPL) #	73,064	82,805
GVK Perambalur SEZ Private Limited (GVKSEZ) #	365	365
	145,632	191,288

#.The said loans are unsecured and are repayable on demand.

GVK ADL

	As at March 31, 2020	As at March 31, 2019
Rupee loan from banks (Secured)	42,930	70,849
Cash credit from banks (Unsecured)	-	5,038
Total	42,930	75,887

A. Cash credit from banks are unsecured and carry an effective interest rate ranging from 7% p.a to 8% p.a. and is repayable on demand.

Notes to the consolidated financial statements

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

- B. Rupee loans from banks currently carries an effective interest of 14% per annum and secured by
- First Pari passu charge on Loans and advances of GVK Power and Infrastructure Ltd (GVKPIL) to GVKADL and/or charge on loans and advances provided by GVKADL to GVK Airport Holdings limited (GVK AHL) and/or charge on loans and advances provided by the GVKADL to Bangalore Airport & Infrastructure limited (BAIDL) such that Yes bank Limited has a total cover of 1.5x on the facility.
 - Yes bank Limited to have charge on proportionate proceeds of Liquidity event of GVKADL, GVK AHL, and BAIDL.
 - First pari passu charge on shares of GVKADL and BAIDL along with other lenders or any other future lender representing atleast 61% of paid up capital of GVK AHL and BAIDL such that Yes Bank Limited share on pledge does not exceed 30% of the paid up share capital of the GVKADL.
 - First pari passu charge shares of GVK AHL and BAIDL along with HDFC bank or any other lenders representing atleast 61% paid up share capital of of the GVK AHL and BAIDL such that Yes Bank Limited share on Pledge does not exceed 30% of the paid up share capital of the GVKADL.
 - Second Pari passu charge on land of 2685 acres located at Eraiyar and Periyar villages in Veppanthattai Taluk, Thirumandurai Pennakonam North & Pennakonam south villages in kunnam Taluk, Perambalur District currently second charged to HDFC and first charged to Syndicate bank owned by GVK Perambalur SEZ Private Limited.
 - Corporate guarantee by GVK PIL.
- C. Loans and advances from related parties are interest free and are repayable on demand.

MIAL

	As at March 31, 2020	As at March 31, 2019
Secured		
Cash credit facilities from banks (repayable on demand)	29,273	32,231
	29,273	32,231

Cash Credit facility and loan from banks is secured by:

- First pari passu charge on all the amounts lying in certain designated bank accounts of MIAL.
- Charge on receivables including unbilled revenue, spares & tools and other current assets to the extent permitted under OMDA.
- Pledge of equity shares of MIAL held by the prime members (i.e. GVK Airport Holdings Limited., Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) constituting not less than 74% of the total voting paid-up equity share capital of MIAL.
- Undertaking from Prime Members (i.e. GVK Airport Holdings Limited, Bid Services Division (Mauritius) Ltd. and ACSA Global Ltd.) in the event of termination of OMDA, for meeting shortfall, if any, between total debt outstanding and the termination payments receivable as per OMDA from Gol/ AAI, in proportion to their shareholding.

MIAL has availed moratorium from payment of interest on working capital facilities for 6 months from March 2020.

GVK TPL

	As at March 31, 2020	As at March 31, 2019
Unsecured		
Loans and advances from others repayable on demand	73,046	82,805
	73,046	82,805

Unsecured borrowings from others is interest free and repayable on demand.

GVK SEZ

	As at March 31, 2020	As at March 31, 2019
Unsecured		
Loan from others	365	365
	365	365

Unsecured borrowings from others are interest free and repayable on demand.

Notes to the consolidated financial statements

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

29. Trade Payables - Current

	As at March 31, 2020	As at March 31, 2019
Dues to micro enterprises and small enterprises	726	379
Dues to creditors other than micro enterprises and small enterprises	17,300	20,105
	18,026	20,484

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 45 day terms.

30. Other current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Current maturities of Long term borrowings	404,000	259,987
Interest accrued and due on borrowings	33,977	18,270
Interest accrued but not due on borrowings	24,103	10,485
Unearned guarantee commission liability on financial guarantees given to related parties	2,186	625
Security Deposit from concessionaires	50,883	30,419
Retirement compensation payable to Airports Authority of India under OMDA	-	144
Remuneration payable to directors	602	
Capital Creditors	23,699	16,949
Premium obligation/ Negative grant to NHAI	21,926	3,282
Retention monies	1,014	2,376
Due to employees	564	-
Concession fee payable to CIDCO	500	500
Other financial liabilities (including bid security)	2,132	2,282
Others	65	2,555
	565,651	347,874

31. Short term provisions

	As at March 31, 2020	As at March 31, 2019
Provision for leave encashment	2,179	2,165
Provision for gratuity (refer note 42)	334	350
Others	16,750	502
	19,263	3,017

32. Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Toll fee received in advance	57	70
Statutory remittances	8,697	10,001
Deferred lease income pertaining to security deposits from concessionaires	18,422	7,995
Deferred income pertaining to Airport assets (Government Grant) (Refer note 27(A))*	18,848	19,901
Soft Loan towards Pre-development works (Refer note 27(B))*	1,374	659
Reimbursement of pre-operative expenses (Refer note 27(C))*	949	858
Other liabilities	1,956	594
	50,303	40,078

Notes to the consolidated financial statements

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

33. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
Income from toll operations	35,598	39,683
Aeronautical	160,503	171,968
Non-aeronautical : (including lease equalisation income (net) of Rs. 1,766 lakhs as per Ind AS 116)		
Lease income		
Duty free	35,170	32,153
Cargo	30,213	30,973
Advertising & promotions	15,502	16,820
Retail	15,254	14,930
Food & beverages	13,846	12,794
Rental (Land, terminal & cargo)	20,556	19,683
Lounges	7,307	6,763
Real estate development	797	1,353
Car rental	2,466	2,299
Foreign exchange	5,528	4,996
Oil throughput	11,493	17,419
IT concession	5,175	6,220
Ground handling	10,806	12,911
Others	14,330	16,092
Manpower and consultancy services	143	157
Operation and maintenance fees	-	2,603
	384,687	409,817

Pursuant to adoption of Ind AS 116 effective April 01, 2019, the Group has recorded the rentals from concessionaires basis on the terms of the contract on a systematic basis/ straight line basis as against the earlier accounting treatment under Ind AS 17 when there was an exemption for not providing straight lining in case of escalations which were inline with the inflation. Also refer note 34(B) and note 56 for the disclosure of leases as per Ind AS Leases. The effect of adoption of Ind AS 116 on the Group as a lessor is as follows:

Particulars	March 31, 2020
Lease income considered in Non-aeronautical income above	117,859
Lease equalisation income	30,695
Provision for doubtful lease equalisation income	(28,929)
Lease equalisation income (net)	1,766
Total lease equalisation income	119,625
Annual fee on lease equalisation income as per Ind AS 116	683

Ind AS 115 disclosures:

Note:

(i) The group earns its entire revenue from operations in India.

(ii) Timings of rendering of services

	Year ended March 31, 2020	Year ended March 31, 2019
At a point in time		
Income from toll operations	35,598	39,683
Aeronautical	160,503	171,968
	196,101	211,651
Over time		
Non-Aeronautical	68,021	194,053
Construction and real estate revenue	797	1,353
Manpower and Consultancy services	143	157
Operation and maintenance fees	-	2,603
	68,961	198,166
Total	265,062	409,817

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

(iii) Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per contracted price	229,515	370,298
Adjustments:		
-Others	(51)	(164)
	229,464	370,134

(iv) Set out below is the revenue recognised from:

	Year ended March 31, 2020	Year ended March 31, 2019
Amount included in Contract liabilities at the beginning of the year	933	1,669
Performance obligations satisfied in previous years	-	-
Total	933	1,669

34. A. Notional Income not subject to annual fees

Notional income of Rs. 4,933 lakhs (March 31, 2019: Rs. 8,200 lakhs) represents unwinding of discount on interest free security deposit which is accounted only to comply with the provisions of Ind AS. As per the provisions of Operation, Management and Development Agreement (OMDA) executed between MIAL and Airport Authority of India, MIAL has to pay revenue share by way of Annual Fee on projected revenue, to be ultimately adjusted based only on actual revenue on quarterly basis. MIAL has been legally advised that no Annual Fee is payable on this amount, being not actual revenue within the provisions of OMDA.

B. Application of Ind AS 116 - Leases

Effective April 1, 2019, Group has adopted Ind AS 116 on 'Leases' using Modified Retrospective Method. The adoption of this standard has resulted in a recognition of Right-of-Use asset of Rs. 737 lakhs, Lease liability of Rs. 759 lakhs, recognition of finance cost of Rs. 37 lakhs and Depreciation of Rs. 144 lakhs in the statement of Profit and Loss. Refer note 56 for detailed disclosures.

Lease income (net of provision) accounted to comply with Ind AS on which Annual Fee to AAI is not due

Lease income (net of provision) of Rs. 1,766 lakhs has been accounted in the Statement of Profit and Loss pursuant to application of Ind AS 116. Annual fee recognised in the Statement of Profit and Loss of Rs. 683 lakhs to be paid to AAI on the abovementioned lease income is due to advance accounting of lease income to comply with the provisions of Ind AS 116 and is therefore not due during the period under consideration. The said Annual Fee shall be due and payable as per the provisions of OMDA based on actual invoicing of the said lease income. (Refer note 57)

As detailed in note 43(x) Group expects variable lease payments model/ fixed revenue model (MMG) without escalation to continue further. In view of this and considering the invocation of the force majeure clause in the concession agreement by the concessionaires and consequent termination of few contracts, the Group has recognised provision against lease equalisation asset except for the contract which are expected to continue in the normal course of business.

	Year ended March 31, 2020	Year ended March 31, 2019
Lease equalisation asset	30,695	-
Less: Provision for doubtful lease equalisation asset	(28,929)	-
Lease income (net of provision)	1,766	-

35. Other income (net)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on		
Bank deposits	2,287	4,914
On delayed payments from Airlines & concessionaires	95	5,488
Others	325	3,727
Financial assets	2,538	2,450
Guarantee commission	1,704	888
Liabilities no longer required, written back	2,074	56
Income from investments	108	326
Fair valuation of investments	-	31
Foreign Currency Fluctuation - Realised	39	124
Miscellaneous income (net)	288	289
	9,458	18,293

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

36. Employee Benefits Expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages, including bonus	21,844	19,541
Contribution to provident and other funds	904	854
Retirement and other employee benefit expense	332	365
Staff welfare expenses	218	299
	23,298	21,059

37. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	140,950	140,676
Other finance charges	3,706	4,641
Total interest expense	144,656	145,317
Notional finance cost:		
On unwinding of interest on retirement compensation	1	129
Interest on lease (refer note 56)	37	-
On unwinding of interest on security deposit from concessionaires	3,728	5,856
On unwinding of interest towards soft loan pre-operative expenses	862	1,065
On unwinding of interest towards soft loan pre-development works	3,331	588
Less: Transferred from deferred income government grant (Refer note 27B & 27C)	(1,781)	(884)
Less: Transferred to expenditure during construction	(2,412)	(769)
	3,766	5,985
	148,422	151,302

38. Depreciation and amortisation expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of tangible assets	92,272	90,143
Amortization of intangible assets	7,492	8,783
Depreciation/ Amortization of leases	144	-
Less: Amortization of Deferred income on Airport Assets (funded out of Government Grant - Airport Development Fee) - [refer note 27(A)]	(19,658)	(19,768)
	80,250	79,158

39. Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares	863	886
Operating and maintenance expenses	53	36
NHAI share of toll fee	2,086	3,270
Airport operator's charges	1,053	970
Rent	905	1,143
Rates and taxes	3,735	7,922
Insurance	1,036	585
Resurfacing obligation*	2,802	3,400
Repairs and maintenance		
- Buildings	6,250	4,004
- Roads	319	473

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

	Year ended March 31, 2019	Year ended March 31, 2018
- Plant and machinery	10,515	9,992
- Others	1,533	839
Power and fuel	12,413	11,099
Travel and conveyance	752	2,685
Communication	144	333
Printing and stationery	3	10
Advertisement	517	843
Legal and professional charges	7,127	6,844
Auditor's remuneration (refer note below)	45	74
Directors' sitting fee	57	58
Donation	171	100
Loss on disposal / write off of assets*/Advances and investments written off	8,602	(124)
Provision for doubtful debts	1,726	-
Bad debts	141	35
Contract services	17,456	16,128
Construction costs	-	135
Miscellaneous expenses	462	1,625
Foreign Exchange Fluctuations (Net)	653	311
Social Welfare Contribution	250	
Expenditure towards Corporate Social Responsibility	68	595
Fair value loss on investments in preference shares	1,000	50
	82,737	74,321

*Provision for Third Periodic wearing Course overlay:

As per Concession Agreement entered into by GVKJEPL with National Highways Authority of India (NHAI), GVKJEPL has to renew bituminous concrete coat of the Road ("Periodic wearing Course overlay") every 5 years. The next such wearing Course overlay is to be undertaken during financial year 2020-21. As per Indian Accounting Standard – 37 "Provisions, Contingent Liabilities and Contingent Assets", cost of overlay of Bituminous Concrete to be made in Financial year 2020-21, as required by Operation and Maintenance Requirements is estimated at Rs. 16,500 lakhs which is provided in equal yearly charge to the Statement of Profit and Loss. The charge of the current year has been discounted to its present value of Rs. 2,802 lakhs and discount amount of Rs. 1,468 lakhs is charged in finance cost.

ii) Auditors' remuneration (net of GST & service tax) comprises of:

	Year ended March 31, 2020	Year ended March 31, 2019
As Auditor:		
Audit Fee	41	42
Tax audit	-	8
Limited review	3	3
Certification	0	-
In other capacity:		
Other services	1	21
Total	45	74

iii) Details of Corporate Social Responsibility expenditure

	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent during the year	241	160
Amount spent during the year		
- on construction / acquisition of any asset	-	-
- on purposes other than above		

Notes to the consolidated financial statements

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

	Year ended March 31, 2020	Year ended March 31, 2019
Paid	51	95
Yet to be paid	17	-
Total	68	95

40. Taxes**(a) Income tax expense:**

The major components of income tax expenses are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	5,076	(4,733)
Taxes of earlier years	2,362	-
Deferred tax	280	4,426
Total income tax expense recognised in statement of Profit & Loss	7,718	(307)

(b) Reconciliation of effective tax rate:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss before tax (A)	(146,754)	(30,749)
Enacted tax rates in India (B)	34.608%	34.944%
Expected tax expenses (C = A*B)	(50,789)	(10,745)
Deferred tax asset not recognised on losses	30,190	21,647
Effect of non-deductible expenses	26,938	17
Effect of non-taxable incomes	(983)	(1,529)
Income tax refund of earlier years	-	(9,697)
Taxes of earlier years	2,362	-
Net tax expense recognised in statement of Profit & Loss	7,718	(307)

41. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares, if any.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss after tax considered for calculation of basic and diluted earnings per share	(149,343)	(36,349)
Weighted average number of equity shares considered for calculation of basic and diluted EPS	1,579,210,400	1,579,210,400
Earnings per share		
- Basic and diluted	(9.46)	(2.30)

42. Employee benefits**(a) Defined Contribution Plans**

- Provident Fund/ Employees' Pension Fund
- Employees' State Insurance

Notes to the consolidated financial statements

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

The Group has recognised following amounts as Expense in the Statement of Profit and Loss :

	March 31, 2020	March 31, 2019
Included in Contribution to Provident and Other Funds		
Employer's Contribution to Provident Fund*	877	1,043
Employees' State Insurance	16	27
	0.4	0.1

(b) Defined Benefit Plans

a. Gratuity :

The company has a unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972, as amended.

b. Compensated Absences :

Compensated benefits are payable to all the eligible employees of the Group on any type of separation from the Company on the leave balance available as per the Company Rules subject to a maximum of 120 days. Benefits would be paid at the time of separation based on last drawn basic salary.

Changes in the present value of the defined benefit obligation are, as follows:

Particulars	March 31, 2020	March 31, 2019
I Change in present value of defined benefit obligation during the year		
Present Value of defined benefit obligation at the beginning of the year	1,816	1,618
Interest cost	105	109
Current service cost	166	249
Benefits paid directly by employer	-219	(172)
Benefits paid	-17	(2)
Actuarial changes arising from changes in demographic assumptions	-29	39
Actuarial changes arising from changes in experience adjustments	55	(25)
Present Value of defined benefit obligation at the end of the year	1,877	1,816
II.Changes in fair value of plan assets	March 31, 2020	March 31, 2019
Opening fair value of plan assets	118	90
Expected return	-	5
Return on plan assets, excluding amounts included in interest expense/(income)	8	4
Benefits paid	(17)	(5)
Actuarial gains / (losses)	-	14
Closing fair value of plan assets	109	108
III Net (asset) / liability recognised in the balance sheet	March 31, 2020	March 31, 2019
1. Present Value of defined benefit obligation at the end of the year	1,877	1,816
2. Fair value of Plan Assets	109	108
Unrecognised excess of plan assets over liability	(19)	-
3. Net (liability)/ asset- recognised in the balance sheet	1,787	1,708
Recognised under:		
Current (refer note 31)	334	350
Non-Current (refer note 25)	1,453	1,358
IV Expenses recognised in the statement of profit and loss for the year	March 31, 2020	March 31, 2019
1. Current service cost	166	249
2. Interest cost on benefit obligation (Net)	105	107
3. Return on plan assets	(8)	(4)
Total expenses included in employee benefits expense	263	352
V Recognised in other comprehensive income for the year	March 31, 2020	March 31, 2019
1. Actuarial changes arising from changes in financial assumptions	(20)	41
2. Actuarial changes arising from changes in experience adjustments	46	(28)
Recognised in other comprehensive income	26	13

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

VI Maturity profile of defined benefit obligation	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	390	369
Between 2 and 5 years	856	837
Between 6 and 10 years	662	707
Beyond 10 years	880	918

The weighted average duration to the payment of these cash flows is 5.25 years (March 31, 2018: 5.25 years).

VII Quantitative sensitivity analysis for significant assumption is as below:

	March 31, 2020	March 31, 2019
(a) Effect of 0.5% to 1% change in assumed discount rate		
- increase	-52	(54)
- decrease	55	59
(b) Effect of 0.5% to 1% change in assumed salary escalation rate		
- increase	53	57
- decrease	-51	(33)
VIII Actuarial assumptions		
1. Discount rate	6% to 7.6%	7.05% to 7.6%
2. Salary escalation	0% to 8 %	7 % to 8 %
3. Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

Notes :

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2020. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

43. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future period affected.

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements.

i) Concession Agreement

The Group's subsidiary Navi Mumbai International Airport Private Limited (NMIAL) has entered into the Concession Agreement (CA) with the City and Industrial Development Corporation of Maharashtra Limited (CIDCO) on 8th January 2018 for design, construction, operation and maintenance of Navi Mumbai International Airport at Navi Mumbai on Design, Build, Finance, Operate and Transfer (DBFOT) basis. Pursuant to the agreement, CIDCO has become a Shareholder in NMIAL with a shareholding of 26%. As per the terms of the agreement, NMIAL and CIDCO are required to fulfil certain Conditions Precedent as described under Clause 4.1 of the Concession Agreement before the Appointed Date, i.e. within 180 days from the execution of the Concession Agreement or any extended period as per the terms of agreement, for commencement of the Concession Period. As per these relevant clauses of the Concession Agreement, the grant of concession is considered to start only from the Appointed Date.

In terms of the Concession Agreement, the rights under concession and the related obligations towards a) reimbursement of Pre-Operative Expenses to CIDCO, b) payment of Concession Fee for each Concession Year and c) cost of Pre-development Works incurred shall arise from the Appointed date. As the Appointed date has occurred as on 7th July, 2018, the above referred rights and related obligations in terms of the Concession Agreement have been reckoned in the financial statements.

Reimbursement of Pre-operative expenses and repayment of Soft Loan towards Pre-development Works to CIDCO have been accounted as Capital work-in-progress with corresponding liability payable to CIDCO at amortised cost using effective interest rate

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

method. (Ind AS 109). The difference between amount payable to CIDCO and fair value is accounted as Government Grant under IND AS 20 which will be systematically recognised against unwinding of interest on liability reckoned.

The subsidiary has reckoned Concession Rights as Intangible Asset (Ind AS 38) with corresponding liability payable to CIDCO at amortised cost using effective interest rate method (Ind AS 109). The Intangible asset would be amortised over concession period commencing Commercial Operation Date - Phase I of Navi Mumbai International Airport. NMIAL will amortised this Concession Rights over period starting from Phase 1 COD on systematic basis.

ii) Provisions and Contingency

The contingencies and commitments are discussed in more details in note 45 and 46. It is not practical to state the timing of the judgement and final outcome. The management has assessed the probable unfavourable outcomes and creates provisions where necessary and where these are assessed as not probable, these are disclosed as contingent liability.

iii) Non-Applicability of Service Concession Arrangement Accounting in MIAL

Appendix A of Ind AS 11 “Service Concession Arrangements” applies to public-to-private service concession arrangements if certain conditions as provided in clause 5 are fulfilled namely that the Grantor Controls or Regulates what services the operator must provide, to whom and at what prices. Further, the grantor must control through ownership, beneficial entitlement or otherwise any significant residual interest in Infrastructure at the end of Concession arrangement.

Application Guidance on Appendix A clarifies applicability of Appendix A under AG7 sub-clause (b), where it provides for situations where the use of Infrastructure is partly regulated and partly unregulated. It states that for applying control test when purely ancillary activities are unregulated, the control test shall be applied as if those services did not exist.

MIAL business activities and operations are governed by Operations, Management & Development Agreement (OMDA) which grants an initial Concession term effective from 3rd May, 2006 for 30 years which is extendable by another 30 years. Management of MIAL has conducted a detailed analysis to determine the applicability of Ind AS in light of the following:

- MIAL uses a common infrastructure in generating both Aeronautical and Non-Aeronautical revenue and the Infrastructure assets are inseparable and not capable of operating Independently;
- Aeronautical services are regulated while there is no control over determination of prices for non-aeronautical services. Charges of Non-Aeronautical services are determined at the sole discretion of MIAL and regulator does not decide or control the prices of non-aeronautical services.
- The non-aeronautical revenue is not ancillary revenue and is significant to the overall revenue of MIAL. Hence Management of MIAL has concluded that accounting as per Appendix A of Ind AS 11 “Service Concession Arrangement” is not applicable to MIAL.

Non-Applicability of Service Concession Arrangement Accounting in NMIAL

The business activities of NMIAL are governed by Concession Agreement with City and Industrial Development Corporation of Maharashtra Limited (Grantor) under an initial term of 30 years extendable by another 10 years (Concession Period). The business activities comprises of those services that are regulated by ‘Grantor’ and those which are not regulated by ‘Grantor’. The infrastructure for providing regulated and non-regulated services is an integrated facility being developed. The infrastructure assets are inseparable and not capable of operating independently. The business income from non-regulated services is not ancillary but is expected to be significant and material revenue to NMIAL. Under the Concession Agreement, the infrastructure to be built (Project) is to handle a minimum annual passenger of 60 Million and cargo handling capacity of 1.5 Million tonnes once fully developed. Management of NMIAL has estimated the income from non-regulated services to be substantially higher as compared to income from regulated services from the project over the concession period and hence management believes that accounting as per Appendix D of IND AS 115 “Service Concession Arrangement is not applicable to NMIAL.

iv) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the probable time and amount of future taxable profits together with future tax planning strategies. MIAL has Rs. 119,199 lakhs of tax losses carried forward. As assessed, there is reasonable certainty of utilising these losses and accordingly total deferred tax asset of Rs. 46,344 lakhs (March 31, 2019: Rs. 45,465 lakhs) has been recognised. Group has Minimum Alternate Credit (MAT) of Rs. 15,651 lakhs (March 31, 2019: Rs. 18,423 lakhs) as at the reporting date which can be utilised for a period of 15 years from the assessment year to which it relates to. Based on future projections of taxable income and MAT, group has assessed that the entire MAT credit can be utilised.

Indian companies are subject to income tax in India on the basis of their standalone financial statements. Indian companies can claim tax exemptions/deductions under specific sections of the Income-tax Act, 1961 subject to fulfilment of prescribed conditions as may be applicable. As per the Income-tax Act 1961, companies are liable to pay income tax based on the higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

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

Section 115BAA has been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deductions or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Indian Companies can carry forward business losses for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

The Group has opted for the lower tax rate depending on the benefit available to the subsidiaries/ associates and joint ventures on a standalone basis. And in certain cases considering the substantial accumulated MAT credit and carried forward loss as stated above, the management has decided that it is beneficial not to opt for the option of availing revised income tax rate as per provisions of Section 115BAA under Income Tax Act, 1961.

v) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 41.

vi) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Refer note 59, 60, 61, 62, 63 and 67 regarding assessment on carrying values of certain assets.

vii) Impairment of financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

viii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities disclosed in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments. The Group has considered Weighted Average Cost of Capital (WACC) rate of respective periods in which transaction had occurred for measuring deposit, being financial liabilities, at amortised cost.

ix) Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

x) Ind AS 116 Lessor Estimates and Assumptions

The aviation industry has been severely impacted due to the outbreak of Covid-19 resulting in a significant reduction in Passenger and Air Traffic Movements ('ATMs') and thereby, affecting the footfalls for the concessionaire at the airport. Pursuant to this, MIAL has during the year ended March 31, 2020, granted waiver of Monthly Minimum Guarantee (MMG) for the month of March

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2020. Further considering, the force majeure provisions invoked by the concessionaires, MIAL has revised the revenue model to variable lease payments for concessionaires till December 2020 and expects to continue until there is an improvement in ATMS and passenger footfalls.

Due to ongoing restrictions on air travel, currently it is not possible for MIAL to determine timelines by which the pre-covid levels of Passenger and Air Traffic Movements shall be achieved. Therefore, MIAL expects variable lease payments model/ fixed revenue model (MMG) without escalation to continue further. In view of this and considering the invocation of the force majeure clause in the concession agreement by the concessionaire and consequent termination of a few contracts, MIAL has recognised provision against Lease Equalisation Asset except for the contracts which are expected to continue in normal course of business.

The carrying amount of lease asset is re-measured on modification due to a change in the lease term or a change in the lease payments (e.g., changes to future payments resulting from a changes in index or rate used to determine such lease payments, change in escalation rate).

xi) Determination of control and accounting thereof

As detailed in the accounting policy, principles under Ind AS are different from the previous GAAP, especially with respect to assessment of control of subsidiaries. Accordingly certain entities like GVK Energy Limited, where the Company has majority shareholding, they have been accounted as joint venture entity on account of certain participative rights granted to other partners/ investors under the shareholding agreements. Further, investments in GVK Coal Developers (Singapore) Pte. Ltd has been accounted as associate since the company participates in all significant financial and operating decisions. The Company has therefore determined that it has significant influence over this entity, even though it only holds 10% of the voting rights.

xii) Also refer note 70 on significant judgement on going concern ability of the Group.

44. Segment Reporting

For management purposes, the Group is organised into business units based on its services and has three reportable segments, as follows:

- Power segment, which is engaged in the construction and operation of power plants.
- Roads segment, which is engaged in the construction and operation of highway projects.
- Airport segment, which is engaged in the construction and operation of domestic and international airports.
- Other segments, which is engaged in investment in SEZ and other investments.

The Board of directors of the group monitors the operating results of segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Year ended March 31, 2020

Particulars	Power	Roads	Airports	Others	Unallocated	Total segments	Eliminations	Consolidated
Revenue								
External customers	-	35,609	349,070	8	-	384,687	-	384,687
Inter Segment	-	-	-	2,320	-	2,320	(2,320)	-
Total Revenue	-	35,609	349,070	2,328	-	387,007	(2,320)	384,687
Income/ (expenses)								
Depreciation and amortization	3	5,945	74,280	21	-	80,250	-	80,250
Share of profit of an associate and a joint venture.(note 49 and 50)	-	-	1,973	-	-	1,973	-	1,973
Segment profit	(131)	20,442	62,442	(3,165)	(228,315)	(148,727)	-	(148,727)
Total assets	107,344	179,750	1,570,218	13,713	180,366	2,051,391	-	2,051,391
Total liabilities	114,057	338,946	1,556,759	9,334	45,665	2,064,761	-	2,064,761
Other Disclosures								
Investment in associate and a joint venture (notes 49 and 50)	-	-	13,694	-	-	13,694	-	13,694
Capital Expenditure	-	5	179,105	-	-	179,110	-	179,110

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

Year ended March 31, 2019

Particulars	Power	Roads	Airports	Others	Unallocated	Total segments	Eliminations	Consolidated
Revenue								
External customers	-	39,818	369,999	-	-	409,817	-	409,817
Inter Segment	-	-	-	2,321	-	2,321	(2,321)	-
Total Revenue	-	39,818	369,999	2,321	-	412,138	(2,321)	409,817
Income/(expenses)								
Depreciation and amortization	3	6,890	72,253	12	-	79,158	-	79,158
Share of profit of an associate and a joint venture.(note 49 and 50)	-	-	2,551	-	-	2,551	-	2,551
Segment profit	(153)	21,006	59,777	(1,025)	(112,905)	(33,300)	-	(33,300)
Total assets	113,803	254,876	1,517,910	15,780	280,117	2,182,486	-	2,182,486
Total liabilities	109,752	305,831	1,513,021	60,724	68,614	2,057,942	-	2,057,942
Other Disclosures								
Investment in associate and a joint venture (notes 49 and 50)	72,569	-	11,714	-	-	84,283	-	84,283
Capital Expenditure	-	65	335,609	37	-	335,711	-	335,711

Particulars	March 31, 2020			March 31, 2019		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	84	384,603	384,687	3,946	405,871	409,817
Non-current operating assets	2	1,689,005	1,689,007	7	1,785,981	1,785,988

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and others.

45. Contingent Liabilities

A) Parent Company

1. Direct and Indirect Taxes

	March 31, 2020	March 31, 2019
Claims not acknowledged as debts by the company		
Income tax	200	200
Service tax	1,620	1,620

(i) Income tax demand for assessment year 2009-10 may come of Rs. 199.74 (March 31, 2018: Rs. 10), for assessment year 2010-11 for Rs.NIL (March 31, 2018: Rs. 279), for assessment year 2011-12 for Rs. NIL (March 31, 2018: Rs. 11) and for assessment year 2012-13 Rs. NIL (March 31, 2018: 44).

2.Security against loan taken by others

- The Company had provided security by way of pledge of 230,960,770 (March 31, 2019: 230,960,770) shares of GVK Energy Limited for loans taken by the aforesaid joint venture entity.
- The Company has provided security by way of corporate guarantees amounting to Rs. 303,280 lakhs (March 31, 2019: Rs. 228,227 lakhs) to subsidiaries and joint ventures and Rs. 417,096 lakhs to the lenders of GVK Coal Developers (Singapore) Pte Ltd, an associate (March 31, 2019: Rs. 383,816 lakhs) for various fund and non-fund based facility availed by them.
- Lenders of GVK Coal Developers (Singapore) Pte Ltd. (i.e. Hancock lenders) have filed a claim in the High Court of Justice Business and Property Courts of England And Wales Commercial Court ("Claim") on date: November 09, 2020. In the Claim, the Hancock Lenders have sought to recover the amounts advanced to GVK Coal Developers. Subsequently, GVK entities (GVK Coal Developers, GVK Power and Infrastructure Ltd) filed a reply to the claim ("Defence"). GVK's Defence had the following key components:
 - GVK pleaded that the Interim Solution Undertaking (ISU) executed by the Hancock Lenders contained implied terms regarding GVK's payment obligations pursuant to the Facility Agreements executed between GVK and Hancock Lenders. As per the implied terms, the Hancock Lenders could not enforce such obligations until 29 March 2022.

Notes to the consolidated financial statements

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

- b. Additionally, in the Claim the Hancock Lenders had cited certain alleged events of default in relation to the obligation to obtain the mining lease for the projects acquired in Australia and the obligation to perfect the security created in Australia. GVK agreed that these obligations were not satisfied by the required time. However, GVK denied that these omissions could be relied upon because (a) the Hancock Lenders had earlier decided there was no event of default, further or alternatively (b) there is one or more species of estoppel that applies.
- c. There were other matters in relation to the calculation of amounts due and fees chargeable, which GVK had refuted.

A reply by the Hancock Lenders to the Defense was filed on April 7, 2021. In the reply, the Hancock Lenders argued that such terms (as mentioned in a above) could not be implied in the ISU and also countered the other points. As per the procedure of the courts in London, a Case Management Conference (“CMC”) was held on June 25, 2021. During the CMC, the Court went through the proposed timelines for the case. An order was subsequently pronounced, which entails the start of the trial on June 13, 2022.

On January 12, 2021, GVK Power & Infrastructure Limited, made a without prejudice offer to the Hancock lenders for one time settlement. GVK believes that in view of the offer and following the arrangement with Adani and the handover of MIAL to Adani, a resolution to the liabilities owed to Hancock Lenders will be found before June 2022.

Management is of the opinion that the aforesaid joint venture will be able to meet their obligations as they arise and consequently no adjustment is required to be made to the carrying value of the security and guarantees provided. In relation to Hancock lenders refer to note 59 of the financial statements.

B) Subsidiary companies

I.GVK Airport Developers Limited (GVKADL)

The subsidiary company has pledged 80,000,000 (March 31, 2019: 80,000,000) equity shares held by the company in GVK AHL for securing loan taken by GVK Coal Developers (Singapore) Pte. Limited, an entity in which parent company has 10% stake.

II. Mumbai International Airport Limited (MIAL)

A) Claims against MIAL not acknowledged as debts:

- i. Income tax amounting to Rs. 59,616 lakhs (March 31, 2019: Rs. 14,375 lakhs) exclusive of interest and penalty, if determined to be payable, as demanded by the concerned authorities in respect of expense disallowed/ taxation of Interest income and Capital gain adjusted against Capital Work in progress, Airport Development fees held to be taxable, for assessment years starting from AY 2010-11 and up to AY 2017-18. MIAL has contested such demand and preferred appeals which are pending for decision either by Hon'ble High Court/Commissioner of Income Tax(Appeals), Mumbai. Further, In view of availability of MAT credit for setoff and carry forward of the same to subsequent years, MIAL is expecting no Tax demand ultimately would be payable for the years under review.
- ii. The income tax authorities have preferred appeal before Hon'ble High Court/Income Tax Appellate Tribunal in respect of relief granted to MIAL for additions on account of Taxation of Development Fees, expenses disallowed as revenue expenditure, Penalty waiver and other tax relief granted for Rs. 27,417 lakhs (Net of MAT credit available for set off Rs. 10,042 lakhs) plus interest payable. MIAL has contested such an action and based on fact of the case and legal precedence available, MIAL is of the opinion that there is remote possibility of ultimate demand that would be payable.
- iii. Demand on account of disallowance Cenvat Credit availed in relation to construction activities, and other input credit being availed by MIAL for Rs. 9,813 lakhs (March 31, 2019: Rs. 9,813 lakhs), for the period October 07 to March 13 as confirmed by Commissioner of GST and Central Excise has been contested by MIAL by preferring an appeal before CESTAT and paid Rs. 736 lakhs under protest. The restriction of availment of Cenvat Credit availed in relation to construction activities are not applicable to Airport Services as defined under clause (zzm) of Section 65 (105) of the Finance Act, 1994.
- iv. The Ministry of Civil Aviation has issued the Order No. A.V. 13024/03/2011-AS dated 18th February 2014 regarding capital expenditure out of Passenger Service Fees (Security Component) funds [PSF (SC)], wherein all airport operators were directed to reverse/reimburse back to the PSF (SC), the total amount spent on account of capital costs/expenditure towards procurement and maintenance of security system/equipment and on creation of fixed assets out of PSF (SC). MIAL has challenged the said order before the Hon'ble High Court at Bombay by way of writ petition. Hon'ble High Court vide its various orders, in particular, Orders dated April 17, 2014 and June 16, 2014 has granted stay of the operation of the above MoCA Order till final disposal of the above writ petition. Till the date of order of MoCA, MIAL has incurred a total capital expenditure on procurement and maintenance of system/ equipment for Rs. 31,601 lakhs and Rs. 1,889 lakhs respectively. Meanwhile, by way of Honorable Supreme Court's Order on an application filed by Union of India (UoI), writ petition of Delhi International Airport Ltd. (DIAL) on the same issue pending before Honorable High Court of Delhi (WP 1696/2014) was directed to be heard first. MIAL has intervened in the matter before Honorable High Court of Delhi and will present its case therein. Next hearing date is on February 02, 2021.” Based on an internal assessment and aforesaid order of Hon'ble Bombay High Court, the management is confident that no liability in this regard would be payable and as such no provision has been made in these financial statements.

Notes to the consolidated financial statements

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

- v) Other claims from Airports Authority of India of Rs. 13,212 lakhs (March 31, 2019: Rs. 12,831 lakhs) and from Customer and Others Rs. 543 lakhs (March 31, 2019 : Rs. 842 Lakhs) respectively.
- vi) MIAL is a party to various land litigations with respect to the land demised to it pursuant to entering into OMDA and Lease Deed with AAI. Based on the internal legal assessment, the Management is confident that these litigations would not result into any liability to MIAL and as such no provision has been made in these financial statements.
- vii) The Service Tax Department has preferred appeal before Hon'ble High Court in respect of relief granted by CESTAT for Service Tax Demand for Rs. 6,005 Lakhs on Development Fee & Interest payable on the same. MIAL has contested the same and based on fact of the case and legal precedence available, is of the opinion it would not be materialised.
- viii) The Service Tax Department has issued a show cause notice for Service Tax Demand for Rs. 257 lakhs payable on license fee. MIAL has contested the same and based on fact of the case and legal precedence available, is of the opinion it would not be materialized.
- ix) MIAL has preferred Appeal before Commissioner of Custom (Appeal), against order issued by Dy. Commissioner of Customs, raising demand on final assessment for Custom Duty of Rs. 1,582 lakhs exclusive of Interest, towards disallowance of project import benefits, on certain items imported by MIAL under Project import regulations (PIR) Scheme 1986. MIAL has paid 7.50% of demand for Rs. 119 lakhs under protest.
- x) The Concession Agreement entered by Navi Mumbai International Airport Private limited - Subsidiary requires the Concessionaire (NMIAPL) to provide irrevocable and unconditional Performance Security by way of a Bank Guarantee to the CIDCO (Authority) for a sum of Rs. 10,000 lakhs. MIAL has provided the Performance Bank Guarantee on behalf of the NMIAL. NMIAL stays committed to the development of the project.

III. GVK Jaipur Expressway Private Limited (GJEPL)

	March 31, 2020	March 31, 2019
Disputed income tax demands*	11,820	9,730
Claim made by NHAI for share in revenue shortage which is disputed by the company and not acknowledged as debt, the company has filed a petition with the arbitration tribunal at Delhi	-	927

* Amount paid/ adjusted under protest Rs. 6,873 lakhs (March 31, 2019: Rs. 5,711 lakhs)

IV. GVKBVEPL

	March 31, 2020	March 31, 2019
EPC contractor has submitted claim against work done on the road project which is not yet certified by the independent engineer as well as lender independent engineers	9,257	9,257

IV. GVK Deoli Kota Expressway Private Limited (GVKDEPL)

"On April 22, 2019 GVK DKEPL has informed NHAI about the breaches in its performance as per Article 37.2 of Concession Agreement dated May 17, 2010. In response to the said letter, NHAI vide letter No NHAI/11012/BOT-DBFO/01/2007/134366 dated May 4, 2019 had denied all the breaches that GVK DKEPL has made and in turn raised demand on GVK DKEPL to the tune of Rs. 8,209 lakhs towards damages and penalties. GVK DKEPL has denied all the claims through its several letters as and when the claims were raised by NHAI.

GVK DKEPL has currently recognised total amount receivable of Rs. 88,163 lakhs as the total cost of the project, including NHAI premium net of future premium payable to NHAI, as receivables from NHAI on prudence basis. The matter is under Arbitration. The termination payment has been claimed. The Tribunal in its meeting on January 31, 2020 has given time to submit our claim by March 16, 2020 and NHAI to file statement of Defense by April 15, 2020. Time is given upto April 30, 2020 for filing counter claims. Next hearing is fixed for May 04, 2020. However due to COVID 19 all the meetings have been cancelled and a fresh date for filing our statement of claim is given as July 15, 2020. Meanwhile GVK DKEPL has also filed an interim application for termination payment. Also refer note 63.

V. GVK Shivpuri Dewas Expressway Private Limited (GVKSDEPL)

	March 31, 2020	March 31, 2019
Bank guarantee given to NHAI	2,815	2,815

GVKSDEPL has filed an arbitration claim petition before an arbitral tribunal against NHAI, for the settlement of certain disputes that had arisen under a concession agreement dated January 12, 2012 ("Concession Agreement") entered between GVKSDEPL and NHAI. GVKSDEPL has submitted that pursuant to the Concession Agreement, GVKSDEPL had provided a performance security of Rs. 14,075 lakhs ("Performance Security") to NHAI on July 7, 2012 for performance of obligations under the Concession Agreement. GVKSDEPL issued a termination notice dated January 14, 2013 in terms of the Concession Agreement on account of a force majeure event and asked NHAI to return the Performance Security. It is alleged by GVKSDEPL that NHAI failed to return the said

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Performance Security. GVK SDEPL filed a petition dated 3rd January, 2013, under the Arbitration and Conciliation Act, 1996 for seeking interim protection against appropriation/ encashment of the Performance Security by NHAI and thereafter also filed an application for appointment of an arbitrator by NHAI before the High Court of Delhi (the "High Court"). The High Court passed an order dated January 7, 2013 directing NHAI to maintain status quo in respect of the Performance Security. The dispute between the Parties is being adjudicated through Arbitration as provided under the Concession Agreement. The Tribunal consists of (1) Justice Anil Dev Singh (Presiding Arbitrator), (2) Justice Mukul Mudgal (GVK) and (3) Mr. Sudesh Dhiman of NHAI. GVK SDEPL has in its statement of claim before the arbitral tribunal sought that the original Performance Security be returned by NHAI, along with compensation of Rs. 850 lakhs (including Rs. 156 lakhs for keeping the Performance Security alive) and Rs. 37,01 lakhs as compensation for claims raised by engineering, procurement and construction contractors under the Concession Agreement. The total claim by GVK SDEPL excluding the return of Performance Security amounts to Rs. 4,551 Lakhs. Before the Arbitral Tribunal, NHAI has filed its statement of defence including counter claim for Rs.45,374 lakhs. On an application filed by GVK SDEPL for limiting the value of the Performance Security in terms of the Concession Agreement, the arbitral tribunal has allowed GVK SDEPL to reduce the value of the Performance Security in terms of its order dated April 10, 2015 to Rs. 2,815 lakhs. GVK SDEPL had also filed an application before the arbitral tribunal to revise its claim to Rs. 55,058 lakhs and for return of performance security. The said application for revision by GVK SDEPL of its claim was allowed vide order dated September 29, 2015 and revised claim statement was filed on November 07, 2015. NHAI has filed its response and revised counter claim. Pleadings in the arbitral proceedings stand completed including filing of Affidavit of evidence by the Parties. Cross examination of witnesses from each party is completed. The matter is under final arguments by parties. GVK SDEPL has completed its oral arguments and NHAI is to commence its oral arguments. Thereafter GVK SDEPL will be presenting its rejoinder. The matter is still pending before the Arbitral Tribunal and the next date will to be notified by the Arbitral Tribunal.

VI. GVK Transport Private Limited (GVKTPL)

	March 31, 2020	March 31, 2019
Disputed income tax demands	657	657

*Management based on its internal assessment and/or legal advice is confident that the matter will be decided in its favour

a) The Company has obtained Bank Guarantee for Rs. 14,075 lakhs from ICICI Bank in favour of National Highway Authority of India (NHAI) for its Subsidiary M/s GVK Shivpuri Dewas Expressway Private Limited (GVK SDEPL). GVK SDEPL issued notice of termination of the Concession Agreement to NHAI and filed an application before the Honorable High Court Delhi praying for relief from possible invocation of the performance security by NHAI. The Hon'ble High Court of Delhi referred the matter to the Arbitral Tribunal constituted under the Arbitration and Conciliation Act. GVKTPL has received Orders dated April 10, 2015 from the Arbitral Tribunal, permitting it to renew the bank Guarantee for a value of Rs. 2,815 lakhs, instead of Rs. 14,075 lakhs. The proceedings before the Arbitration Tribunal are in progress and the interim orders of the Hon'ble High Court of Delhi restraining NHAI from invoking the Performance Bank Guarantee is in force as on the date of the Balance Sheet.

C) Joint Ventures (to the extent of shareholding therein)

a) GVK Industries Limited (GVKIL)

	March 31, 2020	March 31, 2019
Service tax reimbursable to the parent Company pending in appeals	285	285
Income tax demands pending in appeals*	4,661	4,652
Claims not acknowledged as debts- electricity duty*	255	1,171
Towards difference in import of energy charges*	249	89

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKIL's favour.

- (i) Andhra Pradesh State Load Dispatch Center (APSLDC) has filed petitions before Andhra Pradesh Electricity Regulatory Commission (APERC) for appointment of adjudicating office for assessment of charges of Rs. 1,320 lakhs (March 31, 2019) Rs. 1,320 lakhs) to be levied for non-adherence to backing down instructions by the Company, operator of the power plant of GVKEL. APERC has appointed adjudicating officer to conduct an enquiry into the matter.
- ii). As per the terms of contract with Bharat Petroleum Corporation Limited (BPCL) for supply of Naphtha, GVKIL has to pay for 80,000 MT @ Rs. 38.45 as Minimum off Take charges. GVKIL is negotiating with BPCL to reduce the Minimum off Take quantity from 80,000 MT to 40,000 MT, which is under consideration by BPCL. Pending such acceptance by BPCL, no provision is made in the books for the requested reduction of 40,000 MT. The contract with BPCL expired on 29th January 2012. Liability on account of this works out to Rs Nil for the year ended March 31, 2020 and up to March 31, 2020 Rs. Nil.

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

- (iii) Claims towards Ship or pay charges which was recovered by GAIL (India) Limited was debited to Statement of Profit and Loss in the previous years. GVKIL has filed appeal against this wrong recovery by GAIL (India) Limited. Appeal is pending before petroleum and Natural Gas Regulatory Board.
- (iv) GVKIL approached AP Transco for new connection while constructing its new power plant upon which AP Transco raised demand of Rs. 407 lakhs (March 31, 2019: Rs. 407 lakhs) towards minimum monthly charges regarding electricity connection taken earlier which was surrendered on October 7, 1996. GVKIL filed petition before APERC claiming levy of demand as arbitrary, which was disposed directing GVKIL to approach Consumer Grievance Redressal cell as dispute is not in connection with power purchase agreement. GVKIL filed writ petition before the High court of Andhra Pradesh contesting that the matter is within ambit of PPA. The High court of Andhra Pradesh has issued stay on demand. Management based on its internal assessment/ legal advise is confident that the matter will be decided in favor of GVKIL.
- (v) AP Transco has filed another petition before APERC to consider interest on working capital charged by State Bank of India to its most credit worthy customers for fixing tariff, for the tariff year 2003-04, which is contested by GVKIL and is pending adjudication with the said authority.

b) Alaknanda Hydro Power Company Limited (AHPCL)

	March 31, 2020	March 31, 2019
Disputed income tax demands	57	116
Claims not acknowledged as debts	11,242	6,176

Claims not acknowledged as debts includes, demand notices for Rs. 8,123 lakhs served by the Uttarakhand Jal Vidyut Nigam Limited (UJVNL) of Government of Uttarakhand, demanding tax/ cess towards the "water used for generating electricity" for various periods.

The Government of Uttar Pradesh, Government of Uttarakhand and AHPCL have entered into a Restated Implementation Agreement (RIA). As per the terms of RIA, AHPCL is obligated to supply 12% free power to the State of Uttarakhand in lieu of Royalty for using the river water to generate electricity. As such, the tax/ cess introduced under the Act tantamount to double taxation, which is also not permissible under law.

As per the provisions of the PPA even if AHPCL has to incur any statutory liabilities in terms of paying taxes etc, which are introduced subsequent to entering into the PPA, the said expenses shall be a pass through in the tariff. As such, even if the High court does not consider any of the above referred arguments of AHPCL and decides that AHPCL is liable to pay water tax/ cess, such amount payable by AHPCL, there cannot be any additional financial liability to AHPCL.

AHPCL has challenged the imposition of water cess before the High court of Uttarakhand. High court of Uttarakhand by admitting the writ petition has stayed the operation of the said demand notices.

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the AHPCL's favour.

c) GVK Power (Goindwal Sahib) Limited (GVKPGSL)

	March 31, 2020	March 31, 2019
Claims against the Company not acknowledged as debts*	2,711	2,894
On account of Interest to banks	1,595	569

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the GVKPGSL's favour.

There are claims and counter claims between GVK Power (Goindwal Sahib) Limited ("GVKPGSL") and Bharat Heavy Electricals Limited ("BHEL") and also between ("GVKPGSL") and Punj Lloyd Limited ("PLL").

- a. GVKPGSL engaged BHEL for execution of BTG works along with associated Auxiliaries, control & instrumentation works and Electrical package in respect of Goindwal Sahib project ("Works"). In execution of Works certain disputes arisen between parties. Whilst the discussions for settlement of disputes are going on, GVKPGSL sought BHEL to renew the BGs, worth approximately Rs. 11,000 lakhs. BHEL filed the captioned petition u/s 9 of the Arbitration and Conciliation Act, 1996 before Commercial Court, Hyderabad and obtained stay against GVKPGSL from invoking the BGs. BHEL has extended the bank guarantees till 28th October 2020. Subsequently, BHEL has initiated arbitration proceedings. A three members arbitration tribunal was constituted. The hearings are in progress with Arbitration.
- b. GVKPGSL engaged PLL for execution of Balance of Plant works in respect of Goindwal Sahib project ("Works"). In execution of Works certain disputes arisen between parties. GPGSL issued a notice dated December 24,2014 to PLL levying liquidated damages and other claims for (a) defaults committed by PLL under the agreement for supply (steel & cement), agreement for supply (ex-works) and an

Notes to the consolidated financial statements

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agreement for services, dated September 14,2009; and (b) for delays caused by it in completion of the project on time. GVKPGSL has encashed guarantees amounting to Rs. 14,460 lakhs in respect of the above works for non performance of contractual obligation by PLL. These proceeds were deposited with TRA-IDBI bank being the lenders agent has kept the said fund in a suspense account as per the consortium lenders decision. PLL and GPGSL had nominated their choices of arbitrators. But, the presiding arbitrator could not be appointed due to non-cooperation of PLL. Subsequently, PLL had filed three Applications u/s. 11(5) & (6) of the Arbitration & Conciliation Act, 1996 bearing Nos. 146/17, 147/17 & 148/17 seeking the Court to appoint a Presiding Arbitrator so as to complete the constitution of a three (03) members Arbitral Tribunal to adjudicate the claims and disputes between GVKPGSL and PLL arising out of the above referred agreements. Matters are yet to be listed for hearing. Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the subsidiary GVKPGSL's favour.

d) GVK Gautami Power Limited (GVKGPL)

	March 31, 2020	March 31, 2019
Service tax demand on operator of the power plant*	269	269
Claims not acknowledged as debts- electricity duty*	225	1,384
Claims against the company not acknowledged as debts*	93	251
Disputed Entry Tax	19	19

* Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the subsidiary company's favour.

Other litigations

- GVKEL has pending litigations with service tax authorities amounting to Rs. 350 lakhs (March 31, 2019 Rs. 350 lakhs) and GVKEL has got a show cause notice pending in call book of service tax authorities of Rs. 384 lakhs.
- Refer note 62 for details of claims in respect of hydro power project being executed by GVKRHEPPL.
- Refer note 61 for details of claims in respect of toll road project being executed by GVK BVEPL.
- Refer note 63 for details of claims in respect of toll road project being executed by GVK DKEPL.

46. Capital Commitments

A) Parent Company

Other Commitments

- The company has given undertaking to infuse equity aggregating to Rs. 435,391 lakhs (March 31, 2019: Rs. 400,819 lakhs) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations. Further, the Company has pledged 155,587,500 (March 31, 2019: 155,587,500), 22,495,000 (March 31, 2019: 22,495,000) and 48,000,000 (March 31, 2019: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an associate entity in which Company has 10% stake. The Company believes that in terms of the cooperation agreement entered into with Adani Airport Holdings Limited (Refer note 67), the lenders to GVK Coal to take over the debt and release the pledges. If not GVK Coal Developers, will meet its obligations.

B) Subsidiary companies

- As at March 31, 2020 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 32,725 lakhs (March 31, 2019: Rs. 54,834 lakhs).
- The subsidiary Navi Mumbai International Airport Private Limited (NMIAL) has entered into a concession agreement with City and Industrial Development Corporation (CIDCO) to undertake the implementation, operation and maintenance of the NMIA. Commitments towards it are as under:
 - As at March 31, 2020 the estimated amount of contracts (to the extent work orders issued) remaining to be executed on capital account, net of advances is Rs. 12,534 lakhs (March 31, 2019: Rs. 19,171 lakhs).
 - As at March 31, 2020, NMIAL has commitment towards repayment of soft loan towards Pre-development works carried out by CIDCO amounting to Rs. 119,871 lakhs (March 31, 2019: Rs. 205,709 lakhs) and towards allotment of 1,120.2 equity shares of face value of Rs. 10 each amounting to Rs. 11,202 lakhs (March 31, 2019: Rs. 11,202 lakhs) towards Pre-development works to be carried out by CIDCO pursuant to clause 12.9 and 5.4 of the Concession Agreement respectively.
- Commitment towards purchase of shares Rs. 4,100 lakhs (net of advance for investment of Rs. 2,300 lakhs) (March 31, 2019: Nil). Also refer note 58(xiv).

C) Joint Ventures (to the extent of shareholding therein)

As at March 31, 2020 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 237 (March 31, 2019: Rs. 237).

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47. Fair Values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long term fixed rate and variable rate receivables/ advances given are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project, based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.

The management has assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments by category

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

	Level	Carrying Values		Fair Values	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets					
At fair value through profit and loss (As per quoted market price)					
Current investments	1	2,230	4,981	2,230	4,981
		2,230	4,981	2,230	4,981
At amortised cost					
Non current investment	3	6	72,579	6	72,579
Loans	3	28,963	29,205	28,963	29,205
Trade receivables	3	40,260	41,718	40,260	41,718
Cash and cash equivalents	3	19,404	30,496	19,404	30,496
Other bank balances	3	12,383	26,331	12,383	26,331
Other financial assets	3	179,621	90,752	179,621	90,752
		280,637	291,081	280,637	291,081
Financial liabilities					
At amortised cost					
Floating rate Borrowings (including current maturities)	3	916,973	1,395,505	916,973	1,395,505
Security deposits	3	101,759	98,774	101,759	98,774
Retirement compensation payable to AAI	3	-	144	-	144
Other financial liabilities	3	655,304	259,198	655,304	259,198
Trade payables	3	18,026	20,484	18,026	20,484
		1,692,062	1,774,105	1,692,062	1,774,105

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of trade receivables, loans, trade payables and cash and bank balances are considered to be the same as their fair values, due to their short term nature.

The fair values of non-current borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Notes to the consolidated financial statements

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

48.A) Group Information

The consolidated financial statements of the Group includes subsidiaries, associates and jointly controlled entities (JCE) listed in the table below:

Name	Nature of interest	Country of incorporation	% effective equity interest	
			March 31, 2020	March 31, 2019
GVK Developmental Projects Private Limited (GVKDPPL)	Subsidiary	India	100%	100%
GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL)	Subsidiary	India	100%	100%
GVK Bagodara Vasad Expressway Private Limited (GVKBVEPL)	Subsidiary	India	100%	100%
GVK Perambalur SEZ Private Limited (GVKPSPL)	Subsidiary	India	100%	100%
GVK Airport Services Private Limited (GVKASPL)	Subsidiary	India	100%	100%
GVK Transportation Private Limited (GVKTPL)	Subsidiary	India	100%	100%
GVK Jaipur Expressway Private Limited (GJEPL)	Subsidiary	India	100%	100%
Sutara Roads & Infra Limited (SRIL)	Subsidiary	India	100%	100%
GVK Deoli Kota Expressway Private Limited (GVKDEPL)	Subsidiary	India	100%	100%
GVK Shivpuri Dewas Expressway Private Limited (GVKSDEPL)	Subsidiary	India	100%	100%
GVK Energy Limited (GVKEL)	JCE	India	62.80%	62.80%
GVK Industries Limited (GVKIL)	Subsidiary of JCE	India	62.80%	62.80%
GVK Gauthami Power Limited (GVKGPL)	JCE of JCE	India	39.94%	39.94%
Alaknanda Hydro Power Company Limited (AHPCL)	Subsidiary of JCE	India	62.80%	62.80%
GVK Power (Goindwal Sahib) Limited (GVKPGSL)	Subsidiary of JCE	India	62.80%	62.80%
GVK Coal (Tokisud) Company Private Limited (GVKCCPL)	Subsidiary of JCE	India	62.80%	62.80%
GVK Power (Khadur Sahib) Private Limited (GVKPKSPL)	Subsidiary of JCE	India	62.80%	62.80%
Seregraha Mines Limited(SML)	Associate of JCE	India	29.87%	29.87%
GVK Airport Developers Limited (GVKADL)	Subsidiary	India	100%	100%
GVK Airport Holdings Limited (GVKAHL)	Subsidiary	India	100%	100%
Mumbai International Airport Limited (MIAL)	Subsidiary	India	50.5%	50.5%
Navi Mumbai Airport Developers Private Limited (NMADPL)	Subsidiary	India	37.37%	37.37%
Mumbai Aviation Fuel Farm Facility Private Limited (MAFFPL)	JCE	India	12.63%	12.63%
Mumbai Airport Lounge Services Private Limited (MALSP)	JCE	India	13.13%	13.13%
Bangalore Airport & Infrastructure Developers Limited (BAIDL)	Subsidiary	India	100%	100%
GVK Airport International Pte limited (GVKAIPL)	Subsidiary	Singapore	100%	100%
PT GVK Indonesia (PTGVKS)	Subsidiary	Indonesia	97%	97%
GVK Coal Developers (Singapore) Pte. Ltd	Associate	Singapore	10%	10%

*JCE refers to Jointly Controlled Entity

b) Additional information required by Schedule III

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
GVK Power and Infrastructure Limited								
Balance as at March 31, 2020	-761%	101,688	55%	(82,815)	0%	-	55%	(82,815)
Balance as at March 31, 2019	148%	184,504	-31%	11,342	0%	-	-31%	11,342

Notes to the consolidated financial statements

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

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Subsidiaries incorporated in India								
GVK Airport Developers Limited								
Balance as at March 31, 2020	1834%	(245,162)	35%	(52,632)	0%	-	35%	(52,632)
Balance as at March 31, 2019	-155%	(192,530)	96%	(34,796)	0%	-	95%	(34,796)
GVK Airport Holdings Limited								
Balance as at March 31, 2020	-170%	22,707	0%	(27)	0%	-	0%	(27)
Balance as at March 31, 2019	18%	22,728	0%	(44)	0%	-	0%	(44)
Mumbai International Airport Limited**								
Balance as at March 31, 2020	-1703%	227,659	7%	(10,251)	6%	(5)	7%	(10,256)
Balance as at March 31, 2019	191%	237,857	-33%	11,939	3%	(6)	-33%	11,933
Bangalore Airport and Infrastructure Developers Limited								
Balance as at March 31, 2020	-878%	117,414	0%	(334)	0%	-	0%	(334)
Balance as at March 31, 2019	95%	117,748	3%	(965)	0%	-	3%	(965)
GVK Airport Services Private Limited								
Balance as at March 31, 2020	-1%	91	0%	(6)	0%	-	0%	(6)
Balance as at March 31, 2019	0%	97	0%	21	0%	-	0%	21
GVK Transportation Private Limited								
Balance as at March 31, 2020	151%	(20,208)	0%	24	0%	-	0%	24
Balance as at March 31, 2019	-16%	(20,232)	0%	(172)	0%	-	0%	(172)
GVK Jaipur Expressway Private Limited								
Balance as at March 31, 2020	-570%	76,153	-6%	8,324	10%	(8)	-6%	8,317
Balance as at March 31, 2019	54%	67,836	-16%	5,890	0%	1	-16%	5,891
Sutara Roads and Infra Limited								
Balance as at March 31, 2020	-723%	96,677	0%	1	0%	-	0%	1
Balance as at March 31, 2019	78%	96,677	0%	(0)	0%	-	0%	(0)
GVK Deoli Kota Expressway Private Limited								
Balance as at March 31, 2020	200%	(26,708)	10%	(14,204)	0%	-	10%	(14,204)
Balance as at March 31, 2019	-12%	(15,475)	46%	(16,736)	2%	(4)	46%	(16,740)
GVK Shivpuri Dewas Expressway Private Limited								
Balance as at March 31, 2020	0%	(4)	0%	(82)	0%	-	0%	(82)
Balance as at March 31, 2019	0%	(7)	0%	(83)	0%	-	0%	(83)
GVK Bagodara Vasad Expressway Private Limited								
Balance as at March 31, 2020	31%	(4,126)	3%	(4,166)	0%	-	3%	(4,166)
Balance as at March 31, 2019	0%	34	22%	(7,952)	0%	-	22%	(7,952)
GVK Developmental Projects Private Limited								
Balance as at March 31, 2020	-721%	96,341	0%	(8)	0%	-	0%	(8)
Balance as at March 31, 2019	64%	79,712	3%	(988)	0%	-	3%	(988)
GVK Ratle Hydro Electric Project Private Limited								
Balance as at March 31, 2020	50%	(6,713)	7%	(10,767)	0%	-	7%	(10,767)
Balance as at March 31, 2019	3%	4,051	35%	(12,616)	0%	-	34%	(12,616)
GVK Perambalur SEZ Private Limited								
Balance as at March 31, 2020	-18%	2,432	0%	162	0%	-	0%	162
Balance as at March 31, 2019	2%	2,270	0%	122	0%	-	0%	122
GVK Employee Welfare Trust								
Balance as at March 31, 2020	0%	2	0%	-	0%	-	0%	-
Balance as at March 31, 2019	0%	2	0%	(0)	0%	-	0%	(0)
Subsidiaries incorporated outside India								
GVK Airport International Pte. Ltd.								
Balance as at March 31, 2020	0%	(5)	0%	(7)	0%	-	0%	(7)
Balance as at March 31, 2019	0%	2	0%	(9)	0%	-	0%	(9)
PT GVK Services, Indonesia								

Notes to the consolidated financial statements

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

Name of the entity in the Group	Net Assets*		Share in Profit/Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit/Loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Balance as at March 31, 2020	-60%	8,038	0%	(430)	0%	-	0%	(430)
Balance as at March 31, 2019	7%	8,669	-8%	2,760	0%	-	-8%	2,760
Non Controlling Interests in all subsidiaries								
Balance as at March 31, 2020	-1917%	256,357	3%	(5,129)	0%	-	3%	(5,129)
Balance as at March 31, 2019	197%	244,849	-16%	5,907	1%	(3)	-16%	5,904
Investment as per equity method								
Associate incorporated outside India								
GVK Coal Developers (Singapore) Pte Limited								
Balance as at March 31, 2020	-580%	77,510	0%	-	0%	-	0%	-
Balance as at March 31, 2019	58%	72,569	0%	-	0%	-	0%	-
Jointly controlled entities incorporated in India								
GVK Energy Limited								
Balance as at March 31, 2020	0%	-	0%	-	0%	-	0%	-
Balance as at March 31, 2019	0%	-	0%	-	0%	-	0%	-
Mumbai Aviation Fuel Farm Facility Private Limited								
Balance as at March 31, 2020	-62%	8,291	-1%	1,001	0%	-	-1%	1,001
Balance as at March 31, 2019	6%	7,290	-4%	1,296	0%	-	-4%	1,296
Mumbai Airport Lounge Services Private Limited								
Balance as at March 31, 2020	-40%	5,403	-1%	979	0%	-	-1%	979
Balance as at March 31, 2019	4%	4,424	-3%	1,255	0%	-	-3%	1,255
Consolidation adjustments								
Balance as at March 31, 2020	6037%	(807,206)	-14%	21,022	84%	(66)	-14%	20,956
Balance as at March 31, 2019	-641%	(798,529)	7%	(2,575)	95%	(226)	8%	(2,801)
Total								
Balance as at March 31, 2020	100%	(13,370)	100%	(149,343)	100%	(79)	100%	(149,422)
Balance as at March 31, 2019	100%	124,544	100%	(36,349)	100%	(238)	100%	(36,587)

*Net assets means total assets minus total liabilities excluding minority and equity.

**Includes net assets and losses of its subsidiaries and Joint venture.

49. Interest in joint venture

A. Mumbai Aviation Fuel Farm Facility Private Limited (MAFFPL)

MIAL has a 25% interest in Mumbai Aviation Fuel Farm Facility Private Limited, a jointly controlled entity with the object to create, establish, design, construct, develop, upgrade, modernize, integrate, optimize and modify, operate fuelling facilities for the Chhatrapati Shivaji International Airport (CSIA), Mumbai, including upgrading of existing facilities and development of new facilities at the airport as well to operate, manage and to provide services (including Into-Plane Services) in relation to, the Fuelling Facilities for the CSIA, Mumbai by itself or through or in association with, other parties in India. The Group's interest in Mumbai Aviation Fuel Farm Facility Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	March 31, 2020	March 31, 2019
Current assets, including cash and cash equivalents and prepayments	3,045	6,557
Non-current assets	54,629	42,707
Current liabilities	(3,961)	(3,943)
Non-current liabilities including deferred tax liabilities	(18,976)	(14,589)
Equity	34,738	30,733
Proportion of the Group's ownership	25%	25%

Notes to the consolidated financial statements

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

	March 31, 2020	March 31, 2019
Group's ownership in equity	8,684	7,683
Less: Inter Company profit elimination	(394)	(393)
Carrying amount of the investment	8,290	7,290
Reconciliation of carrying amounts		
Group's share in net assets		
Opening balance	7,290	5354
Investment during the year	-	640
Add: Share in Profit of JV	1,001	1296
Net Share	8,291	7,290

Summarised statement of profit and loss of the MAFFPL

	March 31, 2020	March 31, 2019
Revenue	11,364	13,711
Other Income	620	832
Fuel farm and ITP operating expenses	(2,172)	(2,551)
Depreciation & amortization	(2,922)	(2,701)
Finance cost	(331)	(591)
Employee benefit	(232)	(292)
Other expense	(1,052)	(1,317)
Profit before tax	5,275	7,090
Income tax expense	(1,270)	(1,906)
Profit for the year	4,005	5,184
Total comprehensive income for the year	4,005	5,184
Group's share of comprehensive income for the year	1,001	1,296

The group had no contingent liabilities or capital commitments relating to its interest in MAFFPL as at March 31, 2020. The joint venture had no other contingent liabilities or capital commitments as at March 31, 2020. MAFFPL cannot distribute its profits until it obtains the consent from the other venture partners

B. Mumbai Airport Lounge Services Private Limited (MALSPL)

MIAL has 26% interest in MALSPL, a jointly controlled entity, that manages Lounge Services at Mumbai International and Domestic Airport (CSIA). The Group's interest in MALSPL is also accounted for using the equity method in the consolidated financial statements. Summarised financial information of the jointly controlled entity, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised financial information of the joint venture based on its Ind AS financial statements is set out below:

	March 31, 2020	March 31, 2019
Current assets, including cash and cash equivalents	19,103	11,581
Non-current assets	32,695	6,310
Current liabilities	(6,769)	(1,185)
Non-current liabilities, including deferred tax liabilities	(24,725)	(166)
Equity	20,304	16,540
Proportion of the Group's ownership	26%	26%
Group's ownership in equity	5,279	4,300
Add: Fair value measurement impact	124	124
Carrying amount of the investment	5,403	4,424
Reconciliation of carrying amounts		
Opening balance of Group's share of net assets	4,424	3,169
Add: Share in Profit of JV	979	1,255

Notes to the consolidated financial statements

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

	March 31, 2020	March 31, 2019
Net Share	5,403	4,424

Summarised statement of profit and loss of the MALSPL

	March 31, 2020	March 31, 2019
Revenue	20,659	22,202
Other Income	967	525
Purchase of stock-in-trade	(2,281)	(2,522)
Changes in inventories of stock-in-trade	8	(56)
Employee benefits expense	(1,460)	(1,528)
Depreciation and amortisation expense	(6,312)	(1,375)
Finance Cost	(2,720)	(127)
Other expense	(3,453)	(10,291)
Profit before tax	5,408	6,828
Income tax expense	(1,669)	(2,001)
Profit for the year	3,739	4,827
Other Comprehensive Income	25	12
Total comprehensive income for the year	3,764	4,839
Proportion of the Group's ownership	26%	26%
Group's share of comprehensive income for the year	979	1,255

The group had no contingent liabilities or capital commitments relating to its interest in MALSPL as at March 31, 2020. MALSPL cannot distribute its profits until it obtains the consent from the other venture partners.

C. GVKEL

The Company has 62.8% interest in GVKEL, a joint venture with the object to provide operation and maintenance services to the owners of the power plants and also acquire ownership in power generating assets. GVKEL through its subsidiaries and joint venture is engaged in the business of construction of power plants, generation of power and exploration of Coal. The Group's interest in GVKEL is accounted for using the equity method in the consolidated financial statements.

Based on the rights available to the investors, the Management has considered GVKEL as jointly controlled entity under IND - AS 28 "Investment in associate and joint venture".

Summarised financial information of the joint venture based on its Ind AS financial statements is set out below:

	March 31, 2020	March 31, 2019
Current and non current assets, including cash and cash equivalents	999,640	1,034,044
Current and non-current liabilities	(1,203,111)	(1,155,251)
Equity	(203,471)	(121,207)
Proportion of the Group's ownership	62.80%	62.80%
Carrying amount of the investment*	-	-

Summarised statement of profit and loss of the GVKEL

	March 31, 2020	March 31, 2019
Revenue	191,685	226,097
Other income	2,815	1,157
Cost of fuel	(54,896)	(111,236)
Depreciation & amortization	(48,634)	(48,424)
Finance cost	(147,618)	(145,131)
Employee benefit expense	(3,295)	(3,244)
Other expense	(23,968)	(19,212)
Loss before tax	(83,911)	(99,993)

Notes to the consolidated financial statements

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

	March 31, 2020	March 31, 2019
Exceptional Items	1,345	-
Share of loss from joint venture of GVKEL	473	(575)
Income tax expense	(253)	1,887
Loss for the year	(82,346)	(98,681)
Other Comprehensive Income	41	5
Total comprehensive income for the year	(82,305)	(98,676)
Proportion of the Group's ownership	62.80%	62.80%
Group's share of loss for the year before inter company elimination*	-	-

* Losses recognised to the extent of carrying value of investment and loans and advances given. Unrecognised share of losses is Rs. 120,846 lakhs (March 31, 2019: 69,158 lakhs)

Refer note 45 and 46 for the details of contingent liabilities and capital commitments relating to its interest in GVKEL. GVKEL cannot distribute its profits until it obtains the consent from the other venture partners.

50. Investment in an associate

GVK Coal Developers (Singapore) Pte. Ltd. (GVK CDSL)

The Company, has 10% interest in GVK CDSL which is assessed as an associate to the Company. The Company exercises significant influence on GVK CDSL as per Ind AS 28.

Summarised financial information of the associate based on its unaudited Ind AS financial statements is set out below:

	March 31, 2020	March 31, 2019
Current assets including cash and cash equivalents	8,503	8,386
Non-current assets	1,103,433	1,126,305
Current liabilities	(1,665,103)	(1,429,106)
Non-current liabilities	(311,868)	(307,829)
Equity	(865,034)	(602,245)
Proportion of the Group's ownership	10%	10%
Group's ownership in equity	-	-

Group's ownership in equity was different than carrying value of investment in associate due to goodwill on acquisition and consolidation adjustments.

	March 31, 2020	March 31, 2019
Revenue	-	-
Other income	17,084	179,263
Finance costs	(110,843)	(58,902)
Depreciation and amortisation expense	-	(48)
Other expenses	(11,505)	(6,936)
Profit before income tax	(105,264)	113,377
Income tax expense	-	-
Profit for the year	(105,264)	113,377
Other comprehensive income for the year, net of income tax	(78,375)	(25,945)
Total comprehensive income for the year	(183,639)	87,432
Group's share of comprehensive income/(loss) for the year	-	-

* Company has recognised loss on investment in equity shares to the extent of share holding in GVK CDSL. Cumulative unrecognised share of losses as at year end is Rs. 78,563 lakhs (March 31, 2019: Rs. 60,199 lakhs).

51. Financial risk management objectives and policies

The Group is exposed to financial risk such as market risk, credit risk and liquidity risk. The general risk management program of the group focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Group. The group continuously reviews its risk exposures and takes measures to limit it to acceptable levels. Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework.

Notes to the consolidated financial statements

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

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include borrowings and deposits.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The interest rate risk arise from long term borrowings of the Group with variable interest rates (Bank base rate plus spread). Although the spread is fixed, it is subject to change at fixed time interval or occurrence of specified event. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows

Particulars	March 31, 2020	March 31, 2019
Change in interest rate		
-increase by 50 basis points	(4,647)	(5,256)
-decrease by 50 basis points	4,647	5,256

The assumed increase/decrease in interest rate for sensitivity analysis is based on the currently observable market environment.

Foreign Currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's investment in foreign entity, financial asset/liability in relation to foreign entity in respect of financial guarantee and trade/other payables. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group's exposure to foreign currency changes for all other currencies is not material. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Group has not entered into derivative instruments during the year.

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Increase/(decrease) in profit before tax	
	March 31, 2020	March 31, 2019
Change in USD		
- 5% increase	91	3,581
- 5% decrease	(91)	(3,581)
Change in SGD		
- 5% increase	(13)	12
- 5% decrease	13	(12)

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars.

Price Risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of change in market prices of Investments. The below table demonstrates the sensitivity to a reasonably possible change in price on the carrying value of investments.

Notes to the consolidated financial statements

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

Credit Risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Regarding credit exposure from customers, the Group has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances. The securities held by the Group are in the form of cash deposits and bank letter of guarantee.

The carrying amount of trade receivables, advances to suppliers, cash and short term deposits, guarantee commission receivable, and interest receivable on deposits represents Group's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks. The credit quality of financial assets is quite satisfactory, taking into account the allowance for credit losses.

Exposure to credit risk:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an individual basis and credit limits are determined in accordance with this assessment. At March 31, 2020, the Group had 36 customers (March 31, 2019: 15 customers) that owed approximately 94% (March 31, 2019: 92%) of all the receivables outstanding.

Trade receivables, loans, advances, and guarantee commission receivable:

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group also holds deposits as security from customers to mitigate credit risk.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments in surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's management on an annual basis, and are updated throughout the year subject to approval of the Group's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss though counterparty's potential failure to make payments.

Liquidity Risk

Liquidity risk is the risk that the Group will have difficulty in raising the financial resources required to fulfil its commitments. Liquidity risk is held at low levels through effective cash flow management and availability of adequate cash. Cash flow forecasting is performed internally by rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and debt and to comply with loan covenants.

The Group primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short term borrowings to fund its ongoing working capital requirements and growth needs.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Within 12 months	After 12 months	Total
Year ended March 31, 2020				
Borrowings	378,004	207,322	647,199	1,232,525
Other financial liabilities	77,503	57,549	126,671	261,722
Trade payables	95	17,931	-	18,026
Lease liabilities	-	443	366	809
Security Deposit	28,170	37,064	123,411	188,645
Soft loan towards pre-development works	-	-	534,759	534,759

Notes to the consolidated financial statements

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

Particulars	On Demand	Within 12 months	After 12 months	Total
Concession fees payable towards concession rights	-	500	715,000	715,500
Reimbursement of pre-operative expenses	-	-	11,000	11,000
	483,771	320,809	2,158,405	2,962,986
Year ended March 31, 2019				
Borrowings	41,350	364,052	816,084	1,221,486
Other financial liabilities	73,149	42,146	357,020	472,314
Trade payables	-	20,484	-	20,484
Lease liabilities	-	-	-	-
Security Deposit	5,733	75,125	100,343	181,201
Soft loan towards pre-development works	-	-	278,502	278,502
Concession fees payable towards concession rights	-	-	715,500	715,500
Reimbursement of pre-operative expenses	-	-	11,000	11,000
Retirement compensation payable to AAI under OMDA	-	144	-	144
	120,232	501,950	2,278,449	2,900,631

52. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, all other equity reserves attributable to the equity holders and non controlling interest. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and cash equivalent.

Particulars	March 31, 2020	March 31, 2019
Borrowings including interest accrued on borrowings	1,379,053	1,424,260
Trade payables	18,026	20,484
Other liabilities	630,497	584,159
Less: Cash and cash equivalents (Note 17)	(19,404)	(30,496)
Less: Bank balances other than cash and cash equivalents	(12,383)	(26,331)
Net debt	1,995,789	1,972,076
Equity	15,792	15,792
Other Equity	(285,519)	(136,097)
Non controlling interest	256,357	244,849
Total Equity	(13,370)	124,544
Gearing ratio (Net Debt/ Total Equity)	(149.27)	15.83

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the current and previous year. Breaches in meeting the financial covenants would permit certain banks to immediately call loans and borrowings.

The Group has delayed repayment of dues to banks and financial institutions during the year. The following are the summary of delays company wise:

Notes to the consolidated financial statements

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

Year ended March 31, 2020**GVKPIL**

Particulars		Year ended March 31, 2020	Delay in days
Interest on loans from banks	Unpaid	3,185	1 - 730
Principal payment on loans from banks	Paid	3,000	> 365
Principal payment on loans from banks	Unpaid	898	> 365

GVKADL

Particulars		Year ended March 31, 2020	Delay in days
Payment of interest to banks	Paid	1,755	3 to 34
Payment of interest to banks	Paid	9,609	8 to 110

Year ended March 31, 2019**GVKPIL**

Particulars		Year ended March 31, 2019	Delay in days
Payment of interest to banks	Paid	4,322	340-730
Payment of interest to banks	Paid	6,000	210-423
Principal payment on loans from banks	Paid	849	340-730
Principal payment on loans from banks	Unpaid	3,898	365-396
Interest on loans from banks unpaid	Unpaid	2,556	1-365

GVKADL

Particulars		Year ended March 31, 2019	Delay in days
Payment of interest to banks	Paid	1,909	1'-90
Payment of interest to banks	Unpaid	1,587	1'-90
Repayment of principal to banks	Paid	8,109	1'-90
Repayment of principal to banks	Unpaid	8,109	1'-90
Interest payment on loans from banks	Unpaid	17,501	0-365

GVKDKEPL

Particulars		Year ended March 31, 2019	Delay in days
Payment of interest to banks	Paid	913	1-30
Payment of interest to banks	Paid	461	31-60
Payment of interest to banks	Paid	4,267	61-90
Repayment of principal to Bank	Paid	102	1-30
Repayment of principal to Bank	Paid	2	31-60
Repayment of principal to Bank	Paid	281	61-90
Payment of interest to financial institutions	Paid	147	1-30
Payment of interest to financial institutions	Paid	855	61-90
Repayment of principal to financial institutions	Paid	32	1-30
Repayment of principal to financial institutions	Paid	62	31-60
Payment of interest to banks	Unpaid	629	1-30
Payment of interest to banks	Unpaid	700	31-60
Repayment of principal to Bank	Unpaid	148	1-30
Payment of interest to financial institutions	Unpaid	130	1-30
Payment of interest to financial institutions	Unpaid	144	31-60
Repayment of principal to financial institutions	Unpaid	32	1-30

Notes to the consolidated financial statements

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

GVKBVEPL

Particulars		Year ended March 31, 2019	Delay in days
Payment of principal to banks & Financial Institution	Unpaid	54,854	1-855
Payment of interest to banks & Financial Institution	Unpaid	12,486	1-855

53. Related Parties

(a)	Enterprises over which Key Managerial Personnel exercise significant influence
1	Crescent EPC Projects and Technical Services Limited (Formerly GVK Projects and Technical Services Limited)
2	GVK Technical & Consultancy Services Private Limited
3	GVK Novopan Industries Limited
4	GVK Airport Foundation
5	GVK Emergency Management and Research Institute (a society registered under Societies Registration Act)
6	GVK Employee welfare trust
7	GVK Foundation
8	Orbit Travels & Tours Private Limited
9	Paigah House Hotel Private Limited
10	Pinakani Share and Stock Broker Limited
11	TAJ GVK Hotels & Resorts Limited
12	Krishna enterprises
13	Ubiquitous Construction LLP
14	Ybrant Engineering and Construction Private Limited
15	GVK Bio Sciences Private Limited
16	Green Wood Palaces & Resorts Private Limited
17	Adaa Traders Private Limited
18	Cygnus Real Estates Private Limited
(b)	Key Managerial Personnel
1	Dr. G V K Reddy
2	Mr. G V Sanjay Reddy
3	Mr. Krishna Ram Bhupal
4	A Issac George
(c)	Jointly Controlled Entities
1	GVK Energy Limited
2	Alaknanda Hydro Power Company Limited
3	GVK Coal (Tokisud) Company Private Limited
4	GVK Gautami Power Limited
5	GVK Industries Limited
6	GVK Power (Goindwal Sahib) Limited
7	GVK Power (Khadur Sahib) Private Limited
8	Mumbai Aviation Fuel Farm Facility Private Limited
9	Mumbai Airport Lounge Services Private Limited
(d)	Associates
1	GVK Coal Developers (Singapore) Pte Ltd.
(e)	Entities having significant influence over MIAL
1	Airport Authority of India
2	ACSA Global Limited, Mauritius (AGL)
(f)	Entities having significant influence over NMIAL
1	City and Industrial Development Corporation of Maharashtra Ltd (CIDCO)
(g)	Associate of a Jointly controlled entity
1	Seregraha Mines Limited

Notes to the consolidated financial statements

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

A. Details of related party transactions during the year:

	March 31, 2020	March 31, 2019
Services received		
Airport Authority of India	56	762
ACSA Global Limited, Mauritius (AGL)	1,053	492
Crescent EPC Projects and Technical Services Limited	-	133
Mumbai Airport Lounge Services Private Limited	1	-
GVK Technical and Consultancy Services Private Limited	276	657
Orbit Travels and Tours Private Limited	22	24
TAJ GVK Hotels and Resorts Limited	11	26
Green wood Palaces and Resorts Private Limited	78	130
Remuneration to key managerial personnel*	4,913	4,223
* Including remuneration of previous year of Rs. 407 lakhs (March 31, 2019: Rs. 780 lakhs) and provision of Rs. 1,050 lakhs. Also refer note 58(xvii).		
Rent		
Paigah House Hotel Private Limited	1	-
Donation		
GVK Foundation	662	95
Loans given		
GVK Energy Limited	3,032	17,763
GVK Industries Limited	1,241	-
GVK Coal Developers (Singapore) Pte Limited	(7)	406
Shareholder & Grantor of Concession		
CIDCO	-	500
Equity shares allotted towards Pre-development works		
Shareholder & Grantor of Concession		
CIDCO	-	31,538
Loans recovered		
GVK Energy Limited	17	32,732
Crescent EPC Projects and Technical Services Limited	21	-
Services rendered to (including service tax and corporate guarantee commission income)		
Mumbai Aviation Fuel Farm Facility Private Limited	1,744	1,781
Mumbai Airport Lounge Services Private Limited	6,187	6,299
Green wood Palaces and Resorts Private Limited	1,191	1,260
GVK Coal Developers (Singapore) Pte Limited	1,772	1,513
GVK Energy Limited	54	19
ADAA Traders Private Limited	1,055	1,029
TAJ GVK Hotels and Resorts Limited	-	7
Crescent EPC Projects and Technical Services Limited	45	9
Loans/ Advances taken		
GVK Reddy	200	-
GVK Technical and Consultancy Services Private Limited	-	60
Interest on loans taken		
GVK Reddy	2	-

Notes to the consolidated financial statements

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

	March 31, 2020	March 31, 2019
Reimbursement of expenses		
Airport Authority of India	-	29
Orbit Travel and Tours Private Limited		
Reimbursement of travel ticket cost	683	1,106
Credit note received for earlier years	(973)	-
	(290)	1,106
GVK Energy Limited	-	3
GVK Industries Limited	0	-
Alaknanda Hydro Power Company Limited	0	1
GVK Power (Goindwal Sahib) Limited	0	1
GVK Gautami Power Limited	0	-
GVK Technical and Consultancy Services Private Limited	0	-
Reimbursement of pre-operative expenses		
CIDCO	-	11,000
Soft loan towards pre-development works*		
CIDCO	85,839	125,089
* Pre-development works and soft loan towards pre-development works has been accounted based on payments made by CIDCO till December 31, 2019 pending receipt of details for the period January 01, 2020 to March 31, 2020.		
Concession fees payable towards concession rights		
CIDCO	500	500
Annual fees		
Airport Authority of India	134,880	143,770
Disposal of assets		
Airport Authority of India	27	22
Advances given		
Crescent EPC Projects and Technical Services Limited	2	247
Security deposits received		
Mumbai Airport Lounge Services Private Limited	6	103
Mumbai Aviation Fuel Farm Facility Private Limited	-	17
ADAA Traders Private Limited	62	63
Green wood Palaces and Resorts Private Limited	4	-
Security deposits repaid/ adjusted		
Mumbai Airport Lounge Services Private Limited	40	-
Mumbai Aviation Fuel Farm Facility Private Limited	58	-
ADAA Traders Private Limited	-	1
Advances received		
Mumbai Airport Lounge Services Private Limited	4,200	-
Investments Written Off		
GVK Coal Developers (Singapore) Pte Limited	77,535	50
Seregraha Mines Limited	-	6
Provision for doubtful debts		
GVK Coal Developers (Singapore) Pte Limited	1,098	-

Notes to the consolidated financial statements

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

	March 31, 2020	March 31, 2019
Retention money retained		
Crescent EPC Projects and Technical Services Limited	-	6
Corporate guarantee released		
GVK Energy Limited	-	1,913
Share application money given		
GVK Coal Developers (Singapore) Pte Limited	-	134
Investment in Equity/Preference Shares allotted during the year		
GVK Coal Developers (Singapore) Pte Limited	4,313	-
Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFPL)	-	640
Mumbai Airport Lounge Services Private Limited (MALS)	-	1
Other income		
GVK Coal Developers (Singapore) Pte Limited	2,160	4,375
B Year end balances (Payables)/ receivables		
Accounts receivable		
ADAA Traders Private Limited	48	26
Green wood Palaces and Resorts Private Limited	147	116
Crescent EPC Projects and Technical Services Limited	20	-
Other receivable		
Orbit Travel and Tours Private Limited*	1,191	-
Mumbai Aviation Fuel Farm Facility Private Limited	-	17
Airports Authority of India	3,554	591
GVK Energy Limited	125	122
GVK Industries Limited	155	140
Alaknanda Hydro Power Company Limited	2	2
GVK Gautami Power Limited	19	18
GVK Power (Goindwal Sahib) Limited	23	35
GVK Technical and Consultancy Services Private Limited	0	-
Crescent EPC Projects and Technical Services Limited	8,510	8,741
GVK Coal Developers (Singapore) Pte Limited	403	3,068
Short term loan		
GVK Reddy	200	-
GVK Energy Limited	24,707	25,996
GVK Industries Limited	1,225	-
GVK Gautami Limited	2,354	-
Interest payable on Short term loan		
GVK Reddy	2	-
Reimbursement of pre-operative expenses#		
City and Industrial Development Corporation of Maharashtra Limited (CIDCO)	9,266	8,404
Soft Loan Towards Pre-development works#		
City and Industrial Development Corporation of Maharashtra Limited	48,499	22,896

Notes to the consolidated financial statements

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

	March 31, 2020	March 31, 2019
# The above are discounted values of amounts payable to CIDCO as per the concession agreement and are presented under "Other non current financial liabilities"		
Security deposits received		
Mumbai Aviation Fuel Farm Facility Private Limited	32	90
Mumbai Airport Lounge Services Private Limited	755	749
ADAA Traders Private Limited	313	251
Green wood Palaces and Resorts Private Limited	1,054	1,024
Performance guarantee given to and outstanding as at year end		
Airports Authority of India	600	600
CIDCO on behalf of NMIAL	10,000	10,000
Advance received		
Mumbai Airport Lounge Services Private Limited	398	140
Compensation of Key managerial personnel payable		
Mr. Krishna R Bhupal	26	330
Short term employee benefits	2,753	2,761
Post employment pension and medical benefits	112	132
Total*		
* Including arrears of previous year of Rs. 407 lakhs (March 31, 2019: Rs. 708 lakhs) and provision of Rs. 1,050 lakhs. Also refer note 58(xvii).		
Corporate Guarantee (Outstanding loan balance)		
GVK Energy Limited	4,500	4,500
GVK Coal Developers (Singapore) Pte Limited	417,096	383,816
Pledge of investment (number of shares)		
GVK Coal Developers (Singapore) Pte Limited*	226,082,500	226,082,500
GVK Energy Limited	230,960,770	230,960,770
Commitments		
Soft Loan Towards Pre-development works	119,871	205,709
Allotment of equity shares towards pre-development works to be carried out	11,202	11,202

Note:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefit as they are determined on an actuarial basis for the Company as a whole.

Managerial remuneration is computed as per the provisions of section 197 of the Companies Act, 2013.

Subsequent to the year end, MIAL has raised debit note on Green Woods Palaces and Resorts Private Limited ("Concessionaire") dated June 30, 2020 amounting to Rs. 3,842 lakhs (inclusive of GST) towards reimbursement of expenses pertaining CISF Security personnel deployment and Inline Screeners at the hotel for the period April 2016 to June 2020 and debit note dated July 30, 2020 for Rs. 64 lakhs (inclusive of GST) towards reimbursement of expenses incurred for obtaining Consent to Operate approval from Maharashtra Pollution Control Board (MPCB). The Concessionaire vide its Letter dated August 4, 2020 has asked MIAL to reconsider and revoke the above mentioned debit notes claiming that MIAL had obtained the approval of Hotel building as part of T1C Airport expansion project and since the hotel is part and parcel of the airport, the responsibility for deployment of CISF personnel and the charges of deployment lies with MIAL. Further, the concessionaire has asked MIAL to release the security deposit of Rs. 1,050 lakhs. Concessionaire further vide its Letter dt August 25, 2020 has invoked arbitration proceedings under Section 21 of the concession agreement for resolution of the above dispute and called upon MIAL to appoint its nominee member of the arbitral tribunal.

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

Presently, MIAL has appointed the arbitrator and presiding arbitrator has also been appointed.

**MIAL has ascertained Orbit Travel and Tours Private Limited as a related party in the current year, pursuant to the disclosure by some of the Directors as an erroneous omission of disclosure of interest in the prior years. Approval of the audit committee under section 177 and approval of Board of Directors under section 188 of the Companies Act, 2013 was omitted to be obtained during the year and has been taken subsequent to the year end. Owing to this disclosure of interest by some of the Directors, MIAL has disclosed Orbit Travels and Tours Private Limited as a related party in the current year along with the disclosure of the transactions and the balances with them as at March 31, 2020 along with the prior year comparatives. Further, MIAL has performed reconciliation of balances with Orbit Travel and Tours Private Limited for the current and the prior years based on which required credit notes have been received by MIAL and the required adjustments have been appropriately accounted in the financial statements for the year ended March 31, 2020.

- Refer note 45 and 46 for contingent liabilities/ commitments given by the Company.
- *Pledge of 155,587,500 (March 31, 2019: 155,587,500) shares of GVK Energy Limited, 22,495,000 (March 31, 2019: 22,495,000) shares of GVK Transportation Private Limited and 92,500,000 (March 31, 2019: 92,500,000) shares of GVK Airport Holdings Limited.
- Refer note 23 and 28 for security provided by subsidiaries for loans availed by the Company.
- The advances/ loans and guarantees have been provided to meet normal business needs of respective entity.

54. Service concession arrangement

All the below service concession arrangement have been accounted under intangible asset model

(i) GVKDKEPL

GVK DKEPL has entered into a Concession Agreement with National Highway Authority of India (NHAI) on May 17, 2010 pursuant where to, the NHAI has awarded to GVK DKEPL the project of four laning of Deoli-Kota Section of National Highway No. 12 (NH - 12) from Km 165.00 to Junction of NH -76 on Kota Bypass (approximately 83.04 Km) in the State of Rajasthan on Build, Operate and Transfer (BOT) basis, on design, build, finance, operate and transfer (DBFOT) Pattern under NHDP Phase III. As per the concession agreement entered with NHAI, GVK DKEPL has been given concession for a period of 26 years (including construction period) to operate and maintain the project highway and has the right to collect toll from the vehicles using the project highway. GVK DKEPL has received the right to charge users a fee for using the toll road, which GVK DKEPL will collect and retain.

The service concession agreement does not contain a renewal option. The standard rights of the grantor to terminate the agreement include poor performance by GVK DKEPL and the event of a material breach of the terms of the agreement by the Group. The standard rights of GVK DKEPL to terminate the agreement include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, GVK DKEPL has recorded revenue of Rs. 2,376 Lakhs (March 31, 2019: Rs. 5,541 lakhs) consisting of Rs. Nil (March 31, 2019: Rs. 134 lakhs) on account of construction income, Rs. 2,376 lakhs (March 31, 2019: Rs. 5,407 lakhs) on operation of the toll road which is the amount of tolls collected. GVK DKEPL has recorded loss of Rs. 14,204 lakhs (March 31, 2019: Rs. 16,740 lakhs) on operation of the toll road.

Description of the arrangement	Significant terms of the arrangement	
Financing, design, building and operation of 83.04 Km long 4 lane toll road between Deoli and Kota on NH - 12.	Period of concession:	January 05, 2011 to January 05, 2037 (including 2.5 years construction period)
	Remuneration:	GVKBVEPL has received the right to charge users a fee for using the toll road, which GVK DKEPL will collect and retain till the end of the concession period.
	Investment grant from Concession grantor	Nil
	Premium payable to grantor	Rs. 4,860 lakhs increasing by an additional 5% as compared to the immediately preceding year.
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to GVK DKEPL
	Re-pricing dates :	Yearly reset of toll rates
	Basis upon which re-pricing or re-negotiation is determined	Inflation

Also refer note 63.

(ii) GVKBVEPL

The Company has been incorporated as a Special purpose vehicle and has entered into a concession agreement with Gujarat State Road Development Corporation Limited (GSRDC), a Government of Gujarat undertaking on February 21, 2011 pursuant where to, GSRDC has awarded to GVK BVEPL the project of six laning of Bagodara - Wataman - Tarapur - Vasad road on state Highway no. 8 from Km 0/0 to Km 101/9 in the state of Gujarat on Build, Operate and Transfer (BOT) basis. As per the concession agreement entered with GSRDC, GVK BVEPL has been awarded concession for a period of 27 years (including construction period) to operate and maintain the project highway and has right to collect toll from vehicles using the project highway.

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

GVKBVEPL has received the right to charge users a fee for using the toll road, which GVKBVEPL will collect and retain. At the end of the concession period the toll road will become the property of the grantor and GVKBVEPL will have no further involvement in its operation or maintenance.

The service concession agreement does not contain a renewal option. The standard rights of the grantor to terminate the agreement include poor performance of GVKBVEPL and the event of a material breach of the terms of the agreement by the group. The standard rights of GVKBVEPL to terminate the agreement include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

Description of the arrangement	Significant terms of the arrangement	
Augment the existing road from 0.0 to 101.9 kms of Bagodara - Wataman - Tarapur - Vasad road on state Highway no. 8 in the state by constructing a six lane highway on build, operate and transfer (BOT) basis.	Period of concession:	November 11, 2011 to November 11, 2038
	Remuneration:	GVKBVEPL has received the right to charge users a fee for using the toll road, which GVKBVEPL will collect and retain till the end of the concession period.
	Premium payable to grantor	Fee equal to 15.0192% of the total realisable fee during that year, and for each subsequent year of the concession period, the premium shall be determined by increasing the proportion of premium to the total realisable fee in the respective year by an additional 1% as compared to immediately preceding year.
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to GVKBVEPL
	Re-pricing dates :	Yearly reset of toll rates
	Basis upon which re-pricing or re-negotiation is determined	Inflation

Also refer note 61.

(iii) GVKJEPL

Description of the arrangement	Significant terms of the arrangement	
GVKJEPL has entered into Concession Agreement dated May 08, 2002 with the National Highways Authority of India ("NHAI") for construction and Operation of 6 Lane Highway of 90.385 KM between Jaipur and Kishangarh on Build-Operate-Transfer ("BOT")	Period of concession:	20 years from the date of Financial Closure March 17, 2003.
	Remuneration:	GVKJEPL has received the right to charge users a fee for using the toll road, which the GVKJEPL will collect and retain till the end of the concession period.
	Investment grant from concession grantor	Rs. 21,100 lakhs by way of equity support for meeting the total project cost
	Share of NHAI in Revenue	As per clause 7.2 of the concession agreement the concessionaire shall share with NHAI, any fees that it actually receives in any Accounting Year which are in excess of the projected fees for the Accounting Year commencing from the year in which Commercial Operations Date ("COD") shall occur, as set out in Schedule Y (the "Projected Fee") for such Accounting Year ("Excess Fee" / "Share of NHAI in Revenue") in accordance with the terms of agreement.
	Infrastructure return at the end of concession period	Yes
	Investment and renewal obligations	No renewal option to GVKJEPL
	Re-pricing dates :	Yearly reset of toll rates
Basis upon which re-pricing or re-negotiation is determined	Inflation	

a. Toll collections have been suspended by NHAI due to the Lock down announced by the Ministry of Road Transport & Highways (MoRTH) vide its order H-25016/01/2018-Toll dated March 25, 2020 on account of COVID 19 . The suspension of Toll continued till April 20, 2020. Toll collections have been effected in the month of March for 6 days and hence registered a reduced turnover. Toll was suspended till April 20, 2020 and collection resumed thereafter. However, due to the impact of the lockdown across the country the daily Toll collection continued to be much less than the average daily collection prior to the lockdown.

b. Tolling was suspended from November 9, 2016 to December 02, 2016 which led to revenue loss of Rs. 2,268 lakhs. The loss for the same has been claimed from NHAI by GVKJEPL. As GVKJEPL did not receive claims from NHAI, GVKJEPL went for arbitration in June 2018. Both GVKJEPL and NHAI have appointed their representatives for arbitration and hearing for the same happened during December 2019 to February 2020. The final verdict came on February 06, 2020. The outcome was that GVKJEPL should be paid Rs. 2,175 lakhs by NHAI as compensation for loss incurred due to suspension of toll collection alongwith interest @10% per annum from January 18, 2017 till the date of payment. Alongwith this, Rs. 45 lakhs of arbitration costs incurred by GVKJEPL should be reimbursed by NHAI. Hence the total amount of Rs. 2,950 lakhs is expected to be received by GVKJEPL. However NHAI has the right to challenge the outcome of arbitration panel in the High court within 60 days of the final verdict date which ended on April 8, 2020. Because of the ongoing Covid 19 situation, all the court filings and hearings have been deferred till lockdown gets lifted completely. Hence NHAI has an option to challenge the

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outcome. As per management, there has been no indication from NHA1 to challenge the arbitration outcome, and the total amount is expected to be received in financial year 2020-21. GVKJEPL will recognise the revenue for the same once the time period available with NHA1 to challenge the outcome of the arbitration in high court is over.

55. MSME

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006.

Based on the information available with the Group owes Rs. 812 lakhs (March 31, 2019: Rs. 1,291 lakhs) towards Micro and Small Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the group.

56. Leases where group is a Lessee

Effective 01st April 2019, the Group has applied Ind AS 116 using the below practical expedients:

The Group has applied A single discount rate to A portfolio of Leases with reasonably similar characteristics

The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Group has not applied the requirements of Ind AS 116 for leases of low value assets.

The Group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

The above statement should be read with Significant Accounting Policies contained in Note 2 in these consolidated financial statements.

Adoption of Ind AS 116 has not resulted in any change on retained earnings.

The Group has taken vehicles on rent for use in the course of its operations and the lease term for these arrangements ranges between 36 months- 60 months. The weighted average discounting rate applied to lease liabilities recognised in the Balance Sheet ranges between 9.44% to 10.25%.

The following is the breakup of current and non-current lease liabilities:

Particulars	March 31, 2020 Rs. in lakhs
Current lease liability	443
Non Current lease liability	316
Total	759

The Group has entered into operating lease arrangements for office premises and guest houses, which are cancellable at the option of the either party after giving prior notice. Lease payment recognised in the statement of profit and loss against such operating lease arrangement

Lease payments on short-term expensed in Statement of Profit and Loss

Particulars	March 31, 2020 Rs. in lakhs
Rent including lease rentals	905

The following is the movement in lease liabilities and contractual maturities of lease liabilities

Particulars	March 31, 2020 Rs. in lakhs
Opening Balance	-
Pursuant to adoption of Ind AS 116	587
Additions	517
Finance cost accrued during the year	37
Payment of lease liabilities	(382)
Closing Balance	759
Contractual maturities of lease liabilities (without discounting)	
Less than one year	473
One to five years	366
More than five years	-
Total	839

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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Breakup of Right-of-use assets during the year is as follows:

Particulars	March 31, 2020 Rs. in lakhs		
	Vehicles	Buildings	Total
Gross block			
- Opening balance	-	-	-
- Pursuant to adoption of Ind AS 116	481	106	587
- Additions	56	461	517
Gross block (Closing Balance)	538	567	1,104
Accumulated amortisation			
- Opening accumulated amortisation	-		-
- Amortisation expense for the year	159	208	367
Accumulated amortisation (Closing Balance)	159	208	367
Carrying amount of Right-of-use assets	379	359	737

57. Leases where Company is a Lessor

Effective April 1, 2019 the group has adopted Ind AS 116 on 'Leases', the group has entered into operating lease arrangements with concessionaires for leasing out portions of terminal building space. The lease term for these arrangements ranges between 24 months to 360 months and amounts of lease rents payable are also subject to annual escalation. Rental income from operating lease is recognised on a straight line basis over the lease term.

Refer note 33 for income from leases.

Contractual maturities of lease rent receivables

Particulars	March 31, 2020 Rs. in lakhs
Less than one year	50,418
One to five years	383,587
More than five years	449,915
Total	883,920

58. Additional disclosures

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

The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor these aspects and take actions as are appropriate based on future economic conditions.

ii). Passenger Service Fee (Security Component)

In MIAL, one of the Step down Subsidiaries of the Parent company, Ministry of Civil Aviation ("MoCA"), has issued a Standard Operating Procedure ("SOP") for Accounting / Audit of Passenger Service Fee (Security Component) [PSF (SC)] according to which, amounts collected towards PSF (SC) were held in fiduciary capacity by MIAL for the Government of India. PSF (SC) so collected was kept separately in an escrow account and utilized to meet the security related expenses of the Airport. It was also stipulated in the Escrow Account Agreement that MoCA will have supervening powers to direct the Escrow Bank on the issues regarding operations as well as withdrawals from the escrow account. The PSF (SC) accounts were required to be maintained separately in accordance with the procedures laid down in SOP and were subject to audit by the Comptroller & Auditor General of India ("CAG"). In terms of the SOP, the income from the security component of PSF (SC) after adjusting for expenses are offered to tax along with the MIAL's own income. Such taxes were to be paid out of income from PSF (SC) in terms of the SOP.

- iii) As per MoCA order No.AV.13024/659/2015/AS dated 07th June 2019, PSF (SC) has been replaced by Aviation Security Fee (ASF) with effect from July 01, 2019. AAI has formed a trust i.e. "National Aviation Security Fee Trust" (NASFT) to operate and manage the funds of Aviation Security Fee (ASF). In this regard, MoCA has issued a SOP dated November 21, 2019 to lay down the operational modalities. For collection of Aviation Security Fee (ASF), the Airport Operator shall facilitate NASFT to raise invoices on its behalf to the airlines, who shall deposit amounts against such invoices directly to the designated virtual bank account of NASFT.

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As regards security related expenses, the NASFT shall be the authority to pay aviation security related expenses of all airport operators either directly or through reimbursement of expenses to the Airport Operators.

The Cost of Deployment (COD) shall be paid directly by the NASFT to security agencies (CISF, State Police, Home Guards and other Government agencies authorised for the purpose) on monthly basis. The airport operator shall pay for other security related expenses (other than Cost of Deployment) and NASFT shall reimburse the airport operator for the same.

- iv) In MIAL, one of the Step down Subsidiaries of the Parent company, applicability of service tax on the rent/license fee/lease being charged by MIAL has been disputed by certain airlines and concessionaries who have not paid the service tax on such services as most of them have obtained Stay Orders from various Courts in this matter. However, some of these concessionaires who are members of Retailers Association of India ("RAI") have deposited the arrears of Service tax due for the period prior to September 30, 2011 with the Court as per the order given by the Hon'ble Supreme Court. The matter is currently subjudice and necessary action will be taken by MIAL once the matter is decided by the Court. However, in the opinion of MIAL, this would not have any impact on the financial statements of MIAL as the same is recoverable from the said concessionaires if it becomes payable by MIAL.
- v) MIAL has paid Annual Fee to AAI on interest recovered from its customers (other than Air India) on delayed payment under protest. The applicability of Annual Fee on such interest is disputed by MIAL as the Annual Fee on related revenues has already been paid in time as per OMDA even though such dues are not collected from customers in time and the interest recovered is primarily to compensate for the MIAL's own borrowing cost.
- vi) In terms of Airports Economic Regulatory Authority (AERA) order dated December 21, 2012, MIAL is allowed to collect Development Fee (DF) up to Rs. 340,000 lakhs (excluding Rs. 133,050 lakhs towards interest on loan taken against securitisation of DF (DF Loan) which is to be utilised exclusively for development of Aeronautical assets and to meet the funding gap of the project.

Following transactions have taken place during the year on account of DF:

- a) Billed to airlines - Rs. 47,675 lakhs (March 31, 2019: Rs. 50,227 lakhs)
- b) Interest incurred - Rs. 13,423 lakhs (March 31, 2019: Rs. 15,573 lakhs)
- c) Principal repayment of DF Loan - Rs. 31,488 lakhs (March 31, 2019: Rs. 35,773 lakhs)
- d) Interest earned on unutilised funds and on delayed payments by airlines - Rs. 100 lakhs (March 31, 2019: Rs. 236 lakhs)

MIAL is entitled to collect ADF up to April 30, 2021. However, there has been a deficit/ shortfall in collections of Airport Development Fee as compared to the projected collections due to exempt categories and variation in estimated passenger traffic. Also, owing to the Covid-19 pandemic, the passenger traffic is severely impacted during the year 2020 which has resulted in further widening the shortfall in ADF collection. MIAL has already sought for extension of ADF's tenor of collection beyond April 30, 2021 and also for suitable revision in the rates of ADF being collected from embarking passengers. The same is under consideration by AERA.

- vii) MIAL had approached the Airports Economic Regulatory Authority of India (AERA) for approving the funding of two Metro rail stations in CSMI Airport area for Rs. 51,800 lakhs through levy of Development Fee (DF).

AERA by its Order dated January 28, 2016 allowed funding the cost of 2 metro stations aggregating Rs. 51,800 lakhs through DF. In terms of the said Order, AERA determined a MDF (Metro Development Fee) levy of Rs. 20/- per embarking domestic passenger and Rs. 120/- per embarking international passenger. This levy is exclusive of statutory taxes. MIAL is entitled to collect MDF up to March 31, 2021. The MDF levy is to be used to contribute towards 2 metro stations coming up in the CSIA airport area, as per the MoU entered between MMRC and MIAL.

AERA had permitted MIAL to securitise the MDF levy to the extent of shortfall in contribution to be paid to MMRC. In case of a surplus collection of MDF, AERA expects Airports Authority of India to prudently invest the surplus amount.

MIAL has already sought extension of tenor of collection of MDF from AERA beyond March 31, 2021 owing to the reduction in passenger traffic due to the Covid-19 pandemic.

- viii) The Comptroller and Auditor General of India (CAG) has conducted the performance audit of Public Private Partnership (PPP) project of AAI at Chhatrapati Shivaji International Airport (Mumbai Airport) for the period 2006 to 2012. The CAG Report has been laid on the table of the Parliament House on July 18, 2014 wherein they have made certain observations on Mumbai International Airport Private Limited (MIAL) project and the Public Accounts Committee has also made certain observations in the Parliament, subsequent to which there is no further development in the matter known to MIAL. The management is of the opinion that the observations in the CAG report do not have any financial impact on these financial statements of the group.

- ix) MIAL collects "Marketing Fund" at a specified percentage from various concessionaires as per respective concession agreements, to be utilized towards sales promotion activities as defined in such agreements. As on March 31, 2020, MIAL has an accumulated amount of Rs. 2,634 lakhs (March 31, 2019: Rs. 2,621 lakhs) towards such fund.

The funds collected by MIAL are maintained in designated Bank accounts/ Fixed deposit accounts and any amounts lying in its other Bank accounts shall need to be replenished into the designated bank accounts.

- x) During a review of the financial performance of the MIAL and based on the principles of Tariff determination formulated by Airport Economic Regularity Authority of India ("AERA"), it's management detected that it has made excess payment of Annual Fee to the tune of Rs. 358,290 lakhs to Airports Authority of India (AAI) from May 03, 2006 (Effective Date) till March 31, 2018. MIAL, vide letter dated January 5, 2019, claimed refund of excess Annual Fee and requested AAI to refer this dispute for Arbitration. Arbitral tribunal has been constituted and hearings of the arbitration tribunal are going on. MIAL has filed its statement of claim before the arbitral tribunal on April 27, 2019. Payment of Annual Fee to AAI since month of February'19 onwards is made under protest.

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- x) During the year, the Covid-19 pandemic has caused the Company to invoke the force majeure provision as per Operation, Management and Development Agreement ('OMDA') with the Airports Authority of India (AAI). The Company has thus claimed relief from AAI towards, inter alia, suspension from discharging its annual fee obligations till the time of force majeure event and such additional period thereafter as is necessary to enable the Company to achieve the level of activity prevailing before the event of force majeure. Consequently, the Company provided AAI with various details, as requested by them from time to time, for provide for force majeure relief. However, AAI continued its demand for seeking annual fee which would have left the Company with virtually no funds to run the operations of the airport. In order to claim urgent relief on the matter, the Company filed an application with Honourable High Court of Delhi ("DHC") under Section 9 of the Arbitration and Conciliation Act, 1996. The DHC has vide its final order dated 27th November, 2020 allowed the petition of the Company post which the Company is able to access and utilise the funds for its requirements pertaining to running and operating of the CSMI Airport and other obligations linked thereto under the OMDA. Further Company is required to retain in the Escrow Proceeds Account @ 38.7% of actual payments received from activities connected with OMDA and functioning of CSMI Airport but AAI is restrained from transferring / withdrawing the said amount @38.7% retained in the Proceeds Account. These direction are applicable prospectively from the date of pronouncement of the order and will remain in force until varied / modified by subsequent orders either from the higher courts or arbitration tribunal. The Company has provided for annual fee liability till March 31, 2020 in these financial statements.
- xii) MIAL has extended waivers and concessions to various concessionaires/ lessees towards payment of certain non-aeronautical and cargo charges. The same was necessitated due to the disruption in aviation activity from March 2020 as a fallout of the Covid-19 pandemic situation. It is pertinent to note that despite extension of such waivers and concessions, some concessionaires/ lessees have invoked force majeure provisions of their Concession Agreements and requested for termination of their agreements citing the scale of financial disruptions caused due to the ongoing pandemic. The financial impact of such waivers/ concessions extended by MIAL has already been considered in these financial statements.
- xiii) Adani Properties Private Limited (the "Petitioners") had filed two separate commercial suits against Bid Services Division (Mauritius) Limited & ACSA Global Limited respectively in the Honourable High Court of Bombay on account of a dispute that had arisen relating to transfer of shares of MIAL. MIAL was a proforma party in this matter as there were no specific causes of action against MIAL, except nominal compliance related matters that may have arisen. Subsequently, on the hearing held on September 19, 2020, the Petitioners withdrew both the suits. Accordingly, considering that the dispute is settled subsequent to the year end, there are no claims sought against MIAL and no adjustments are required to be made to the accompanying financial statements.
- xiv) MIAL has entered into an agreement with Regency Convention Centre and Hotels Limited ('Regency') for purchase of 1,55,357 shares which constitutes 100% of the share capital of Regency. This investment is pursuant to Regency agreeing to unconditionally waive all its rights, title, claims and interest in a land area which had been a disputed matter between Regency, Airports Authority of India and MIAL. The total purchase consideration is of Rs. 6,400 lakhs out of which, MIAL has given an advance of Rs. 2,300 lakhs during financial year 2019-2020. The long stop date for concluding the transaction has been extended from June 30, 2020 to June 30, 2021 and it is likely to be further extended by MIAL for its closure.
- xv) During the year, owing to the delay in the commencement of construction of the new airport as detailed in (xvi) note below, MIAL has recruited certain employees who were earlier employed in the subsidiary to enable retention of such employees considering their extensive experience in the aviation sector. Accordingly, MIAL has incurred cost of Rs. 2,914 lakhs in the current year ended March 31, 2020. MIAL has recovered cost for the services of its subsidiaries' employee's amounting to Rs. 23 lakhs during the year.
- xvi) MIAL has invested Rs. 90,502 lakhs in its subsidiary, Navi Mumbai International Airport Private Limited (NMIAL) as at March 31, 2020 towards shareholding of 74% and remaining 26% being held by City and Industrial Development Corporation of Maharashtra Limited ('CIDCO' or 'the Authority'). NMIAL has signed a Concession Agreement with the CIDCO on January 8, 2018 for construction, operation, maintenance and management of the Navi Mumbai International Airport ('NMIA') for public use at Navi Mumbai, Maharashtra through Public Private Partnership for an initial period of 30 (thirty) years from the Appointed Date of July 7, 2018.

NMIAL has requested CIDCO to grant extension of Construction Period and Concession Period under the provisions of the Concession Agreement, due to delay in providing Right of Way of entire Site by the Authority which was to be given on or before 4th November 2018. While NMIAL was awaiting confirmation from the Authority for providing 100% Right of Way to the entire Site and grant of extension for Construction Period and Concession Period, YES Bank Limited which sanctioned credit facilities to NMIAL cancelled such facilities, subsequent to which NMIAL submitted an application to State Bank of India ("Bank"). The Bank, thereafter, issued a letter, in principle approving the sanctioning and underwriting the entire debt requirement for Phase 1 and 2 of the Project for setting up an international airport in Navi Mumbai. However, due to occurrence of COVID-19 NMIAL informed the Bank about suitable changes in project parameters and assumptions that need to be made due to changed worldwide aviation business scenario. The Bank has advised NMIAL to submit revised proposal / assumptions for participation in debt funding which is under preparation by NMIAL. In view of the continuing effects of the pandemic on the aviation industry, the subsidiary has invoked the provisions of occurrence of 'Unforeseen Events' requesting CIDCO for referring the matter to a Conciliation Tribunal in accordance with the provisions of the Concession Agreement, to decide upon the suitable remedies such as extension of the construction period and other reliefs to mitigate the adverse effects of the pandemic on the Subsidiary.

Considering the business viability of the Navi Mumbai International Airport project, and ongoing discussions with CIDCO for extension of the timelines under the Agreement, supported by the intention of the proposed new management of MIAL as detailed in Note 64 to infuse funds into MIAL to ensure liquidity and achieve financial closure of the NMIAL project to commence construction, the Management of the group is confident of recovering the value of investment in the subsidiary.

- xvii) MIAL had obtained approval from shareholders by way of a special resolution for payment of remuneration to directors in excess of the limits prescribed under the provisions of the Companies Act, 2013 for the period upto December 31, 2019 to Managing Director

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and March 31, 2019 to the Executive Chairman of the Board. MIAL had omitted to take an approval for remuneration of Rs. 1,348 lakhs paid post expiry of period included under earlier approval. MIAL has obtained the requisite approvals/ratification in the general meeting held on December 8, 2020 subsequent to the year end.

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

The Group has made investments and has receivables aggregating to Rs. 79,037 lakhs (March 31, 2019: Rs. 75,655 lakhs) and provided guarantees and commitments for loans amounting Rs. 851,216 lakhs (March 31, 2019: Rs. 783,297 lakhs) taken by GVK Coal as at March 31, 2020 part of which is collateralized by the pledge of 37% shares of GVK Airport Holdings Limited a wholly owned subsidiary of the parent Company, and has undertaken to provide financial assistance of USD 3.11 million (Rs. 2,345 lakhs) as at March 31, 2020, an entity whose current liabilities exceeds current assets by USD 2,199 million (Rs. 1,657,939 lakhs) as at March 31, 2020 and has incurred cash losses of USD 140 million (Rs. 105,349 lakhs) for the year ended March 31, 2020, and based on the unaudited financial statements is witnessing material uncertainties. The prices of the coal have fallen since GVK Coal had acquired a stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal and also necessary environmental and regulatory clearances. There are also uncertainties arising from COVID. Further, certain lenders of GVK Coal have classified the loan as non-performing and the lenders had an option to curtail the rights of the parent company on various assets either on October 2015 or every year thereafter.

The lenders have since filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaken by the lenders dated March 23, 2017, the lenders cannot enforce such obligation until March 29, 2022. The respective arguments of the lenders and the parent Company were filed with the court and an order has been pronounced which entails start of the trial on June 13, 2022.

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

Considering that the Group does not have a certainty over the cash flows and timing of such cash flows, an impairment assessment has been carried out for the carrying value of investment and other receivables. Based on such assessment, the management has made a provision for impairment against the recoverability of Investments of Rs. 77,535 lakhs and receivables of Rs. 1,098 lakhs.

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

a) There has been uncertainty regarding supplies/availability of gas to power plants of GVK Industries Limited (GVKIL), subsidiary company, and GVK Gautami Power Limited (GVKGPL), jointly controlled entity. These group companies have made losses of Rs. 39,310 lakhs (March 31, 2019: Rs. 42,484 lakhs). The lenders have classified the loan balances of these group companies as non-performing assets. GVKEL is confident that the Government of India will take necessary steps/initiatives to improve the situation of natural gas. However in the interim these group companies are working with the lenders for a one time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to APDISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that these group companies continue to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one time settlement proposal. GVKEL has given corporate guarantee for the loan taken by GVKGPL. GVKEL based on the valuation performed for these entities, has made a provision for diminution for full value of investments to the extent of Rs. 64,295 lakhs in its standalone financial statements.

b) Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 367,634 lakhs (March 31, 2019: Rs. 396,638 lakhs) of GVK Power (Goindwal Sahib) Limited ('GVKPGSL'), subsidiary company, towards supply of fuel consequent to de-allocation of coal mine. Management has filed a petition with Punjab State Electricity Regulatory Commission (PSERC) for re-negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal, approval for completed capital cost, etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. Pending determination of final tariff, PSERC in its interim order has allowed the subsidiary company to run the plant on imported fuel for up to two and half years and advised GVKPGSL should make arrangements for coal on a long term basis. In the interim Punjab State Power Corporation Limited ('PSPCL') has made certain deductions aggregating to Rs. 15,267 lakhs while approving the revenue claimed by GVKPGSL pursuant to the aforesaid interim order. GVKPGSL has also filed petitions with PSERC for the aforesaid deductions made by PSPCL. In February 2018, GVKPGSL obtained long term coal linkage through Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI scheme) for a significant part of its capacity. Further in March 2018, PSERC has approved provisional fixed charges of Rs 2.20 per unit till the final capital cost is determined.

GVKPGSL was unable to run the plant at optimal capacity during financial year 2016-17 and 2017-18 primarily on account of low availability of fuel and hence defaulted on repayment of dues to lenders. Consequently the lenders have classified the loan balances of GVKPGSL as non-performing assets. GVKPGSL is currently working with lenders towards the resolution plan as required by the RBI notification dated February 12, 2018 on resolution of stressed assets. If a resolution plan is not implemented as per the timelines specified in the aforesaid notification, lenders shall file insolvency application, singly or jointly, under the Insolvency and

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Bankruptcy Code 2016 within 15 days from the expiry of the said timeline. Consequently, the lenders have referred the company to NCLT for appropriate resolution. However, the case is yet to be admitted. GVKEL has given corporate guarantee for the loans taken by GVKPGSL.

Management based on internal assessment/legal advice believes that the aforementioned petitions will be decided in its favor and hence cancellation of coal mines will not impact the operations of the power project and it is also confident of further improvement in plant performance and entering in an appropriate resolution plan and also implementing the same within the specified timelines. Further based on the valuation performed, GVK Energy has made a provision for diminution of investments to the extent of Rs. 18,310 lakhs in its standalone financial statements.

- c) The Hon'ble Supreme Court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited ('GVKCTPL'), subsidiary company, and Nominated Authority had offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 31,113 lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015 and subsequently GVKCTPL submitted its claim for the balance compensation claim of Rs. 19,882 lakhs to the aforesaid authority. GVK Energy has written off its investment in GVKCTPL amounting to Rs. 10,986 lakhs which is considered as an exceptional item in the Statement of Profit and Loss of GVK Energy Limited. GVK Energy as also given corporate guarantee for the loan taken by GVKCTPL. Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mines and accordingly no provision is required towards corporate guarantee given by GVKEL.
- d) Trade receivable of GVKIL, include accruals towards reimbursement of fixed charges for the financial year 1997-1998 to 2000-2001, on increased capital cost worked out as per ratios set out in the PPA aggregating to Rs. 4,512 lakhs (March 31, 2019: Rs. 3,597 lakhs) by GVKIL, disincentive recoverable aggregating to Rs. 2,878 lakhs (March 31, 2019: Rs. 2,409 lakhs), minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2000-2001 up to the financial year 2011-2012, aggregating to Rs. 2,031 lakhs (March 31, 2019: Rs. 3,118 lakhs) and other receivables of Rs. 76 lakhs (March 31, 2019: Rs. 60 lakhs) which are being refuted by AP Transco/subject to approvals.

The group has receivables of loan of Rs. 28,600 lakhs (March 31, 2019: Rs. 26,286 lakhs) and the management believes that no further provision for diminution for such loans is necessary and also no provision is required for corporate guarantees given by the parent Company amounting to Rs. 4,500 lakhs as at March 31, 2020.

- 61.** a) GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL) step subsidiary of the Company has spent an amount of Rs 67,374 lakhs till March 31, 2020, Rs 58,904 lakhs towards project expenditure and Rs. 8,470 lakhs net towards advance to contractor. (March 31, 2019: Rs 69,455 lakhs, Rs. 58,904 lakhs towards project expenditure and Rs. 10,551 lakhs towards advance to contractor and tangible assets) on various works under this Concessionaire Agreement. During the course of construction, there has been significant delays in fulfilling the obligations from Gujarat State Road Development Corporation (GSRDC) like providing Land required for construction, right for way, shifting of utilities etc., which has resulted in significant delays in construction also. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to which notice GVK BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement process will be as per the Concession Agreement. Based on its internal assessment/legal advice GVK BVEPL is confident that it will be able to recover the amounts spent on the project till date and is also confident that claims made by GSRDC will be struck down and accordingly management believes that it is appropriate to recognize total assets aggregating to Rs. 67,374 lakhs (March 31, 2019 Rs. 69,455 lakhs) at carrying value in the financial statements and no provision for diminution is necessary.

GVK BVEPL has approached The International Centre for Alternative Dispute Resolution (ICADR) for appointment of Arbitration Tribunal (AT). Arbitration Tribunal is constituted and the dispute is being addressed. GSRDC has filed a claim of Rs 108,419 lakhs and GVK BVEPL has filed its statement of Defence and a counter claim of Rs. 348,079 lakhs disputing the very process of termination and are also taking other necessary legal remedies in this regard. Initially GVK BVEPL intend to bring into substitution process, inspite of best efforts of GVK BVEPL, substitution process could not be completed. Meanwhile GSRDC awarded project to two different contractors hence there is no going concern and financials prepared accordingly.

GVK BVEPL is closely working with the lenders by explaining to them the intricacies of the project and outlining support required to give effect to the process of arbitration. The loans are classified as non performing assets by the lenders. In the hearing concluded recently on January 26, 2020, the complainant majorly concluded the argument and dates are fixed for argument of respondent. Thereafter time for filing the rejoinders was provided in the hearings fixed from April 20, 2020 to May 01, 2020.

- b) GSRDC has not yet concluded its arguments and due to Covid 19 the dates fixed for hearing the matter has been cancelled. The Tribunal has fixed the new schedule and as per the new schedule, GVK BVEPL has concluded its arguments on March 27, 2021 and GSRDC commenced its rejoinder submissions on April 09, 2021 and continued on August 12, 2021. GSRDC will conclude rejoinder submissions in the coming days. Thereafter, GVK BVPEL shall submit final reply argument on September 01, 2021.

- 62.** (a) GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL), step subsidiary of GVK Power and Infrastructure Limited has entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVKRHEPPL has spent/ paid advances an amount of Rs. 107,298 lakhs (March 31, 2019: Rs. 113,761 lakhs) on this project for various works. There has been a significant delay in the construction of the project due to the impediments like land acquisition and execution of land leases, issues in relation to working conditions,

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disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc., GVKRHEPPL has offered for an amicable settlement and requested for the termination of concession agreement, but JKPDD rejected such settlement stating that the delays tantamount to event of default from GVKRHEPPL. Subsequent to this GVKRHEPPL has initiated the arbitration process and the process is in advance stages. In the arbitration GVKRHEPPL has made a claim of Rs: 513,648 lakhs and JKPDD has made a counter claim of Rs: 518,963 lakhs. Even though there are uncertainties, management is confident based on its internal assessment/ legal advice that it will be able to recover the amount spent on the project till date and is also confident that claim made by JKPDD will be withdrawn and accordingly management believes that it is appropriate to recognise assets aggregating to Rs. 107,298 lakhs (March 31, 2019: Rs. 113,761 lakhs) at carrying value in the financial statements and no provision for diminution is necessary

(b) On July 11, 2020 subsequently to signing balance sheet, Arbitral Tribunal awarded Claim of Rs. 29,048 lakhs against a claim of Rs. 513,648 lakhs and not being satisfied with the claim, GVKRHEPPL has now approached the court on December 08, 2020 for Rs. 513,648 lakhs. The Company continues to believe that it is appropriate to recognise the assets at their carrying value.

63. On June 25, 2019, GVK Deoli Kota Expressway Private Limited (GVK DKEPL) has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway. Further, GVK DKEPL has claimed a termination payment of Rs. 160,153 lakhs from NHAI as per the terms of the Concession Agreement. In response to the above notice GVK DKEPL has received letter from NHAI dated July 03, 2019 denying the claim of GVK DKEPL stating that the termination notice issued under clause 37.2.2 is invalid as defaults alleged by GVK DKEPL are false and NHAI has not committed any material default in complying with the provisions of the Concession Agreement.

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

GVK DKEPL based on its internal assessment/ legal advice is confident that it will be able to recover the amounts spent on the project till date and GVK DKEPL has filed its statement of Defence and a counter claim of Rs. 160,153 lakhs including costs for change of scope, loss of revenue. GVK DKEPL is also taking other necessary legal remedies in this regard.

The Concession Agreement being the sole agreement executed by GVK DKEPL, termination of the same has resulted into liquidation basis of accounting for GVK DKEPL which has been adopted in preparation of financial statements of GVK DKEPL. This basis of preparation differs from the going concern basis adopted during the previous year ended March 31, 2019. Under the liquidation basis of accounting, all assets and liabilities are measured at their net realisable value. As toll collection right has been taken over by NHAI from GVK DKEPL, GVK DKEPL has impaired toll and premium assets against premium liability (not due) and claim receivable from NHAI. GVK DKEPL has currently recognised net amount receivable of Rs. 88,163 lakhs as the total cost of the project and has liability towards NHAI premium payable to NHAI of Rs. 19,889 lakhs.

Meanwhile termination payment acknowledged by NHAI is Rs. 49,768 lakhs including Income tax (TDS) of Rs. 1,303 lakhs, Goods and Service ax TDS of Rs. 995 lakhs and NHAI recovery against outstanding premium, TCS and interest of Rs. 22,493 lakhs and net amount received by the Company is Rs. 24,977 lakhs.

The Company has file rejoinder application under Section 17 read with Section 31(6) of the Arbitration and Conciliation Act, 1996 dated August 08, 2020 and the matter is under Arbitration.

64. Impact of Covid 19 pandemic on the Group

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

a. Airport operations

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

Due to outbreak of Covid-19 pandemic, MIAL invoked the force majeure provisions of OMDA and requested Airport Authority of India (AAI) for relief from payment of Annual Fee ('AF'). AAI partially granted a moratorium for 3 months from April- June 2020 for payment of AF, with a condition that MIAL has to pay AF for April to June 2020 by July 15, 2020 and payment of AF from July 2020 month

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

onwards regularly. Against this demand of AAI, MIAL filed a petition before Hon'ble High Court of Delhi ('DHC') for interim relief under Section 9 of the Arbitration and Conciliation Act, 1996 and to restrain AAI from withdrawing funds from Escrow account towards payment of AF. DHC, after hearing the petition, issued an interim order dated July 15, 2020 to maintain a status quo on funds in the Escrow account till issue of its final order. Due to this, MIAL was unable to access funds from Escrow account and discharge its liabilities till pronouncement of the judgement.

The DHC has vide its final order dated 27th November, 2020 allowed the petition of MIAL post which MIAL is able to access and utilise the funds for its requirements pertaining to running and operating of the CSMI Airport and other obligations linked thereto under the OMDA. Further MIAL is required to retain in the Escrow Proceeds Account @ 38.7% of actual payments received from activities connected with OMDA and functioning of CSMI Airport but AAI is restrained from transferring / withdrawing the said amount @38.7% retained in the Proceeds Account. These direction are applicable prospectively from the date of pronouncement of the order and will remain in force until varied / modified by subsequent orders either from the higher courts or arbitration tribunal.

Under these stressed liquidity circumstances, considering the requirements of additional funds to achieve the financial closure of Navi Mumbai International Airport project, the group has entered into an agreement with Adani Airport Holdings Limited ('AAHL') a wholly owned subsidiary of Adani Enterprises Limited for takeover of the debt of GVK Airport Developers Limited from its lenders and convert the same into equity and thereby acquire entire equity stake of the group held in MIAL. AAHL has also entered into agreements with Bid Services Division (Mauritius) Limited and ASCA Global Limited, MIAL's other shareholders to directly acquire entire shareholding of 23.50% in MIAL for which "The Competition Commission of India" has granted approval on September 23, 2020. Approvals from lenders, Airport Authority of India and other regulatory agencies have since been received. Further, AAHL also intends to infuse funds into MIAL to provide liquidity and also to achieve financial closure of Navi Mumbai International Airport project to enable the subsidiary to commence construction.

MIAL had availed moratorium of six months for interest and principal repayment on its Project Term Loan (PTL), Airport Development Fees Loan ('ADF Loan') and Real Estate Security Deposit (RESD) loans as per RBI notifications aimed towards relief to borrowers due to Covid-19. As at March 31, 2020, the outstanding amounts of PTL, ADF and RESD loans were Rs. 702,319 lakhs, out of which Rs. 65,470 lakhs along with interest of Rs. 6,118 lakhs. Outstanding loans and interest payable in twelve months from the balance sheet date is as per the existing repayment schedule of Rs. 65,470 lakhs and Rs. 43,891 lakhs respectively.

MIAL also submitted a restructuring plan for the existing loans to the lenders vide letters dated September 29 and September 30, 2020 and has also sought additional term loans to enable MIAL to meet its operational and capex requirements. Therefore, interest payment and principal repayment obligations due in twelve months from the balance sheet date are subject to changes and would be as per the Resolution Plan finally approved by the lenders. The restructuring plan is to be effective from the change of shareholding date in MIAL. Further, MIAL has also requested its lenders to revoke the red flag account status including the forensic audit of MIAL and should not undertake any consequential actions.

The aviation industry has severely impacted due to the outbreak of Covid-19 resulting in a significant reduction in Passenger and Air Traffic Movements (ATMs) and thereby, affecting the footfalls for the concessionaire at the airport. Pursuant to this, MIAL has during the year ended March 31 2020, granted waiver of Monthly Minimum Guarantee (MMG) for the month of March 2020. Further considering, the force majeure provisions invoked by the concessionaires, MIAL has revised the revenue model to variable lease payments for concessionaires till December 2020 and expects to continue until there is an improvement in ATMS and passenger footfalls.

Due to ongoing restrictions on air travel, currently it is not possible for MIAL to determine timelines by which the pre-covid levels of Passenger and Air Traffic Movements shall be achieved. Therefore, MIAL expects variable lease payments model/ fixed revenue model (MMG) without escalation to continue further. In view of this and considering the invocation of the force majeure clause in the concession agreement by the concessionaire and consequent termination of a few contracts, the Company has recognised provision against Lease Equalisation Asset except for the contracts which are expected to continue in a normal course of business.

The carrying amount of lease asset is re-measured on modification due to a change in the lease term or a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments, change in escalation rate). The group has classified security deposits as current pertaining to the terminated contracts of concessionaires as same would be repayable in next year.

MIAL's ability to continue as a going concern would depend on the successful outcome of the aforesaid management plans. Based on the above actions and ongoing discussions, management is confident of meeting its financial obligations and continuing business operations in foreseeable future. The directors are satisfied that there are reasonable grounds to believe that based on the ongoing efforts of the management, MIAL will be able to continue to meet its debt and other obligations as and when they fall due and thereby, it is appropriate for the financial statements to be prepared on a going concern basis.

65. Note as included in the consolidated financial statements of GVKEL

The World Health Organisation announced a global health emergency because of a new strain of coronavirus (Covid 19) and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21 day lockdown across the country to contain the spread of the virus, which was further extended till May 03, 2020. This pandemic and government response a creating disruption in global supply chain and adversely impacting most of industries which has resulted in global slowdown. The management has made an assessment of the impact of Covid 19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements. The impact of the global health pandemic may be different from that estimated as at the date of provision of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

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

The impact of COVID-19 on the group's financial statements may differ from that estimated as at the date of approval of these financial statements and the group will continue to closely monitor these aspects and take actions as are appropriate based on future economic conditions.

- 66.** Trade receivables as at March 31, 2020 included an amount of inter-company receivable of Rs. 1,615 lakhs (eliminated on consolidation) which is outstanding for a period of more than three years and is not in compliance with the Master Direction 16/2015-16 dated January 01, 2016 of the Reserve Bank of India. GVKADL has filed application with Authorised Dealer category Bank for obtaining approval from RBI for write off of these receivables. Management believes, penalties if any arise on account of such non-compliance will not be material.
- 67.** The parent Company and its subsidiary GVK Airport Developers Limited (GVK ADL) entered into a binding agreement comprising a co-operation agreement and other related agreements with Adani Airport Holdings Limited (AAHL) on August 31, 2020 and subsequent dates. This includes acquisition of the debt by AAHL from various lenders of GVKADL with a view to release pledge on certain shares of GVK AHL and with an ability for AAHL to convert the acquired debt from the lenders of GVKADL to equity so as to acquire equity interest in MIAL and also acquiring parent Company's equity and other instruments in GVKADL and also possible acquisition/settlement of debt of GVK Coal Developers (Singapore) Pte Ltd (with a view to release pledge on remaining shares of GVK AHL). AAHL has since acquired the debt from GVKADL and has converted the same to equity acquiring controlling interest in GVKADL on July 13, 2021. GVKADL, BAIDL, GVK AHL, MIAL and NMIAL are no longer subsidiaries of the Company from that date. The Company considers Goodwill arising on acquisition of MIAL and the assets of GVKADL along with its subsidiaries as fully recoverable. The arrangement will entail substantially derecognising the whole of the assets and liabilities of the Airports segment of the Group.

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

- (i) Acquisition of debt and related accrued interest with carrying value in these statements of Rs. 255,107 lakhs by AAHL
- (ii) AAHL acquiring certain securities of Sutara, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of the co-operation agreement.
- (iii) Acquiring equity of Rs. 30,000 lakhs and other instruments of Rs. 1,000,000 lakhs held by GVKPIL and its subsidiary in GVKADL by AAHL to be settled by transfer of securities held by AAHL referred to in (ii) above
- (iv) GVKPIL and AAHL have also agreed on certain steps to be taken in respect of lenders of GVK Coal.

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

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

The Enforcement Directorate (ED) has also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. The investigation of the CBI and ED are currently in progress and the ED has filed a complaint in April 2021 on the same matters against the above mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the Company their Directors and officers, and the concerned parties are cooperating with the investigating agencies. Various companies that are part of GVK group and its associates have received notices under Section 206(5) and Section 207 of the Companies Act, 2013 during the year financial year 2018-19 to which the Companies have provided responses and further notices have also been received in December 2020 that have been responded to.

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

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

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

The Enforcement Directorate (ED) has also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. The investigation of the CBI and ED are currently in progress and MIAL is cooperating with the investigating agencies. MIAL had also received a notice of inspection from Ministry of Corporate Affairs (MCA) under Section 206(5) of the Companies Act, 2013 in October 2019, requiring MIAL to furnish books of accounts and records and management has responded to the enquiries/ notices. MIAL has received further letter as per Section 206(5)/207 of Companies Act, 2013 on December 24, 2020 which have been responded to.

Based on the legal advice received by the Audit committee of MIAL and considering two premier agencies CBI and ED are already investigating the matter, the Audit committee has decided not to proceed with any independent forensic investigation on the matters mentioned in the FIR. Considering the status of the proceedings, the implication, if any, arising from the aforesaid investigations

Notes to the consolidated financial statements

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

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

(c) Note as included in the standalone financial statements of GVK AHL

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

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

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

- 69.** (a) As per the requirements of Section 96(1) of the Companies Act, 2013 the parent Company was required to hold its Annual General Meeting (AGM) and the Board of Directors were to lay in the Company's AGM the Balance Sheet and the Profit and Loss for the year ended March 31, 2020 by December 31, 2020. However the parent Company could not do so, and will be applying to the National Company Law Tribunal/ Regional Director for compounding under the relevant sections of the Companies Act.

As per the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the parent Company was required to file its audited financial results for the year ended March 31, 2020 by June 30, 2020 and for subsequent quarters by relevant applicable dates with National Stock Exchange of India Limited and Bombay Stock Exchange. However the parent Company could not do so, and will be applying to the stock exchanges for compounding under the relevant Regulations.

As per the requirements of Section 44AB of the Income Tax Act, 1961 the parent Company was required to file its tax audit report in forms 3CA-3CD with the income tax authorities for the year ended March 31, 2020 by December 30, 2020. However the parent Company could not do so, and will be filing the same subsequently.

(b) Note as included in the standalone financial statements of GVK ADL

As per the requirements of Section 96(1) of the Companies Act, 2013, the Company was required to hold its Annual General Meeting (AGM) and the Board of Directors were to lay the in the Company's AGM the financial statements for the year ended March 31, 2020 by December 31, 2020. However the Company could not do so, and will be applying to the National Company Law Tribunal/ Regional Director for compounding under the relevant section of the Companies Act, 2013.

- 70.** As at March 31, 2020, the Group had accumulated losses and the Group has incurred losses during the preceding years. The group has delayed payment of loans and interest and certain loan accounts have been classified as non-performing by banks. The Group has provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 59, 60, 61, 62 and 63 (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited, GVK Ratle Hydro Electric Project Private Limited and GVK Deoli Kota Expressway Private Limited) uncertainties are being faced by various projects such as delays in development of coal mines in an overseas project where the parent Company has provided guarantees and commitments for the borrowings, losses incurred by gas based plants in the absence of gas and litigations on rights to claim capacity charge, re-negotiation of terms of PPA of coal based plant and litigations on determination of tariff of hydro power project, arbitration on delay of commencement of road project and hydro based plant. These factors together with the impact of Covid 19 may indicate significant doubt on going concern of the group. Notwithstanding the above, the financial statements of the Group have been prepared on going concern basis as management believes that the Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required despite current macro-economic environment challenges.

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

As at March 31, 2020, the Group had accumulated losses and the Group has incurred losses during the previous year and the current year. The Group's current liabilities are in excess of current assets. The Group has delayed payment of loans and interest and certain loan accounts of the Group have been classified as non-performing by the lenders. GVK Power & Infrastructure Limited has provided corporate guarantee for the loans taken by GVKEL and has given sponsor undertaking for the loans taken by GVKPGSL. Further, uncertainties are being faced by various projects in the Group such as losses incurred by power plants, re-negotiation of terms of power purchase agreement of coal based plant, approval of resolution plan, one time settlement proposal, litigations with respect to tariff, etc. Notwithstanding the above, the financial statements of the Group have been prepared on going concern basis as, management believes that the Group would be able to establish profitable operations and meet its commitments. Further,

Notes to the consolidated financial statements

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

management is confident that aforesaid entities would win litigations, obtain approval of regulators, obtain requisite fuel allocation etc. as required and would establish profitable operations.

72. Assets held for sale

GVK Airport Holdings Limited (GVKAHL) is a step down wholly owned subsidiary of the Company and holding company of Mumbai International Airport Limited (MIAL) with a shareholding of 50.5%. Management has been looking for certain divestment options in the airport vertical. During the course of divestment process the management has obtained bids for diluting the shareholding in Airport Vertical and started discussions with one of the parties. During the previous year, GVKPIL group management has obtained approval from the shareholders for raising funds by divesting its share in GVKAHL. The management was able to sign a term sheet with a potential investor during April 2019 (which was subsequently terminated in August 2020 when it entered into a cooperation agreement with Adani Airport Holdings Limited (AAHL) (Refer note 67).

The company was still under discussion on the terms and conditions of the transaction as at March 31, 2020 and had not reached a definitive stage about the terms and conditions that would entail the Firm Purchase Contract. Also, shares of the Airport vertical are pledged with various lenders and management was yet to receive approval from lenders with whom the shares are pledged. As a part of the divestment process, management has noted that there are certain other significant approvals from Ministry of Civil Aviation, Airport Authority of India and other approvals as necessary are to be received. The management did not have a reliable estimate on the time period in which the Firm Purchase Contract can be signed off.

Based on the above factors, management has evaluated the criteria as per Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, and is of the view that the Airport vertical should not be considered as "Held for sale" asset at this stage as at March 31, 2020. Subsequent to the year end on August 31, 2020 the parent Company and GVK ADL (the holding company of GVKAHL) have entered into an agreement with Adani Airport Holdings Limited and terminated the term sheet referred above.

73. Events occurring after the reporting date - Non adjusting events

- a) Subsequent to the year end the parent Company has settled its entire term loan facility including interest accrued thereon with Axis Bank Limited vide agreement dated October 08, 2020. The parent Company has repaid an amount of Rs. 2,845 lakhs subsequent to the year end including full and final settlement amount as against the total outstanding of Rs. 4,083 lakhs as at March 31, 2020.
- b) Refer note 67 for details of co-operation agreement entered into by the Company for sale of stake in GVK Airport Developers Limited.

74. Standards issued but not yet effective as at the Balance Sheet date

GMinistry of Corporate Affairs (MCA) has notified the following new amendments to Ind AS which the Group has not yet applied as they are effective from April 01, 2020.

- a) Amendment to Ind AS 1 and Ind AS 8 - Amendments have been made to bring in consistency in the definition of materiality throughout Ind AS and Conceptual Framework for Financial Reporting. And to clarify when the information is material and also incorporates some of the guidance in IndAS 1 about immaterial information.
- b) Amendments to Ind AS 109 - The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.
- c) Interest Rate Benchmark Reform – Amendments to Ind AS 107, Ind AS 109 and Ind AS 39- The amendments made to Ind AS 107 Financial Instruments: Disclosures and Ind AS 109 Financial Instruments provide certain reliefs in relation to interest rate benchmark reforms. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.
- d) Covid-19-related Rent Concessions – Amendments to Ind AS 116- As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Amendment to Ind AS 16 Leases provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Management is in the process of assessing the impact on the financial statements.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 90196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of

GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

A Issac george

Director & CFO

DIN: 00005456

P V Rama Seshu

VP & Company Secretary

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

Report on the audit of Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of GVK Power & Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required, and except for the indeterminate effects of the matters referred to in Basis for Qualified Opinion paragraph below, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

3. We draw your attention to:
 - a) Note 44 to the standalone financial statements regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the Company has investments and receivables aggregating to Rs. 78,634 lakhs to whom the company has provided guarantees and commitments for loans aggregating to Rs. 851,216 lakhs taken by the aforesaid associate company and has undertaken to provide financial assistance of USD 3.11 million (Rs. 2,345 lakhs) as at March 31, 2020 with respect to which there are multiple significant uncertainties including outlook on the sector including those arising from COVID, achieving of financial closure and clearances for the project and concluding an appropriate solution with various stakeholders including lenders etc. In this regard, while the company has made a provision for impairment in respect of the entire aforesaid investment and receivables aggregating to Rs. 78,634 lakhs, we are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments, in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company has been provided in favour of the lenders and the resultant impact on these financial statements.
 - (b) Note 45 to the standalone financial statements regarding GVK Energy Limited (a joint venture) and its subsidiaries and Joint venture, in which the Company has investment and loans aggregating to Rs. 99,336 lakhs and financial guarantees issued by the Company to the joint venture amounting to Rs. 4,500 lakhs. With respect to GVK Energy Limited, there are multiple significant uncertainties including (a) non-availability of fuel (coal/gas), (b) application outstanding for increase in tariff/capital cost approval and (c) compensation in relation to deallocated coal mine etc. Due to the aforesaid uncertainties, we were unable to ascertain the recoverability of these amounts and the consequential implications arising therefrom and whether any adjustments are necessary in respect of these transactions, investments and provisions if any required in these standalone financial statements of the Company.
 - (c) Note 49 to the standalone financial statements regarding investigation by various agencies, on various alleged irregularities relating to conflict of interest, misuse of funds and other matters, pending completion of which and non-provision of certain related information sought from the company including complete copy of the Enforcement Directorate complaint, we are unable to comment on the effect thereof on these standalone financial statements including prior year comparatives considering the allegations over GVK group.
 - (d) Note 50 to the standalone financial statements regarding (a) non holding of the Annual General Meeting (AGM), in respect of financial year ended March 31, 2020 within the time limit specified under Section 96(1) of the Act, consequent non laying of the financial statements in the AGM as prescribed under Section 129(2) and Section 137 of the Act, (b) non filing of the audited financial results for the financial year ended March 31, 2020 and subsequent quarters, with the Bombay Stock Exchange and National Stock Exchange of India Limited within the time limit as specified under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and (c) non-compliance with section 44AB of the Income-tax Act, 1961 for non-filing of tax audit reports in form 3CA-3CD with Income Tax Authorities, within the stipulated time period, for the year ended March 31, 2020. We are unable to comment on the impact of these non-compliances on the standalone financial statements.

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

5. We draw attention to note 51 to the standalone financial statements, which states that the Company has significant accumulated losses as at year ended March 31, 2020 and has defaulted in repayment of loan and interest payments. Further, material uncertainties are faced by various projects, in which the Company has made investments, provided guarantees/commitments and/or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in the aforementioned note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

6. We draw your attention to Note 48 to the standalone financial statements regarding proposed sale by the Company of its interest in Mumbai International Airport Limited by sale of securities held by the Company in GVK Airport Developers Limited (GVKADL) under a binding co-operation agreement dated August 31, 2020 and other related transaction documents, basis which no adjustment was considered necessary to be made to the carrying value of Company's investment in GVKADL.
Our opinion is not modified in respect of this matter.

Key Audit Matter

7. Except for the matters described in the Basis for Qualified Opinion Section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon. The Directors report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

To The Members Of Gvk Power & Infrastructure Limited

10. In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 management.
- Conclude on the appropriateness of management'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 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, subject to the matters described in the Basis for Qualified Opinion Section of our Report, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

17. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and except for matters referred in Basis of Qualification, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, except for the indeterminate effects of the matters referred to in Basis for Qualified opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) Except for the indeterminate effects of the matters referred to in Basis for Qualified opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) The matters described in the Basis for Qualified opinion Section and Material Uncertainty Related to Going Concern Section above, and the Basis for Qualified Opinion Section in our report on the internal financial controls with reference to standalone financial statements in Annexure A, in our opinion, may have an adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are stated in paragraph 17(b) above.
- (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32(c) to the standalone financial statements;
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts as at March 31, 2020;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020

18. No managerial remuneration was paid or payable during the year, accordingly, reporting under Section 197(16) of the Act read with Schedule V is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 090196
UDIN: 21090196AAAABV9750

Place: Hyderabad
Date: August 24, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(h) of the Independent Auditors' Report of even date to the members of GVK Power & Infrastructure Limited on the standalone financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of GVK Power & Infrastructure Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure A to Independent Auditors' Report

Referred to in paragraph 17(h) of the Independent Auditors' Report of even date to the members of GVK Power & Infrastructure Limited on the standalone financial statements for the year ended March 31, 2019

Basis for Qualified opinion

8. According to the information and explanations given to us and based on our audit and subject to the Basis for Qualified Opinion paragraphs in our main report, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at March 31, 2020:

- a) The Company's internal financial controls for determining whether adjustments are required to the carrying value of investments, receivables and whether any liability to be recognised for the financial assistance, corporate guarantees and commitments given to an associate and joint venture of the Company were not operating effectively, which could potentially result in non recognition of provision with regard to the aforesaid financial statement line items (Refer paragraphs 3(a) and (b) of our main audit report).
- b) The Company's internal financial controls in respect of compliance with laws and regulations, including with respect of the following:
 - i. the Company did not hold its Annual General Meeting (AGM) within the stipulated time prescribed and consequently, financial statements of the Company could not be laid before the shareholders within the stipulated time resulting in non-compliance with the provisions of Sections 96(1) and 129(2) of the Act, and defaults have been made by the Company in making necessary filings with the Registrar of Companies as required under the provisions of section 92(4) and 137(1) within the stipulated timelines.
 - ii. non filing of the audited financial results for the year ended March 31, 2020 and financial results for the subsequent quarters with the Bombay Stock Exchange and National Stock Exchange of India Limited within the time limits as specified under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and
 - iii. non-compliance with section 44AB of the Income-tax Act, 1961 for non-filing of tax audit report in form 3CA-3CD with Income Tax Authorities, within the stipulated time period, for the year ended March 31, 2020

This could potentially result in non-compliance with laws and regulations. (Refer paragraph 3(d) of our main audit report).

c) Pending conclusion of the investigation (Refer paragraph 3(c) of our main audit report), we are unable to comment on the impact that may arise on conclusion of such investigation on the internal financial controls system of the company and its operating effectiveness.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI, and except for the possible effects of the material weaknesses described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as of March 31, 2020.
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2020, and these material weaknesses has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the financial statements for the year ended on that date. (Also refer Basis for Qualified Opinion of the main audit report)

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership Number: 090196
UDIN: 21090196AAAABV9750

Place: Hyderabad
Date: August 24, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 and subject to the Basis for Qualified Opinion (Paragraph 3) of the Independent Auditors' Report of even date to the members of GVK Power & Infrastructure Limited on the standalone financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The Company does not own any immovable properties as disclosed in Note 3 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has granted unsecured loans, to 10 companies covered in the register maintained under Section 189 of the Act. There are no firms /LLPs/ other parties covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - (b) In respect of the aforesaid loans, no schedule for repayment of principal and payment of interest has been stipulated by the Company. Therefore, in absence of stipulation of repayment terms we do not make any comment on the regularity of repayment of principal and payment of interest.
 - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, and service tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service tax	279	July 01, 2003 to September 30, 2008	High court
The Finance Act, 1994	Service tax	111	October 1, 2008 to September 30, 2009	High court
The Finance Act, 1994	Service tax	149	October 1, 2009 to September 30, 2010	High court
The Finance Act, 1994	Service tax	87	October 1, 2010 to June 30, 2011	High court
The Finance Act, 1994	Service tax	436	June 1, 2009 to March 31 2012	High court
The Finance Act, 1994	Service tax	170	April 1, 2012 to March 31, 2013	High court
The Finance Act, 1994	Service tax	164	April 1, 2013 to March 31, 2014	High court
Income Tax Act, 1961	Income tax	200	AY 2010-11	High court

Annexure B to Independent Auditors' Report

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted repayment of borrowings as mentioned below:

Name of the lender	Nature of dues	Period of default	Amount of default (Rs. in lakhs)
Axis Bank Limited	Principal of term loan	March 31, 2018 to March 31, 2020	898

Further, the company neither has any loans or borrowings from any financial institution or government, nor has it issued any debentures as at the balance sheet date.

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company
- x. x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except as described below, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- Pending completion of the investigation by the authorities as described in paragraph 3(c) of the Basis for Qualified opinion paragraph of the main audit report and as disclosed in note 49 to the standalone financial statements, we are unable to comment whether any fraud has been committed by the Company or any fraud was committed by the officers and employees of the Company, on the Company.
- xi. No managerial remuneration was paid by the Company during the year under review. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 18 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. Due to the possible effects of the matter included in paragraph 3(c) of the Basis for Qualified Opinion of our main audit report, we are unable to comment on whether all transactions entered into with related parties have been disclosed in the notes to the accounts as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures as specified under Section 133 of the Act, or whether such transactions are in compliance with Sections 177 and 188 of the Act
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. Pending completion of the investigations by authorities as described in paragraph 3(c) of the Basis for Qualified of Opinion paragraph of our main audit report, we are unable to comment on whether the Company has entered into any non cash transaction with the directors or persons connected with them or whether these transactions are in compliance with Section 192 of the Companies Act, 2013.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

N.K. Varadarajan
Partner
Membership number: 090196
UDIN: 21090196AAAABV9750

Place: Hyderabad
Date: August 24, 2021

Standalone Balance sheet as at March 31, 2020

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

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	72	92
Investments	4(i)	148,120	158,127
Financial assets			
Investments	4(ii)	5,175	76,710
Loans	5	-	5
Other financial assets	6	-	933
Non Current tax assets (net)	7	2,009	3,830
Other non-current assets	8	13	13
		155,389	239,710
Current assets			
Financial assets			
Investments	9	507	1,567
Trade receivables	10	803	355
Cash and cash equivalents	11	28	49
Loans	12	408	322
Other financial assets	13	239	2,248
Other current assets	14	44	37
		2,029	4,578
Total		157,418	244,288
Equity and Liabilities			
Equity			
Equity share capital	15	15,792	15,792
Other equity		85,896	168,711
		101,688	184,503
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	-	-
Unearned financial guarantee liability	17	1,961	5,221
		1,961	5,221
Current liabilities			
Financial liabilities			
Borrowings	18	47,276	47,142
Trade payables	19	-	-
• Total outstanding dues of micro enterprises and small enterprises		-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		186	208
Other financial liabilities	20	6,269	7,079
Provisions	21	8	8
Current tax liabilities	22	-	-
Other current liabilities	23	30	127
		53,769	54,564
Total liabilities		55,730	59,785
General information and significant accounting policies	1&2		
Total		157,418	244,288

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 090196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

A Issac george

Director & CFO

DIN: 00005456

P V Rama Seshu

Vice President & Company Secretary

Standalone Statement of profit and loss for the year ended March 31, 2020

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

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	24	2,320	2,321
Other income	25	7,867	7,710
Total Income		10,187	10,031
Expenses			
Employee benefit expenses	26	233	211
Other expenses	27	2,898	794
Impairment of non-current investments	4(F)	87,800	4,400
Depreciation expenses	28	21	12
Finance costs	29	1,320	1,248
Total expenses		92,272	6,665
Profit / (Loss) before tax		(82,085)	3,366
Tax expense			
Current tax		15	19
Advance tax of previous year written off		715	-
Taxes of earlier years		-	(8,047)
Total tax expense		730	(8,028)
Profit / (Loss) for the year		(82,815)	11,394
Other Comprehensive Income			
Items that may be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/loss for the year		(82,815)	11,394
General information and significant accounting policies	1 & 2		
Earnings/(Loss) per equity share:	31		
Basic earnings per share		(5.24)	0.72
Diluted earnings per share		(5.24)	0.72
Nominal value per equity share		1.00	1.00

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 090196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

A Issac George

Director & CFO

DIN: 00005456

P V Rama Seshu

Vice President & Company Secretary

Standalone Cash flow statement for the year ended March 31, 2020

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

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
1 CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/(loss) before tax		(82,085)	3,366
Adjustments to reconcile loss before tax to net cash flows			
Depreciation expense		21	12
Impairment of non-current investments and receivables		87,800	4,403
Gain on sale of current investments (net)		(52)	(153)
Interest expense		1,320	1,248
Fair value loss on investments in preference shares		1,000	50
Provision for bad and doubtful debt		1,098	-
Unrealised foreign exchange (gain)/loss		-	276
Unwinding Interest income on financial guarantees and debt instruments		(2,904)	(5,162)
Fair value commission income on guarantees given to subsidiaries		(2,074)	(482)
Interest income on income tax and service tax refund		(287)	(36)
Operating profit before working capital changes		3,837	3,522
Movement in working capital:			
Decrease/(Increase) in trade receivables		(448)	(225)
Decrease in other current/non current assets		1,837	(1,612)
Increase/(Decrease) in trade payables, current liabilities and provisions		256	112
Cash generated from operations		5,482	1,797
Taxes paid/refund		1,091	-
Net cash generated from operating activities	(A)	6,573	1,797
2 CASH FLOW FROM INVESTING ACTIVITIES			
Net Purchase/ Sale of current investments		1,112	233
Investments in subsidiaries/associates/related party including share application money		(4,354)	(137)
Loans (given)/refunds to/from subsidiaries/related party		(81)	5,834
Purchase of property, plant and equipment		(1)	(69)
Interest received		287	36
Net Cash (used in)/ generated from Investing Activities	(B)	(3,037)	5,897
3 CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term borrowings		(3,000)	(6,696)
Proceeds from short term borrowings (net)		134	3,450
Interest paid		(691)	(4,455)
Net Cash generated from/(used in) Financing Activities	(C)	(3,557)	(7,701)
Net increase/ (decrease) in Cash and Cash Equivalents	(A+B+C)	(21)	(7)

Standalone Cash flow statement for the year ended March 31, 2020

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

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Cash and Cash Equivalents at the beginning of the year		49	56
Cash and Cash Equivalents at the end of the year		28	49
Components of cash and cash equivalents			
Balance with banks:			
Current accounts		28	49
Total cash and cash equivalents (refer note 11)		28	49
General information and significant accounting policies	1 & 2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 090196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited

Dr. GVK Reddy A Issac george

Chairman

DIN: 00005212

Director & CFO

DIN: 00005456

P V Rama Seshu

Vice President & Company Secretary

Standalone Statement of Changes in Equity

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

a) Equity share capital

	Number of Shares	Rs. In Lakhs
As at April 01, 2018	1,579,210,400	15,792
Issued during the year	-	-
As at March 31, 2019	1,579,210,400	15,792
Issued during the year	-	-
As at March 31, 2020	1,579,210,400	15,792

b) Other Equity

	Reserves and Surplus			Total
	Retained Earnings	Securities premium	General reserve	
As at April 01, 2018	(58,745)	215,935	127	157,317
Add: Profit for the year	11,394	-	-	11,394
At March 31, 2019	(47,351)	215,935	127	168,711
Add: Profit/ (Loss) for the year	(82,815)	-	-	(82,815)
At March 31, 2020	(130,166)	215,935	127	85,896

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 090196

Place: Hyderabad

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For and on behalf of the Board of Directors of
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Dr. GVK Reddy

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Director & CFO

DIN: 00005456

P V Rama Seshu

Vice President & Company Secretary

Notes to Standalone financial statements for the year ended March 31, 2020

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

1 Corporate information

GVK Power & Infrastructure Limited ('the Company' or 'GVKPIL') provides operation and maintenance services, manpower and consultancy services and incidental services to owners of power plants, airports etc. The Company has also acquired substantial ownership interest into power companies, airports, roads and companies providing infrastructure facilities. The registered office of the company is located at 'Paigah House', 156-159 Sardar Patel Road Secunderabad, Telangana- 500003.

2. Statement of significant accounting policies

2.1 Basis of preparation

i. Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act., 2013 (the Act), read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except the following:

- certain financial assets and liabilities are measured at fair value
- defined benefit plans - plan assets are measured at fair value.

(iii) New standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing from April 01, 2019.

- Ind AS 116, Leases
- Uncertainty over income tax treatments - Appendix C to Ind AS 12, Income taxes
- Amendment to Ind AS 12, Income taxes
- Amendment to Ind AS 23, Borrowing costs.

Applications of above standards/amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currency translation

The financial statements are presented in Indian rupees lakhs, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Notes to Standalone financial statements for the year ended March 31, 2020

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in foreseeable future is considered as part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively.)

(c) Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Notes to Standalone financial statements for the year ended March 31, 2020

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

Sale of services

Manpower and consultancy services:

Revenues for manpower services are recognised as and when services are rendered on time and material basis.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Guarantee commission

Revenue is recognised on a straight line basis taking into account the present value of the guarantee amount and the commission rate applicable.

(e) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not recognised if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be

Notes to Standalone financial statements for the year ended March 31, 2020

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

replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	- 10 years
Office equipment	- 5 years
Vehicles	- 10 years
Data processing equipment	- 3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee (Upto March 31, 2019)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Effective from April 1, 2019:

As a lessee:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Notes to Standalone financial statements for the year ended March 31, 2020

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

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(i) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-

Notes to Standalone financial statements for the year ended March 31, 2020

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

end/ year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

(I) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortised cost.
- b) Debt instruments at fair value through Other comprehensive income (FVTOCI).
- c) Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL).
- d) Equity instruments measured at fair value through other comprehensive income (FVOCI).

Debt instruments at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, other receivables and loans.

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) the rights to receive cash flows from the asset have expired, or
- b) the Company has transferred its rights to receive cash flows from the asset, and
 - i. the Company has transferred substantially all the risks and rewards of the asset, or
 - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
- c) Loan commitments which are not measured as at FVTPL.

Notes to Standalone financial statements for the year ended March 31, 2020

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

d) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. In the Balance Sheet ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This category is most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16 and 18.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Notes to Standalone financial statements for the year ended March 31, 2020

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(o) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III to the Act, unless otherwise stated.

Notes to Standalone financial statements for the year ended March 31, 2020

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

3. Property, plant and equipment

	Furniture and fittings	Office equipment	Vehicles	Data processing equipment	Total
At Cost					
As at April 1, 2018	1	2	72	1	76
Additions	-	1	59	8	68
Deletions	-	-	-	-	-
At March 31, 2019	1	3	131	9	144
Additions	-	1	-	0	1
Deletions	-	-	-	-	-
At March 31, 2020	1	4	131	9	145
Accumulated depreciation					
At April 1, 2018	1	2	37	1	41
Charge for the year	-	-	10	1	11
Deletions	-	-	-	-	-
At March 31, 2019	1	2	47	2	52
Charge for the year	0	0	18	3	21
Deletions	-	-	-	-	-
At March 31, 2020	1	2	65	5	73
Net Block					
At March 31, 2019	-	1	84	7	92
At March 31, 2020	-	2	66	4	72

Notes: Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil. (March 31, 2019: Rs. Nil)

4. Investments

	As at March 31, 2020	As at March 31, 2019
a. Unquoted, in fully paid equity shares (at cost)		
In subsidiaries		
300,000,000 (March 31, 2019: 300,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Limited	30,000	30,000
10,000 (March 31, 2019: 10,000) Equity shares of Rs.10 each fully paid-up in GVK Perambalur SEZ Private Limited	1	1
10,000 (March 31, 2019: 10,000) equity shares of Rs.10 each fully paid-up in GVK Developmental Projects Private Limited	1	1
190,000 (March 31, 2019: 190,000) equity shares of Rs.10 each fully paid-up in GVK Airport Services Private Limited	19	19
37,700,000 (March 31, 2019: 37,700,000) equity shares of Rs.10 each fully paid-up in GVK Transportation Private Limited	-	3,770
Sub Total	30,021	33,791
In Joint Ventures		
557,869,479 (March 31, 2019: 557,869,479) equity shares of Rs.10 each fully paid-up in GVK Energy Limited	99,023	103,923
Sub Total	99,023	103,923
In Associate		
50,000 (March 31, 2019: 50,000) equity shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.	25	25
Share application money for purchase of non-cumulative redeemable preference shares of USD 1 each (at amortised cost) in GVK Coal Developers (Singapore) Pte. Ltd.	1	380
	26	405
Provision for impairment in value of Equity investment in GVK Coal Developers Singapore Pte Ltd	(26)	-
Sub Total	-	405
A	129,044	138,119

Notes to Standalone financial statements for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019
B. Loan given to subsidiaries classified as equity (at cost)		
'GVK Perambalur SEZ Private Limited	9,239	9,232
B	9,239	9,232
C. Deemed investment in subsidiaries/ Associate		
GVK Transportation Private Limited	-	1,181
GVK Airport Developers Limited	7,553	6,897
GVK Jaipur Expressway Private Limited	2,284	2,284
GVK Ratle Hydro Electric Project Private Limited	-	414
C	9,837	10,776
(A+B+C)	148,120	158,127
(ii) Other investments		
Unquoted, in fully paid non-cumulative redeemable preference shares (at amortised cost)		
D. In subsidiary		
59,200 (March 31, 2019: 59,200) non-cumulative redeemable preference shares of Rs. 10,000 each fully paid-up in GVK Airport Developers Limited	5,175	4,522
D	5,175	4,522
E. In Associate		
17,66,31,918 (March 31, 2019: 17,03,60,918) non-cumulative redeemable preference shares of USD 1 each fully paid-up in GVK Coal Developers (Singapore) Pte. Ltd.*	77,510	72,188
Provision for diminution in value of non-cumulative redeemable preference investment in GVK Coal Developers (Singapore) Pte. Ltd	(77,510)	-
E	-	72,188
Total (D+E)	5,175	76,710
Total (A+B+C+D+E)	153,295	234,837
Aggregate carrying value of unquoted investments	153,295	234,837
F. Break up of impairment of non-current investments		
Investments in Equity shares of GVK Energy Limited written off	4,900	4,400
Investments in Equity shares of GVK Transportation Private Limited written off	3,770	-
A	8,670	4,400
Deemed investments in GVK Transportation Private Limited written off	1,181	-
Deemed investments in GVK Ratle Hydro Electric project Private Limited written off	414	-
B	1,595	-
Provision for diminution in value of non-cumulative redeemable preference investment in GVK Coal Developers (Singapore) Pte. Ltd	77,510	-
Provision for impairment in value of Equity investment and share application money in GVK Coal Developers Singapore Pte Ltd	26	-
C	77,535	-
Total (A+B+C)	87,800	4,400

Notes to Standalone financial statements for the year ended March 31, 2020

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

5. Loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
- Security deposits	-	5
Total	-	5

6. Other financial assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Guarantee Commission receivable	-	25
Financial guarantee assets	-	908
Total	-	933

7. Non current tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Advance income-tax (net of provision for taxation)	2,009	3,830
Total	2,009	3,830

8. Other non-current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Balance with government authorities	13	13
Total	13	13

9. Current investments

	As at March 31, 2020	As at March 31, 2019
Quoted mutual funds at fair value through statement of profit and loss		
Nil (March 31, 2019: 4,915) Franklin India Liquid Fund - Direct Growth	-	138
1,833,775 (March 31, 2019: 2,309,958) Franklin India Ultra Short Bond Fund – Super Institutional Growth plan	507	609
Nil (March 31, 2019: 3,669,042) Franklin India Low Duration Fund - Direct-Growth	-	820
Total	507	1,567
Aggregate carrying and market value of quoted investments	507	1,567

10. Trade receivables

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Receivables from related parties	803	355
Total	803	355

Note: Trade receivables are non-interest bearing and are generally on terms of less than one year.

11. Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Balance with banks:		
- In current accounts	28	49
Total	28	49

There are no repatriation restrictions on the usage of Cash and Bank Balances

12. Loans

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Interest free loans to related parties receivable on demand	408	322
Total	408	322

Notes to Standalone financial statements for the year ended March 31, 2020

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

13. Other financial assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Guarantee commission receivable	58	1,771
Unbilled Revenue from related parties	175	-
Financial guarantee assets	-	470
Other receivables	6	7
Total	239	2,248

14. Other current assets

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Advances recoverable in cash or kind	43	34
Prepayments	1	3
Total	44	37

15. Equity share capital and other equity

(A) Equity share capital

	As at March 31, 2020	As at March 31, 2019
Authorised Share Capital		
2,500,000,000 (March 31, 2019: 2,500,000,000) equity shares of Rs. 1 each	25,000	25,000
Issued, subscribed and fully paid-up share capital		
1,579,210,400 (March 31, 2019: 1,579,210,400) equity shares of Rs. 1 each	15,792	15,792

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2020		March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of Rs. 1 each fully paid up				
At the beginning of the year	1,579,210,400	15,792	1,579,210,400	15,792
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,579,210,400	15,792	1,579,210,400	15,792

b. Terms/rights attached to equity shares

The Company has only one class of equity share having par value of Rs.1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

c. Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	March 31, 2020		March 31, 2019	
	Number of Shares	% of holding	Number of Shares	% of holding
Vertex Projects LLP (Formerly Vertex Infratech Private Limited)	732,893,902	46.41%	732,893,902	46.41%

(B) Reserves and surplus

	As at March 31, 2020	As at March 31, 2019
Retained Earnings	(130,166)	(47,351)
Securities premium	215,935	215,935
General reserve	127	127
Total reserves and surplus	85,896	168,711

Notes to Standalone financial statements for the year ended March 31, 2020

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

(i) Retained Earning

	As at March 31, 2020	As at March 31, 2019
Opening balance	(47,351)	(58,745)
Profit / Loss for the year	(82,815)	11,394
Closing balance	(130,166)	(47,351)

(ii) Securities premium

	As at March 31, 2020	As at March 31, 2019
Opening balance	215,935	215,935
Movement during the year	-	-
Closing balance	215,935	215,935

Note: Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(iii) General reserve

	As at March 31, 2020	As at March 31, 2019
Opening balance	127	127
Movement during the year	-	-
Closing balance	127	127

16. Long-term borrowings

	As at March 31, 2020	As at March 31, 2019
From Banks (Secured)		
Indian rupee loans	898	3,898
	898	3,898
Less - Current maturities (Refer note 20)	(898)	(3,898)
Total	-	-

a) Term loan aggregating to Rs. 898 (March 31, 2019: Rs. 3,898) (excluding Interest) is secured by first pari-passu charge on the current assets, present and future of the Company and pledge of 299,000 preference shares of GVK Airport Developers Limited out of which 239,800 preference shares are held by Sutara Roads & Infra Limited. The loan is further secured by subservient mortgage of property, admeasuring 2,683.90 acres of land adjoining the NH 46 connecting to Chennai to Perambalur belonging to GVK Perambalur SEZ Private Limited and carries an effective interest of 14.33% per annum. The loan was repayable in twenty four unequal monthly instalments after a moratorium of twelve months from the date of first drawdown viz. April 30, 2016.

Net debt reconciliation

This Section sets out an analysis of net debt and the movement in net debt for the period presented

	As at March 31, 2020	As at March 31, 2019
Current maturities of non-current borrowings (refer note 16)	898	3,898
Current Borrowings (refer note 18)	47,276	47,142
Cash and cash equivalents	(28)	(49)
Total	48,146	50,991
Opening balance	50,991	54,230
Add: Proceeds from short term borrowings	134	3,450
Less: Repayment of long term borrowings	(3,000)	(6,696)
Add: Cash generated from operations	21	7
Closing balance	48,146	50,991

17. Unearned financial guarantee liability

	As at March 31, 2020	As at March 31, 2019
Unearned guarantee commission liability on financial guarantees given to related parties	1,961	5,221
Total	1,961	5,221

Notes to Standalone financial statements for the year ended March 31, 2020

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

18. Short-term borrowings

	As at March 31, 2020	As at March 31, 2019
Unsecured:		
Loans from related parties repayable on demand	47,276	47,142
Total	47,276	47,142

19. Trade payables

	As at March 31, 2020	As at March 31, 2019
- Outstanding dues to micro enterprises and small enterprises	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises	186	208
Total	186	208

Terms and conditions of the above financial liabilities.

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

20. Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings (refer note 16)	898	3,898
Interest accrued and due on borrowings	3,185	2,556
Unearned guarantee commission liability on financial guarantees given to related parties	2,186	625
Total	6,269	7,079

21. Provisions

	As at March 31, 2020	As at March 31, 2019
Provision for compensated absences	8	8
Total	8	8

22. Current tax liabilities

	As at March 31, 2020	As at March 31, 2019
Opening balance	-	4,508
Less: Excess provisions reversed to the Statement of Profit and Loss including interest	-	(8,051)
Less: Reclassified as advance tax asset	-	3,543
Closing balance	-	-

23. Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Statutory liabilities	28	125
Other liabilities	2	2
Total	30	127

24. Revenue from operations

	As at March 31, 2020	As at March 31, 2019
Sale of services		
- Manpower and consultancy services	2,320	2,321
Total	2,320	2,321

25. Other income

	Year ended March 31, 2020	Year ended March 31, 2019
Income from current investments	52	153
Commission on financial guarantees	4,583	2,270
Interest income on financial guarantees and debt instruments	2,904	5,162
Foreign exchange gain	39	62
Interest on income tax and service tax refund	287	36
Miscellaneous income	2	27
Total	7,867	7,710

Notes to Standalone financial statements for the year ended March 31, 2020

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

26. Employee benefit expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	217	192
Contribution to provident and other funds	10	7
Staff welfare expenses	6	12
Total	233	211

27. Other expenses

	Year ended March 31, 2020	Year ended March 31, 2019
Rent	6	10
Communication costs	21	1
Travelling and conveyance	15	17
Operating and maintenance expenses	53	36
Repairs and maintenance- others	17	6
Legal and professional charges	274	284
Rates and taxes	39	42
Printing and stationery	1	1
Insurance	6	4
Remuneration to statutory auditors (refer note below)	25	26
Directors' sitting fees	8	7
Advances written off	-	3
Provision for bad and doubtful debts	1,098	-
Foreign exchange loss (net)	273	276
Miscellaneous expenses	62	31
Fair value loss on investment in preference shares	1,000	50
Total	2,898	794

Payment to auditor

	Year ended March 31, 2020	Year ended March 31, 2019
As auditor:		
Audit fee	22	22
Limited review	3	3
Certificate	0	-
In other capacity:		
Reimbursement of expenses	-	1
Total	25	26

28. Depreciation expense

	As at March 31, 2020	As at March 31, 2019
Depreciation of property, plant and equipment	21	12
Total	21	12

29. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	1,319	1,247
Bank charges	1	1
Total	1,320	1,248

Notes to Standalone financial statements for the year ended March 31, 2020

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

30. Taxes

a. Income tax expense

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	15	19
Taxes of earlier years	715	(8,047)

b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) before taxes	(82,085)	3,366
Enhanced tax rates in India	25.168%	27.553%
Expected tax expense	(20,659)	927
Add: Effect of non-deductible expenses:		
Advances and investments written off	87,800	4,403
Fair value loss on investments	1,000	50
Less: Effect of non-taxable incomes:		
Interest income on financial guarantees and debt instruments	(4,972)	(5,591)
Profit on sale of mutual funds taxable at other rates	(52)	(153)
Utilisation of brought forward losses	(1,696)	(2,075)
Effect of non-deductible expenses (net)	82,080	(3,366)
Tax effect on the above	20,659	(927)
Tax on sale of mutual funds	15	19
Net current tax expense recognised in Statement of Profit and Loss	15	19

c. Tax losses

	Year ended March 31, 2020	Year ended March 31, 2019
Unused tax losses for which no deferred tax asset has been recognised	23,730	54,695
Potential tax benefit	5,972	15,070

31. Earning per equity share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. There are no potentially dilutive equity shares in the Company.

The following reflects the income / loss and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) after tax	(82,815)	11,394
Weighted average number of Equity Shares considered for calculation of basic and diluted earnings per share	1,579,210,400	1,579,210,400
Earnings/ (loss) per share		
- Basic and diluted	(5.24)	0.72

32. Commitments and Contingencies

A. Leases

a. Operating lease commitments - Company as lessee

Operating leases are mainly in the nature of lease of office premises with no restrictions and are renewable/cancellable at the option of either of the parties. The Company has not entered into any non-cancellable leases.

There is 5% escalation clause in the lease agreement. There are no sub-leases. There are no restrictions imposed by lease arrangements. The aggregate amount of operating lease payments recognised in the Statement of Profit and Loss is Rs. 6 lakhs (March 31, 2019: Rs. 10 lakhs).

The Company has not recognised any contingent rent as expense in the Statement of Profit and Loss.

B. Capital and other commitments

i) Capital Commitments

The Company has no outstanding capital commitments as at year end. (March 31, 2019: Nil)

Notes to Standalone financial statements for the year ended March 31, 2020

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

ii) Other Commitments

a) The company has given undertaking to infuse equity aggregating to Rs. 434,120 lakhs (March 31, 2019: Rs. 400,819 lakhs) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations [Also refer note C(iv) below]. Further, the Company has pledged 155,587,500 (March 31, 2019: 155,587,500), 22,495,000 (March 31, 2019: 22,495,000) and 92,500,000 (March 31, 2019: 92,500,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Holdings Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited, an associate entity in which Company has 10% stake.

C. Contingent liabilities

	Year ended March 31, 2020	Year ended March 31, 2019
Direct and indirect taxes		
Claims not acknowledged as debts by the company		
Income tax	200	344
Service tax	1,620	1,620

Security against loan taken by group companies

- i) The Company had provided security by way of pledge of 251,999,900 (March 31, 2019: 251,999,900) shares of GVK Airport Developers Limited for loans taken by the aforesaid subsidiary.
- (ii) The Company had provided security by way of pledge of 230,960,770 (March 31, 2019: 230,960,770) shares of GVK Energy Limited for loans taken by the aforesaid joint venture entity.
- (iii) The Company has provided security by way of corporate guarantees amounting to Rs. 303,280 lakhs (March 31, 2019: Rs. 229,807 lakhs) to subsidiaries and joint ventures and Rs. 417,096 lakhs to the lenders of GVK Coal Developers (Singapore) Pte Ltd, an associate (March 31, 2019: Rs. 383,816 lakhs) for various fund and nonfund based facility availed by them. Also refer note iv below
- (iv) Lenders of GVK Coal Developers (Singapore) Pte Ltd. (i.e. Hancock Lenders) have filed a claim in the High Court of Justice Business and Property Courts of England And Wales Commercial Court ("Claim") on date: November 09, 2020. In the Claim, the Hancock Lenders have sought to recover the amounts advanced to GVK Coal Developers. Subsequently, GVK entities (GVK Coal Developers, GVK Power and Infrastructure Limited) filed a reply to the claim ("Defence"). The Company's defence had the following key components:
- The Company pleaded that the Interim Solution Undertaking (ISU) executed by the Hancock Lenders contained implied terms regarding GVK's payment obligations pursuant to the Facility Agreements executed between GVK and Hancock Lenders. As per the implied terms, the Hancock Lenders could not enforce such obligations until March 29, 2022.
 - Additionally, in the Claim the Hancock Lenders had cited certain alleged events of default in relation to the obligation to obtain the mining lease for the projects acquired in Australia and the obligation to perfect the security created in Australia. The Company agreed that these obligations were not satisfied within the required timelines. However, the Company denied that these omissions could be relied upon because (a) the Hancock Lenders had earlier decided there was no event of default, further or alternatively (b) there is one or more species of estoppel that applies.
 - There were other matters in relation to the calculation of amounts due and fees chargeable, which GVK had refuted.

A reply by the Hancock Lenders to the Defense was filed on April 7, 2021. In the reply, the Hancock Lenders argued that such terms (as mentioned in a above) could not be implied in the ISU and also countered the other points. As per the procedure of the courts in London, a Case Management Conference ("CMC") was held on June 25, 2021. During the CMC, the Court went through the proposed timelines for the case. An order was subsequently pronounced, which entails the start of the trial on June 13, 2022. On January 12, 2021, the Company has made a without prejudice offer to the Hancock lenders for one time settlement. The Company believes that in view of the offer and following the arrangement with Adani and the handover of MIAL to Adani, a resolution to the liabilities owed to Hancock Lenders will be found before June 2022. Also refer note 44 and 48 to the financial statements.

Notes to Standalone financial statements for the year ended March 31, 2020

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

33. Employee benefits

A) Defined contribution plan

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	10	7

B) Disclosures related to defined benefit plan

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i) Net employee benefit expense (included under employee benefit expenses)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	5	1
Interest expense	(2)	(2)
Net employee benefit expenses	3	(1)

ii) Amount recognised in the Balance Sheet

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Defined benefit obligation	16	11
Fair value of plan assets	41	38
Net Plan Liability/(Asset)*	-	*

*Plan assets has been recognised only to the extent of obligation.

iii) Changes in the present value of the defined benefit obligation for Gratuity are as follows

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation	11	9
Current service cost	5	1
Interest cost	1	1
Benefits paid	-	(20)
Net Actuarial (gains)/losses on obligation for the year recognised under OCI	(1)	20
Closing defined benefit obligation	16	11

iv) Changes in fair value of plan assets

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening fair value of plan assets	38	35
Expected return	3	3
Closing fair value of plan assets	41	38

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Scheme of Insurance- Conventional products	100%	100%

v) Amount recognised in statement of other comprehensive income (OCI):

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Remeasurement for the year - Obligation gain/(loss)	(0)	-
Closing amount recognised in OCI	(0)	-

Notes to Standalone financial statements for the year ended March 31, 2020

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

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	6.50%	7.60%
Expected rate of return on assets	6.50%	8.00%
Salary rise	6.00%	7.00%
Attrition Rate	10.00%	5.00%

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. The expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
3. The Company expects to contribute Rs.1 Lakh to gratuity in the next year (March 31, 2018: Rs. 1)

Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Expected benefit payments for the year ending:

	Year ended March 31, 2020	Year ended March 31, 2019
Within next 12 months	2	1
Between 2 and 5 years	7	4
Beyond 5 years	13	36

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as at year end is as shown below:

Assumptions	Year ended March 31, 2020	Year ended March 31, 2019
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(1)	(0)
- 1% decrease	1	0
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	0	0
- 1% decrease	(0)	(0)
(c) Effect of 1% change in assumed employee attrition rate		
- 1% increase	0	0
- 1% decrease	(0)	(0)

34. Micro, small and medium enterprises

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as at the year end.

35. In respect of the amounts mentioned under section 125 of the Companies Act, 2013 there are no dues that are to be credited to the Investor Education and Protection Fund as at the year end.

Notes to Standalone financial statements for the year ended March 31, 2020

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

36. Related Parties

(a) Related parties where control exists

GVK Airport Developers Limited
GVK Airport Holdings Limited
Mumbai International Airport Limited
Bangalore Airport & Infrastructure Developers Limited
GVK Airports International Pte Ltd
GVK Airport Services Private Limited
PT.GVK Services, Indonesia.
GVK Transportation Private Limited
GVK Jaipur Expressway Private Limited
Sutara Roads & Infra Limited
GVK Deoli Kota Expressway Private Limited
GVK Shivpuri Dewas Expressway Private Limited
GVK Bagodara Vasad Expressway Private Limited
GVK Developmental Projects Private Limited
GVK Ratle Hydro Electrical Projects Private Limited
GVK Perambalur SEZ Private Limited

(b) Related parties where joint control exists

GVK Energy Limited
GVK Industries Limited
GVK Gautami Power Limited
Alaknanda Hydro Power Company Limited
GVK Power (Goindwal Sahib) Limited
GVK Power (Khadur Sahib) Private Limited
GVK Coal (Tokisud) Company Private Limited
Mumbai Aviation Fuel Farm Facility Private Limited
Mumbai Airport Lounge Services Private Limited

(c) Associates

GVK Coal Developers (Singapore) Pte Ltd
Seregraha Mines Limited - Associate of GVK Energy Limited

(d) Key management personnel

Dr. GVK Reddy - Chairman
Mr. G V Sanjay Reddy - Director
Mr. Krishna R Bhupal - Director
Mr. A Issac George - Director
Mr. P V Prasanna Reddy - Director
Mr. S Anwar - Director
Mr. CH. G. Krishna Murthy - Director (upto 31-05-2020)
Mr. Bala subramanian.S - Director
Ms. Sudha Vasanth - Director (From 25-04-2019 upto 09-09-2020)
Mr. Anumolu Rajasekhar - Director (From 25-04-2019)
Mr. Anil Kumar Reddy - Director (From 01-12-2019)
Mr. K Balarama Reddi - Director (Upto 14-02-2019)
Mr. Santha K John - Director (Upto 01-02-2019)
Mr. Rama Rao - Director (From 01-01-2021)

(e) Enterprises over which the key management personnel exercise significant influence

TAJ GVK Hotels & Resorts Limited
Orbit Travels & Tours Private Limited
GVK Technical & Consultancy Services Private Limited
Pinakini Share and Stock Broker Limited
GVK Employee Welfare Trust
Crescent EPC Projects and Technical Services Limited

Notes to Standalone financial statements for the year ended March 31, 2020

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

A. Details of related party transactions during the year:

	March 31, 2020	March 31, 2019
Fees for services rendered (Includes Corporate guarantee commission income)		
GVK Energy Limited	54	19
GVK Airport Developers Limited	1,452	500
Mumbai International Airport Private Limited	1,270	1,271
Navi Mumbai International Airport Private Limited	1,050	1,050
GVK Transportation Private Limited	145	211
GVK Jaipur Expressway Private Limited	470	152
GVK Ratle Hydro Electric Project Private Limited	8	101
GVK Coal Developers (Singapore) Pte Limited	1,772	1,513
Reimbursement of expenses (Billable expenses)		
GVK Energy Limited	-	3
GVK Industries Limited	0	0
GVK Gautami Power Limited	0	0
Alaknanda Hydro Power Company Limited	0	1
GVK Power (Goindwal Sahib) Limited	0	1
GVK Airport Developers Limited	-	18
Navi Mumbai International Airport Private Limited	-	1
GVK Jaipur Expressway Private Limited	0	0
GVK Deoli Kota Expressway Private Limited	0	0
GVK Technical & Consultancy Services Private Limited	0	-
Services received		
GVK Airport Developers Limited	12	-
GVK Airport Holdings Pvt Ltd	28	-
Sutara Roads & Infra Limited	12	-
GVK Developmental Projects Private Limited	8	-
TAJ GVK Hotels & Resorts Limited	1	-
Orbit Travels & Tours Private Limited	10	13
GVK Technical & Consultancy Services Private Limited	137	180
Interest income on financial assets		
GVK Airport Developers Limited	654	577
GVK Coal Developers (Singapore) Pte Limited	2,250	4,375
Director sitting fees		
Mr. GV Sanjay Reddy	1	1
Mr. Krishna R Bhupal	1	1
Mr. S Balasubramanian	1	1
Mr. Anil Kumar Reddy	0	-
Ms. Sudha Vasanth	1	-
Mr. S Anwar	1	1
Mr. A. Rajashekar	1	-
Mr.G.Krishna Murthy	2	1
Mr. Balarama Reddi K	-	1
Santha K John	-	0

Notes to Standalone financial statements for the year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
Advances and Investments (Including deemed) written off/Fair value loss including provision for impairment		
GVK Energy Limited	4,900	4,400
GVK Transportation Private Limited	4,951	-
GVK Ratle Hydro Electric Project Private Limited	414	-
GVK Coal (Tokisud) Company Private Limited	-	0
Seregraha Mines Limited	-	6
GVK Coal Developers (Singapore) Pte Limited	77,536	50
Provision for doubtful debts		
GVK Coal Developers (Singapore) Pte Limited	1,098	-
Equity/ preference shares allotted during the year		
GVK Coal Developers (Singapore) Pte Limited	4,313	-
Share application money given		
GVK Coal Developers (Singapore) Pte Limited	-	134
Loans/advances given/expenditure incurred on behalf		
GVK Energy Limited	-	600
GVK Industries Limited	16	-
GVK Airport Developers Limited	50	389
GVK Transportation Private Limited	33	52
GVK Perambalur SEZ Private Limited	7	4
Loans/advances recovered		
GVK Energy Limited	17	4,944
GVK Airport Developers Limited	-	389
GVK Transportation Private Limited	-	1,638
Crescent EPC Projects and Technical Services Limited	21	-
Loan taken		
GVK Developmental Projects Private Limited	579	4,491
Loan repaid		
GVK Developmental Projects Private Limited	444	1,042
Guarantees given		
GVK Airport Developers Limited	131,500	5,194
GVK Coal Developers (Singapore) Pte Limited	-	15,297
Guarantees released		
GVK Energy Limited	-	1,913
GVK Airport Developers Limited	20,175	-
GVK Jaipur Expressway Private Limited	18,101	2,657
GVK Transport Private Limited	18,159	4,028

Notes to Standalone financial statements for the year ended March 31, 2020

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

	March 31, 2020	March 31, 2019
B Year end balances		
Receivables/ (Payables)		
GVK Energy Limited	125	122
GVK Industries Limited	155	139
GVK Gautami Power Limited	3	3
Alaknanda Hydro Power Company Limited	2	2
GVK Power (Goindwal Sahib) Limited	23	22
GVK Airport Developers Limited	50	-0
GVK Airport Holdings Pvt Ltd	0	-
Mumbai International Airport Private Limited	187	124
Navi Mumbai International Airport Private Limited	769	190
GVK Airport Services Private Limited	-	0
GVK Transportation Private Limited	33	0
GVK Jaipur Expressway Private Limited	83	82
Sutara Roads & Infra Limited	-11,811	-11,813
GVK Bagodara Vasad Expressway Private Limited	5	5
GVK Deoli Kota Expressway Private Limited	2	1
GVK Perambalur SEZ Private Limited	9,239	9,232
GVK Developmental Projects Private Limited	-35,461	-35,326
GVK Ratle Hydro Electric Project Private Limited	0	0
Goriganga Hydro Power Private Limited	2	2
GVK Oil & Gas Limited	-	-2
GVK Coal Developers (Singapore) Pte Limited	-	2,666
TAJ GVK Hotels & Resorts Limited	-0	-0
Orbit Travels & Tours Private Limited	-1	-3
GVK Technical & Consultancy Services Private Limited	-59	-106
Crescent EPC Projects and Technical Services Limited	0	22
Corporate Guarantee		
GVK Energy Limited	4,500	4,500
GVK Jaipur Expressway Private Limited	44,096	62,197
GVK Airport Developers Limited	228,224	116,899
GVK Transport Private Limited	-	18,159
GVK Ratle Hydro Electric Project Private Limited	26,472	26,472
GVK Coal Developers (Singapore) Pte Limited	417,096	383,816
Pledge of Investment (no. of shares)		
GVK Energy Limited	230,960,770	230,960,770
GVK Airport Developers Limited	251,999,900	251,999,900
GVK Coal Developers (Singapore) Pte Limited	226,082,500	226,082,500
Sutara Roads & Infra Limited	239,800	239,800

Note:

- Refer note 44 for equity commitments
- Refer note 16 for security provided by subsidiaries for loans availed by the Company.
- The loans/ advances and guarantees have been provided to meet normal business needs of the respective entity.

Notes to Standalone financial statements for the year ended March 31, 2020

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

37. Disclosures pursuant to the Regulation 34(3) read with paragraph A of Schedule V to SEBI Listing Regulations, 2015

Details of loan given to subsidiaries, associates, parties in which directors are interested:

Subsidiaries	Year ended March 31, 2020	Year ended March 31, 2019
i) GVK Perambalur SEZ Private Limited		
Balance as at the year end	9,239	9,232
Maximum amount outstanding during the year	9,239	9,232
The aforesaid loan is repayable at the option of the subsidiary.		
ii) GVK Transportation Private Limited		
Balance as at the year end	33	1
Maximum amount outstanding during the year	33	1,639
The aforesaid loan is repayable on demand.		
iii) GVK Jaipur Expressway Private Limited		
Balance as at the year end	82	82
Maximum amount outstanding during the year	82	82
The aforesaid loan is repayable on demand.		
iv) GVK Deoli Kota Expressway Private Limited		
Balance as at the year end	-	-
Maximum amount outstanding during the year	-	11
The aforesaid loan is repayable on demand.		
v) GVK Energy Limited		
Balance as at the year end	67	84
Maximum amount outstanding during the year	269	4,320
The aforesaid loan is repayable on demand.		
vi) GVK Industries Limited		
Balance as at the year end	154	140
Maximum amount outstanding during the year	154	140
The aforesaid loan is repayable on demand.		
vii) GVK Power (Goindwal Sahib) Limited		
Balance as at the year end	15	15
Maximum amount outstanding during the year	15	15
The aforesaid loan is repayable on demand.		
viii) GVK Airport Developers Limited		
Balance as at the year end	50	-
Maximum amount outstanding during the year	122	-
The aforesaid loan is repayable on demand.		
ix) GVK Gautami Power Limited		
Balance as at the year end	5	-
Maximum amount outstanding during the year	5	-
The aforesaid loan is repayable on demand.		

38. Details of trade receivables due from private companies in which Company's director is a director.

Mumbai International Airport Limited Rs. 187 (March 31, 2019 Rs. 124).

Navi Mumbai International Airport Private Limited Rs. 594 (March 31, 2019 Rs. 190).

39. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings and trade payables, less cash and short-term deposits.

Notes to Standalone financial statements for the year ended March 31, 2020

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Borrowings including interest accrued on borrowings (refer note 16, 18 & 20)	51,359	53,596
Less: Cash and short-term deposits (refer note 11)	(28)	(49)
Less: Investments in mutual funds (refer note 9)	(507)	(1,567)
Net debt	50,824	51,980
Equity share capital	15,792	15,792
Other Equity	85,896	168,711
Total Equity	101,688	184,503
Gearing ratio (Net Debt/ Total Equity)	0.50	0.28

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. The Company has delayed repayment of dues to banks and financial institutions during the year. Hence, the entire portion of long term borrowing has been classified as current.

The Company has delayed repayment of dues to banks during the year. The following is the summary of delays:

Particulars	Delay in days	Status	Amount
March 31, 2020			
Principal payment on loans from banks - Axis Bank	above 365	Paid	3,000
Principal payment on loans from banks - Axis Bank	above 365	Unpaid	898
Interest on loans from banks - Axis Bank	1-730		3,185
March 31, 2019			
Principal payment on loans from banks	210-423	Paid	6,000
Interest on loans from banks	340-730	Paid	4,322
Principal payment on loans from banks	340-730	Paid	849
Principal payment on loans from banks	365-396	Unpaid	3,898
Interest on loans from banks	1 -365	Unpaid	2,556

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020.

40. Fair values

The management assessed that the fair value of loans given, trade receivables, cash and cash equivalents, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

Notes to Standalone financial statements for the year ended March 31, 2020

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

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Financial instruments by category

	Level	March 31, 2020		March 31, 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Measured at amortised cost					
Non current					
Investments	3	5,175	5,175	77,091	77,091
Loans	3	-	-	5	5
Other financial assets	3	-	-	933	933
Current:					
Trade receivables	3	803	803	355	355
Loans	3	408	408	322	322
Other financial assets	3	239	239	2,248	2,248
Cash and cash equivalents	3	28	28	49	49
Mandatorily measured at fair value through profit or loss					
Investments	1	507	507	1,567	1,567
Financial liabilities					
Measured at amortised cost					
Non current					
Unearned financial guarantee liability	3	1,961	1,961	5,221	5,221
Current					
Borrowings	3	48,174	48,174	51,040	51,040
Trade payables	3	186	186	208	208
Other financial liabilities	3	5,371	5,371	3,181	3,181

Level 1: Level 1 hierarchy includes financial instruments measuring using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification asset included in level 3.

b) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments include:

- The fair value of investment in mutual funds is measured at quoted price or NAV.
- The fair values for non-current investments, other non-current financial assets and borrowings are based on discounted cash flows using a borrowing rate at the date of transition. They are classified as level 3 fair values in their fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Notes to Standalone financial statements for the year ended March 31, 2020

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

41. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

i. Determination of control and accounting thereof

As detailed in the accounting policy, principles under Ind AS are different from the previous GAAP, especially with respect to assessment of control of subsidiaries. Accordingly certain entities like GVK Energy Limited, where the company has majority shareholding, have been accounted as joint venture entity on account of certain participative rights granted to other partners/ investors under the shareholding agreements. Further, investment in GVK Coal Developers (Singapore) Pte. Ltd has been accounted as associate since the company participates in all significant financial and operating decisions. The company has therefore determined that it has significant influence over this entity, even though it only holds 10% of the voting rights.

Under Ind AS, joint ventures are accounted under the equity method as per Ind AS 28.

ii. Also refer note 51 on significant judgement on going concern ability of the Company.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

i. Impairment of non-current assets including investments in subsidiaries, joint ventures and associates

Determining whether investment are impaired requires an estimation of the value in use of the individual investment or the relevant cash generating units. The value in use calculation is based on Discounted Cash Flow ('DCF') model over the estimated useful life of the power plants, concession on roads etc. Further, the cash flow projections are based on estimates and assumptions relating to conclusion of tariff rates, operational performance of the plants and coal mines, life extension plans, availability and market prices of gas, coal and other fuels, restructuring of loans etc in case of investments in entities in the energy business, estimation of passenger traffic and rates and outcomes of litigations, and settlements that may be reached with lenders which are considered as reasonable by the management and significant uncertainties faced including absence of financial closure in respect of GVK Coal Developers (Singapore) Pte Ltd.

Based on such determination the Company has impaired carrying value of its investment in GVK Energy Limited (Joint venture) to the extent of Rs. 4,900 lakhs, GVK Transport Private Limited - Rs. 4,951 lakhs and GVK Coal Developers (Singapore) Pte Ltd - Rs. 77,510 lakhs.

(ii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to Standalone financial statements for the year ended March 31, 2020

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 33.

(iii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iv) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, and the useful lives are in line with the useful lives prescribed under Schedule II of the Companies Act, 2013.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

42 Financial risk management objectives and policies

Financial Risk Management Framework

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A Price risk

The company's exposure to investment in mutual funds are subject to price and classified in the balance sheet as fair value through profit or loss.

Sensitivity

The table below summaries the impact of increase/decrease of the index on the company's investment in mutual fund and profit/(loss) for the year.

Particulars	Impact on Profit after tax		Impact on other components of equity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Increase by 1%	5	16	-	-
Decrease by 1%	(5)	(16)	-	-

B Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans and other financial assets. Trade receivables, Financial guarantee receivables (Other financial assets) and Loans given by the Company result in material concentration of credit risk as these are with related parties.

Notes to Standalone financial statements for the year ended March 31, 2020

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

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 1,450 lakhs (March 31, 2019: Rs. 3,863 lakhs), being the total of the carrying amount of balances with trade receivables, Loans and Other financial assets.

Trade receivables, Other financial assets, Loans given:

An impairment analysis is performed at each reporting date. The Company does not hold collateral as security. Impairment analysis takes into account historical credit loss experience and adjusted for forward-looking information. Significant portion of trade receivables, other financial assets and loans given comprise receivables from related parties and not subject to significant credit risk based on past history.

C. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Within 12 months	After 12 months	Total
Year ended March 31, 2020				
Borrowings	48,174	-	-	48,174
Other financial liabilities	3,185	-	-	3,185
Trade payables	-	186	-	186
Total	51,359	186	-	51,545
Year ended March 31, 2019				
Borrowings	51,040	-	-	51,040
Other financial liabilities	2,556	-	-	2,556
Trade payables	-	208	-	208
Total	53,596	208	-	53,804

* Based on maximum amount that can be called for under the financial guarantee contract.

D. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, investments, other financial assets and other financial liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. As the Company has debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates.

As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings. With all other variables held constant, the Company's profit/(loss) before tax is affected through impact on floating rate borrowings, as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Change in Interest Rate		
-increase by 50 basis points	44	94
-decrease by 50 basis points	(44)	(94)

Notes to Standalone financial statements for the year ended March 31, 2020

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

Foreign Currency exchange rate risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's investment in foreign entity and financial asset/liability in relation to foreign entity in respect of financial guarantee. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. The Company has not entered into derivative instruments during the year.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	In USD (in Lakhs)		In Rupees Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Investments*	-	1,712	-	72,568
Other financial liability	-	48	-	3,333
Other financial assets	-	39	-	2,666

* Amount in INR is at basis the amortised cost valuation.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Change in USD rate	Rs. in Lakhs	
	Year ended March 31, 2020	Year ended March 31, 2019
5%	0	3,595
-5%	-	(3,595)

43. Segment reporting

In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

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

The Company has made investments and has receivables aggregating to Rs. 78,634 lakhs (March 31, 2019: Rs. 75,655 lakhs) and provided guarantees and commitments for loans amounting Rs. 851,216 lakhs (March 31, 2019: Rs. 783,297 lakhs) taken by GVK Coal as at March 31, 2020 part of which is collateralized by the pledge of 37% shares of GVK Airport Holdings Limited a wholly owned subsidiary of the Company, and has undertaken to provide financial assistance of USD 3.11 million (Rs. 2,345 lakhs) as at March 31, 2020, an entity whose current liabilities exceeds current assets by USD 2,199 million (Rs. 1,657,939 lakhs) as at March 31, 2020 and has incurred cash losses of USD 140 million (Rs. 105,349 lakhs) for the year ended March 31, 2020, and based on the unaudited financial statements is witnessing material uncertainties. The prices of the coal have fallen since GVK Coal had acquired a stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal and also necessary environmental and regulatory clearances. There are also uncertainties arising from Covid. Further, certain lenders of GVK Coal have classified the loan as non-performing and the lenders had an option to curtail the rights of the company on various assets either on October 2015 or every year thereafter.

The lenders have since filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaken by the lenders dated March 23, 2017, the lenders cannot enforce such obligation until March 29, 2022. The respective arguments of the lenders and the Company were filed with the court and an order has been pronounced which entails start of the trial on June 13, 2022. {Refer note 32(iv)}.

Notes to Standalone financial statements for the year ended March 31, 2020

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

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

Considering that the Company does not have a certainty over the cash flows and timing of such cash flows, an impairment assessment has been carried out for the carrying value of investment and other receivables. Based on such assessment, the management has made a provision for impairment against the recoverability of Investments and receivables of Rs. 78,634 lakhs.

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

a) There has been uncertainty regarding supplies/availability of gas to power plants of GVK Industries Limited (GVKIL), subsidiary company, and GVK Gautami Power Limited (GVKGPL), jointly controlled entity. These group companies have made losses of Rs. 39,310 lakhs (March 31, 2019: Rs. 42,484 lakhs). The lenders have classified the loan balances of these group companies as non-performing assets. GVKEL is confident that the Government of India will take necessary steps/initiatives to improve the situation of natural gas. However in the interim these group companies are working with the lenders for a one time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to APDISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that these group companies continue to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one time settlement proposal. GVKEL has given corporate guarantee for the loan taken by GVKGPL. GVKEL based on the valuation performed for these entities, has made a provision for diminution for full value of investments to the extent of Rs. 64,295 lakhs in its standalone financial statements.

b) Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 367,634 lakhs (March 31, 2019: Rs. 396,638 lakhs) of GVK Power (Goindwal Sahib) Limited ('GVKPGSL'), subsidiary company, towards supply of fuel consequent to de-allocation of coal mine. Management has filed a petition with Punjab State Electricity Regulatory Commission (PSERC) for re-negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal, approval for completed capital cost, etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. Pending determination of final tariff, PSERC in its interim order has allowed the subsidiary company to run the plant on imported fuel for up to two and half years and advised GVKPGSL should make arrangements for coal on a long term basis. In the interim Punjab State Power Corporation Limited ('PSPCL') has made certain deductions aggregating to Rs. 15,267 lakhs while approving the revenue claimed by GVKPGSL pursuant to the aforesaid interim order. GVKPGSL has also filed petitions with PSERC for the aforesaid deductions made by PSPCL. In February' 2018, GVKPGSL obtained long term coal linkage through Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI scheme) for a significant part of its capacity. Further in March'2018, PSERC has approved provisional fixed charges of Rs 2.20 per unit till the final capital cost is determined.

GVKPGSL was unable to run the plant at optimal capacity during financial year 2016-17 and 2017-18 primarily on account of low availability of fuel and hence defaulted on repayment of dues to lenders. Consequently the lenders have classified the loan balances of GVKPGSL as non-performing assets. GVKPGSL is currently working with lenders towards the resolution plan as required by the RBI notification dated February 12, 2018 on resolution of stressed assets. If a resolution plan is not implemented as per the timelines specified in the aforesaid notification, lenders shall file insolvency application, singly or jointly, under the Insolvency and Bankruptcy Code 2016 within 15 days from the expiry of the said timeline. Consequently, the lenders have referred the company to NCLT for appropriate resolution. However, the case is yet to be admitted. GVKEL has given corporate guarantee for the loans taken by GVKPGSL.

Management based on internal assessment/legal advice believes that the aforementioned petitions will be decided in its favor and hence cancellation of coal mines will not impact the operations of the power project and it is also confident of further improvement in plant performance and entering in an appropriate resolution plan and also implementing the same within the specified timelines. Further based on the valuation performed, GVK Energy has made a provision for diminution of investments to the extent of Rs. 18,310 lakhs in its standalone financial statements.

c) The Hon'ble Supreme Court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited ('GVKCTPL'), subsidiary company, and Nominated Authority had offered compensation of Rs. 11,129 lakhs as against carrying value of

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assets of Rs. 31,113 lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015 and subsequently GVKCTPL submitted its claim for the balance compensation claim of Rs. 19,882 lakhs to the aforesaid authority. GVK Energy has written off its investment in GVKCTPL amounting to Rs. 10,986 lakhs which is considered as an exceptional item in the Statement of Profit and Loss of GVK Energy Limited. GVK Energy as also given corporate guarantee for the loan taken by GVKCTPL. Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mines and accordingly no provision is required towards corporate guarantee given by GVKEL.

d) Trade receivable of GVKIL, include accruals towards reimbursement of fixed charges for the financial year 1997-1998 to 2000-2001, on increased capital cost worked out as per ratios set out in the PPA aggregating to Rs. 4,512 lakhs (March 31, 2019: Rs. 3,597 lakhs) by GVKIL, disincentive recoverable aggregating to Rs. 2,878 lakhs (March 31, 2019: Rs. 2,409 lakhs), minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2000-2001 up to the financial year 2011-2012, aggregating to Rs. 2,031 lakhs (March 31, 2019: Rs. 3,118 lakhs) and other receivables of Rs. 76 lakhs (March 31, 2019: Rs. 60 lakhs) which are being refuted by AP Transco/subject to approvals.

The company based on the above assessments including revised favorable tariff order in another subsidiary company i.e. Alaknanda Hydro Power Project Private Limited believes that it is appropriate to recognize investments and loans and advances given to GVK Energy Limited aggregating to Rs. 99,336 lakhs (net of provision for impairment) in financial statements at carrying value and no further provision for diminution of such investments except to the extent of Rs. 9,300 lakhs (March 31, 2019: Rs. 4,400 lakhs) is necessary and also no provision is required for corporate guarantees given by the company amounting to Rs. 4,500 lakhs as at March 31, 2020.

46. The company has made an investment in GVK Transportation Private Limited (GVKTPL) amounting to Rs. 4,951 lakhs and given a loan amounting to Rs. 33 lakhs as at March 31, 2020. GVKTPL has further made investments into four subsidiaries which are facing uncertainties detailed as follows:

1. GVK Deoli kota Expressway Private Limited (GVK DKEPL):

On June 25, 2019, GVK DKEPL has issued a termination notice on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway. On September 12, 2019, NHAI has issued a termination notice for non-fulfillment of the obligation as stated in the Concession Agreement by Concessionaire. After this termination notice toll plaza is deemed to have been transferred to NHAI and from September 16, 2019 onwards NHAI started collecting the toll on the project highway. The matter is under arbitration.

2. GVK Jaipur Expressway Private Limited (GVKJEPL)

Toll collections were suspended by NHAI due to the Lock down announced by the Ministry of Road Transport & Highways (MoRTH) vide its order H-25016/01/2018-Toll dated March 25, 2020 on account of COVID 19. The suspension of Toll continued till April 20, 2020. Toll collections have been effected in the month of March for 6 days and hence registered a reduced turnover. Toll was suspended till April 20, 2020 and collection resumed thereafter. However, due to the impact of the lockdown and reduced traffic due to covid the daily Toll collection continued to be much less than the average daily collection prior to the lockdown. GVKJEPL now has the concession to operate and collect the toll till March 16, 2023.

3. GVK Shivpuri Dewas Expressway Private Limited (GVKSDEPL)

GVKSDEPL has filed an arbitration claim petition before an arbitral tribunal against NHAI, for the settlement of certain disputes that had arisen under a concession agreement dated January 12, 2012 ("Concession Agreement") entered between GVKSDEPL and NHAI. The matter is under final arguments by parties. GVKSDEPL has completed its oral arguments and NHAI is to commence its oral arguments. Thereafter GVKSDEPL will be presenting its rejoinder. The matter is still pending before the Arbitral Tribunal and the next date will to be notified by the Arbitral Tribunal.

4. GVK Bagodara vasad Expressway Private Limited (GVK BVEPL)

GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL) has entered into a concessionaire agreement with Gujarat State Road Development Corporation (GSRDC) for construction of road in the state of Gujarat on build, operate and transfer basis (BOT). During the course of construction, there has been significant delays in fulfilling the obligations from GSRDC like providing Land required for construction, right for way, shifting of utilities etc., which has resulted in significant delays in construction also. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the

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concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to which notice BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has approached The International Centre for Alternative Dispute Resolution (ICADR) for appointment of Arbitration Tribunal (AT). Arbitration Tribunal is constituted and the dispute is being addressed. Initially GVK BVEPL intend to bring into substitution process, inspite of best efforts of GVK BVEPL, substitution process could not be completed. Meanwhile GSRDC awarded project to two different contractors hence there is no going concern and financials prepared accordingly. GSRDC is not yet concluded its arguments and due to Covid 19 the dates fixed for hearing the matter has been cancelled and tribunal has not yet fixed new schedule.

Considering that the Company does not have a certainty over the cash flows and timing of such cash flows in the underlying projects of GVKTPL, the Company has carried out an impairment assessment of its carrying value of investment and other receivables on a value in use basis. Based on such assessment management has made an impairment provision amounting to Rs. 4,951 lakhs (which includes investments of Rs. 3,770 lakhs and deemed investment of Rs. 1,181 lakhs). Such assessment remains sensitive to a range of assumptions including outcome of arbitrations, impact of COVID on continuing contracts, forecasted growth and pre tax discount rates etc.

47. The Company has given a corporate guarantee in relation to loan taken by GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL) towards setting up of a hydro power project in Jammu & Kashmir in agreement with JKPDD. There has been a significant delay in construction of the project due to various reasons such as land acquisition, execution of land leases, issues in relation to working condition, disturbances and law and order problems, issues under the Indus Water treaty etc. GVKRHEPPL had agreed for an amicable settlement and requested for termination of concession agreement, but JKPDD rejected such settlement stating that the delays tantamount to event of default from GVKRHEPPL. GVKRHEPPL had initiated an arbitration process in which it has been granted an award of Rs. 29,048 lakhs against a claim of Rs. 513,648 lakhs and not being satisfied with the claim, GVKRHEPPL has now approached the court on December 08, 2020 for Rs. 513,648 lakhs. The Company continues to believe that it is appropriate to recognise the assets at their carrying value.

The corporate guarantee given by the Company amounting to Rs. 26,472 lakhs is earmarked against the loan given by the lender for specified advances. Since substantial portion of these advances were recovered and remitted to the lender by GVKRHEPPL, management does not expect the corporate guarantee to be invoked. Management has also obtained legal opinion in this regard. Hence, no provision is considered necessary for the corporate guarantee given by the Company.

48. The Company and its subsidiary GVK Airport Developers Limited (GVK ADL) entered into a binding agreement comprising a co-operation agreement and other related agreements with Adani Airport Holdings Limited (AAHL) on August 31, 2020 and subsequent dates. This includes acquisition of the debt by AAHL from various lenders of GVKADL with a view to release pledge on certain shares of GVK Airport Holdings Limited (GVKAHL) and with an ability for AAHL to convert the acquired debt from the lenders of GVKADL to equity so as to acquire equity interest in MIAL and also acquiring Company's equity and other instruments in GVKADL and also possible acquisition/ settlement of debt of GVK Coal Developers (Singapore) Pte Ltd (with a view to release pledge on remaining shares of GVKAHL). Based on the agreements reached, the Company's investment in GVK ADL is considered fully recoverable. AAHL has since acquired the debt from GVKADL and has converted the same to equity acquiring controlling interest in GVKADL on July 13, 2021. GVKADL, BAIDL, GVKAHL, MIAL and NMIAL are no longer subsidiaries of the Company from that date.

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

(i) Acquisition of debt and related accrued interest with carrying value in the financial statements of GVKADL of Rs. 255,107 lakhs by AAHL.

(ii) AAHL acquiring certain securities of Sutara Roads and Infrastructure Limited, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of co-operation agreement.

(iii) Acquiring equity of Rs. 30,000 lakhs and other instruments of Rs. 1,000,000 lakhs held by GVKPIL and its subsidiary in GVKADL by AAHL to be settled by transfer of securities held by AAHL referred to in (ii) above.

(iv) GVKPIL and AAHL have also agreed on certain steps to be taken in respect of lenders of GVK Coal. (Refer note 44)

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

49. In June 2020, Central Bureau of Investigation (CBI) has registered an First Information Report (FIR) against MIAL, its holding Company GVK Airport Holdings Limited (GVKAHL) (both step down subsidiaries of the Company), the chairman and Vice

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chairman of the Company and has initiated investigation on various matters alleging misuse of funds of MIAL including for the benefit of other GVK group and related parties.

The Enforcement Directorate (ED) has also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. The investigation of the CBI and ED are currently in progress and the ED has filed a complaint in April 2021 on the same matters against the above mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the Company their Directors and officers, and the concerned parties are cooperating with the investigating agencies. Various companies that are part of GVK group and its associates have received notices under Section 206(5) and Section 207 of the Companies Act, 2013 during the year financial year 2018-19 to which the Companies have provided responses and further notices have also been received in December 2020 that have been responded to.

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

50. As per the requirements of Section 96(1) of the Companies Act, 2013 the Company was required to hold its Annual General Meeting (AGM) and the Board of Directors were to lay in the Company's AGM the Balance Sheet and the Profit and Loss for the year ended March 31, 2020 by December 31, 2020. However the Company could not do so, and will be applying to the National Company Law Tribunal/ Regional Director for compounding under the relevant sections of the Companies Act.

As per the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to file its audited financial results for the year ended March 31, 2020 by June 30, 2020 and for the subsequent quarters by the relevant applicable dates with National Stock Exchange of India Limited and Bombay Stock Exchange. However the Company could not do so, and will be applying to the stock exchanges for compounding under the relevant Regulations.

As per the requirements of Section 44AB of the Income Tax Act, 1961 the Company was required to file its tax audit report in forms 3CA-3CD with the income tax authorities for the year ended March 31, 2020 by December 30, 2020. However the Company could not do so, and will be filing the same subsequently.

51. As at March 31, 2020, the Company had accumulated losses and the Company has incurred losses during the year and in the preceding years. The Company has delayed payment of loans and interest and certain loan accounts have been classified as non-performing by banks. The Company has provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 44 and 45 above, uncertainties are being faced by various projects such as delays in development of coal mines in an overseas project where the Company has provided guarantees and commitments for the borrowings, losses incurred by gas based plants in the absence of gas and litigations on rights to claim capacity charge, re-negotiation of terms of PPA of coal based plant and litigations on determination of tariff of hydro power project. These factors may indicate significant doubt on going concern. Notwithstanding the above, the financial statements of the Company have been prepared on going concern basis as management believes that the Company would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations or reach appropriate resolution. Further, the Management believes that aforesaid entities would settle litigations; obtain approvals of regulators as necessary; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required despite current macro-economic environment challenges.

52. Operations of subsidiary companies engaged in airports and transport business have been severely impacted due to the Covid-19 pandemic. The Government of India declared a nation wide lockdown with effect from March 24, 2020. As a result, airport and toll operations were stopped between March 24, 2020 till end of May 2020. Revenues of the subsidiary companies were materially impacted by the shut down of air and toll traffic during this period. During the same period, the subsidiary companies continued to incur committed expenditure with respect to employees, airport & toll related maintenance expenditure. This has significantly impacted the profitability of the subsidiary companies.

The subsidiary companies have taken several actions to mitigate the impact of Covid 19 on the business of the company. The subsidiaries have taken steps to reduce costs such as decreased salaries to employees during the pandemic period, putting on hold discretionary expenses, deferring certain capital expenditures, availing moratorium offered by the banks for repayment of debts. MIAL has approached the regulators for relief, submitting restructuring plans for existing loans, seeking additional term loans etc. The ability of the subsidiaries depends on the successful outcome of these plans.

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Due care has been exercised by management to determine recoverability of carrying value of investments while preparing the Company's financial statements as of and for the year ended March 31, 2020. This considers the existing binding agreement for sale of stake under the cooperation and other agreements.

53. Assets held for sale

GVK Airport Holdings Limited (GVKAHL) is a step down wholly owned subsidiary of the Company and holding company of Mumbai International Airport Limited (MIAL) with a shareholding of 50.5%. Management has been looking for certain divestment options in the airport vertical. During the course of divestment process the management had obtained bids for diluting the shareholding in Airport Vertical and started discussions with one of the parties. During the previous year, GVKPIL group management has obtained approval from the shareholders for raising funds by divesting its share in GVKAHL. The management was able to sign a term sheet with a potential investor during April 2019.

The company was still under discussion on the terms and conditions of the transaction as at March 31, 2020 and had not reached a definitive stage about the terms and conditions that would entail the Firm Purchase Contract. Also, shares of the Airport vertical are pledged with various lenders and management is yet to receive approval from lenders with whom the shares are pledged. As a part of the divestment process, management has noted that there are certain other significant approvals from Ministry of Civil Aviation, Airport Authority of India and other approvals as necessary are to be received. The management did not have a reliable estimate on the time period in which the Firm Purchase Contract can be signed off.

Based on the above factors, management has evaluated the criteria as per Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, and is of the view that the Airport vertical should not be considered as "Held for sale" asset at this stage as at March 31, 2020. Subsequent to the year end on August 31, 2020 the parent Company and GVK ADL (the holding Company of GVK AHL) have entered into an agreement with Adani Airport Holdings Limited and terminated the term sheet referred above.

54. Events occurring after the reporting date - Non adjusting events

a) Subsequent to the year end the Company has settled the entire term loan facility of the Company including interest accrued thereon with Axis Bank Limited vide agreement dated October 08, 2020. The Company has repaid an amount of Rs. 2,845 lakhs subsequent to the year end including full and final settlement amount as against the total outstanding of Rs. 4,083 lakhs as at March 31, 2020.

b) Refer note 48 for details of co-operation agreement entered into by the Company for sale of stake in GVK Airport Developers Limited. In lieu of this agreement the Company would classify its investment in GVK Airport Developers Limited as "Assets Held for Sale" and make applicable disclosures in relation to financial statements covering period subsequent to the date of co-operation agreement.

55. Standards issued but not yet effective as at the Balance Sheet date

Ministry of Corporate Affairs (MCA) has notified the following new amendments to Ind AS which the Company has not yet applied as they are effective from April 01, 2020.

a) Amendment to Ind AS 1 and Ind AS 8 - Amendments have been made to bring in consistency in the definition of materiality throughout Ind AS and Conceptual Framework for Financial Reporting. And to clarify when the information is material and also incorporates some of the guidance in IndAS 1 about immaterial information.

b) Amendments to Ind AS 109 - The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

c) Interest Rate Benchmark Reform – Amendments to Ind AS 107, Ind AS 109 and Ind AS 39 - The amendments made to Ind AS 107 Financial Instruments: Disclosures and Ind AS 109 Financial Instruments provide certain reliefs in relation to interest rate benchmark reforms. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.

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d) Covid-19-related Rent Concessions – Amendments to Ind AS 116- As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Amendment to Ind AS 16 Leases provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Management is in the process of assessing the impact and expects the impact of above amendments will not be material on the financial statements.

For Price Waterhouse Chartered Accountants LLP

Firm registration number: 012754N/N500016

N.K. Varadarajan

Partner

Membership No. 090196

Place: Hyderabad

Date: August 24, 2021

For and on behalf of the Board of Directors of

GVK Power and Infrastructure Limited

Dr. GVK Reddy

Chairman

DIN: 00005212

P V Rama Seshu

VP & Company Secretary

A Issac George

Director & CFO

DIN: 00005456



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