

2nd February, 2022

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 27th Annual General Meeting (AGM) and Annual Report for the Financial Year 2020-21.

Ref: a) To our letter dated 28th December, 2021 about intimation of Book closure dates and 27th Annual General Meeting

b) 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 **27th Annual General Meeting (AGM)** of the Company to be held on **Friday, the 25th February, 2022 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 2020-21 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 2020-21 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., 18th February, 2022**, 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.

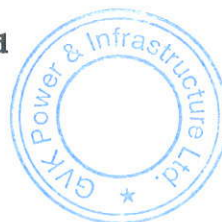
The Register of Members and Share Transfer books of the Company shall remain closed from **21st February, 2022 to 25th February, 2022** (both days inclusive) for the purpose of the AGM as per clause 42(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Yours faithfully

For GVK Power & Infrastructure Limited



P V Rama Seshu
Vice President & Company Secretary



GVK POWER & INFRASTRUCTURE LIMITED

27TH ANNUAL REPORT 2020 - 21



GVK Jaipur Kishangarh Expressway



GVK Power (Goindwal Sahib), Punjab



Alakananda HEP, Srinagar



GVK Deoli Kota Expressway



Alakananda HEP, Srinagar

Contents

Board of Directors and Corporate information	2
Financials at a glance	3
Notice of Annual General Meeting	4
Directors Report	14
Report on Corporate Governance	29
Management Discussion & Analysis	42
Business Responsibility Report	48
Independent Auditor's Report on Consolidated Accounts	54
Consolidated Balance Sheet, Profit & Loss Account	66 & 67
Consolidated Cash Flow Statement	68
Notes to Consolidated Accounts	71
Independent Auditor's Report on Standalone Accounts	147
Standalone Balance Sheet, Profit & Loss Account	156 & 157
Standalone Cash Flow Statement	158
Notes to Standalone Accounts	160

Corporate Information

Board of Directors

(As on January 01, 2022)

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
Anumolu Rajasekhar	Independent Director
N Anil Kumar Reddy	Independent Director
Ms. Rama Rao	Independent Woman Director
Ilyas Ghulam Hussain Ghouse	Independent Director (Appointed w.e.f 01-01-2022)
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

Ilyas Ghulam Hussain ghouse	Chairman
Krishna R Bhupal	
Ms. Rama Rao	

Stakeholders Relationship Committee

A Issac George	Chairman
Ilyas Ghulam Hussain ghouse	
Ms. Rama Rao	

Corporate Social Responsibility Committee

G V Sanjay Reddy	Chairman
Ilyas Ghulam Hussain ghouse	
Ms. Rama Rao	

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

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

Secretarial Auditor

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

Internal Auditors

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

Registered & Corporate Office

“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	
	2020-21	2019-20	2020-21	2019-20
Financial Performance				
Operational Incomes	2,066	2,320	31,033	35,701
EBIDTA	(13,191)	(88,611)	8,448	(63,461)
Other Income	3237	7867	2,216	7,201
Finance Costs	2	1320	30,527	40,158
Depreciation	19	21	5,215	5,974
Profit / (Loss) from ordinary activities	(20,577)	(82,085)	(25,078)	(102,392)
Share of profit of associate	-	-	0	0
Share of loss of jointly controlled entity	-	-	9,979	1,973
Loss before tax	(20,577)	(82,085)	(25,078)	(102,392)
Tax expense/(credit)	47	730	3872	4845
Non - controlling interest	-	-	(17,274)	(5,129)
Loss for the year (Including Discontinuing Operations)	(20,624)	(82,815)	(76,427)	(1,49,343)
Other comprehensive income, net	-	-	217	(79)
Total comprehensive income	(20,624)	(82,815)	(76,210)	(1,49,422)
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	(1.31)	(5.24)	(4.84)	(9.46)
Financial Position:				
Fixed Assets (Net of depreciation)	56	72	177	10,02,518
Cash and Bank balance	57	28	6,952	19,404
Net current assets	(48,458)	(51,740)	(342,500)	(491,687)
Total Assets	155,263	157,418	19,98,103	20,51,391
Equity	15,792	15,792	15,792	15,792
Other equity	65,272	85,896	(361,782)	(285,519)
Net worth	81,064	101,688	(345,990)	(269,727)
Market Capitalisation	31,900	35,532	31,900	35,532

Notice

Notice is hereby given that the 27th Annual General Meeting of the members of GVK Power & Infrastructure Limited (CIN:L74999TG2005PLC059013) will be held on **Friday, 25th February, 2022 at 11.30 am 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, 2021 and the Reports of the Board of Directors ('the Board') and the auditors thereon.
2. To appoint a director in place of Mr. G V Sanjay Reddy (DIN: 00005282), who retires by rotation and being eligible, offers himself for re- appointment.
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 the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, and based on the recommendations of the Audit Committee and the Board of Directors, approval of the Members be and is hereby accorded to the appointment of M/s. T R Chadha & Co LLP Chartered Accountants bearing Membership No: 006711N/N500028 as Statutory Auditors of the Company, to audit the books of accounts and other financial statements of the Company, from the financial year 2021-22 onwards, for a term of 5 years, so as to hold their office from the conclusion of 27th Annual General Meeting (AGM) until the conclusion of the 31st AGM, at such remuneration as may be recommended and fixed by the Audit Committee for each year and approved by the Board of Directors and also the re-imbursment of actual out of pocket expenses incurred in connection with the audit of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Ilyas Ghulam Hussain Ghouse (DIN: 07480760), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st January, 2022 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Mr. Ilyas Ghulam Hussain Ghouse (DIN: 07480760) who meets the criteria for independence as per the relevant provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (LODR) Regulation, 2015, as amended and who had submitted a declaration to that effect and also is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years commencing from 1st January, 2022 to 31st December, 2026 be and is hereby approved by the Shareholders of the Company.

"RESOLVED FURTHER THAT Mr. 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 the above resolution."

By order of the Board
For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : 28th December, 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 27th 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 27th 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 27th 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 27th 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 no. 4 of the above Notice under Special Business as a Special Resolution, as they consider it appropriate to avoid any possible misinterpretation of the amendment dated 03-08-2021 to SEBI (LODR) Regulations, 2015.
5. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to item no. 3 & 4 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 and Statutory Auditors 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 21st February, 2022 to 25th February, 2022 (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.gvkpil@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 27th AGM through VC facility and e-voting during 27th 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.gvkpil@gvk.com

GVK Power & Infrastructure Limited

12. In line with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 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 27th AGM and the Annual Report 2020-21 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 27th 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 27th 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 27th 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 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> <ol style="list-style-type: none"> please visit the following URL https://eservices.nsd.com. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will prompt and you will have to enter your User ID and Password. Post successful authentication, click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. 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> <ol style="list-style-type: none"> To register for IDeAS facility visit the URL at https://eservices.nsd.com Click on “Register Online for IDeAS” or for direct registration click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 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> <ol style="list-style-type: none"> Visit the following URL: https://www.evoting.nsd.com/ Click on the icon “Login” which is available under ‘Shareholder/Member’ section. 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. Post successful authentication, you will be redirected to NSDL IDeAS site wherein you can see e-Voting page. 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"> 1. 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. 2. On clicking the e-voting icon, members will be redirected to the NSDL/CDSL site, as applicable, on successful authentication. 3. 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.
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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:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>.
- ii. 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.
- iii. After entering these details appropriately, click on ‘LOGIN’
- iv. 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 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 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.gvkpil@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., 18th February, 2022 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, 22nd February, 2022 at 9.00 a.m. IST and ends on Thursday, 24th February, 2022 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, 18th February, 2022 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, 18th February, 2022.

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 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.

GVK Power & Infrastructure Limited

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 Thursday, 17th February, 2022.

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: <https://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 27th 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, 24th February, 2022 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, February 21, 2022 at 9.00 A.M. and shall be closed on Wednesday, February 23, 2022 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, February, 18, 2022. 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 inward.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 : 28th December, 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 and also additional disclosures on appointment of Auditors for a regular term.

Item No: 3

Members are aware that T R Chadha & Co LLP (Firm Registration No.006711N/N500028), Chartered Accountants were appointed as Statutory Auditors of the Company in the casual vacancy caused by the resignation of PwC for auditing the books of accounts of the Company for the FY 2020-21. In terms of section 139(8) they shall hold office only up to the conclusion of the 27th AGM wherein the audited financial statements for the FY 2020-21 are being approved by the Shareholders.

Based on the recommendations of the Audit Committee, the Board at its meeting held on December 28, 2021, has recommended the appointment of T R Chadha & Co LLP, Chartered Accountants as Statutory Auditors for a term of five years commencing from FY 2021-22 subject to your approval. The Audit Committee has fixed a remuneration of Rs.56.50 Lakhs for auditing the books of accounts and other financial statements of the Company for the financial year 2021-22 (previous year Rs.56.50 Lakhs) and applicable taxes thereon plus, other actual out of pocket expenses incurred by them in connection with the audit. Their annual fee will be reviewed and fixed by the Audit Committee for each year.

T R Chadha & Co LLP, vide their letter dated 21st December, 2021 have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Further, the firm has been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and also confirmed that they hold a valid certificate by the Peer Review Board of the ICAI.

Following is the brief profile of T R Chadha & Co LLP;

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.

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

The Members are aware that as per Regulation 17(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, where a regular non-executive Chairman is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of the Board or one level below the Board of Directors, at least half of the Board shall consist of Independent Directors. After Mr. S Anwar resigned in November, 2021 due to his old age related problems, the total number of Independent Directors on the Board had come down to 4 as against 5. The other Directors comprising of 3 Promoter Directors, 2 Whole-time Non-Promoter Directors.

Under the SEBI (LODR) Regulations, 2015 as amended, the Company is required to fill in this position of Independent Director within a period of 3 months from the date of such resignation or the first board meeting held thereafter, whichever is later.

In order to comply with the above requirement under the SEBI (LODR) Regulations, 2015 the Nomination & Remuneration Committee of the Company at its meeting held on 22nd December, 2021 had identified and recommended the appointment of Mr. Ilyas Ghose (having DIN: 07480760) as an Additional Director (Independent) of the Company who shall hold office for a term of 5 years from 01-01-2022 to 31-12-2026 subject to approval of the Board and the Shareholders at the 27th AGM.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors at its meeting held on 28th December, 2021 had approved the appointment of Mr. Ilyas Ghulam Hussain Ghose (having DIN: 07480760) as an Independent Director, not liable to retire by rotation, for a period of 5 years from 1st January, 2022 to 31st December, 2026, subject to your approval at this AGM. The Board had also inducted him as a member of the Nomination & Remuneration Committee, Stakeholders Relationship Committee and the Corporate Social Responsibility Committee of the Company in place of Mr. S Anwar.

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).

The Company has also received a notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. Ilyas for the office of Independent Director.



The Company has received from Mr. Ilyas (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.

A brief resume, as required pursuant to the Regulation 36 (3) of the Listing Regulations, is set out in the 'Report on Corporate Governance' appearing at page 30 of the Annual Report.

He is not related to any of the Directors or Key Managerial Personnel of the Company. Except, Mr. Ilyas 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.

The Board considers that his association would be of immense benefit to the Company. Accordingly, consent of the Members is sought for passing above said item as a Special Resolution as set out in item No. 4 of this Notice.

By order of the Board
For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : 28th December, 2021

P V Rama Seshu
Vice President & Company Secretary

Directors' Report

Dear Stakeholders,

Your Directors present the 27th Annual Report of the Company along with the Audited Financial Statements for the financial year ended March 31, 2021 for your approval.

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	
	2020-21	2019-20	2020-21	2019-20
Financial Performance				
Operational Incomes	2,066	2,320	31,033	35,701
EBIDTA	(13,191)	(88,611)	8,448	(63,461)
Other Income	3,237	7867	2,216	7,201
Finance Costs	2	1320	30,527	40,158
Depreciation	19	21	5,215	5,974
Share of profit of associate	-	-	-	-
Share of loss of jointly controlled entity	-	-	9979	1973
Profit / (Loss) from ordinary activities	(20,577)	(82,085)	(25,078)	(1,02,392)
Loss before tax	(20,577)	(82,085)	(25,078)	(1,02,392)
Tax expense/(credit)	47	730	3,872	4,845
Loss for the period from Continuing operations	(20,624)	(82,815)	(28,950)	(1,07,237)
Loss before Tax for the period from discontinuing operations	-	-	(84,517)	(44,362)
Tax expense of discontinuing operations	-	-	(19,766)	2,873
Loss for the period from discontinuing operations	-	-	(64,751)	(47,235)
Non controlling interests	-	-	(17,274)	(5,129)
Profit / Loss for the Period	(20,624)	(82,815)	(76,427)	(1,49,343)
Other comprehensive (expense)/income - Continuing operations	-	-	109	(74)
Other comprehensive (expense)/income - Discontinuing operations	-	-	108	(5)
Total other comprehensive (expense)/income	-	-	217	(79)
Total comprehensive income for the period	(20,624)	(82,815)	(76,210)	(1,49,422)
EPS (Rupees):				
Weighted Average no. of Equity Shares	1,57,92,10,400	1,57,92,10,400	1,57,92,10,400	1,57,92,10,400
Basic and Diluted earnings per share in Rs				
- Continuing operations	(1.31)	(5.24)	(1.82)	(6.79)
- Discontinuing operations	-	-	(3.02)	(2.67)
- Total operations	(1.31)	(5.24)	(4.84)	(9.46)
Financial Position:				
Fixed Assets (Net of depreciation)	56	72	177	10,02,518
Cash and Bank balance	57	28	6,952	19,404
Net current assets	(48,458)	(51,740)	(3,42,500)	(4,91,687)
Total Assets	1,55,263	1,57,418	19,98,103	20,51,391
Equity	15,792	15,792	15,792	15,792
Other equity	65,272	85,896	(3,61,782)	(2,85,519)
Net worth	81,064	1,01,688	(3,45,990)	(2,69,727)
Market Capitalisation	31,900	35,532	31,900	35,532

Our total income from operations stood at Rs.31,033 Lakhs compared to Rs.35,701 Lakhs in the previous year. While majority of this is from the Transportation Segment, the revenues contributed under the Airport Segment is considered under the “Asset held for Sale” for consolidating these financials and the Energy Segment has no reportable income.

The net loss after tax, share of profit from associate, share of profit from joint venture and non-controlling interest was Rs. 76,210 Lakhs as against net loss of Rs. 149,422 Lakhs in the previous year.

Dividend

The Board of Directors of your Company has not recommended any dividend for the FY 2020-21

Transfer to Reserves

During FY 2020-21, 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, 2021 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, 2021 your Company has 9 direct Subsidiaries, 14 step down subsidiaries and one Associate Company as per Companies Act, 2013. During the period under review, GVK Airports International PTE Ltd, Singapore & Sutara Roads & Infra Limited which were step-down subsidiaries of the Company have now become the direct subsidiaries of the Company. 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.

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/corp-governance/policy_for_determining_material_subsidiaries_gvk_pil.pdf.

Developments in Airport assets

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. This includes acquisition of the debt by AAHL from various lenders of GVKADL with a view to reduce the debt obligations and also to release pledge on certain shares of GVKADL and GVKAHL and with an ability for AAHL to convert the acquired debt from the lenders of GVKADL to equity so as to acquire equity interest in Mumbai International Airport Limited (MIAL) and also acquiring Company's equity and other instruments in GVKADL and also possible acquisition/ settlement of debt of GVK Coal Developers (Singapore) Pte Ltd (with a view to release pledge on remaining shares of GVKAHL).

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 into equity by acquiring controlling interest in GVKADL on 13th July, 2021. Accordingly, from that date onwards, GVKADL, GVKAHL, Bangalore Airport & Infrastructure Developers Limited, Mumbai International Airport Limited and Navi Mumbai International Airport Limited are no longer direct / step down subsidiaries of your Company, even though there were technically as such as on 31st March, 2021.

GVK Power & Infrastructure Limited

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

- (i). Acquisition of debt and related accrued interest with carrying value in the financial statements of GVKADL of Rs. 255,107 lakhs by AAHL.
- (ii) AAHL acquiring certain securities of Sutara Roads & Infra Limited, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of co-operation agreement.
- (iii) Acquiring equity of Rs.30,000 lakhs and other instruments of Rs.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."

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, Mr. G V Sanjay Reddy, Director of the Company will retire by rotation at this ensuing Annual General Meeting and being eligible, your Board recommends his re- appointment.

Mr. Saudagar Anwar had resigned as an Independent Director, due to his old age related issues on 10th November, 2021. In his place, the Board, based on the recommendations of the Nomination and Remuneration Committee of the Company, had appointed Mr. Ilyas Ghulam Hussain Ghouse, as an Independent Director, not liable to retire by rotation, for a period of 5 years from 1st January, 2022 to 31st December, 2026.

Chairman being a Non-Executive Director, the Board of your Company has an optimum mix of Executive, Non-Executive and Independent Directors which is in compliance with the Companies Act, 2013 read with the SEBI (LODR) Regulations, 2015, as amended.

Key Managerial Personnel

During the year under review, there are no changes amongst the Key Managerial Personnel of the Company.

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 read with amended Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015.

An exclusive meeting of the Independent Directors of the Company has been held on 24th March, 2021 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/investor relations/investors/corpgovernance/Familiarisation_Programme_for_Independent_Directors.pdf](https://www.gvk.com/files/investor%20relations/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 Nomination & Remuneration Committee and the Board duly evaluates the performance of every director. 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/corp-governance/Remuneration-Policy.pdf>.

Board Meetings

During the year 2020-21, three 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 SEBI (LODR) Regulations, 2015, as amended

Audit Committee

The Audit Committee comprises of Mr. S Balasubramanian, Chairman, Mr. Anumolu Rajasekhar, Mr. Anil Kumar Reddy as members and all of whom are Independent Directors. All the periodic 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 2020-21. 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, 2021, 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, 2021 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, 2021 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. However, the matters of emphasis referred to there are already in public domain through periodic intimations to the stock exchanges which have been duly replied with justifiable reasons.

Statutory Auditors

M/s T R Chadha & Co LLP, Chartered Accountants (Reg No: 006711N/N500028) who were appointed earlier as Statutory Auditors of the Company, in the resultant vacancy caused by the resignation of PwC, have been appointed now as regular statutory auditors from FY 2021-22 for a term of 5 years at the Board meeting held on 28th December, 2021 as per Sec 139(1) of the Companies Act, 2013 until the conclusion of 32nd AGM of the Company. Profile of M/s T R Chadha & Co LLP has been given as part of the explanatory statement.

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.

Status on 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. Your Company had also paid all the penalties that were levied by the stock exchanges for non-publication of the financial results. As informed in the last annual report, your company had duly informed both the SEBI and the stock exchanges as to why it was unable to publish the financial results. The resignation of our statutory auditors (PwC) was also one of the reasons for the delay in publication of financial results.

Post conclusion of audit, your company had published the audited financial statements for FY 2019-20 on 24th August, 2021 and also appointed T R Chadha & Co LLP as statutory auditors. The Company had conducted its 26th AGM on 29th October, 2021 and also published all the three quarterly financial results for June, September and December, 2020 at one go on 3rd December, 2021. Having completed and approved the audit of financial statements for FY 2020-21 by the Board on 28th December, 2021, your company intends to complete the publication of remaining financial results for June, September and December, 2021 at one go during the first half of February, 2022. With that and by the time you approve / adopt these financial statements for FY 2020-21 at the 27th AGM, your company will be up to date and back on track. Your Management and the Board of Directors are confident and hopeful that, by then, the stock exchanges would remove the suspension and commence the trading in equity shares of the Company.

Application(s) for Compounding of certain non-compliances

Immediately after completion of the publication of pending financial results and other corporate filings with concerned the regulatory authorities, your Company intends to make one or more applications / petitions with the Registrar of Companies, Regional Director and the National Company Law Tribunal, as the case may be, for compounding of certain non-compliances under the Companies Act, 2013 and Rules made thereunder read with the SEBI (LODR) Regulations, 2015 (as amended) which are purely unintentional / unavoidable and beyond the control of the Management or the Board of Directors of the Company.

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. 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.

Non holding of the Annual General Meeting (AGM)

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

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

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

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

The Hon'ble Supreme Court of India had deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, GVK Coal (Tokisud) Private Limited has submitted its claim for an amount Rs. 19,882

lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Nominated authority vide its order dated October 25, 2021 has enhance the compensation by Rs 13,827 Lakhs. However, since the company not satisfied with the order, is preferring an appeal before the tribunal constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957. Hence, the impact of the same is unascertainable.

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

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

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

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

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.

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>

The Company has not entered into any transactions with any person or entity belonging to the Promoter / Promoter Group holding 10% or more shareholding in the Company.

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.

Annual Return

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company as on 31st March, 2021 is available on the Company's website and can be accessed at www.gvk.com

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>

GVK Power & Infrastructure Limited

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 is 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 2020-21 (Rs In lakhs)	% Increase in Remuneration in the Financial year 2020- 21	Ratio of remuneration of each director/ median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Dr. GVK Reddy Chairman	---	---	---	Other than CS, no KMP is being paid any remuneration. Hence not applicable
2.	P V Prasanna Reddy Whole Time Director	---	---	---	
3.	A Issac George Whole-time Director & CFO	---	---	---	
4.	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 : 28th December, 2021

Dr GVK Reddy
Non-Executive Chairman

Holding Company

GVK Power & Infrastructure Limited

Subsidiaries (As on March 31, 2021)

1. GVK Energy Limited
2. GVK Transportation Private Limited
3. GVK Perambalur SEZ Private Limited
4. GVK Developmental Projects Private Limited
5. GVK Airport Services Private Limited
6. GVK Airports International PTE Ltd, Singapore
7. Sutara Roads & Infra Limited
8. GVK Airport Developers Limited

Step Down Subsidiaries (As on March 31, 2021)

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. Mumbai International Airport Limited
11. Navi Mumbai International Airport Private Limited
12. GVK Jaipur Expressway Private Limited
13. GVK Deoli Kota Expressway Private Limited
14. GVK Bagodara Vasad Expressway Private Limited
15. GVK Shivpuri-Dewas Expressway Private Limited
16. PT GVK Services, Indonesia

Associate (As on March 31, 2021)

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	7	8
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	Sutara Roads & Infa Limited	GVK Airports International PTE Ltd
Reporting period for subsidiary concerned, if different from the holding company's reporting period	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021	01-04-2020 to 31-03-2021
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	INR	INR
Share Capital	88,831	30,000	2171	1	14,341	19	5	664.21
Other Equity #	(51,933)	(330,448)	(24,000)	2606	96,266	(72)	(7.97)	348.45
Total Assets	136,738	183,169	86,505	14,418	113,797	97	130,894	416.92
Total Liabilities	136,738	183,169	86,505	14,418	113,797	97	130,894	416.92
Investments *	132,191	178,047	86,500	11,655	26,559	6	94,080	0.00
Turnover	2,892	14	-	6	9	-	11.73	0.00
Profit before Taxation	(129,873)	(59,864)	(23)	(19)	(23)	0.7	(7.96)	191.71
Provision for taxation	1804	(4,578)	-	(193)	-	-	-	0.00
Profit after taxation	(128,069)	(55,286)	(23)	175	(23)	0.7	(7.96)	191.71
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	62.80	100	100	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	31/03/2021
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. 451.04 Lakhs
6	Profit / Loss for the year	Rs. (0.58) 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 : 28th December, 2021

Dr GVK Reddy
Non-Executive Chairman

Annexure B

SECRETARIAL AUDIT REPORT

(As per Form No. MR-3)

For the financial year ended 31-03-2021

[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 records 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, 2021, 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, 2021 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 requisite compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India and found that they have been duly complied by the Company.

During the period under review, the Company has complied with all the relevant provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above except, to the extent as mentioned below, which are being brought to your attention as an emphasis of matters:

- (i) The company has not published the audited / un-audited financial results, as the case may be, from March, 2020 onwards as required under Regulation 33 of SEBI (LODR) Regulations, 2015 within the stipulated time thereof. However, the reasons for this non-compliance have been explained to the Stock Exchanges and the SEBI, from time to time, which we believe are genuine and the company had also paid the relevant penalties that were levied by the stock exchanges for these non-compliances.
- (ii) The Company has not submitted its Annual Report for the financial year 2019-20 to the Stock Exchanges as per Regulation 34 of SEBI (LODR), 2015 and not published the same on website of the Company. However, the reasons for this non-compliance has been explained to the Stock Exchanges and the SEBI, from time to time, which we believe are genuine and the company had also paid the relevant penalties that were levied by the stock exchanges for this non-compliance.
- (iii) The Company has not appointed a Woman Director, within the stipulated time, as required under Regulation 17 of SEBI (LODR) 2015. However, the same had been complied subsequently from 01-09-2020 by appointing Ms. Rama Rao (DIN: 03207492) as an Independent Woman Director on Board. The company had also paid the relevant penalty that were levied by the stock exchanges for this non-compliance.
- (iv) The Company has not conducted its Annual General Meeting pertaining to the financial year ended 31.03.2020 within the due date. However, the reasons for this non-compliance has been explained to the Stock Exchanges and the SEBI, from time to time, which we believe are genuine and the company had also paid the relevant penalties that were levied by the stock exchanges for this non-compliance. However, subsequently, the Company had conducted this AGM on 29.10.2021 and also informed the outcome of the same to the stock exchanges.

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 and the SEBI (LODR) Regulations, 2015 except to the extent reported in (iii) above.

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

UDIN : F004898B000460848

Place : Hyderabad
Date : 28th December, 2021

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, 2021, 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	2020-21	2019-20
Nature of Contract:					
Fees for services rendered (Includes Corporate guarantee commission income)					
Mumbai International Airport Private Limited	Subsidiary	5 years	Manpower consultancy service	1,016	1,270
GVK Jaipur Expressway Private Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	152	470
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	615	1,452
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	0	8
GVK Energy Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	35	54
Navi Mumbai International Airport Private Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	1,050	1,050
GVK Transportation Private Limited	Subsidiary	Till loan is paid	Corporate Guarantees Commission	0	145
GVK Coal Developers (Singapore) Pte Limited	Associate	Till loan is paid	Corporate Guarantees Commission	0	1,772
Services received					
GVK Airport Developers Limited	Group Company	Not applicable	Manpower Service	14	12
GVK Airport Holdings Pvt Ltd	Group Company	Not applicable	Manpower Service	28	28
Sutara Roads & Infra Limited	Group Company	Not applicable	Manpower Service	12	12
GVK Developmental Projects Private Limited	Group Company	Not applicable	Manpower Service	9	8
Taj GVK Hotels & Resorts Limited	Group Company	Not applicable	Manpower Service	0	1
Orbit Travels & Tours Private Limited	Group Company	5 years	Cost of Flight services	1	10
GVK Technical & Consultancy Services Private Limited	Group Company	5 years	Manpower Service	92	137
Pinakini Share and Stock Broker Limited	Group Company	Not applicable	Dematerialization services	8	0
Rent					
Paigah House Hotels LLP	Group Company	Not applicable	Rent	4	0
Loans/advances given/expenditure incurred on behalf					
GVK Industries Limited	Subsidiary	Not applicable	Advance given	21	16
GVK Airport Developers Limited	Subsidiary	Not applicable	Advance given	69	50
GVK Transportation Private Limited	Subsidiary	Not applicable	Advance given	9,857	33
GVK Perambalur SEZ Private Limited	Subsidiary	Not applicable	Advance given	382	7
GVK Energy Limited	Subsidiary	Not applicable	Advance given	10,335	0

GVK Power & Infrastructure Limited

Name of the related party	Nature of relationship	Duration of contract	Salient terms	2020-21	2019-20
Loans/advances recovered					
GVK Energy Limited	Subsidiary	Not applicable	Advance recovered	147	17
Crescent EPC Projects and Technical Services Limited	Group Company	Not applicable	Advance recovered	0	21
GVK Industries Limited	Subsidiary	Not applicable	Advance recovered	35	0
GVK Airport Developers Limited	Subsidiary	Not applicable	Advance recovered	49	0
GVK Transportation Private Limited	Subsidiary	Not applicable	Advance recovered	653	0
Interest income on financial assets					
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Preference shares	745	654
GVK Coal Developers (Singapore) Pte Limited	Associate	Till loan is paid	Preference shares	0	2,250
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	25,100	4,900
GVK Transportation Private Limited	Subsidiary	One time	Impairment of non-current investments	26	4,951
GVK Ratle Hydro Electric Project Private Limited	Subsidiary	One time	Impairment of non-current investments	0	414
GVK Coal Developers (Singapore) Pte Limited	Associate	One time	Impairment of non-current investments	0	77,536
Loan taken					
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan taken	0	579
Sutara Roads & Infra Limited	Subsidiary	One time	Loan taken	24,995	0
Loan repaid					
GVK Developmental Projects Private Limited	Subsidiary	One time	Loan repaid	1,753	444
GVK Jaipur Expressway Private Limited	Subsidiary	One time	Loan repaid	83	0
Guarantees given					
GVK Airport Developers Limited	Subsidiary	Till loan is paid	Guarantees given	0	131,500
Guarantees released					
GVK Airport Developers Limited	Subsidiary	Not applicable	Not applicable	0	20,175
GVK Jaipur Expressway Private Limited	Subsidiary	Not applicable	Not applicable	10,591	18,101
GVK Transportation Private Limited	Subsidiary	Not applicable	Not applicable	0	18,159
Provision for doubtful debts					
GVK Coal Developers (Singapore) Pte Limited	Associate	Till loan is paid	Corporate Guarantees Commission	0	1,098
Equity/ preference shares allotted during the year					
GVK Coal Developers (Singapore) Pte Limited	Associate	Not applicable	Preference shares	0	4,313
Investments in Equity					
GVK Transportation Private Limited	Subsidiary	Not applicable	Equity shares	26	0
GVK Developmental Projects Private Limited	Subsidiary	Not applicable	Equity shares	10	0
GVK Airports International (Pte) Ltd	Subsidiary	Not applicable	Equity shares	669	0
Sutara Roads & Infra Limited	Subsidiary	Not applicable	Equity shares	5	0

* The above basis of pricing is based on long term contract at a fixed term. Further approval, if any, of the Audit Committee / Board will be taken as and when there are any material changes to these agreed terms.

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, 2021 is 10 (Ten) Directors comprising of Three Promoter Directors, Five Independent Directors and Two Non-Independent Directors. Among the Directors, two are Executive (whole time) Directors and eight are Non-executive Directors as on March 31, 2021. 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, 2021.

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, 2021 (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	5	2	-	---
P V Prasanna Reddy (01259482)	Executive Non-Independent	2	1	-	---
Krishna R Bhupal (00005442)	Non-Executive Promoter	6	2	-	Taj GVK Hotels & Resorts Limited (Promoter Director)
A Issac George (00005456)	Executive Non-Independent	7	4	-	---
Ms Rama Rao (03207492)	Non-Executive Independent	-	-	-	---
S Balasubramanian (02849971)	Non-Executive Independent	5	3	1	Independent Director in 1. Sanghi Industries Limited 2. Emami Paper Mills Limited 3. TTK Healthcare Limited 4. UCAL Fuel Systems Limited 5. Peerless Hotels Limited
S Anwar @ (06454745)	Non-Executive Independent	1	1	-	Taj GVK Hotels & Resorts Limited (Independent Director)
Sudha Vasanth \$\$ (07095995)	Non Independent	5	-	-	---
Anumolu Rajasekhar (01235041)	Non-Executive Independent	1	-	-	Taj GVK Hotels & Resorts Limited (Independent Director)
Anil Kumar Reddy Nukalapati (00017586)	Non-Executive Independent	1	-	-	Taj GVK Hotels & Resorts Limited (Independent Director)

@ resigned from the Board with effect from 10th November, 2021 due to old age.

\$\$ resigned from the Board with effect from 9th September, 2020 to enable the company to appoint an independent (woman) director.

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

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.

GVK Power & Infrastructure Limited

None of the directors is;

- i) a board member in more than ten public limited companies or eight listed companies.
- ii) a member in more than ten committees; and
- iii) 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 three times during the year on August 10, 2020, August 26, 2020 and December 21, 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 2020-21.

Name of the Director	No. of meetings held	No. of meetings attended	Sitting Fees Paid (Rs.)	Presence at last AGM
Dr. GVK Reddy	3	3	60,000	Yes
G V Sanjay Reddy	3	3	60,000	Yes
Krishna R Bhupal	3	3	60,000	Yes
A Issac George	3	3	-	Yes
P V Prasanna Reddy	3	3	-	Yes
S Anwar*	3	3	60,000	No
S Balasubramanian	3	3	60,000	Yes
Sudha Vasanth @	3	2	40,000	No
Anumolu Rajasekhar	3	3	60,000	Yes
Anil Kumar Reddy Nukalapati	3	3	60,000	Yes

@ Resigned from the Board with effect from 09-09-2020

* Ceased to be Director from 10-11-2021

No. of shares held by Non-Executive Directors

The details of Shareholdings of the Non-Executive Directors in the Company as at March 31, 2021 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 Director from 01-06-2020

** Ceased to be Director from 10-11-2021

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

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
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

Area	Skill / expertise / competencies	Experts in Board
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 Anil Kumar Reddy 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

Name of the Director	Mr. G V Sanjay Reddy	Mr. Ilyas Ghulam Hussain Ghouse
Date of Appointment	20th April, 2005	1st January, 2022
Date of Birth	18th November, 1964	2nd August, 1955
Qualifications	Bachelor's Degree in Industrial Engineering from Purdue University, USA and Master's degree in Business Administration from the University of Michigan, USA	Graduate in B.Sc. from Bombay University.
Brief resume and expertise in specific functional Areas	<p>He is the Non-executive Promoter Director & Vice Chairman of the Company apart from being a director on the board of various other companies in the GVK Group.</p> <p>In addition, he is involved with GVK 108 EMRI, which is the world's largest ambulance service servicing 800 million people free of cost. He is the chairman of the CII National Committee on Transport Infrastructure. He has been nominated by the World Economic Forum as a Young Global Leader for 2007. He is also a member of Young President's Organization (YPO), Chief Executives Organization (CEO) and Innovation Xchange Committee of the Government of Australia. He is on the board of trustees of the Jagdish and Kamla Mittal Museum of Indian Art, a museum dedicated to the cause of propagating Indian Art and Culture.</p>	<p>He has vast expertise in the fields of General Administration, Labour Laws, Finance and other business management apart from being a Professional Tennis player and managing Sports.</p> <p>He travelled to many countries representing India in many International Tennis Tournaments. After retiring from Professional Tennis, Mr. Ilyas took up Tennis Coaching as a full time profession and trained many young tennis players.</p>
Relationship with other Directors and other Key Managerial Personnel of the Company	Dr GVK Reddy Mr Krishna R Bhupal	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 Non-executive 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	5,57,25,951 Shares	Nil
The number of Meetings of the Board attended during the year	Three out of three	Nil
List of Companies in which outside Directorship held as on 31.03.2021 (Companies registered in India)	GVK Energy Limited GVK Gautami Power Limited GVK Airport Holdings Limited GVK Industries Limited Mumbai International Airport Limited	Sutara Roads & infra Limited Alaknanda Hydro Power Company Limited GVK Industries Limited GVK Airport Developers Limited GVK Airport Holdings Limited Bangalore Airport & Infrastructure Developers Limited
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2021*	GVK Energy Limited CSR Committee Chairman & member GVK Industries Limited CSR Committee Chairman & member GVK Gautami Power Limited CSR Committee Chairman & member	Alaknanda Hydro Power Company Limited - Audit Committee member GVK Gautami Power Limited Audit Committee- Member Nomination & Remuneration Committee Chairman cum Member CSR Committee Member GVK Industries Limited Audit Committee- member Nomination & Remuneration Committee Chairman cum member, CSR- Member

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

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 14th July, 2020, 7th August, 2020, 10th September, 2020 and 21st December, 2020. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
S Balasubramanian	Chairman	4	4
A Rajasekhar	Member	4	4
Anil Kumar Reddy	Member	4	4

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.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on
 - Changes in accounting policies and practices
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Disclosure of any related party transactions
- Reviewing a) with the management, the external and internal auditors the adequacy of internal control systems.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing with the management, the external and internal auditors the adequacy of internal control systems.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Discussion with internal auditors of any significant findings and follow up there on.
- 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.
- 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 three times during the year on August 06, 2020, August 28, 2020 and January 01, 2021. The attendance details for the Committee meetings are as follows:

Name of the Member	Category	No. of meetings	
		Held	Attended
S Anwar @	Chairman	3	3
Krishna R Bhupal	Member	3	3
Rama Rao \$\$	Member		

@ resigned from the Committee from 10-11-2021

\$\$ appointed as a member of this committee from 01-01-2021

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:

- 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

- S Anwar* - Chairman
 A Issac George - Member
 Rama Rao - Member

* Resigned from Board with effect from 10th November, 2021 due to old age.

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 2020-21.

Nature of Complaint	Received	Resolved	Pending
For Non-receipt of			
- Dividend Warrant	8	8	0
- Annual Report	0	0	0
- Share Certificate	0	0	0
Total	8	8	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
 Rama Rao - Member
 A Rajasekhar - Member

@ resigned as a member of this Committee

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

GVK Power & Infrastructure Limited

- 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.

Previous Annual General Meetings

Year	Date	Time	Venue
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
2019-20	29.10.2021	11.30 A.M	The registered office of the Company is the deemed venue, as the meeting was held through Video Conference mode.

Special Resolutions passed during the previous three Annual General Meetings

Financial Year	Details of Special Resolutions Passed
2019-20	Re-appointment of Mr. P V Prasanna Reddy as Whole-time Director of the Company. Appointment of Mr. N Anil Kumar Reddy as Independent Director of the Company Appointment of Ms. Rama Rao as Independent Woman Director of the Company
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.

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.

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 2020-21, 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 Rs. in Lakhs
GVK Power & Infrastructure Limited (GVK PIL)	Audit Fees	56.50
	Other Fees	0.00
Total (A)		56.50
Subsidiaries of GVK PIL	Audit Fees	14.43
	Other Fees	0.00
Total (B)		14.43
Total (A+B)		70.93*

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

* Excluding assets classified as held for sale

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/corpgovernance/gvkipilinsider_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

Other than what is already reported in the director's report, as penalties for non-publication of financial results under Regulation 33 of SEBI (LODR) Regulations, 2015, 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, 25th February, 2022 at 11:30 a.m.
	Financial year	2020-21
	Venue	This being held through Video Conference, the registered office would be deemed venue.
2.	Book Closure Dates	Monday, 21st February, 2022 to Friday, 25th February, 2022 (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 2021-22 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, 2021	Please see Annexure 'B'
9.	Dematerialization of shares and Liquidity	99.86% of the shareholding has been dematerialized as on 31 March, 2021.
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

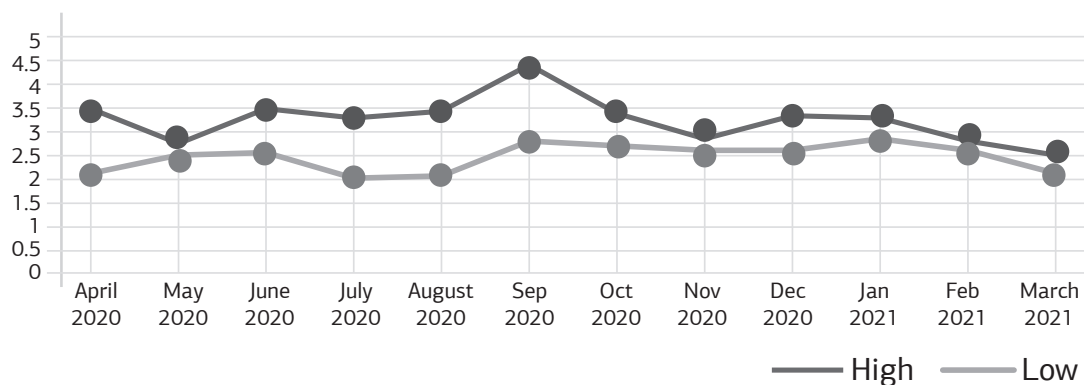
Date of Allotment	Number of Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	10	Nil
02/12/1994	1	10.00	Cash	Subscribers to the Memorandum	20	Nil
10/09/1996	8	10.00	Cash	Allotment 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.

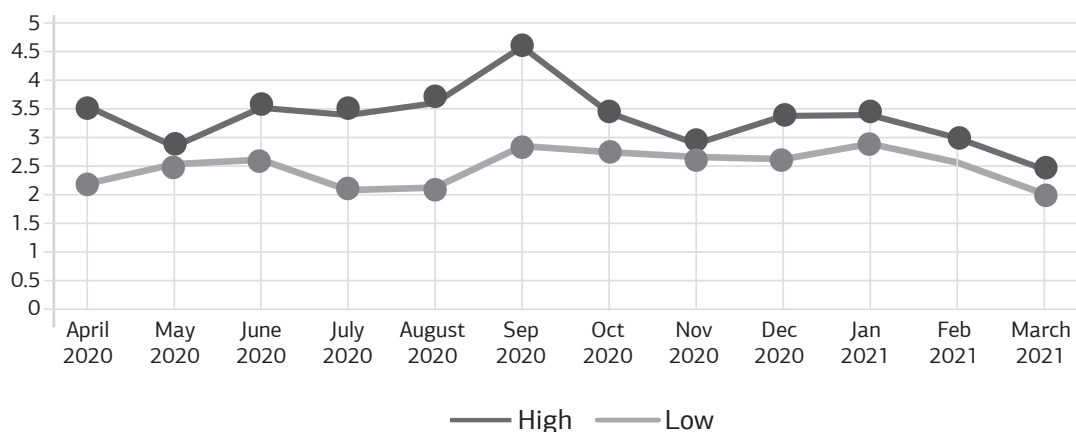
Monthly high, low and trading volume of equity shares of the Company during the financial year 2020-21

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, 2020	3.55	2.15	7,02,76,000	9889.05	8055.8	3.56	2.2	1,34,13,129	33887.25	27,500.79
May	2.8	2.55	3,28,72,000	9598.85	8806.75	2.85	2.54	98,85,549	32,845.48	29,968.45
June	3.55	2.6	20,13,88,000	10553.15	9544.35	3.53	2.62	6,12,08,583	35,706.55	32,348.10
July	3.35	2.05	26,43,10,000	11341.4	10562.9	3.4	2.09	9,92,30,722	38,617.03	34,927.20
August	3.5	2.1	21,10,15,000	11794.25	11111.45	3.61	2.13	9,81,24,811	40,010.17	36,911.23
September	4.5	2.85	20,64,91,000	11618.1	10790.2	4.6	2.86	9,18,36,124	39,359.51	36,495.98
October	3.45	2.75	6,65,94,000	12025.45	11535.45	3.44	2.75	2,45,78,301	41,048.05	38,410.20
November	2.9	2.65	5,36,75,000	13145.85	11756.4	2.9	2.67	2,37,95,152	44,825.37	39,334.92
December	3.4	2.65	3,92,09,000	14024.85	13131.45	3.39	2.63	2,85,38,554	47,896.97	44,118.10
January, 2021	3.35	2.9	1,98,21,000	14753.55	13596.75	3.4	2.9	1,88,23,222	50,184.01	46,160.46
February	2.85	2.65	12,71,000	15431.75	14467.75	3	2.57	31,12,193	52,516.76	46,433.65
March	2.55	2.15	18,06,000	15536.3	14264.4	2.45	2.02	88,39,937	51,821.84	48,236.35

Price Movement in NSE



Price Movement in BSE



Shareholding pattern as on March 31, 2021

Sl. No.	Description	No. of Shareholders	No. of Shares	% Equity
1	Promoter Companies	1	73,28,93,902	46.41
2	Resident individuals	273321	61,69,34,576	39.07
3	Promoter Directors	3	12,38,35,438	7.84
4	Non-Resident Indians	2306	3,29,31,456	2.08
5	Bodies corporates	794	2,28,44,554	1.45
6	H U F	4318	1,99,35,695	1.26
7	Non-Resident Indian Non Repatriable	1132	82,46,682	0.52
8	NRI NON-REPATRIATION	1275	1,35,96,777	0.86
9	Insurance companies	1	81,82,011	0.52
10	Government	1	63,30,000	0.40
11	Foreign portfolio – corp	3	43,30,788	0.27
12	Clearing members	31	15,67,275	0.10
13	Banks	2	5,48,000	0.03
14	Overseas Corporate Bodies (OCB)	1	3,75,000	0.02
15	NBFC	6	2,11,600	0.01
16	Trusts	6	35,653	0.00
17	Directors and relatives	2	7,770	0.00
	Total	281928	157,92,10,400	100.00

Annexure - B

Distribution by category as on March 31, 2021

Category	Number of Shares	% of holding
Promoters & Promoter Group	85,67,29,340	54.25
Foreign Institutional Investors, OCB, Foreign Nationals, NRIs	4,58,84,016	2.91
Banks, Mutual Fund, Clearing Members etc	21,15,275	0.13
Others	67,44,81,769	42.71
Total	157,92,10,400	100.00

Distribution Schedule as on March 31, 2021

Sl. No.	Category	Cases	% of Cases	No. of Shares	% of Holding
1	upto 1 - 5000	2,62,612	93.15	18,20,79,701	11.53
2	5001 - 10000	9,614	3.41	7,48,11,045	4.74
3	10001 - 20000	4,786	1.70	7,04,89,966	4.46
4	20001 - 30000	1,780	0.63	4,51,97,606	2.86
5	30001 - 40000	766	0.27	2,73,33,322	1.73
6	40001 - 50000	592	0.21	2,78,04,849	1.76
7	50001 - 100000	1,065	0.38	7,96,22,147	5.04
8	100001 & ABOVE	713	0.25	107,18,71,764	67.87
	Total	2,81,928	100.00	1,579,210,400	100.00

De-materialization of shares as on March 31, 2021

Sl. No.	Description	No of shareholders	No of shares	% of Shares
1	PHYSICAL	5,025	21,53,949	0.14
2	NSDL	1,52,493	130,74,02,332	82.79
3	CDSL	1,24,410	26,96,16,337	17.07
	Total	2,81,928	157,92,10,400	100.00

As on March 31, 2021 over 99.86% of outstanding shares are held in de-mat form and the balance 0.14% 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, 2021.

For GVK Power & Infrastructure Limited

Place : Hyderabad
Date : 28th December, 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, 2021 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	SUNDARAM BALASUBRAMANIAN	02849971	13/02/2015
07	ANWAR SOWDAGAR	06454745	13/08/2014
08	ANUMOLU RAJASEKHAR	01235041	25/04/2019
09	ANIL KUMAR REDDY NUKALAPATI	00017586	01/12/2019
10	RAMA RAO	03207492	01/09/2020

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

Place : Hyderabad
Date : 28-12-2021

FCS-4898
CP:5024



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, 2021, 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 : 28th December, 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, 2021, 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 : 28-12-2021

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 8 subsidiaries, 16 step down subsidiaries and one associate company (as on March 31, 2021). 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

India's Gross Domestic Product (GDP) contracted at 7.3% in 2020-21, as per provisional National Income estimates released by the National Statistical Office, marginally lower than the 8% contraction in the economy projected earlier. Gross Value Added (GVA) at current prices for the services sector is estimated at Rs.96.54 lakh Crore in 2020-21. The services sector accounts for 53.89% of total India's GVA of 179.15 lakh Crore. With GVA of Rs.46.44 lakh Crore, the Industry sector contributes 25.92%. The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment, contributed significantly to export and has provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction. India's IT and business services market is projected to reach US\$ 19.93 billion by 2025.

The fourth quarter of 2020-21 recorded a growth of 1.6% in GDP, the second quarter of positive growth, after the country had entered a technical recession in the first half of the year. The Gross Value Added recorded 3.7% growth in Q4, compared to 1% in Q3. GVA had contracted 22.4% and 7.3% in the first and second quarters of 2020-21. The GVA in India's economy shrank 6.2% in 2020-21, compared to a 4.1% rise in the previous year. Only two sectors bucked the trend of negative GVA growth - Agriculture, Forestry and Fishing (which rose 3.6%) and Electricity, Gas, Water Supply and other Utility Services (up 1.9%).

GVA from Trade, Hotels, Transport, Communication and Broadcasting-related services recorded the sharpest decline of 18.2%, followed by Construction (-8.6%), Mining and quarrying (-8.5%) and Manufacturing (-7.2%). GDP had contracted 24.4% in the April to June 2020 quarter, followed by a 7.4% shrinkage in the second quarter. It had returned to positive territory in the September to December quarter with a marginal 0.5% growth.

A) POWER

India has the 5th largest electricity generating capacity and is the 6th largest energy consumer amounting for around 3.4 % of global energy consumption. India's energy demand has grown at 3.6 % pa over the past 30 years.

India has a surplus power generation capacity but lacks adequate transmission and distribution infrastructure. India's electricity sector is dominated by fossil fuels, in particular coal, produced about three-quarters of the country's electricity. The government is making efforts to increase investment in renewable energy. The government's National Electricity Plan of 2018 states that the country does not need more non-renewable power plants in the utility sector until 2027, with the commissioning of 50,025 MW coal-based power plants under construction and addition of 275,000 MW total renewable power capacity after the retirement of nearly 48,000 MW old coal-fired plants. It is expected that non-fossil fuels generation contribution is likely to be around 44.7% of the total gross electricity generation by the year 2029-30.

India has achieved the target of 40 per cent of its installed electricity generation capacity being from non-fossil energy sources, an official statement said recently. At COP 21, as part of its Nationally Determined Contributions (NDCs), India had committed to achieving 40 per cent of its installed electricity capacity from non-fossil energy sources by 2030.

The future of the power sector looks bright as by 2026-27, all India power generation installed capacity will be nearly 620 GW, 38% of which will be from coal and 44% from renewable energy. Total Installed Capacity as on April 2021 was 382 GW of which 36.5% was generated from renewable sources. As of April 2021, India has a total Thermal installed capacity of 234 GW, of which 53% of the thermal power is obtained from coal and the rest from Lignite, Diesel, and Gas.

The private sector in the power industry in India generates 47.4% of the country's thermal power, whereas States and the Centre generate 27.1% and 25.5%, respectively. The electricity generation target of Conventional Sources for the year 2021-22 was fixed at 1356 BU i.e. growth of around 9.83% over the actual conventional generation of 1234.608 BU for the previous year (2020-21). This target comprises of 1155.200 BU Thermal; 149.544 BU Hydro; 43.020 Nuclear; and 8.236 BU Import from Bhutan.

Indian power sector is undergoing a significant change that has redefined the industry outlook. The power industry's future in India is bright, and sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country.

B) AIRPORTS

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India has become the third largest domestic aviation market in the world and is expected to overtake UK to become the third largest air passenger market by 2024.

India is expected to overtake China and the United States as the world's third-largest air passenger market in the next ten years, by 2030, according to the International Air Transport Association (IATA). India's passenger traffic stood at 115.37 million in FY21. Domestic passenger and international passenger traffic declined at a CAGR of -9.02% and -28.64%, respectively, from FY16 to FY21, owing to COVID-19-related restrictions on flights in FY21. In FY21, airports in India pegged the domestic passenger traffic to be ~105.2 million, a 61.7% YoY decline, and international passenger traffic to be ~10.1 million, an 84.8% YoY decline, over the previous year. Between FY16 and FY21, freight traffic declined at a CAGR of -1.77% from 2.70 million tonnes (MT) to 2.47 MT. Freight traffic on airports in India has the potential to reach 17 MT by FY40.

Aircraft movement declined at a CAGR of -7.79% from 1.60 million in FY16 to 1.20 million in FY21. From FY16 to FY21, domestic aircraft movement decreased at a CAGR of -6.44% and international aircraft movement declined at a CAGR of -18.52%. India's domestic and international aircraft movements reached 1,062 thousand and 135 thousand, respectively, in FY21. The expenditure of Indian travellers is expected to grow to Rs. 9.5 lakh crore (US\$ 136 billion) by 2021. To cater to the rising air traffic, the Government of India has been working towards increasing the number of airports. As of 2020, India had 153 operational airports. India has envisaged increasing the number of operational airports to 190-200 by FY40.

Further, the rising demand in the sector has pushed the number of airplanes operating in the sector. The number of airplanes is expected to reach 1,100 planes by 2027. FDI inflow in India's air transport sector (including air freight) reached US\$ 3.06 billion between April 2000 and June 2021. The government has allowed 100% FDI under the automatic route in scheduled air transport service, regional air transport service and domestic scheduled passenger airline. However, FDI over 49% would require government approval. India's aviation industry is expected to witness Rs. 35,000 crore (US\$ 4.99 billion) investment in the next four years. The Indian Government is planning to invest US\$ 1.83 billion for development of airport infrastructure along with aviation navigation services by 2026.

C. TRANSPORTATION

The year 2020-21 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 road - blocks 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 10,237 kms achieved during 2019-20.

Overall road projects exceeding 55,000 km in length, costing more than Rs.6.26 lakh Crore, are in progress. National Highways of 7,767 km length have been completed in the first nine months of FY 2020-21, as against 6,940 km for the corresponding period during the last financial year. The Ministry has scaled new heights in expanding the Highway infrastructure throughout the country, despite nation-wide lockdown due to Pandemic COVID-19.

Integration of Multi transport mode has also been built into the Bharatmala Program and includes development of 35 Multi Modal Logistics Parks (MMLPs) at various locations across the country. These MMLPs are being developed on a 'Hub and Spoke' model and being implemented by NHAI and NHIDCL (in North-East India). The development of these MMLPs is one of the endeavors to eradicate Logistics related deficiencies in India, to draw the associated costs down and to strategically integrate highway projects and other connectivity initiatives like inland waterways, railways etc. in tandem with the freight distribution ecosystem.

These MMLPs shall act as regional inter-modal freight-handling facilities with mechanized material handling provisions which shall contain warehouses, specialized cold chain facilities, freight /container terminals and bulk / break-bulk cargo terminals. The MMLPs are planned to foster inter-modal connectivity with inclusions such as dedicated Railway line / Spur, access from prominent Highway(s) / Expressway(s) to allow movement of commercial vehicles and connectivity to an Airport or a Seaport (or Inland waterway Terminal).

A separate company under the NHAI named 'National Highways Logistics Management Limited' (NHLML) has been incorporated to carry out development of the MMLPs and works related to National Highway connectivity for ports.

The Ministry of Road and Highways is also committed to enhance the ports logistics ecosystem and is working hand-in-hand with the Ministry of Ports, Shipping and Waterways to develop dedicated first mile national highway connectivity for certain identified ports and IWT terminals having congestion. Out of 2,026 km road development for ports as identified by the Ministry of Ports, Shipping and Waterways, the work of 652 km is entrusted to NHLML for developing dedicated 4-lane highway connectivity for selected major ports of the country. The remaining length of port connectivity roads is already

GVK Power & Infrastructure Limited

being undertaken under other components of the Bharatmala Pariyojana. This effort is expected to eradicate multiple traffic related issues such as removal of congestion points in city locations; reduction in delays caused due to restrictions on commercial vehicles movement during certain hours of the day as per state / Local Urban regula.

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. 1813.77 Crore for the year ended March 31, 2021 as against Rs.1916.85 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.135.72 Crore for the financial year 2020-21 (PY loss of Rs.118.36 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. 329.40 Crore for the financial year 2020-21 (PY loss of Rs. 274.63 Crore)

Alaknanda Hydro Power Company Limited

The 330MW Shrinagar Hydro Electric Project achieved Annual Plant Availability Factor of 57.131% for the FY 2020-21 with a Plant Load Factor of 50.169 %. 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. 942 Crore with a profit of Rs. 138 Crore.

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 utilizing the coal supplies under SHAKTI Scheme. The Fuel Supply Agreements under SHAKTI scheme were signed in February, 2018. The Project achieved Annual Plant Availability Factor of 74.266% for the FY 2020-21%.

ii) Airports

Mumbai International Airport Ltd (MIAL)

In accordance with the Cooperation Agreement that was executed on 31st August, 2020 with Adani Group, by GVK Airport Developers Limited and GVK Airport Holdings Limited (your subsidiaries in airport vertical) and as required under the IndAS Accounting Standards, Mumbai International Airport Limited asset has been considered as "Asset held for Sale" while preparing the financial statements of your Company for the year ended 31st March, 2021. This transaction is concluded in all respects on 13th July, 2021 and from that day onwards the airport business is virtually ceased to exist in GVK Group.

iii)Transportation

GVK Jaipur Expressway Pvt Ltd

During the year, toll collections was Rs. 310.33 Crore (PY Rs. 332.21 Crore) registering a decrease of 6.58 %. The Company reported a profit after tax of Rs.99.70 Crore for the financial year (PY Rs. 83.24 Crore). During the year under review, the company paid an amount of Rs. 3.85 Crore to NHAI as their revenue share (PY Rs. 19.85 Crore) since the toll revenues are beyond the threshold limit as specified under the Concession Agreement. The average tollable traffic was 25266 vehicles per day during the current financial year. The average toll collection per day is Rs.84.45 Lakhs during the year.

4. Risks & Concerns

Energy

Power, utilities, and oil and gas companies are not often mentioned as front-line responders in a health crisis. Yet the responsiveness and performance of those companies are, and remain, essential to this country's fight against the current pandemic. During stressed socioeconomic times, the importance of effective risk and compliance management within the energy industry is magnified. One of the most significant risks facing businesses in general and energy companies in particular is operational risk, as it affects productive assets that are susceptible to failure and thus to generating economic loss and personal injury or environmental damage, with a potentially significant impact on reputation.

Energy risk management calls for identifying, evaluating, and analyzing risk associated with unpredictability and volatility in the energy commodity and regulatory markets, as well as alignment between energy product choice and operational strategy. The energy crisis is the concern that the world's demands on the limited natural resources that are used to power industrial

society are diminishing as the demand rises. These natural resources are in limited supply. While they do occur naturally, it can take hundreds of thousands of years to replenish the stores.

The global electricity sector is facing three major challenges: the security of supply to keep up with ever-mounting demand, the fight against climate change, and the global trend toward massive urbanization. With rising global demand, highly volatile prices and increasingly stringent environmental regulations, the oil and gas industry faces three major challenges: reduce costs, optimize the performance of its industrial base assets and improve its environmental footprint. However, electricity generation also has negative impacts on human health.

Specifically, fossil fuel based energy is causing a large burden of disease and mortality through emissions of toxic air pollutants, such as fine particles, acid gases and heavy metals. It also generates greenhouse gases. All in all, the energy crisis has three main impacts on the economy, such as the increase of oil prices, financial downturns and it offers the opportunity to develop renewable energies. Oil reserves are decreasing, which has the effect that the oil prices rise steadily.

Threats to energy security include the political instability of several energy producing countries, the manipulation of energy supplies, the competition over energy sources, attacks on supply infrastructure, as well as accidents, natural disasters, terrorism, and reliance on foreign countries for oil. The Clean Energy Challenge seeks to bring businesses, governments and organizations together to provide green and safe energy to forcibly displaced populations. Today, more than 90% of refugees living in rural areas have very limited access to modern, reliable, and clean sources of energy.

Airport

Because of COVID-19, almost three-quarters of companies worldwide canceled or suspended domestic travel, and 93 percent canceled or suspended international travel, according to the Global Business Travel Association.

The International Air Transport Association (IATA) was predicting that the global aviation industry would not be cash positive until 2022, despite indications from a few airlines that their core operations could be cash positive sometime this year. In November, the association said it expects carrier losses to be an additional \$38.7 billion cumulatively in 2021. That's after losing \$118.5 billion in 2020.

Industry losses of this scale imply a cash burn of \$81 billion in 2021 on top of \$149 billion in 2020. Government financial relief measures and capital markets have been filling this hole in airline balance sheets, preventing widespread bankruptcies

Travel restrictions, including quarantines, have killed demand. IATA estimates that travel (measured in revenue passenger kilometers or RPKs) will recover to 43% of 2019 levels over the year. While that is a 26% improvement on 2020, it is far from a recovery. Domestic markets will improve faster than international travel. Overall passenger numbers are expected to reach 2.4 billion in 2021. That is an improvement on the nearly 1.8 billion who traveled in 2020, but well below the 2019 peak of 4.5 billion

Transportation

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 decreased to Rs.2,066 lakhs as compared to Rs.2,320 lakhs of the previous year

Expenditure

The Company's total expenditure, comprising of Cost of Operation, Employee Benefit Expenses and other administrative expenses, decreased to Rs.25,859 Lakhs for the year ended March 31, 2021 from Rs.90,931 lakhs for the year ended March 31, 2020.

Interest

Interest expenses stood at Rs.2 lakhs (previous year figure was Rs.1,320 lakhs)

Profit before tax (PBT)

Profit before tax for the year is Rs.(20,577) lakhs for the current year as compared to Loss of Rs.82,085 lakhs in the previous year.

GVK Power & Infrastructure Limited

Profit after tax

Profit after tax is Rs.(20,624) lakhs for the year ended March 31, 2021 as compared to Net Loss of Rs.82,815 lakhs in the previous year.

EPS

The earnings per share at standalone level for the current year stands at Rs. (1.31) as compared to Rs. (5.24) 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.31,033 Lakhs for the year ended March 31, 2021, as against Rs.35,701 Lakhs during the corresponding period of the previous year recording an decrease of 13%.

EBIDTA at a consolidated level for the year stood at Rs.8,448 Lakhs as against Rs.(63,461) Lakhs in the previous year. EBIDTA margin at consolidated level increased to 113% as compared to 17.04 % 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.93,701 lakhs for 2020- 21 as compared to Rs. (154,472) lakhs in the previous year.

Earnings per Share (EPS)

The earnings per share at consolidated level for the current year stands at Rs.(4.84) as compared to Rs.(9.46) per equity share of Re.1/- each in the previous year.

Net Worth

The net worth as at the end of Financial Year 2020-21 stands at Rs.(345,990) lakhs as compared to Rs.(269,727) 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 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, 2021 stands at 2,267 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

1. **Corporate Identity Number (CIN) of the Company:** L74999TG2005PLC059013
2. **Name of the Company:** GVK Power & Infrastructure Limited
3. **Registered address:** "Paigah House",156-159,Sardar Patel Road, Secunderabad 03
4. **Website:** www.gvk.com
5. **E-mail id:** cs.gvkipil@gvk.com
6. **Financial Year reported:** 1st April, 2020 to 31st March, 2021
7. 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	100%
3	H	Transport and storage	H5	Services incidental to land, water & air transportation	Nil

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** 15,792 Lakhs
2. **Total Turnover (INR)** 2,066 Lakhs
3. **Total profit after taxes (INR)** (20,624) Lakhs
4. 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
5. List of activities in which expenditure in 4 above has been incurred:-
(a) Not applicable
(b) Not applicable
(c) Not applicable

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes
2. 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
3. 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

1. Details of Director/Directors responsible for BR
(a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number : 00005442
 2. Name : Dr. GVK Reddy
 3. Designation : Non-Executive Chairman

(b) Details of the BR head

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

GVK Power & Infrastructure Limited

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. Ilyas Ghouse - Member -- Non-executive Independent Director (Appointed with effect from 01-01-2022)

Ms. Rama Rao - Member -- Non-executive Independent Director

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

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, 21: 392	1875	2267

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

Total hiring done in 2020-21: 11

3. Please indicate the Number of permanent women employees: 12.

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

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

GVK Power & Infrastructure Limited

- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes
- 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

- 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)
- 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.

- Does the company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof. No
- Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? No
- Have you done any impact assessment of your initiative?
An impact assessment of the CSR programmes will be in place as and when needed
- 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.						

- 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

- 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, 2021.
- Does the company display product information on the product label, over and above what is mandated as per local laws?
Not applicable
- 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
- Did your company carry out any consumer survey/ consumer satisfaction trends?
No

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To,

To the Members of GVK POWER & INFRASTRUCTURE LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying Consolidated Ind AS Financial Statements of GVK Power & Infrastructure Limited (hereinafter referred to as the 'Holding Company'), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures (refer Note 44 to the consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2021, 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 Ind AS 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures except for the indeterminate effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint ventures as at March 31, 2021, their consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We draw your attention to:
 - a. As discussed more fully in Note 50 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.79,048 Lakhs and to whom the holding company has provided guarantees and commitments for loans aggregating to Rs.827,149 lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs.2,272 lakhs) as at March 31, 2021 with respect to which there are multiple significant uncertainties including outlook on the sector including those arising from COVID, achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The entity's current liabilities exceed current assets by USD 2,423 million (Rs.17,69,794 Lakhs) as at March 31, 2021 as per Unaudited Financials.

In this regard, while the Group has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.414 Lakh during year ended March 31, 2021 and Rs.78,634 Lakh during year ended March 31, 2020, we are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments (in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company, is also given in favour of the lenders) and the resultant impact of the same on these consolidated financial statements.

- b. The following qualifications included in the audit opinion on the Consolidated Financial Statements of GVK Energy Limited (GVKEL), a joint venture of the Holding Company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated December 08, 2021, is reproduced by us as under:
 - i. "The outstanding fixed charge component of the tariff on the increased capital cost for the years 1997-98 to 2000-01 amounting to Rs.4,512 Lakhs considered recoverable from AP Transco in GVK Industries Limited, a subsidiary company and regarding outstanding minimum alternate tax, amounts claims for reimbursement, disincentives recoverable and other receivable amounting to Rs.2,878 lakhs, Rs.3,531 lakhs and Rs.75 lakhs respectively considered recoverable from AP Transco and consequential impact on taxes in the books of GVK Industries Limited and GVK Gautami Power Limited, a subsidiary company and a jointly controlled entity respectively, which are being refuted by AP Transco/subject to approvals.

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

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

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

- iii. "The Hon'ble Supreme court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company. As directed by Hon'ble High Court of Delhi, the aforesaid subsidiary has submitted its claim for an amount Rs. 19,882 lakhs with the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. The Company has given corporate guarantee for the loan taken by the subsidiary. Pending approval of the claim by the adjudicating authority, we are unable to comment on the recoverability of assets with carrying value of Rs. 19,882 lakhs together with consequential impact, if any, arising out of the same in these accompanying consolidated Ind AS financial statements. Refer Note * to the consolidated financial statements".

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

The note * is included as Note 51(a), 51(b), and 51(c) to the Consolidated Financial statements.

Refer Note 51(e) to the consolidated financial statements, wherein, the group has accounted the share of its losses relating to GVK Energy Limited in previous years to the extent of its investment and hence, no further provisioning of the losses is required / made in Group Accounts.

As referred in Note 51 (f) to the consolidated financial statements, in the light of the note 51 (a) to Note 51 (c) above, we are unable to comment on the extent of eventual recoverability of the loans to GVK Energy Limited and its subsidiary aggregating to Rs.35, 274 lakhs as disclosed under "loans" after recording Groups share of losses and the provisions, if any, required for the corporate guarantee given to the joint venture amounting to Rs.3,100 Lakhs. The impact of this matter on the Consolidated Financial Statements is presently not ascertainable.

- (c) The following qualifications included in the audit opinion on the financial statements of GVK Bagodara Vasad Expressway Private Limited, a step-down subsidiary of the holding company issued by an independent firm of Chartered Accountants (Independent auditor) vide its report dated August 31, 2021, is reproduced by us as under:

- i. "The project of the Company was terminated by Gujarat State Road Development Corporation (GSRDC) by referring the defaults of the Concessionaire. Consequent to the termination of the project, Company has accounted the cost incurred on the project of Rs.58,904 lakhs as amount receivable from the GSRDC as management has represented that the project of the Company was terminated due to the reasons attributable to the GSRDC. Company has disputed the termination notice issued by GSRDC and invoked arbitration in terms of the provisions of concession agreement. The matter is sub-judice before Hon'ble Arbitral Tribunal. We are unable to comment upon its recoverability in the absence of availability of related convincing audit evidence as to its recoverability."
- ii. "Non-provision of advance to EPC contractor (Crescent EPC Projects and Technical Services Limited) amounting to Rs.8,470 lakhs though doubtful of recovery, has resulted in under-statement of loss for the year by Rs.8,470 lakhs and overstatement of advances by the same amount."

GVK Power & Infrastructure Limited

- iii. "Balances of borrowings (including interest accrued thereon) from lender amounting to Rs.75,767 Lakh as at March 31, 2021 as per books of accounts are unconfirmed. In absence of such confirmations, we are unable to comment on the appropriateness of carrying amount of borrowing (along with interest accrued thereon) as presented in the Balance Sheet."

Refer Note 53 (a) to the Consolidated Financial Statements in this regard.

Considering the above qualifications by the Component Auditor and other details as given in Note 53 (a) to the consolidated financial statements, we are unable to comment towards the recoverability of total assets aggregating to Rs.67,026 Lakh and the impact on the liabilities as appearing in the Consolidated Financial Statements related to this step-down subsidiary.

- d. i) Note 58 to the Consolidated Financial Statements regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the holding company including complete copy of the Enforcement Directorate complaint, we are unable to comment on the effect thereof on the Consolidated Financial Statements including prior year comparatives considering allegations over GVK Group.

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

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

Note * is included as Note 58 (b) to the consolidated financial statements.

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

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

Note * is included as Note 58 (c) to the consolidated financial statements.

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

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

- e. Note 59 to the Consolidated Financial Statements regarding the requirements of Section 96(1) of the Companies Act, 2013, the Parent Company was required to hold its Annual General Meeting (AGM) at which the Board of Directors were to lay the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2020 by December 31, 2020 and for the year ended March 31, 2021 by November 30, 2021. While the Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2020 was approved with delays at the AGM held on October 29, 2021, the parent Company, however, could not lay the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2021, before November 30, 2021 and will be applying to the relevant authority(ies) for compounding of these non-compliance under the relevant sections of the Companies Act, 2013 and the Rules made thereunder. We are unable to comment on the impact of these non-compliances on the consolidated financial statements.

4. We conducted our audit of the consolidated financial statements 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 associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us and that obtained by other auditors in terms of their

reports referred to in “Other Matter” paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

5. Emphasis of Matter

- (a) Note 62 to the Consolidated Financial Statements regarding the parent Company and GVKADL (the holding company of GVK AHL) have entered into an agreement with Adani Airport Holdings Limited on August 31, 2020 towards certain disinvestments in Airport Vertical and accordingly, the income and expenditure relating to airport vertical for the Year Ended March 31, 2021 is netted and shown as Loss before Tax for the year from discontinuing operations. Further, income and expenditure relating to previous year has also been netted and represented for discontinued operations. The Assets and Liabilities relating to Airport Vertical has been shown as Assets Held for Sale and Liabilities held for Sale as on March 31, 2021.
- b. Note 61 to the Consolidated Financial Statements regarding binding agreement entered into by the parent Company and its subsidiary GVK Airport Developers Limited (GVK ADL) with Adani Airport Holdings Limited (AAHL) on August 31, 2020 for sale of Group’s interest in Mumbai International Airport Limited (MIAL) and the companies related to Airport Vertical by sale of securities held by the Group in GVK Airport Developers Limited (GVKADL). Based on the agreements reached, the Group’s investment in GVK ADL is considered fully recoverable and no adjustment was considered necessary to be made to the Assets and Liabilities Classified as Held for Sale as on March 31, 2021.
- c. We draw your attention to Note 54 to the Consolidated Financial Statements regarding GVK Jaipur Expressway Private Limited (GVKJEPL). Toll collections were suspended by NHAI due to the Lock down announced by the Ministry of Road Transport & Highways vide its order dated March 25, 2020 on account of COVID 19. The suspension of Toll continued till April 20, 2020. However, due to the impact of the lockdown and reduced traffic due to covid, the daily Toll collection continued to be much less than the average daily collection prior to the lockdown. GVKJEPL at present has the concession to operate and collect the toll till March 16, 2023. However, NHAI vide its Policy circular No. 8.3.33/2020 dated 26th May, 20 had provided relief measures to BOT (Toll) Concessionaires from the impact of COVID-19, wherein extension of concession period was granted, based on certain criteria, for a minimum of three months and a maximum of six months period from the end of the concession period. Accordingly, GVKJEPL has applied for extension of Concession period and is confident of getting the extension and the Group has considered the impairment of Goodwill accordingly.
- d. We draw attention to Note 56 to the Consolidated Financial Statements regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company, which has Investment Property having book value of Rs.11,655 Lakh. GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Parent Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, in spite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon’ble High Court of Telangana has stayed the proceedings by issuing Show Cause Notice to ED. The matter is under litigation. Pending these litigations, the Investment Property having book value of Rs.11,655 Lakh is shown as recoverable since the Management is confident of winning the cases on merits.
- e. We draw your attention to the following Emphasis of Matter paragraph included in the audit opinion of the financial statements of GVK Bagodara Vasad Expressway Private Limited, a stepdown subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated August 31, 2021, reproduced by us as under:
- “Note * to the financial statements, which states that since the project undertaken by the company had been terminated, “Going concern assumption is not appropriate, hence financial have drawn accordingly”
- Note * of the financial statements, which states that the company had taken loans from consortium of Banks and a financial institution. Company Borrowings have been classified as Non-Performing Assets by the Lenders due to defaults in payment of related dues, Lenders have recalled the entire facilities extended to the company. Our opinion is not modified in respect of these matters.”
- Note * is included as Note 53 (a) to the consolidated financial statements.
- f. We draw your attention to the following Emphasis of Matter paragraph included in the audit opinion of the standalone financial statements of GVK Deoli Kota Expressway Private Limited, a stepdown subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated August 31, 2021, reproduced by us as under:

GVK Power & Infrastructure Limited

"Note * and Note * to the Ind AS financial statements explains the reason for preparation of this financial statements on realization basis assuming the Company is no longer a going concern. The Company has recorded receivable from NHAI of Rs.88,163 Lakh after setting off toll assets and other related future liabilities, which is subject to decision and process of arbitration between Company and NHAI."

"Note * to the Ind AS financial statements, which states that the Company has defaulted in repayment of principal amount and payment of interest on such term loans taken from consortium of banks & financial institution. As a result, the lenders have classified the term loans as a result of that, the term loans have become repayable on demand and as lenders have classified Company's borrowing facility as NPA, Company has not received borrowing statements and confirmation of borrowing balances from lenders and not made available to us."

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

Note * is included as Note 53(b) to the Consolidated Financial Statements.

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

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

Note * is included as Note 55 to the Consolidated Financial Statements.

Further, we draw your attention to the Note no.55 of the Consolidated Financial Statements which states the subsequent development in this matter that the company has entered into a settlement agreement on 24th November 2021 with the Lender. Accordingly, considering the settlement terms with the lender and pending legal proceedings, the management believes that it is appropriate to recognize assets aggregating to Rs.101,552 Lakhs (CWIP Rs.57,067 Lakh, Other Non-Current Assets Rs.38,860 Lakh and Other Current Assets Rs.5,603 Lakh) at carrying value in the Consolidated Financial Statements and no provision for diminution is necessary.

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

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

The above matter to the extent relating to the impact of the pandemic on the subsidiary's / one of joint venture's financial statements has also been reported as an emphasis of matter in the audit report dated 18 September 2021 issued by other firm of Chartered Accountants on the standalone financial statements of the subsidiary / joint venture for the year ended March 31, 2021. Our opinion is not modified in respect of this matter."

Note * is included as Note 60 to the Consolidated Financial Statements.

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

"We draw attention to the note * to the consolidated Ind AS financial statement and considering the events occurred since close of accounts for the year ended 31st March, 2021 and as explained therein the management of the company is of the opinion that the facility fees paid to yes bank limited including stamp duty can be recovered. Our opinion is not modified in respect of this matter."

Note * is included as Note 62 (V) to the Consolidated Financial Statements.

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

6. Material Uncertainty Related to Going Concern

- i. We draw attention to note 57 to the consolidated financial statements, which indicates that the Group, its associate and joint ventures has significant accumulated losses as at year ended March 31, 2021, has continued to incur significant losses during the year ended March 31, 2021 and in previous years, current liabilities are significantly higher than current assets, has defaulted in repayment of loan and interest payments and material uncertainties including termination of projects, including those arising due to COVID19, are faced by various projects being executed by the Group, its associate and joint ventures, in which the Group has made investments, and / or provided guarantees/ commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.
- ii. We draw your attention to the following Material Uncertainty Related to Going Concern paragraph included in the audit opinion on the Consolidated Financial Statements of GVK Energy Limited, a Joint venture of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated December 08, 2021, reproduced by us as under:

“We draw attention to note * of the Consolidated Financial Statements of GVK Energy Limited which states that regarding losses incurred by the Company, defaults in loan, interest payments and uncertainties faced by various projects in which the Company has made investments and provided guarantees. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern as Management believes that the Group would be able to establish profitable operations and meet its commitments. Further, the Management is confident that aforesaid entities would win litigations, obtain necessary approvals from regulators and obtain requisite fuel allocation etc. as required and would establish profitable operations. Our opinion is not modified in respect of this matter.”

Note *is included as note 52 to the Consolidated Financial Statements.

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.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

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 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 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 terms 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.

GVK Power & Infrastructure Limited

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 associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

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

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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 and other financial information in respect of 17 subsidiaries included in the Consolidated Financial Statements, whose annual financial statements reflect (before adjustments for consolidation) total assets of Rs.27,57,449 lakhs and net assets of Rs. 280,274 lakhs as at March 31, 2021, total revenues of Rs. 191,305 lakhs, total net (loss) after tax of Rs.(142,408) lakhs, and total comprehensive income/ (loss) of Rs.(142,291) lakhs for the for the year ended March 31, 2021, and net cash inflow / outflow of Rs. 31,214 lakhs for the year ended March 31, 2021, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit/ loss after tax of Rs. Nil and total comprehensive income/ loss of Rs. Nil lakhs for the year ended March 31, 2021 respectively, as considered in the Consolidated Financial Statements, in respect of 9 joint ventures and one associate, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, is based solely on the audit reports of such other auditors.
18. The Consolidated Financial Statements include the Group's share of net profit / (loss) after tax of Rs. Nil and total comprehensive income / (loss) of Rs. Nil for the year ended March 31, 2021, in respect of one associate, whose financial statement and information have not been audited by us. This financial statement and information is unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statement and information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

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, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that
- 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 consolidated financial statements.
 - 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.
 - 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.
 - 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 Indian Accounting Standards specified under Section 133 of the Act.
 - 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.
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associates and joint ventures incorporated in India, none of the directors of the Group companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act
 - 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.

GVK Power & Infrastructure Limited

- h. With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associates and its joint ventures and the operating effectiveness of such controls, refer to our separate report in Annexure A and
 - 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(as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:
 - 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 41 to the Consolidated Financial Statements.
 - ii. The Group, its associate and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021.
 - iii. During the year ended March 31, 2021, 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, 2021.
20. The provisions of Section 197 read with Schedule V to the Act are applicable to the Company, however, the Company has paid/provided for managerial remunerations for the year ended March 31, 2021, in accordance with the requisite approvals mandated.

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

Pravin Kumar Jabade
Partner
Membership No. 107196
UDIN: 21107196AAAADQ7520

Place: Hyderabad
Date: 28th December, 2021

Annexure A to Independent Auditors' Report

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, 2021

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 Act ('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, 2021, 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.

Responsibilities of Management and Those Charged with Governance 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 for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

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.

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 of the Holding Company, its subsidiary companies, its associate companies and joint venture companies as aforesaid.

Meaning of Internal Financial Controls with reference to financial statements

5. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or

GVK Power & Infrastructure Limited

timely detection of unauthorized 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

6. 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

7. 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 Holding Company's internal financial controls with reference to Consolidated Financial Statements as at March 31, 2021:

- (a) 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(a) and (b) of our main audit report).

- b) The Holding Company's internal financial controls in respect of compliance with laws and regulations, including holding Annual General Meetings in stipulated time, submission of quarterly and annual results to Exchanges within the time limits as specified under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015. This could potentially result in non-compliance with laws and regulations. (Refer paragraph 3(e) of our main audit report).

- c) (a) Pending conclusion of the investigation (Refer paragraph 3(d) 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 (MIAL) issued by an independent firm of Chartered Accountants vide their reports dated September 18, 2021, reproduced by us as under:

"The reports of other auditors on internal financial controls with reference to financial statements in case of its subsidiary, and joint ventures are unqualified. However, in view of the ongoing investigations on the MIAL 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, 2021"

Note * is included as Note 58(b) to the consolidated financial statements.

- d) 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 GVK Energy Limited (GVKEL), a Joint Venture of the Holding Company issued by an independent firm of Chartered Accountants vide its report dated December 08, 2021 reproduced by us as under:

"According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2021:

GVKEL, subsidiaries, associates, jointly controlled company's internal control over use of assumptions for analysis of asset impairments and provision for corporate guarantee fee is not operating effectively which could potentially result in the holding company, subsidiaries, associates, jointly controlled company not recognizing possible impairment loss." (Refer 3(b) of our main audit report)

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

8. In our opinion, the Holding Company, its subsidiary companies, associates 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, associates 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, associates and joint ventures internal financial controls with reference to financial statements were operating effectively as of March 31, 2021.

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, its associates and its joint ventures for the year ended March 31, 2021, 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).

Other Matter

9. We did not audit the internal financial control with reference to financial statements of 15 subsidiary companies which are companies covered under the Act, whose annual financial results reflect (before adjustments for consolidation) total assets of Rs.27,56,671 lakhs and net assets of Rs. 281,340 lakhs as at March 31, 2021, total revenues of Rs. 191,305 lakhs and cash inflows flows (net) of Rs. 31,390 lakhs for the year ended March 31, 2021, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit/loss (including other comprehensive income / loss) of Rs. Nil for the year ended March 31, 2021 respectively, as considered in the Consolidated Financial Statements, in respect of 9 joint ventures and one associate, which are the companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial control with reference to financial statements in so far as it relates to such subsidiary companies, associate and joint ventures have been audited by other auditors whose reports have been furnished to us by the Management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements for the Holding Company, its subsidiary companies, associates and joint venture companies, as aforesaid under Section 143 (3) (i) of the Act in so far as it relates to such subsidiary companies, associate company and joint venture companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of other auditors.

Place: Hyderabad
Date: 28th December, 2021

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

Pravin Kumar Jabade
Partner
Membership No.107196
UDIN: 21107196AAAADQ7520

Consolidated Balance Sheet

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

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	177	1,002,518
Capital work in progress	4	57,067	354,745
Expenditure incurred during construction period, pending allocation (Net)		-	39,147
Investment Property	5	11,655	11,655
Goodwill	6	15,142	112,237
Intangible assets	6	11,725	113,691
Right of use asset		-	737
Lease equalisation asset (Net of provision)		-	1,766
Investments including in joint ventures and associates (accounted under equity method)	7	-	13,700
Financial assets			
Other non-current financial assets	8	100,983	105,339
Deferred tax assets (net)	9	3,227	7,951
Tax assets (Net)		3,764	23,830
Other non-current assets	10	38,888	52,511
Total		242,628.00	1,839,827
Current Assets			
Inventories	11	80	920
Contract assets		-	3,962
Financial assets			
Investments	12	2,125	2,230
Trade receivables	13	186	40,260
Cash and cash equivalents	14	6,952	19,404
Balances with banks other than cash and cash equivalents	15	5,501	12,383
Loans	16	35,278	28,963
Other financial assets	17	9,718	70,320
Current tax assets		7,913	4,410
Other current assets	18	6,687	28,712
Total		74,440	211,564
Assets classified as held for Sale			
Total Assets	62	1,681,035	-
Equity and Liabilities			
Equity			
Equity share capital	19	15,792	15,792
Other equity		(361,782)	(285,519)
Equity attributable to owners of the Group		(345,990)	(269,727)
Non-controlling interests		239,136	256,357
Total Equity		(106,854)	(13,370)
Non-current liabilities			
Contract liabilities		-	773
Financial Liabilities			
Borrowings	20	10,208	771,341
Lease liabilities		-	316
Other financial liabilities	21	3,855	190,653
Provisions	22	56	1,453
Deferred tax liabilities (net)	23	-	13,790
Other non-current liabilities	24	-	282,201
Total		14,119	1,260,527
Current liabilities			
Contract liabilities		-	2,237
Financial liabilities			
Borrowings	25	88,373	145,632
Lease liabilities		-	445
Trade payables - Total outstanding dues of:	26		
- micro and small enterprises		6	726
- other than micro and small enterprises		4,318	17,300
Other financial liabilities	27	314,416	565,651
Provisions	28	5,172	19,263
Current tax liabilities (net)		1,170	2,679
Other current liabilities	29	3,485	50,303
Total		416,940	804,234
Liabilities directly associated with Assets Classified as Held For Sale	62	1,673,898	-
Total Equity and liabilities		19,98,103	2,051,391

Summary of significant accounting policies

1 & 2

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

As per our report of even date.

For T R Chadha & Co LLP, Chartered Accountants
Firm registration number: 006711N/N500028

Pravin Kumar Jabade
Partner
Membership No. 107196

Place: Hyderabad
Date: December 28, 2021
UDIN: 21107196AAADQ7520

66 | Annual Report 2020-21

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited
(CIN - L74999TG2005PLC059013)

Dr. GVK Reddy **A Issac george**
Chairman Director & CFO
DIN: 00005212 DIN: 00005456

P V Rama Seshu
Vice President & 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, 2021	Year ended March 31, 2020
Continuing operations			
INCOME			
Revenue from operations	30	31,033	35,701
Other income (net)	31	2,216	7,201
Total income		33,249	42,902
EXPENSES			
Employee benefits expense	32	922	1,508
Finance costs	33	30,527	40,158
Depreciation and amortisation expense (net)	34	5,215	5,974
Impairment of non-current investments	50	-	77,535
Other expenses	35	21,663	20,119
Total expenses		58,327	145,294
Profit/(Loss) before share of profit/(loss) from associate & joint venture and tax expense		(25,078)	(102,392)
Share of profit of joint venture		-	-
Loss before tax for the year from Continuing operations		(25,078)	(102,392)
Tax expense	36		
Current tax		4,916	5,067
Taxes of earlier years		47	856
Deferred tax		(1,091)	(1,078)
		3,872	4,845
Loss for the year from Continuing operations		(28,950)	(107,237)
Loss before Tax for the year from discontinuing operations		(84,517)	(44,362)
Tax expense	36		
Current tax		-	-
Taxes of earlier years		(4,578)	1,506
Deferred tax		(15,188)	1,358
		(19,766)	2,873
Loss after Tax for the year from discontinuing operations	62	(64,751)	(47,235)
Loss for the year		(93,701)	(154,472)
Other comprehensive income - Continuing operations			
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of post employment benefit obligations		9	(8)
B. Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		100	(66)
		109	(74)
Other comprehensive income - Discontinuing operations			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of post employment benefit obligations		162	(18)
(b) Share of OCI from Associate/JV		3	7
(c) Tax relating to above items		(57)	6
		108	(5)
Total other comprehensive (expense)/income		217	(79)
Total comprehensive loss for the year		(93,484)	(154,551)
Profit/(loss) for the year attributable to:			
- Owners of the Company			
Loss for the period from Continuing operations		(28,666)	(107,224)
Loss for the period from discontinuing operations		(47,761)	(42,119)
- Non controlling interests			
Loss for the period from Continuing operations		(284)	(13)
Loss for the period from discontinuing operations		(16,990)	(5,116)
		(93,701)	(154,472)
Other Comprehensive Income Attributable to :			
- Owners of the Company			
Loss for the period from Continuing operations		109	(74)
Loss for the period from discontinuing operations		55	(5)
- Non controlling interests			
Loss for the period from Continuing operations		-	-
Loss for the period from discontinuing operations		53	-
		217	(79)
Total comprehensive income/(loss) for the year attributable to:			
- Owners of the Company			
Loss for the period from Continuing operations		(28,557)	(107,298)
Loss for the period from discontinuing operations		(47,706)	(42,124)
- Non controlling interests			
Loss for the period from Continuing operations		(284)	(13)
Loss for the period from discontinuing operations		(16,937)	(5,116)
		(93,484)	(154,551)
Earnings per equity share (Equity shares, par value of Re. 1 each)			
Basic and Diluted earnings per share in Rs			
- Continuing operations	37	(1.82)	(6.79)
- Discontinuing operations		(3.02)	(2.67)
Summary of significant accounting policies	1 and 2		

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

As per our report of even date.

For T R Chadha & Co LLP, Chartered Accountants
Firm registration number: 006711N/N500028

Pravin Kumar Jabade
Partner
Membership No. 107196
Place: Hyderabad
Date: December 28, 2021
UDIN: 21107196AAAADQ7520

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited
(CIN - L74999TG2005PLC059013)

Dr. GVK Reddy Chairman
DIN: 00005212

A Issac george Director & CFO
DIN: 00005456

P V Rama Seshu
Vice President & Company Secretary

Consolidated cash flow statement

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

		Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax for the period from Continuing operations		(25,078)	(102,392)
Adjustments for:			
Depreciation and amortisation (net)		5,215	5,974
Loss on sale of fixed assets (net)		-	8,367
Interest expense		30,150	38,227
Interest income		(630)	(3,558)
Liabilities written back/ Reversal of previous year expenses		(1,229)	(2,074)
Income from investment		(173)	(103)
Impairment of non-current investments		-	77,535
Provision for doubtful debts		963	1,098
Advances written off		9,400	-
Goodwill written off		3,619	-
Loss on exchange fluctuation (net)/ Other non cash expenses		205	592
Provision for Periodic overlay		2,672	2,802
Fair value loss on investments in preference shares		-	1,000
Operating Profit before Working Capital Changes		25,114	27,468
Change in operating assets and liabilities:			
Decrease/(Increase) in trade receivables		(1,275)	4,678
Decrease/(Increase) in Inventories		64	(17)
Decrease / (Increase) in Contract Assets		-	-
Decrease/(Increase) in Financial Assets loans, others, other current and noncurrent assets		29,064	38,578
(Decrease)/Increase in Provisions		(11,379)	16,157
Increase in Trade payables, other financial liabilities and current liabilities		(609)	(50,090)
Cash Generated from Operations		40,979	36,774
Taxes (paid)/refund (net)		(3,284)	(2,074)
Net Cash flow from Operating Activities	(A)	37,695	34,700.00
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES			
Purchase of fixed assets		(6)	(12)
Proceeds from sale of fixed assets		-	1
(Purchase) / proceeds from sale of current investments (net)		139	2,416
Purchase of non-current investments		-	(5,969)
Loans (given) to / taken from related parties and others (net)		(9,915)	(2,749)
(Investment)/ Realization of bank deposits (having original maturity of more than 3 months)		(261)	(325)
Interest received		630	3,584
Net Cash flow from/(used in) Investing Activities	(B)	(9,413)	(3,054)

		Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOW USED IN FINANCING ACTIVITIES			
Proceeds from Minority Interest		-	16,637
Proceeds from further issue of Equity shares/Debentures		25,000	-
Repayment of long term borrowings		(30,171)	(6,989)
Repayment/ Proceeds from short term borrowings (net)		(9,755)	(9,541)
Interest paid		(7,172)	(31,304)
Net Cash flow used in Financing Activities	(C)	(22,098)	(31,197)
Net increase/(decrease) in Cash and Cash Equivalents			
- For the year from Continuing operations (A+B+C)		6,184	449
- For the year from Discontinuing operations (Refer note -62)		20,898	(11,541)
Cash and Cash Equivalents at the beginning of the year		19,404	30,496
Cash and Cash Equivalents at the end of the year		46,486	19,404
Components of cash and cash equivalents as per cash flow statement			
Balance with banks:			
Current accounts		6,943	708
Cash		9	39
Cheques		-	21
Total		6,952	768
Cash and Cash Equivalents relating to Continuing Operations		21	48
Balance with banks:			
Current accounts		2,159	13,200
Deposit accounts		37,351	5,436
Cash		24	-
Cash and Cash Equivalents relating to Discontinuing Operations		39,534	18,636
Total Cash and Cash Equivalents		46,486	19,404

Summary of significant accounting policies 1 and 2

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

As per our report of even date.

For T R Chadha & Co LLP, Chartered Accountants
Firm registration number: 006711N/N500028

Pravin Kumar Jabade
Partner
Membership No. 107196
Place: Hyderabad
Date: December 28, 2021
UDIN: 21107196AAAADQ7520

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited
(CIN - L74999TG2005PLC059013)

Dr. GVK Reddy Chairman
DIN: 00005212

A Issac george Director & CFO
DIN: 00005456

P V Rama Seshu
Vice President & 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 etc.

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 standards adopted by the Company: The Company has applied the following standard for the first time for their annual reporting period commencing from April 01, 2020.

- Ind AS 105, Non -Current Assets Held for Sale and Discontinued Operations

Application of above standard did not have any impact on the amounts recognised in prior periods except as disclosed and are not expected to significantly affect the current or future periods except that the overall amount in this regard is significant.

2.2 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. The group controls an 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 there is no 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 50.

(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 is accounted for using the equity method (see (iv) below), after initially being at cost.

Notes to the consolidated financial statements

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

(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 subsequent 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.

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, investments at fair value at each balance sheet date.

Notes to the consolidated financial statements

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

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-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.

Notes to the consolidated financial statements

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

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 AS 115, the group 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 group 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 group 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 group 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 group's right to an amount of consideration that is unconditional (i.e. only the passage of 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 group has received consideration from the customer. If a customer pays a consideration before the group transfers services to the customer, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the group performs under the contract.

(iv). Income from Toll Operations

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

Notes to the consolidated financial statements

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

(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.

Income from Mutual fund

Income from mutual funds is recognized as and when unit holders' right to receive payment is established.

Insurance Claims

Insurance claims are accounted for on admittance or on receipt.

Claims

Claims on contractors/concessionaries are accounted on the basis of reasonable certainty/ realization.

(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:

- 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
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

Notes to the consolidated financial statements

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

- When the deferred tax asset relating to the deductible temporary difference 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.
- 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. 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.

We.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.

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

Notes to the consolidated financial statements

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

Asset Class	Useful Life
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.

The enabling cost incurred in connection with the main asset is capitalised along with the main asset. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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.

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.

Notes to the consolidated financial statements

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

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.

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.

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.

Notes to the consolidated financial statements

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

o. Impairment of non-financial assets

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 Group 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 Group 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.

Defined benefit plan

The group provides for retirement benefit in the form of gratuity. The group'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 Group recognises related restructuring costs

Notes to the consolidated financial statements

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

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:

- 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.

Notes to the consolidated financial statements

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

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;

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.

Notes to the consolidated financial statements

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

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 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.

Notes to the consolidated financial statements

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

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, 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	-	10,006	193	7,764	7,365	21,097	3,056	119	106	2,163	163	-	52,032
Disposals	-	(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
- Discontinuing operations	269	743,557	13,028	43,763	62,750	289,919	155,256	635	47,939	58,612	444	(2)	1,416,170
- Continuing operations	21	6	33	-	-	-	97	91	42	-	244	14	548
Additions	-	-	-	-	-	-	3	2	-	-	-	1	6
At March 31, 2021 (Continuing operations)	21	6	33	-	-	-	100	93	42	-	244	15	554
Accumulated Depreciation													
At April 1, 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
- Discontinuing operations	-	133,589	10,051	11,232	9,963	73,380	108,569	291	36,725	29,939	134	-	413,873
- Continuing operations	-	3	22	-	-	-	61	77	29	-	127	8	327
Depreciation expense	-	1	4	-	-	-	7	2	6	-	27	3	50
At March 31, 2021 (Continuing operations)	-	4	26	-	-	-	68	79	35	-	154	11	377
Net Block													
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
At March 31, 2021 (Continuing operations)	21	2	7	-	-	-	32	14	7	-	90	4	177

Net book value	At March 31, 2021 (Continuing operations)	March 31, 2020
Plant, property and Equipment	177	1,002,518
Capital Work in progress including expenditure incurred during construction period	57,067	393,892

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.
- Adjustments/ transfers during the year reflect the updated useful lives of the assets pursuant to 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)

4: Capital work in progress

Particulars	Capital work in progress	Expenditure incurred during construction period	Total
Opening balance as at April 01, 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
- Discontinuing operations	297,767	39,147	336,914
- Continuing operations	56,978	-	56,978
Additions	89	-	89
Capitalised/written off during the year	-	-	-
At March 31, 2021 (Continuing operations)	57,067	-	57,067

'Breakup of Capital Work in Progress

Particulars	As at March 31, 2021	As at March 31, 2020
Expenditure during construction period	57,067	354,745
Expenditure incurred during construction period, pending allocation (Net)	-	39,147
Total	57,067	393,892

5. Investment property-Land

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	11,655	11,655
Closing balance	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 investment property has been pledged as security against loans taken by the Group (Refer note 56).

6. Intangibles

Description of Assets	Goodwill	Computer software	Airport Grant		Toll collection right	Concession Rights	Total
			Upfront fee	Other Compensation			
At Cost							
At April 1, 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 (i) below)	-	-	-	-	(164,907)	-	(164,907)
At March 31, 2020	112,237	2,678	10,800	25,177	33,921	68,901	253,713
- Discontinuing operations	93,476	2,678	10,800	25,177	-	68,901	201,032
- Continuing operations	18,761	-	-	-	33,921	-	52,682
Additions/Adjustments	-	-	-	-	1,000	-	1,000
Termination of concession agreement	-	-	-	-	-	-	-
At March 31, 2021 (Continuing operations)	18,761	-	-	-	34,921	-	53,682

Notes to the consolidated financial statements

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

Description of Assets	Goodwill	Computer software	Airport Grant		Toll collection right	Concession Rights	Total
			Upfront fee	Other Compensation			
Amortization and impairment							
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
- Discontinuing operations	-	1,242	2,570	5,940	-	-	9,752
- Continuing operations	-	-	-	-	18,032	-	18,032
Amortisation/ Written off	3,619	-	-	-	5,164	-	8,783
Adjustments/ transfers during the year	-	-	-	-	-	-	-
At March 31, 2021 (Continuing operations)	3,619	-	-	-	23,196	-	26,815
Net Block							
At March 31, 2020	112,237	1,436	8,230	19,237	15,888	68,901	225,928
At March 31, 2021 (Continuing operations)	15,142	-	-	-	11,725	-	26,867

Net book value	At March 31, 2021 (Continuing operations)	March 31, 2020
Goodwill	15,142	112,237
Other intangible assets	11,725	274,637

Notes

(i) On June 25, 2019, GVK DKEPL has issued a termination notice under Article 37.2.2 of the Concession Agreement for termination on account of material breach and defaults on the part of National Highway Authority of India (NHAI) during the course of construction like providing Right of Way (ROW), shifting of utilities, obtaining approvals & clearances, alternate route & prevention of complete user fee collection etc., which has resulted in significant delays in construction of expressway. In response to the termination notice, GVK DKEPL 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. The Concession Agreement being the sole agreement executed by the Company, termination of the same has now resulted into liquidation basis of accounting which has been adopted in preparation of these financial statements of GVK DEPL. Under the liquidation basis of accounting, all assets and liabilities are measured at their net realisable value. As toll collection right has been taken over by NHAI from the Company, Company has impaired toll and premium assets against premium liability (not due) and claim receivable from NHAI.

An amount of Rs. 153,565 lakhs (Rs 164,907 Lakhs less Rs 11,343 Lakhs) consists of Rs 103,147 lakhs and Rs 50,417 Lakhs pertaining to Toll Collection Rights - Highway Projects and Toll Collection Rights - NHAI Premium respectively is no longer consider as toll collection rights.

An amount of Rs. 103,147 lakhs pertaining to Toll Collection Rights - Highway Projects is transferred to receivables from NHAI during the previous year and premium payable to NHAI has been netted off. However GVK DKEPL 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. Also refer note 53 (b)."

Notes to the consolidated financial statements

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

7. Non-current investments

	As at March 31, 2021	As at March 31, 2020
A. Unquoted, in fully paid securities (at cost)		
I. Investment in associate company		
GVK Coal Developers (Singapore) PTE Limited		
50,000 (March 31, 2020: 50,000) equity shares of USD 1 each fully paid-up	25	25
17,66,31,918 (March 31, 2020: 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	77,510
Investment in associate company	77,535	77,535
Less : Provision for impairment	(77,535)	(77,535)
	-	-
II. Investment in Joint venture		
(i) Mumbai Aviation Fuel Farm Facility Private Limited (MAFFFPL) #		
4,82,88,750 (March 31, 2020: 4,82,88,750) Equity shares of Rs. 10 each fully paid up	-	4,379
Add: Opening balance of accumulated profit	-	2,911
Add: Investment during the year	-	-
Add: Profit for the year	-	1,001
	-	8,291
(ii) Mumbai Airport Lounge Services Private Limited #		
88,97,980 (March 31, 2020: 88,97,980) equity shares of Rs. 10 each fully paid-up	-	2,232
Add: Opening balance of accumulated profit	-	2,192
Add: Profit for the year	-	979
	-	5,403
(iii) GVK Energy Limited (accounted under equity method)		
557,869,479 (March 31, 2020: 557,869,479) equity shares of Rs.10 each fully paid-up	114,014	114,014
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)
Add: Loss for the year	-	-
	-	-
A	-	13,694
B.Other #		
National Savings Certificate	-	6
B	-	6
	-	13,700
Aggregate market value of unquoted investments (A+B)	-	13,700

Assets classified as held for sale (Refer note 62)

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

	As at March 31, 2021	As at March 31, 2020
Deposits with Government, Public Bodies and Others	-	1,942
Receivable from GSRDC (Refer note 53)	58,541	58,541
Receivable From NHAI (Refer note 53)	42,442	42,442
Advance for investment [Refer note 62(VI)]	-	2,300
Security deposits	-	114
	100,983	105,339

Notes to the consolidated financial statements

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

9. Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
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
A	-	370
Deferred tax assets		
MAT Credit Entitlement	528	5,815
Indexation benefit on land	2,699	2,506
B	3,227	8,321
Deferred tax assets (net) (B-A)	3,227	7,951

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

	As at March 31, 2021	As at March 31, 2020
Capital advances	38,860	44,833
Balance with government authorities	28	28
Service tax paid under protest [refer note 45(B)(II)(iii)]	-	736
Customs duty paid under protest [refer note 45(B)(II)(viii)]	-	119
Other deposits	-	6,795
	38,888	52,511

11. Inventories

	As at March 31, 2021	As at March 31, 2020
Stores, spares and consumables (at lower of cost and net realisable value)	80	920
Total	80	920

12. Current investments

	As at March 31, 2021	As at March 31, 2020
Investment carried at fair value through profit and loss		
Investments in units of Mutual funds	2,125	2,230
Total	2,125	2,230

13. Trade receivables

	As at March 31, 2021	As at March 31, 2020
Trade receivable Considered good - Unsecured	186	16,507
Trade receivable Considered good - Secured	-	23,753
Trade receivables credit impaired	-	1,132
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables credit impaired	-	(1,132)
	186	40,260
Reconciliation of provision:		
Impairment allowance as at the beginning of the year	-	(504)
Changes in impairment allowance	-	(628)
Total	-	(1,132)

No trade receivables are due from directors or other officers of the company either severally or jointly with any other Person

Notes to the consolidated financial statements

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

14. Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balances with Banks		
- On current accounts	6,943	9,578
- On deposit accounts	-	9,766
Cash on hand	9	39
Cheques in hand	-	21
Total Cash and cash equivalents	6,952	19,404

15. Bank balances other than cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Deposits with maturity of more than 3 months but less than 12 months	5,456	6,591
Deposits held as margin money with maturity of more than 3 months but less than 12 months	44	5,792
	5,501	12,383

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.

16. Loans

	As at March 31, 2021	As at March 31, 2020
- Unsecured, considered good		
- Loans to related parties (Refer Note 63)	35,278	28,963
	35,278	28,963

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

	As at March 31, 2021	As at March 31, 2020
Unbilled revenue	-	175
Interest receivable	1,213	1,266
Advances	-	1,616
Receivable from GSRDC (Refer note 53)	-	363
Receivable From NHAI (Refer note 53)	-	45,721
Capital advances*	8,470	8,470
Security deposits	2	59
Development fee receivable		
- Billed and receivable from airlines (including interest accrued)	-	3,467
- Balance with banks under control of Airport Authority of India	-	4,582
Receivables on account of passenger service fee (security component), national aviation security fee trust, net	-	4,526
Guarantee Commission receivable	-	58
Others	33	17
	9,718	70,320

*GVKBEPL - Includes advances given to EPC contractor amounting to Rs. 8,470 lakhs net of retention money and payable against construction work (March 31, 2020 Rs. 8,470 lakhs) is 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 53.

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 amortised cost

	As at March 31, 2021	As at March 31, 2020
Non current investments	-	6
Loans	35,278	28,963
Trade receivables	186	40,260
Cash and cash equivalents	6,952	19,404
Other bank balances	5,501	12,383
Other financial assets	110,701	175,659
	158,618	276,675

Break up of financial assets carried at fair value through statement of profit and loss (P&L)

	As at March 31, 2021	As at March 31, 2020
Current investments	2,125	2,230
Total financial assets carried at fair value through P&L	2,125	2,255

18. Other current assets (Unsecured, considered good unless stated otherwise)

	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	452	3,089
Advances	605	1,882
Balances with government authority	361	671
Other advances (Including Rs. 5,269 lakhs(March 31,2020: Rs 5,269 Lakhs) bank guarantee encashed by JKPDD)	5,269	9,060
Advance Receivables in Cash or kind or for value to be received	-	14,010
	6,687	28,712

19. Equity share capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
2,500,000,000 (March 31, 2020: 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, 2020: 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, 2021		As at March 31, 2020	
	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. 1 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)

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	As at March 31, 2021		As at March 31, 2020	
	No.	% of holding	No.	% of holding
Vertex Projects LLP (Formerly Vertex Infratech Private Limited)	732,893,902	46.41%	732,893,902	46.41%

20. Non-current borrowings

	As at March 31, 2021	As at March 31, 2020
Secured:		
Debentures		
13,150 (March 31, 2020: 13,150) 18.1% Freely transferable, redeemable and non-convertible Debentures of Rs. 1,000,000 each*	-	131,500
5,217 (March 31, 2020: 5,217) 9% Compulsorily convertible preference shares of Rs. 10,000 each*	-	11,999
Term loans:		
From banks	153,638	707,182
From financial institutions	108,119	173,561
Funded Interest Term Loan (FITL)	-	4,822
Term loan on securitisation of Development fees		
Banks	-	102,921
Others	-	13,622
Funded Interest Term Loan (FITL)	-	1,008
Term loan on securitisation of Real Estate Deposit		
Banks	-	28,437
Funded Interest Term Loan (FITL)	-	289
Total	261,757	1,175,341
Less: Amount classified under Other current liabilities	(251,549)	(404,000)
	10,208	771,341

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
1. Parent Company (The Company)	-	-	-	898
2. GVK Jaipur Expressway Private Limited (GVK JEPL)	10,208	22,708	23,261	21,284
3. GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL)	-	-	51,799	51,799
4. GVK Deoli Kota Expressway Private Limited (GVK DKEPL)	-	-	68,370	87,063
5. GVK Ratle Hydro Electric Project Private Limited (GVK Ratle)	-	104,124	108,119	3,903
6. Mumbai International Airport Private Limited (MIAL)*	-	632,510	-	65,759
7. GVK Airport Developers Limited (GVK ADL) *	-	11,999	-	173,294
	10,208	771,341	251,549	404,000

Notes to the consolidated financial statements

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

1. Parent Company (The Company)	As at March 31, 2021	As at March 31, 2020
Term Loans from banks (secured)	-	898

Term loan aggregating Rs Nil (March 31, 2020: Rs. 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.

The Company has received the No Objection Certificate and all securities given are released by Axis Bank.

2. GVK Jaipur Expressway Private Limited (GJEPL)	As at March 31, 2021	As at March 31, 2020
Term Loans from banks	33,469	43,992

i. The Company has availed moratorium for principal and interest accrued and due from March 1, 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.

The company further availed moratorium for another three months i.e., June 2020, July 2020 & August 2020 as per the RBI circular RBI/2019-20/244 dated May 23, 2020.

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 the loan tenure.

ii. Current maturities of long-term borrowings have been disclosed as per the revised repayment schedule under the head Other current financial liabilities.

Summary of borrowing arrangements

i) Securitised Term Loans from Banks (Other than note ii given below)

1) Secured by

- second charge by way of mortgage of entire immovable properties of the Company, save and except Project Assets, both present and future;
 - second charge by way of hypothecation of entire movable properties of the Company, 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;
 - second charge on entire cashflows, receivables, book debts and revenues of the Company of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future;
 - second charge on entire intangible assets of the Company, including but not limited to goodwill and uncalled capital, both present and future;
 - Pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of the Company, subject to encumbrance created in favour of the existing Senior Lenders to the Project;
 - first charge on the Surplus Cashflows, Surplus Account and the Surplus Debt Service Reserve of the Company;
- Rate of Interest: Interest payable at the rate of 12.00% per annum and which is subject to reset once in every year.
 - Terms of Repayment: Repayable in 120 monthly instalments from November 2011.

ii) Term Loan from Axis Bank

1) Secured by

- second charge by way of mortgage of entire immovable properties of the Company, save and except Project Assets, both present and future;
- second charge by way of hypothecation of entire movable properties of the Company, 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
- second charge on entire cashflows, receivables, book debts and revenues of the Company of whatsoever nature and wherever arising, subject to the terms of the Concession Agreement and the Escrow Agreement, both present and future;
- second charge on entire intangible assets of the Company except project assets, including but not limited to goodwill and uncalled capital, both present and future;
- way of pledge of shares held by promoters in dematerialized form representing 51% of the total paid up equity share capital of the Company, subject to encumbrance created in favour of the existing Senior Lenders to the Project;
- 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.

Notes to the consolidated financial statements

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

- G) Corporate Guarantee of GVK Power & Infrastructure Limited 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.)
- 2) Rate of Interest: Interest payable at the rate of 11.45% per annum and which is subject to reset once in every year.
- 3) Terms of Repayment: Repayable in 20 quarterly instalments from June 2018.

3.GVK Bagodara Vasad Expressway Private Limited (GVKBVEPL)	As at March 31, 2021	As at March 31, 2020
Term Loans from banks	51,799	51,799
	51,799	51,799

All the accounts have become Non performing assets (NPA) as on date and GVK BVEPL received recall notices from the banks and financial institutions hence, borrowings from bank and financial institution transferred under current maturities of long term borrowings from previous year onwards.

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:

- 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.
- 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.
- 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.
- Assignment by way of security of the right, title, interests, benefits, claims and demands of GVKBVEPL 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.
- As per Common Loan Agreement the pledge of 51% of voting equity share capital of GVKBVEPL 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.
- 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.
- Term loans carries interest rate @ 11.75% p.a.
- 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 of 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.

4. GVK Deoli Kota Expressway Private Limited (GVKDKEPL)	As at March 31, 2021	As at March 31, 2020
Term Loans from banks *	57,136	73,013
Term Loans from financial institutions *	11,234	14,050
	68,370	87,063

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:

- 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.

Notes to the consolidated financial statements

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

- (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, 2021 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.

5. GVK Ratle Hydro Electric Project Private Limited (GVKRHEPPL)	As at March 31, 2021	As at March 31, 2020
Term Loans from financial institutions	108,119	108,027

Summary of borrowing arrangements & Terms of repayment

- i) 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).

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.

Notes to the consolidated financial statements

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

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, 2021	Year ended March 31, 2020
Current borrowings	88,373	145,632
Non-current borrowings	261,757	1,175,341
Cash and cash equivalents	(6,952)	(19,404)
Liquid investments	(2,125)	(2,230)
Total	341,053	1,299,339

Particulars	Current borrowing	Non-current borrowings	Cash	Liquid investments	Total
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
- Discontinuing operations	47,504	883,413	-	(139)	930,778
- Continuing operations	98,128	291,928	(19,404)	(2,091)	368,561
Cash flows	(9,755)	(30,171)	12,452	139	(27,335)
Fair value adjustment - non cash movement	-	-	-	(173)	(173)
Net debt as on March 31, 2021	88,373	261,757	(6,952)	(2,125)	341,053

21. Other non current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Resurfacing obligation	2,672	-
Unearned guarantee commission income on financial guarantees given to related parties	1,183	579
Security deposits	-	50,876
Annual Fee on lease income as per Ind AS 116 (Payable in future)	-	683
Soft Loan towards Pre-development works	-	48,499
Concession fees payable towards concessions rights	-	80,060
Reimbursement of pre-operative expenses	-	9,266
Retention money	-	690
	3,855	190,653

22. Long term provisions

	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	56	1,453
Total	56	1,453

23. Deferred tax liabilities (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities		
Accelerated depreciation for tax purposes	-	66,997
Discounting of Security Deposits	-	2,356
Lease Income as per Ind AS 116	-	617
A	-	69,970

Notes to the consolidated financial statements

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

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Gratuity and leave encashment	-	1,345
Provision for doubtful debts	-	395
Carried forward losses including current year	-	41,653
Others	-	921
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
B	-	56,180
Deferred tax liabilities (net) (A-B)	-	13,790

24. Other non current liabilities

	As at March 31, 2021	As at March 31, 2020
Deferred lease income pertaining to security deposits from concessionaires	-	61,751
Deferred Income pertaining to Airport assets (Government Grant) (Refer note "A" below)	-	87,229
Soft Loan towards Pre-development works (refer note "B" below)*	-	132,436
Reimbursement of pre-operative expenses (refer note "C" below)*	-	785
	-	282,201

* As per concession agreement (refer note 62).

A. Government Grant (Airport Development Fees)	As at March 31, 2021	As at March 31, 2020
Opening balance	-	91,360
Grants received during the year	-	34,375
Less: Released to statement of Profit and Loss	-	(19,658)
Closing Balance	-	106,077
Classified as:		
Current Portion	-	18,848
Non-current Portion	-	87,229
	-	106,077

B. Government Grant (Navi Mumbai Airport)	As at March 31, 2021	As at March 31, 2020
Opening balance	-	71,163
Grants received during the year	-	63,566
Less: Released to statement of Profit and Loss	-	(919)
Closing Balance	-	133,810
Classified as:		
Current Portion	-	1,374
Non-current Portion	-	132,436
Total	-	133,810

C. Reimbursement of pre-operative Expenses	As at March 31, 2021	As at March 31, 2020
Opening balance	-	2,596
Grants received during the year	-	-
Less: Released against interest	-	(862)
Closing Balance	-	1,734
Classified as:		
Current Portion	-	949
Non-current Portion	-	785
Total	-	1,734

Notes to the consolidated financial statements

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

25. Borrowings

	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
Rupee loan from banks	-	42,930
Cash credit facilities from banks repayable on demand	-	29,073
A	-	72,003
Unsecured - at amortised cost		
Loans and advances from related parties repayable on demand	83	219
250,000,000 (March 31, 2020: Nil) 0.01% Optionally Convertible Debentures of Rs 10 each	25,000	-
Loans from Others	63,290	73,410
B	88,373	73,629
A+B	88,373	145,632

Entity wise details of the borrowings are as follows:

Name of the entities	As at March 31, 2021	As at March 31, 2020
GVK Transport Private Limited (GVK TPL) #	63,313	73,064
GVK Perambalur SEZ Private Limited (GVKSEZ) #	-	365
GVK Developmental Projects Private Limited (GVKDPPL) #	60	-
Sutara Roads & Infra Limited (SRIL)	25,000	-
GVK Airport Developers Limited (GVK ADL) *	-	42,930
Mumbai International Airport Private Limited (MIAL) *	-	29,273
	88,373	145,632

The said loans are unsecured and are repayable on demand.

* Liabilities directly associated with Assets Classified as Held For Sale (Refer note 62)

GVK TPL

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Loans and advances from related parties repayable on demand	23	-
Loans from Others	63,290	73,045
	63,313	73,045

GVK SEZ

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Loans from Others	-	365
	-	365

Unsecured borrowings from others are interest free and repayable on demand.

GVKDPPL

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Loans and advances from related parties repayable on demand	60	-
	60	-

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)

SRIL

	As at March 31, 2021	As at March 31, 2020
250,000,000 (March 31, 2020: Nil) 0.01% Optionally Convertible Debentures of Rs 10 each	25,000	-

The unsecured OCDs shall be redeemed on certain specified events.

26. Trade Payables - Current

	As at March 31, 2021	As at March 31, 2020
Dues to micro enterprises and small enterprises	6	726
"Dues to creditors other than micro enterprises and small enterprises (Including payable to related parties is Rs 169 Lakhs (March 31, 2021: Rs 2,126 Lakhs)"	4,318	17,300
	4,324	18,026

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30 to 120 day terms.

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Based on the information available, the Group owes Rs. 6 lakhs (March 31, 2020: Rs. 726 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.

27. Other current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Current maturities of Long term borrowings	251,549	404,000
Interest accrued and due on borrowings	55,874	33,977
Interest accrued but not due on borrowings	685	24,103
Unearned guarantee commission income on financial guarantees given to related parties	1,582	2,186
Capital Creditors	85	23,699
Premium obligation/ Negative grant to NHAI	3,140	21,926
Retention money	1,177	1,014
Due to employees	315	564
Concession fee payable to CIDCO	-	500
Other financial liabilities (including bid security)	-	2,132
Security Deposit from concessionaires	-	50,883
Remuneration payable to directors	-	602
Others	9	65
	314,416	565,651

28. Short term provisions

	As at March 31, 2021	As at March 31, 2020
Provision for leave encashment	65	2,179
Provision for gratuity (refer note 38)	-	334
Others	5,107	16,750
	5,172	19,263

Notes to the consolidated financial statements

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

29. Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Toll fee received in advance	55	57
Statutory remittances	3,156	8,697
Other liabilities	274	1,956
Deferred lease income pertaining to security deposits from concessionaires	-	18,422
Deferred income pertaining to Airport assets (Government Grant)	-	18,848
Soft Loan towards Pre-development works	-	1,374
Reimbursement of pre-operative expenses	-	949
	3,485	50,303

30. Revenue from operations

	Year ended March 31, 2021	Year ended March 31, 2020
Income from toll operations	31,033	35,598
Manpower and consultancy services	-	103
	31,033	35,701

31. Other income (net)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on		
Bank deposits	286	600
Others	350	-
Financial assets	-	2,538
Guarantee commission	34	1,704
Liabilities no longer required, written back	1,229	2,074
Income from investments	173	103
Foreign Currency Fluctuation - Realised	-	39
Miscellaneous income (net)	144	143
	2,216	7,201

32. Employee Benefits Expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages, including bonus	855	1,420
Contribution to provident and other funds	36	49
Retirement and other employee benefit expense	18	20
Staff welfare expenses	13	19
	922	1,508

33. Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	30,392	38,227
Other finance charges	135	1,931
	30,527	40,158

34. Depreciation and amortisation expense

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	51	61
Amortization of intangible assets	5,164	5,913
	5,215	5,974

Notes to the consolidated financial statements

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

35. Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Operating and maintenance expenses	39	53
NHAI share of toll fee	461	2,086
Rent	57	54
Rates and taxes	100	45
Insurance	388	121
Resurfacing obligation*	2,672	2,802
Repairs and maintenance		
- Others	261	345
Power and fuel	278	318
Travel and conveyance	116	146
Communication	13	29
Printing and stationery	3	3
Legal and professional charges	965	928
Auditor's remuneration (refer note below)	57	25
Directors' sitting fee	4	10
Loss on disposal / write off of assets/ Investments written off	-	8,367
Provision for doubtful debts	963	1,098
Advances written off	9,400	-
Goodwill written off	3,619	-
Contract services	1,308	1,526
Miscellaneous expenses	148	245
Foreign Exchange Fluctuations (Net)	205	592
Expenditure towards Corporate Social Responsibility	241	7
Fair value loss on investments in preference shares	-	1,000
	21,663	20,119

Provision for the year ended 31 March 2020 represents the provision for 3rd Periodic wearing course overlay.

Provision for fourth Periodic wearing Course overlay:

As per clause no. 4.5.1 of the Maintenance section of the Schedule L Operation and Maintenance Requirements to the Concession Agreement entered into by GVK JEPL with National Highways Authority of India, GVK JEPL has to renew bituminous concrete coat of the Road ("Periodic wearing Course overlay") every 5 years or where the roughness value reaches 3500mm/km whichever is earlier. The next such wearing Course overlay is 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 2022-23, as required by Operation and Maintenance Requirements is estimated at Rs.10,053 lakhs which is provided in three equal yearly charge to the statement of Profit & Loss Account. The charge of the current year has been discounted to its present value of Rs 2,672 lakhs.

ii) Auditors' remuneration (net of GST & service tax) comprises of:

	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor:		
Audit Fee	21	22
Limited review	36	3
In other capacity:		
Other services	-	0
Total	57	25

iii) Details of Corporate Social Responsibility expenditure

	Year ended March 31, 2021	Year ended March 31, 2020
Gross amount required to be spent during the year	240	207
Amount spent during the year		

Notes to the consolidated financial statements

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

	Year ended March 31, 2021	Year ended March 31, 2020
- on purposes other than above		
Paid	241	7
Total	241	7

Gross amount required to be spent by the company during the year: Rs 240 Lakhs (March 31,2020: 207 Lakhs). Amount spent during the year amounting to Rs. 241 Lakhs. The Company is in the process of identifying the areas of activities/ projects for spending the CSR funds fully in coming years.

36. Taxes

(a) Income tax expense:

The major components of income tax expenses are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	4,916	5,076
Taxes of earlier years	(4,531)	2,362
Deferred tax	(16,279)	280
Total income tax expense recognised in statement of Profit & Loss	(15,894)	7,718

(b) Reconciliation of effective tax rate:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss before tax (A)	(109,595)	(146,754)
Existing tax rates in India (B)	26.70%	34.608%
Expected tax expenses (C = A*B)	(29,257)	(50,789)
Deferred tax asset not recognised on losses	29,941	30,190
Effect of non-deductible expenses	7,152	26,938
Effect of non-taxable incomes	(394)	(983)
Utilisation of brought forward losses	(737)	
Taxes of earlier years	(4,531)	2,362
Others	(756)	-
Net tax expense recognised in statement of Profit & Loss	(15,894)	7,718

37. 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 period.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period 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, 2021	Year ended March 31, 2020
Loss after tax considered for calculation of basic and diluted earnings per share		
Loss for the period from Continuing operations	(28,666)	(107,224)
Loss for the period from discontinuing operations	(47,761)	(42,119)
Weighted average number of equity shares considered for calculation of basic and diluted EPS	1,579,210,400	1,579,210,400
Earnings/(loss) per share		
- Basic and diluted		
- Continuing operations	(1.82)	(6.79)
- Discontinuing operations	(3.02)	(2.67)

Notes to the consolidated financial statements

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

38.Employee benefits

(a) Defined Contribution Plans

- Provident Fund/ Employees' Pension Fund
- Employees' State Insurance

The Group has recognised following amounts as Expense in the Statement of Profit and Loss :

	March 31, 2021	March 31, 2020
Included in Contribution to Provident and Other Funds		
Employer's Contribution to Provident Fund*	36	877
Employees' State Insurance	-	16
Employer's Contribution to labour welfare fund		0

(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, 2021	March 31, 2020
I Change in present value of defined benefit obligation during the year		
1. Present Value of defined benefit obligation at the beginning of the year	129	1,816
2. Interest cost	9	105
3. Current service cost	9	166
4. Past service cost	-	-
5. Liability Transferred out / Divestment	-	-
4. Benefits paid directly by employer	-	(219)
5. Benefits paid	-	(17)
6. Actuarial changes arising from changes in demographic assumptions	-	-
7. Actuarial changes arising from changes in financial assumptions	2	-29
8. Actuarial changes arising from changes in experience adjustments	(8)	55
Present Value of defined benefit obligation at the end of the year	141	1,877
II.Changes in fair value of plan assets	March 31, 2021	March 31, 2020
Opening fair value of plan assets	105	118
Expected return	-	-
Return on plan assets, excluding amounts included in interest expense/(income)	7	8
Benefits paid	-	(17)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	112	109
III Net (asset) / liability recognised in the balance sheet	March 31, 2021	March 31, 2020
1. Present Value of defined benefit obligation at the end of the year	141	1,877
2. Fair value of Plan Assets	112	109
Unrecognised excess of plan assets over liability	(27)	-19
3. Net (liability)/ asset- recognised in the balance sheet	56	1,787
Recognised under:		
Current (refer note 28)	-	334
Non-Current (refer note 22)	56	1,453

Notes to the consolidated financial statements

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

IV Expenses recognised in the statement of profit and loss for the year	March 31, 2021	March 31, 2020
1. Current service cost	9	166
2. Interest cost on benefit obligation (Net)	9	105
3. Return on plan assets	(7)	(8)
Total expenses included in employee benefits expense	11	263
V Recognised in other comprehensive income for the year	March 31, 2021	March 31, 2020
1. Actuarial changes arising from changes in financial assumptions	(9)	(20)
2. Actuarial changes arising from changes in experience adjustments	-	46
Recognised in other comprehensive income	(9)	26
VI Maturity profile of defined benefit obligation	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	67	390
Between 2 and 5 years	62	856
Between 6 and 10 years	55	662
Beyond 10 years	-	880

The weighted average duration to the payment of these cash flows is 5.25 years (March 31, 2020: 5.25 years).

VII Quantitative sensitivity analysis for significant assumption is as below:

Gratuity	March 31, 2021	March 31, 2020
(a) Effect of 0.5% to 1% change in assumed discount rate		
- increase	-4	(52)
- decrease	5	55
(b) Effect of 0.5% to 1% change in assumed salary escalation rate		
- increase	4	53
- decrease	-4	(51)
VIII Actuarial assumptions		
1. Discount rate	6% to 7%	6% to 7.6%
2. Salary escalation	0% to 6%	0% to 8%
3. Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

Notes :

- (i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021. 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.
- (ii) 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.
- (iii) 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.

39. 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

Notes to the consolidated financial statements

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

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 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 41 and 42. 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) 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.

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.

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.

iv) 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 38.

v) 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

Notes to the consolidated financial statements

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

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 50, 51, 53 and 55 regarding assessment on carrying values of certain assets.

vi) 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.

vii) 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.

viii) 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.

ix) 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.

x) Also refer note 57 on significant judgement on going concern ability of the Group.

40. 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, 2021

Particulars	Power	Roads	Others	Unallocated	Total segments	Eliminations	Consolidated
Revenue							
External customers	-	31,033	(0)	-	31,033	-	31,033
Inter Segment	-	12	2,075	-	2,087	(2,087)	-
Net sales / income from Continuing operations	-	31,045	2,075	-	33,120	(2,087)	31,033
Net sales / income from Discontinuing operations					160,262	(42)	160,220
Income/(expenses)							
Depreciation and amortization	6	5,185	24	-	5,215	-	5,215
Share of profit of an associate and a joint venture							

Notes to the consolidated financial statements

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

Particulars	Power	Roads	Others	Unallocated	Total segments	Eliminations	Consolidated
Loss before tax Continuing operations	(5,082)	18,252	(6,316)	(31,932)	(25,078)	-	(25,078)
Loss before tax Discontinuing operations					-84,517	-	(84,517)
Segment Assets	101,602	121,962	47,538	45,966	317,068	-	317,068
Assets classified as held for Sale					1,681,035	-	1,681,035
Segment Liabilities	123,992	299,846	2,207	5,014	431,059	-	431,059
Liabilities directly associated with Assets Classified as Held For Sale					1,673,898	-	1,673,898
Other Disclosures							
Capital Expenditure Continuing operations	-	3	3	-	6	-	6

Year ended March 31, 2020

Particulars	Power	Roads	Others	Unallocated	Total segments	Eliminations	Consolidated
Revenue							
External customers	-	35,609	92	-	35,701	-	35,701
Inter Segment	-	-	2,320	-	2,320	(2,320)	-
Net sales / income from Continuing operations	-	35,609	2,412	-	38,021	(2,320)	35,701
Net sales / income from Discontinuing operations					348,986	-	348,986
Income/(expenses)							
Depreciation and amortization	3	5,945	26	-	5,974	-	5,974
Share of profit of an associate and a joint venture	-	-	-	-	-	-	-
Loss before tax Continuing operations	(131)	20,442	(12,210)	(110,493)	(102,392)	-	(102,392)
Loss before tax Discontinuing operations					(44,362)	-	(44,362)
Segment Assets	107,344	179,750	16,339	61,278	364,711	-	364,711
Assets classified as held for Sale					1,686,680	-	1,686,680
Segment Liabilities	114,057	338,946	10,869	(15,195)	448,677	-	448,677
Liabilities directly associated with Assets Classified as Held For Sale					1,616,084	-	1,616,084
Other Disclosures							
Capital Expenditure Continuing operations	-	5	-	-	5	-	5
- Discontinuing operations							
Investment in associate and a joint venture	-	-	-	-	13,694	-	13,694
Capital Expenditure	-	-	-	-	179,105	-	179,105

Particulars	March 31, 2021			March 31, 2020		
	Outside India	Within India	Total	Outside India	Within India	Total
Revenue	-	31,033	31,033	84	35,617	35,701
Non-current operating assets	-	134,654	134,654	2	1,689,005	1,689,007

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress and others.

Notes to the consolidated financial statements

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

41. Contingent Liabilities

A) Parent Company

1. Direct and Indirect Taxes

	March 31, 2021	March 31, 2020
Claims not acknowledged as debts by the company		
Income tax	200	200
Service tax	1,396	1,620

2. Security against loan taken by others

- (i) The Company has provided security by way of pledge of 225,843,130 (March 31, 2020: 230,960,770) shares of GVK Energy Limited for loans taken by the aforesaid joint venture entity.
- (ii) The Company has provided security by way of corporate guarantees amounting to Rs. 287,333 lakhs (March 31, 2020: Rs. 303,280 lakhs) to subsidiaries and joint ventures and Rs. 405,303 lakhs to the lenders of GVK Coal Developers (Singapore) Pte Ltd, an associate (March 31, 2020: Rs. 417,096 lakhs) for various fund and nonfund based facility availed by them. Also refer note iii below
- iii) GVK Coal Developers (Singapore) Pte Ltd lenders (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 (a.) until 29 March 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. In the Defence, 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.
 - 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 above associate, joint venture and subsidiaries 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 50 of the financial statements.

B) Subsidiary companies

i. GVKJEPL

	March 31, 2021	March 31, 2020
Disputed income tax demands*	16,518	11,820

* Amount paid /adjusted under protest Rs.68,72,76,090/- during the year ended March 31, 2021 & Rs 68,72,76,090/- during the year ended March 31, 2020

ii. GVKBEPL

	March 31, 2021	March 31, 2020
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

Notes to the consolidated financial statements

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

iii. GVKDEPL

On April 22, 2019 the company 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 the company has made and in turn raised demand on the company to the tune of Rs. 8209 lakhs towards damages and penalties. The company has denied all the claims through its several letters as and when the claims were raised by NHAI.

The Company has currently recognised total amount receivable of Rs.88163 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. The NHAI has paid a Gross total of Rs 49767 lakhs (Net 24977 lakhs after deduction of Income Tax TDS Rs 1303 lakhs, GST TDS Rs 995 lakhs, Premium and Rs 16917 lakhs, Interest on Premium Rs 5141 lakhs, TCS Rs 338 lakhs and Interest on TCS Rs 97 lakhs) during the year towards our Termination claim of Rs 169650 lakhs of Termination of the contract with NHAI. Meanwhile the company has also filed Rejoinder and for termination payment for which next meeting is fixed on October 05, 2021. Also refer note 53.

iv. GVKSEPL

	March 31, 2021	March 31, 2020
Bank guarantee given to NHAI	2,815	2,815

The above Performance Bank Guarantee is provided in pursuance to concession agreement in favour of National Highway Authority of India (NHAI) with validity up to 06-08-2022 for Rs 2,815 lakhs. As per the settlement agreement dated September 16, 2021, NHAI released Performance Bank Guarantee.

v. GVKTPL

	March 31, 2021	March 31, 2020
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.

C) Joint Ventures (to the extent of shareholding therein)

a) GVKIL

	March 31, 2021	March 31, 2020
Service tax reimbursable to the parent Company pending in appeals	285	285
Income tax demands pending in appeals*	4,652	4,661
Claims not acknowledged as debts- electricity duty*	255	255
Towards difference in import of energy charges*	208	249
Lease rentals for Phase-II land and for common utility services	875	-

* 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 Centre ("APSLDC") had filed petitions before the Andhra Pradesh Electricity Regulatory Commission ("APERC") for appointment of adjudicating officer for assessment of charges of INR 1,320 Lakhs (March 31, 2020: INR 1,320 Lakhs) to be levied for non-adherence to backing down instructions by GVK Power & Infrastructure Limited, Operator of the power plant of the Company. APERC has appointed adjudicating officer to conduct an enquiry into the matter.

ii). Claim towards Ship-or-Pay Charges which was recovered by GAIL (India) Limited was debited to statement of Profit & Loss in the previous years. The company had filed appeal against this wrong recovery by GAIL (India) Limited. Appeal is pending before Petroleum and Natural Gas Regulatory Board ("PNGRB").

b) AHPCL

	March 31, 2021	March 31, 2020
Disputed income tax demands	57	57
Claims not acknowledged as debts	8,704	11,242

i. Claims not acknowledged as debts includes, demand notices for Rs. 8,123 lakhs served by the Uttarakhand Jal Vidyut Nigam

Notes to the consolidated financial statements

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

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.

ii. Person named Pawan Kumar filed a case against the company demanding death Compensation of Rs.10 lakhs U/s 33 of ID Act on 22.11.2016.

Management based on its internal assessment and/or legal advice is confident that the matter will be decided in the AHPCL's favour.

iii. BHEL filed a case with NCLT against company demanding their outstanding of Rs.3,364 lacs plus interest for the delayed payments of Rs.1,880 lacs totalling to Rs.5,244 lacs. The company has paid entire outstanding dues and requested BHEL to waive the interest demand and withdraw the case.

c) GVKPGSL

	March 31, 2021	March 31, 2020
Claims against the Company not acknowledged as debts*	2,711	2,711
On account of Interest to banks	2,980	1,595

* 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 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.

Notes to the consolidated financial statements

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

d) GVKGPL

	March 31, 2021	March 31, 2020
Service tax demand on operator of the power plant*	269	269
Price difference in Import of energy charges*	330	225
Claims against the company not acknowledged as debts*	-	93
Disputed interest	114	-
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 (March 31, 2020: Rs.350 lakhs) and company has got a show cause notice pending in call book of service tax authorities of Rs 384 (March 31, 2020: 384 lakhs).
- Refer note 53 for details of claims in respect of toll road project being executed by GVK BVEPL.
- Refer note 53 for details of claims in respect of toll road project being executed by GVK DKEPL.

42. Capital Commitments

A) Parent Company

Other Commitments

- a) The company has given undertaking to infuse equity aggregating to Rs. 421,846 lakhs (March 31, 2020: Rs. 434,120 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, 2020: 155,587,500), 22,495,000 (March 31, 2020: 22,495,000) and 48,000,000 (March 31, 2020: 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. .

B) Joint Ventures (to the extent of shareholding therein)

As at March 31, 2021 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is Rs. 236 (March 31, 2020: Rs. 237).

43. 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, 2021 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets					
At fair value through profit and loss (As per quoted market price)					
Current investments	1	2,125	2,230	2,125	2,230
		2,125	2,230	2,125	2,230
At amortised cost					
Non current investment	3	-	6	-	6

Notes to the consolidated financial statements

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

	Level	Carrying Values		Fair Values	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Loans	3	35,278	28,963	35,278	28,963
Trade receivables	3	186	40,260	186	40,260
Cash and cash equivalents	3	6,952	19,404	6,952	19,404
Other bank balances	3	5,501	12,383	5,501	12,383
Other financial assets	3	110,701	179,621	110,701	179,621
		158,618	280,637	158,618	280,637
Financial liabilities					
At amortised cost					
Floating rate Borrowings (including current maturities)	3	350,130	916,973	350,130	916,973
Security deposits	3	-	101,759	-	101,759
Other financial liabilities	3	63,957	655,304	63,957	655,304
Trade payables	3	4,324	18,026	4,324	18,026
		418,411	1,692,062	418,411	1,692,062

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.

44.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, 2021	March 31, 2020
GVK Developmental Projects Private Limited (GVKDPPL)	Subsidiary	India	100%	100%
GVK Ratle Hydro Electric Project Private Limited (GVK Ratle)	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 (GVKDKEPL)	Subsidiary	India	100%	100%
GVK Bagodara Vasad Expressway Private Limited (GVKBVEPL)	Subsidiary	India	100%	100%
GVK Shivpuri Dewas Expressway Private Limited (GVKSDEPL)	Subsidiary	India	100%	100%
GVK Airport International Pte limited (GVKAIPL)	Subsidiary	Singapore	100%	100%
PT GVK Indonesia (PTGVKS)	Subsidiary	Indonesia	97%	97%
GVK Energy Limited (GVKEL)	JCE	India	62.80%	62.80%
GVK Industries Limited (GVKIL)	JCE	India	62.80%	62.80%

Notes to the consolidated financial statements

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

Name	Nature of interest	Country of incorporation	% effective equity interest	
			March 31, 2021	March 31, 2020
GVK Gautami Power Limited (GVKGPL)	JCE	India	39.94%	39.94%
Alaknanda Hydro Power Company Limited (AHPCL)	JCE	India	62.80%	62.80%
GVK Power (Goindwal Sahib) Limited (GVKPGSL)	JCE	India	62.80%	62.80%
GVK Coal (Tokisud) Company Private Limited (GVKCCPL)	JCE	India	62.80%	62.80%
GVK Power (Khadur Sahib) Private Limited (GVKPKSPL)	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 Private Limited (MIAL) #	Subsidiary	India	50.5%	50.5%
Navi Mumbai International Airport Private Limited (NMIAL) #	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 (MALSPL) #	JCE	India	13.13%	13.13%
Bangalore Airport & Infrastructure Developers Limited (BAIDL) #	Subsidiary	India	100%	100%
GVK Coal Developers (Singapore) Pte. Ltd	Associate	Singapore	10%	10%

*JCE refers to Jointly controlled entity

Classified as held for Sale

44.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 % 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, 2021	-76%	81,064	27%	(20,624)	0%	-	27%	(20,624)
Balance as at March 31, 2020	-761%	101,688	55%	(82,815)	0%	-	55%	(82,815)
Subsidiaries incorporated in India								
GVK Airport Developers Limited								
Balance as at March 31, 2020	1834%	(245,162)	35%	(52,632)	0%	-	35%	(52,632)
GVK Airport Holdings Limited								
Balance as at March 31, 2020	-170%	22,707	0%	(27)	0%	-	0%	(27)
Balance as at March 31, 2020	-62%	8,291	-1%	1,001	0%	-	-1%	1,001
Mumbai Airport Lounge Services Private Limited								
Balance as at March 31, 2020	-40%	5,403	-1%	979	0%	-	-1%	979
Mumbai International Airport Private Limited**								
Balance as at March 31, 2020	-1703%	227,659	7%	(10,251)	6%	(5)	7%	(10,256)
Bangalore Airport and Infrastructure Developers Limited								
Balance as at March 31, 2020	-878%	117,414	0%	(334)	0%	-	0%	(334)
GVK Airport Services Private Limited								
Balance as at March 31, 2021	0%	91	0%	1	0%	-	0%	1
Balance as at March 31, 2020	-1%	91	0%	(6)	0%	-	0%	(6)
GVK Transportation Private Limited								
Balance as at March 31, 2021	2%	(2,286)	0%	(23)	0%	-	0%	(23)
Balance as at March 31, 2020	151%	(20,208)	0%	24	0%	-	0%	24
GVK Jaipur Expressway Private Limited								
Balance as at March 31, 2021	-81%	86,132	-13%	9,971	5%	9	-13%	9,979
Balance as at March 31, 2020	-570%	76,153	-6%	8,324	10%	(8)	-6%	8,317

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
Sutara Roads and Infra Limited								
Balance as at March 31, 2021	0%	(3)	0%	(8)	0%	-	0%	(8)
Balance as at March 31, 2020	-723%	96,677	0%	1	0%	-	0%	1
GVK Deoli Kota Expressway Private Limited								
Balance as at March 31, 2021	33%	(35,429)	11%	(8,764)	0%	-	11%	(8,764)
Balance as at March 31, 2020	200%	(26,708)	10%	(14,204)	0%	-	10%	(14,204)
GVK Shivpuri Dewas Expressway Private Limited								
Balance as at March 31, 2021	0%	(4)	0%	(72)	0%	-	0%	(72)
Balance as at March 31, 2020	0%	(4)	0%	(82)	0%	-	0%	(82)
GVK Bagodara Vasad Expressway Private Limited								
Balance as at March 31, 2021	10%	(10,233)	8%	(6,308)	0%	-	8%	(6,308)
Balance as at March 31, 2020	31%	(4,126)	3%	(4,166)	0%	-	3%	(4,166)
GVK Developmental Projects Private Limited								
Balance as at March 31, 2021	-104%	110,607	0%	(23)	0%	-	0%	(23)
Balance as at March 31, 2020	-721%	96,341	0%	(8)	0%	-	0%	(8)
GVK Ratle Hydro Electric Project Private Limited								
Balance as at March 31, 2021	21%	(22,391)	21%	(15,678)	0%	-	21%	(15,678)
Balance as at March 31, 2020	50%	(6,713)	7%	(10,767)	0%	-	7%	(10,767)
GVK Perambalur SEZ Private Limited								
Balance as at March 31, 2021	-2%	2,607	0%	175	0%	-	0%	175
Balance as at March 31, 2020	-18%	2,432	0%	162	0%	-	0%	162
GVK Employee Welfare Trust								
Balance as at March 31, 2021	0%	2	0%	-	0%	-	0%	-
Balance as at March 31, 2020	0%	2	0%	-	0%	-	0%	-
Subsidiaries incorporated outside India								
GVK Airport International Pte. Ltd.								
Balance as at March 31, 2021	0%	348	0%	(192)	3%	5	0%	(187)
Balance as at March 31, 2020	0%	(5)	0%	(7)	0%	-	0%	(7)
PT GVK Services, Indonesia								
Balance as at March 31, 2021	1%	(1,414)	2%	(1,601)	58%	95	2%	(1,506)
Balance as at March 31, 2020	-60%	8,038	0%	(430)	0%	-	0%	(430)
Non Controlling Interests in all subsidiaries								
Balance as at March 31, 2021	-224%	239,136	23%	(17,274)	-32%	(53)	23%	(17,327)
Balance as at March 31, 2020	-1917%	256,357	3%	(5,129)	0%	-	3%	(5,129)
Investment as per equity method								
Associates incorporated outside India								
GVK Coal Developers (Singapore) Pte Limited								
Balance as at March 31, 2021	0%	-	0%	-	0%	-	0%	-
Balance as at March 31, 2020	0%	-	0%	-	0%	-	0%	-
Jointly controlled entities incorporated in India								
GVK Energy Limited**								
Balance as at March 31, 2021	0%	-	0%	-	0%	-	0%	-
Balance as at March 31, 2020	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
Mumbai Airport Lounge Services Private Limited								
Balance as at March 31, 2020	-40%	5,403	-1%	979	0%	-	-1%	979
Asset Held for Sale Loss for the period from discontinuing operations								
Balance as at March 31, 2021	-53%	7,137	75%	(111,518)	-70%	55	75%	(111,463)
Consolidation adjustments								
Balance as at March 31, 2021	79%	(83,946)	-80%	60,963	-32%	(53)	(0)	FALSE
Balance as at March 31, 2020	5458%	(729,694)	-14%	21,022	84%	(66)	-14%	20,956

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
Total								
Balance as at March 31, 2021	100%	106,854	100%	(76,427)	100%	164	100%	(76,263)
Balance as at March 31, 2020	100%	(13,370)	100%	149,343	100%	(79)	100%	(149,422)

*Net assets means total assets minus total liabilities excluding minority and equity.

**Includes net assets and losses of its subsidiaries and joint venture.

45. Interest in joint venture

i. 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, 2021	March 31, 2020
Current assets including cash and cash equivalents	110,687	140,777
Non-current assets	811,988	858,863
Current liabilities	(844,958)	(829,465)
Non-current liabilities	(362,715)	(373,646)
Total Equity	(284,998)	(203,471)
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, 2021	March 31, 2020
Revenue	181,377	191,685
Other income	2,201	2,815
Employee benefit expense	(2,912)	(3,295)
Cost of materials consumed	(49,431)	(54,896)
Finance cost	(151,850)	(147,618)
Depreciation & amortization	(48,846)	(48,634)
Other expense	(28,166)	(23,968)
Loss before tax	(97,627)	(83,911)
Exceptional Items	14,428	1,345
Share of loss from joint venture of GVKEL	(164)	473
Income tax expense	1,795	(253)
Loss for the year	(81,568)	(82,346)
Other Comprehensive Income	40	41
Total comprehensive income for the year	(81,528)	(82,305)
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. 172,045 lakhs (March 31, 2020: 120,846 lakhs)

Refer note 41 and 42 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.

Notes to the consolidated financial statements

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

46. 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, 2021	March 31, 2020
Current assets including cash and cash equivalents	12,271	8,503
Non-current assets	1,253,846	1,103,433
Current liabilities	(1,782,066)	(1,665,103)
Non-current liabilities	(366,225)	(311,868)
Equity	(882,173)	(865,034)
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.

Summarised statement of Profit and Loss of GVK CDSL

	March 31, 2021	March 31, 2020
Other income	39,758	17,084
Finance costs	(86,504)	(110,843)
Depreciation and amortisation expense	(0)	(0)
Other expenses	(8,531)	(11,505)
Profit before income tax	(55,277)	(105,264)
Income tax expense	-	-
Profit for the year	(55,277)	(105,264)
Other comprehensive income for the year, net of income tax	65,401	(78,375)
Total comprehensive income for the year	10,124	(183,639)
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. 77,550 lakhs (March 31, 2020: Rs. 78,563 lakhs).

47. 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.

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, 2021 and March 31, 2020.

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, 2021 and March 31, 2020.

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.

Notes to the consolidated financial statements

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

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, 2021	March 31, 2020
Change in interest rate		
-increase by 50 basis points	(1,117)	(4,647)
-decrease by 50 basis points	1,117	4,647

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, 2021	March 31, 2020
Change in USD		
- 5% increase	33	91
- 5% decrease	(33)	(91)
Change in SGD		
- 5% increase	-	(13)
- 5% decrease	-	13

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.

Particulars	Increase/(decrease) in profit before tax	
	March 31, 2021	March 31, 2020
Change in price		
- 5% increase	106	112
- 5% decrease	(106)	(112)

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.

Notes to the consolidated financial statements

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

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, 2021				
Borrowings	251,549	88,373	10,208	350,130
Other financial liabilities	55,874	5,411	2,672	63,957
Trade payables	6	4,318	-	4,324
	307,429	98,102	12,880	418,411
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
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

Notes to the consolidated financial statements

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

48. 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, 2021	March 31, 2020
Borrowings including interest accrued on borrowings	406,689	1,379,053
Trade payables	4,324	18,026
Other liabilities	10,883	630,497
Less: Cash and cash equivalents (Note 14)	(6,952)	(19,404)
Less: Bank balances other than cash and cash equivalents	(5,501)	(12,383)
Net debt	409,443	1,995,789
Equity	15,792	15,792
Other Equity	(361,782)	(285,519)
Non controlling interest	239,136	256,357
Total Equity	(106,854)	(13,370)
Gearing ratio (Net Debt/ Total Equity)	(3.83)	(149.27)

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:

Year ended March 31, 2021

GVKPIL

Particulars		Year ended March 31, 2021	Delay in days
Principal payment on loans from bank	Paid	898	> 365
Interest on loans from bank	Paid	1,963	> 365

Year ended March 31, 2020

GVKPIL

Particulars		Year ended March 31, 2020	Delay in days
Principal payment on loans from banks	Paid	3,000	> 365
Principal payment on loans from banks	Unpaid	898	> 365
Interest on loans from banks unpaid	Unpaid	3,185	1 - 730

49. 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

Notes to the consolidated financial statements

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

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.

On June 25, 2019, GVK DKEPL has issued a Termination Notice under Article 37.2.2 of the Concession Agreement for the termination on account of material breach and defaults on the part of NHAI during the course of construction like providing Right of Way, 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.

During the year, GVK DKEPL has recorded Nil revenue (March 31, 2020: Rs. 2,376 lakhs) , GVK DKEPL has recorded loss of Rs. 8,764 lakhs (March 31, 2020: Rs. 14,204 lakhs) .

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 53.

(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.

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 53.

Notes to the consolidated financial statements

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

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

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. 3,253 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 outcome. As per management, there has been no indication from NHAI to challenge the arbitration outcome, and the total amount is expected to be received and the GVKJEPL is continuously following up with NHAI. GVKJEPL will recognise the revenue for the same once the time period available with NHAI to challenge the outcome of the arbitration in high court in over

50The Group has an investment in GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) which is assessed as an associate to the parent Company. The parent Company exercises significant influence on GVK Coal as per Ind AS 28.

The Group has provided for impairment of full value of its investment and receivable aggregating to Rs 414 Lakhs & Rs. 78,634 lakhs (Investment of Rs 77,535 Lakhs & receivables of Rs 1,098 Lakhs) during the year ended March 31, 2021 & March 31, 2020 respectively in the absence of any certainty of realization either by use or from the settlement that may be reached.

The Group has also given guarantees and commitments for loans amounting Rs. 827,149 lakhs (March 31, 2020: Rs. 851,216 lakhs) taken by GVK Coal as at March 31, 2021 part of which is collateralized by the pledge of 37% shares of GVK Airport Holdings Limited a wholly owned subsidiary of the parent Company, and has also undertaken to provide financial assistance of USD 3.11 million (Rs. 2,272 lakhs) as at March 31, 2021, an entity whose current liabilities exceeds current assets by USD 2,423 million (Rs. 1,769,795 lakhs) as at March 31, 2021, and based on the unaudited financial statements of GVK Coal is witnessing material uncertainties. The prices of the coal have fallen since GVK coal had acquired a stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared

Notes to the consolidated financial statements

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

to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal and also necessary environmental and regulatory clearances. There are also uncertainties arising from COVID. Further, all the lenders of GVK Coal have classified the loan as non-performing and the lenders had an option to curtail the rights of the parent company on various assets either on October 2015 or every year thereafter.

The lenders have since filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal. Under the interim solution undertaken by the lenders dated March 23, 2017, the lenders cannot enforce such obligation until March 29, 2022. The respective arguments of the lenders and the parent Company were filed with the court and an order has been pronounced which entails start of the trial on June 13, 2022.

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

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

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

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

GVKEL is confident that the Government of India will take necessary steps/initiatives to improve the situation of natural gas. However, in the interim, these group companies are working with the lenders for a one time settlement proposal wherein the loans would be settled at the value of the plant to be realized on its sale to APDISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that these group companies continue to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one time settlement proposal. GVKEL has given corporate guarantee for the loan taken by GVKGPL. GVKEL based on the valuation performed for these entities, has made a provision for diminution for full value of investments to the extent of Rs. 64,295 lakhs in its standalone financial statements during the FY ended March 31, 2020.

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

b) The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary of GVKEL and mine operator for coal mine allotted to GVKPGSL, was offered of a compensation by the Nominated Authority of Rs. 11,129 Lakhs as against carrying value of assets of Rs. 31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09,2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. Nominated authority further approved

Notes to the consolidated financial statements

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

Rs 13,827 Lakhs against the claim recently and GVKCTPL has appealed against the same for the differential amount. GVK Energy has written off its investment in GVKCTPL amounting to Rs. 10,986 lakhs during the year ended March, 2018. GVK Energy has also given corporate guarantee for the loan taken by GVKCTPL. Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mines and accordingly no provision is required towards corporate guarantee given by GVKEL to GVKCTPL.

c) Uncertainty is being faced by coal based Thermal Power plant with carrying value of assets aggregating to Rs. 380,291 lakhs (March 31, 2020: Rs. 415,025 lakhs) of GVK Power (Goindwal Sahib) Limited ('GVKPGSL'), subsidiary company of GVKEL, due to uncertainty in supply of fuel consequent to the Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVKPGSL. Management had filed petition with Punjab State Electricity Regulatory Commission (PSERC) for re-negotiation of terms of power purchase agreement claiming force majeure and change in law as envisaged under Power Purchase Agreement. It had also applied for the approval of completed capital cost and determination of final tariff for the Project. The subsidiary company GVKPGSL was allotted 1.7 million tons of coal from M/s Central Coal Fields Limited (CCL) under Scheme for Harnessing Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI). It entered into an agreement with CCL on 16th February, 2018.

PSERC had approved the capital cost of Rs 3,05,837 Lakhs on January 17, 20220 against the claim of Rs 4,49,106 Lakhs. PSERC has also not allowed complete pass through of cost on account of fuel. Aggrieved with the above order, the company has preferred an appeal against the said order before Appellate Tribunal for Electricity (APTEL).

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

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

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

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

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

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

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

As at March 31, 2021, the Group had accumulated losses and the Group has incurred losses during the previous year and the current year. The Group's current liabilities are in excess of current assets. The Group has delayed payment of loans and interest and certain loan accounts of the Group have been classified as non-performing by the lenders. GVK Power & Infrastructure Limited has provided corporate guarantee for the loans taken by GVKEL and has given sponsor undertaking for the loans taken by GVKPGSL. Further, as detailed in Note 51 above, uncertainties are being faced by various projects in the Group such as losses incurred by power plants, re-negotiation of terms of power purchase agreement of coal based plant, approval of resolution plan, one time settlement proposal, litigations with respect to tariff, etc. Notwithstanding the above, the financial statements of the Group have been prepared on going concern basis as, management believes that the Group would be able to establish profitable operations and meet its commitments. Further, management is confident that aforesaid entities would win litigations, obtain approval of regulators, obtain requisite fuel allocation etc. as required and would establish profitable operations.

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

Notes to the consolidated financial statements

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

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

GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL) step subsidiary of the Company has spent an amount of Rs 67,374 lakhs till March 31, 2021, comprising Rs 58,904 lakhs towards project expenditure and Rs. 8,470 lakhs net towards advances to contractor. (March 31, 2020: Rs 67,374 lakhs) on various works under this Concessionaire Agreement. During the course of construction, there has been significant delays in fulfilling the obligations from GSRDC like providing Land required for construction, right of way, shifting of utilities etc., which has resulted in significant delays in construction also. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to which notice, GVK BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement process will be as per the Concession Agreement.

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

GVK BVEPL is closely working with the lenders by explaining to them the intricacies of the project and outlining support required to give effect to the process of arbitration. Tribunal heard arguments of both sides in respect of Application dated 23-09-2021 for production of additional documents, the hearing was concluded and orders in the said application are reserved.

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

Based on its internal assessment/legal advice, GVK BVEPL is confident that it will be able to recover the amounts spent on the project till date and is also confident that claims made by GSRDC will be struck down and accordingly management believes that it is appropriate to recognize total assets aggregating to Rs. 67,026 lakhs; comprising Rs.67,023 lakh as Other Non-Current financial assets and Rs.3 lakh as Property Plant & Equipment on March 31,2021 (March 31, 2020 Rs. 67,011 lakhs) at carrying value in the financial statements and no provision for diminution is necessary.

b) GVK Deolikota Expressway Private Limited (GVK DKEPL)

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

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

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defence. GVK DKEPL is also taking other necessary legal remedies in this regard and the Arbitration tribunal is yet to decide the date for hearing on these claims.

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

Notes to the consolidated financial statements

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

calculated by NHAI. Meanwhile the company has also filed Rejoinder and partly arguments were heard on on various dated and next hearing is fixed on December 31, 2021.

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

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

GVK DKEPL based on its internal assessment/ legal advice is confident that it will be able to recover the balance amount spent on the project till date including its various claims and accordingly the management believes that it is appropriate to recognise total assets aggregating to Rs.51,777 lakh; comprising Rs.45,094 lakh as Other Non-Current assets, Rs 6,594 Lakh as the Current Assets and Rs.89 lakh as Property Plant & Equipment on March 31,2021 (Rs.87,462 lakh as on March 31,2020) at carrying value in the financial statements.

54 GVK Jaipur Expressway Private Limited (GVKJEPL)

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

55 GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), step subsidiary of GVK Power and Infrastructure Limited has entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVK Ratle has spent/ paid advances having outstanding of an amount of Rs. 101,552 lakhs (March 31, 2020: Rs. 107,298 lakhs) on this project for various works. There has been a significant delay in the construction of the project due to the impediments like land acquisition and execution of land leases, issues in relation to working conditions, disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc., GVK Ratle has offered for an amicable settlement and requested for the termination of concession agreement, but JKPDD rejected such settlement stating that the delays tantamount to event of default from GVK Ratle. Subsequent to this, GVK Ratle has initiated the arbitration process and the same is in advance stages. In the arbitration proceedings, GVK Ratle has made a total claim of Rs: 513,648 lakhs and JKPDD has made a counter claim of Rs: 518,963 lakhs.

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

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

56 GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company has Investment Property having book value of Rs.11,655 Lakh (March 31, 2020 Rs.11,655 Lakh). GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Parent Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, inspite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The

Notes to the consolidated financial statements

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

Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA) (Refer Note 58). However, Hon'ble High Court of Telangana has stayed the proceedings by issuing Show Cause Notice to ED.

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

57 As at March 31, 2021, the Group had accumulated losses and the Group has incurred losses during the current and preceding years. The Groups current liabilities are in excess of current assets. The group has delayed payment of loans and interest and various loan accounts have been classified as non-performing by banks/ lenders. The Group has provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 50, 51, 53(a) and 53(b) (referring to notes on GVK Coal Developers (Singapore) Pte Limited, GVK Energy Limited, GVK Bagodara Vasad Expressway Private Limited and GVK Deoli Kota Expressway Private Limited), uncertainties are being faced by various projects such as delays in development of coal mines in an overseas project where the parent Company has provided guarantees and commitments for the borrowings, losses incurred by gas based plants in the absence of gas and litigations on rights to claim capacity charge, re-negotiation of terms of PPA of coal based plant, arbitration on delay of commencement of road projects, termination of projects etc . These factors together with the impact of Covid 19 may indicate significant doubt on going concern ability of the group. Notwithstanding the above, the financial statements of the Group have been prepared on going concern basis as management believes that the Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required despite current macro-economic environment challenges.

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

The Enforcement Directorate (ED) has also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED has filed a complaint in April 2021 on the same matters against the above mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the Company, their Directors and officers, and the concerned parties are cooperating with the investigating agencies.

ED has filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002.

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

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

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

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

Notes to the consolidated financial statements

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

The Enforcement Directorate ('ED') has also taken up the investigation under the Prevention of Money Laundering Act on the basis of FIR registered by the CBI. The investigation of CBI is currently in progress and the Company is co-operating with the investigating agency. ED has filed a complaint before the City Civil Court and Additional Sessions Judge, Greater Bombay under section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with Section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002.

The Company had also received a Notice of Inspection from Ministry of Corporate Affairs (MCA) under section 206(5) of Companies Act, 2013 in October 2019, requiring the Company to furnish books of accounts and records and management has responded to the enquiries/notice.

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

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

ED has filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002.

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

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

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

60 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

Notes to the consolidated financial statements

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

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.

61 The Company and its subsidiary GVK Airport Developers Limited (GVK ADL) has entered into a binding agreement comprising a co-operation agreement and other related agreements with Adani Airport Holdings Limited (AAHL) on August 31, 2020 and subsequent dates. This includes acquisition of the debt by AAHL from various lenders of GVKADL with a view to release pledge on certain shares of GVK Airport Holdings Limited (GVKAHL) and with an ability for AAHL to convert the acquired debt from the lenders of GVKADL to equity so as to acquire equity interest in Mumbai International Airport Limited (MIAL) and also acquiring Company's equity and other instruments in GVKADL and also possible acquisition/ settlement of debt of GVK Coal Developers (Singapore) Pte Ltd (with a view to release pledge on remaining shares of GVKAHL). AAHL has since acquired the debt of GVKADL from lenders and has converted the same to equity acquiring controlling interest in GVKADL on July 13, 2021. GVKPIL has also sold its majority holding in GVKADL to AAHL. Consequently GVKADL, Bangalore Airport & Infrastructure Developers Limited (BAIDL), GVKAHL, MIAL and Navi Mumbai International Airport Limited (NMIAL) are no longer subsidiaries of the Company from July 13, 2021.

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

(i) Acquisition of debt and related accrued interest with carrying value in the financial statements of GVKADL of Rs. 255,107 lakhs by AAHL.

(ii) AAHL acquiring certain securities of Sutara Roads & Infra Limited, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of co-operation agreement.

(iii) Acquiring equity of Rs. 30,000 lakhs and other instruments of Rs. 100,000 lakhs held by GVKPIL and its subsidiary in GVKADL by AAHL to be settled by transfer of securities held by AAHL referred to in (ii) above.

(iv) GVKPIL and AAHL have also agreed on certain steps to be taken in respect of lenders of GVK Coal.

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

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

62. Assets held for sale

Considering the above note 61, based on the binding agreement between the parent Company, GVK ADL (the holding company of GVKAHL) and Adani Airport Holdings Limited dated August 31, 2020, the management has evaluated the criteria as per Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, and is of the view that the Airport vertical is considered as "Held for sale" asset from the quarter ended September 30, 2020.

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

I. Major classes of Assets and Liabilities classified as Assets held for sale

Particular	As at March 31, 2021
Assets	
Non-current assets	
Property, plant and equipment	915,274
Capital work in progress	356,607
Expenditure incurred during construction period, pending allocation (Net)	52,759

Notes to the consolidated financial statements

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

Particular	As at March 31, 2021
Investment Property	-
Goodwill	93,476
Intangible assets	95,688
Right of use asset	276
Lease equalisation asset (Net of provision)	3,524
Investments including in joint ventures and associates	12,707
Financial assets	
Other non-current financial assets	4,227
Deferred tax assets (net)	1,342
Tax assets (Net)	16,092
Other non-current assets	7,988
Total	1,559,960
Current Assets	
Inventories	631
Contract assets	2,857
Financial assets	
Investments	84
Trade receivables	30,251
Cash and cash equivalents	39,534
Balances with banks other than cash and cash equivalents	10,457
Loans	-
Other financial assets	11,218
Current tax assets	8
Other current assets	26,035
Total	121,075
Assets clasifed as held for Sale	1,681,035
Liabilities	
Non-current liabilities	
Contract liabilities	651
Financial Liabilities	
Borrowings	611,073
Lease liabilities	102
Other financial liabilities	211,296
Provisions	1,486
Deferred tax liability (net)	-
Other non-current liabilities	299,028
Total	1,123,636
Current liabilities	
Contract liabilities	2,464
Financial liabilities	
Borrowings	102,494
Lease liabilities	222
Trade payables - Total outstanding dues of:	
- micro and small enterprises	322
- other than micro and small enterprises	16,902
Other financial liabilities	396,018
Provisions	2,421
Current tax liabilities (net)	591
Other current liabilities	28,828
Total	550,262
Liabilities clasifed as held for Sale	1,673,898

Notes to the consolidated financial statements

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

II. Analysis of Profit / (Loss) from discontinuing operations

Particular	Year ended March 31, 2021	Year ended March 31, 2020
INCOME		
Revenue from operations	160,220	348,986
Notional income not subject to annual fees	18,720	4,933
Other income (net)	5,169	2,257
Total income	184,109	356,176
Proportion of the Group's ownership	10%	10%
Expenses		
Annual fee	-	134,880
Annual fee on lease equalisation income as per Ind AS 116 included in revenue from operations above (payable in future)	680	683
Employee benefits expense	22,282	21,789
Finance costs	122,826	108,264
Depreciation and amortisation expense (net)	72,068	74,276
Impairment of non-current investments	-	-
Other expenses	50,218	62,619
Total expenses	268,074	402,511
Profit/(Loss) before share of profit/(loss) from associate & joint venture and tax expense	(83,965)	(46,335)
Share of profit of joint venture	(552)	1,973
Loss before tax	(84,517)	(44,362)
Tax expense		
Current tax	-	9
Taxes of earlier years	(4,578)	1,506
Deferred tax	(15,188)	1,358
Total tax expense	(19,766)	2,873
Profit / (Loss) from discontinuing operations	(64,751)	(47,235)

III. Cash Flow statement for the period from Discontinuing operations

Particular	Year ended March 31, 2021	Year ended March 31, 2020
Cash Flow From Operating Activities		
Loss before tax for the period from Continuing operations	(83,965)	(44,351)
Adjustments for:		
Depreciation and amortisation (net)	72,068	74,276
Loss on sale of fixed assets (net)	(2)	235
Interest expense	122,826	108,264
Interest income	(3,304)	(1,687)
Notional income not subject to annual fees	(18,720)	(4,933)
Income from investment	(52)	(5)
Straight-lined impact as per IND AS 116	(1,758)	(1,766)
Annual fee payable in future	680	683
Provision for doubtful debts	3,639	628
Bad debts	-	141
Share of profit/loss and OCI from associate/joint venture	(105)	(1,973)
Operating Profit before Working Capital Changes	91,307	129,512
Change in operating assets and liabilities:		

Notes to the consolidated financial statements

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

Particular	Year ended March 31, 2021	Year ended March 31, 2020
Decrease/(Increase) in trade receivables	8,315	(4,946)
Decrease/(Increase) in Inventories	144	40
Decrease / (Increase) in Contract Assets	1,105	3,334
Decrease/(Increase) in Financial Assets loans, others, other current and noncurrent assets	(13,650)	(10,102)
(Decrease)/Increase in Provisions	(32)	(34)
Increase in Trade payables, other financial liabilities and current liabilities	(11,192)	7,670
Cash Generated from Operations	75,996	125,475
Taxes (paid)/refund (net)	8,072	4,985
Net Cash flow from Operating Activities (A)	84,068	130,460
Cash Flow From/(Used In) Investing Activities		
Purchase of fixed assets	(7,848)	(57,645)
Proceeds from sale of fixed assets	2	
(Purchase) / proceeds from sale of current investments (net)	789	443
Purchase of non-current investments	785	
Loans (given) to / taken from related parties and others (net)	1,085	2,991
(Investment)/ Realization of bank deposits (having original maturity of more than 3 months)	85	14,273
Advance for investment	-	(2,300)
Interest received	3,366	1,999
Net Cash flow from/(used in) Investing Activities (B)	(1,736)	(40,240)
Cash Flow Used In Financing Activities		
Proceeds from Development fees	7,185	44,432
Proceeds from Long term Borrowings	5,961	131,500
Repayment of long term borrowings	(28,950)	(153,387)
Repayment/ Proceeds from short term borrowings (net)	(21,628)	(36,115)
Payment of Lease Liability	(388)	(398)
Interest paid	(23,614)	(87,793)
Net Cash flow used in Financing Activities (C)	(61,434)	(101,761)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	20,898	(11,541)
Cash and Cash Equivalents at the beginning of the year	18,636	30,177
Cash and Cash Equivalents at the end of the year	39,534	18,636
Components of cash and cash equivalents as per Cash Flow Statement		
Balance with banks:		
Current accounts	2,159	13,200
Deposit accounts	37,351	5,436
Cash	24	-
Cheques	-	-
Total Cash and Cash Equivalents	39,534	18,636

IV. Significant accounting judgements, estimates and assumptions**Non-Applicability of Service Concession Arrangement****Accounting- MIAL**

MIAL had entered into Operation, Management and Development Agreement ('OMDA') with Airports Authority of India ('AAI'), which gives MIAL an exclusive right to operate, maintain, develop, modernize and manage the Chhatrapati Shivaji Maharaj International Airport (CSMIA) on a revenue sharing model for an initial term of 30 years, which can be extended by another 30 years on satisfaction of certain terms and conditions pursuant to the provisions of the OMDA. Under the agreement, AAI has granted exclusive right and authority to undertake some of the functions of the AAI being the functions of operation, maintenance, development, design, construction on,

Notes to the consolidated financial statements

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

upgradation, modernization, finance and management of the Airport and to perform services and activities at the airport constituting 'Aeronautical Services' and 'Non-Aeronautical Services'. For prices, aeronautical services are regulated, while the regulator has no control over determination of prices for Non-Aeronautical Services. The Management of the Group conducted detailed analysis to determine applicability of Appedix D of Ind AS 115 and concluded that the same does not apply to MIAL . MIAL's Concession arrangement has significant non-regulated revenues, which are apparently not ancillary in Nature, as these are important from MIAL, AAI and users/passengers perspective. Further, the regulated and non-regulated services are substantially interdependent and cannot be offered in isolation.The Airport premise is being used both for providing non-regulted services (Non-aeronautical Services). Accordingly, the management has conducted that SCA does not apply in its entirety to MIAL.

Non-Applicability of Service Concession Arrangement

Accounting- 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 for the MIAL

Under the Concession Agreement, the infrastructure to be built (Project) is to handle a minimum annual passenger capacity of 60 Million and cargo handling capacity of 1.5 Million tonnes once fully developed.

The management of the Group 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 Agreement" is not applicable to NMIAL.

- V. Navi Mumbai International Airport Private Limited (NMIAL), a subsidiary of MIAL had entered into financing arrangement for INR 864,500 Lakhs with Yes Bank Limited to fund part cost of Design, development, financing construction, operations & maintenance (DBFOT) of Phase I of Navi Mumbai International Airport. Subsequently, Yes Bank Ltd., vide letter dated 3rd April, 2020 cancelled the facility granted to the NMIAL unilaterally. Hence, NMIAL has requested Yes Bank Limited to refund the facility fees paid amounting to INR 13,997 Lakhs including stamp duty paid on documentation for financing arrangement excluding taxes. In the meantime, there was a change in the management of the NMIAL and new management again requested Yes Bank Limited on 15 September, 2021.
- VI. 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 the MIAL. The total purchase consideration is of INR 6,400 lakhss out of which, MIAL has given an advance of INR 2,300 lakhs during FY 2019-20. The long stop date for concluding the transaction has been extended from June 30, 2020 to March 31, 2021 ,further same has been extended to June 30, 2021. However due to ongoing Covid scenario MIAL expects to further extend the long stop date to conclude the transaction. An interest of 8.36% of the unpaid consideration shall accrue from 1st July 2019 till the date of payment of balance consideration. This amount shall accrue only on completion and payable subject to terms of the agreement.
- VII. Demand on account of disallowance Cenvat Credit availed in relation to construction activities, and other input credit being availed by MIAL for INR 9,813 Lakhs (2020: INR 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.
- VIII. 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 INR 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 INR 119 Lakhs under protest.

IX. Non-current borrowings

1. Mumbai International Airport Private Limited (MIAL)	Year ended March 31, 2021	Year ended March 31, 2020
Term loans from		
Banks	516,261	524,526
Financial Institutions	22,293	22,645
Funded Interest Term Loan (FITL)	29,230	4,822

Notes to the consolidated financial statements

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

1. Mumbai International Airport Private Limited (MIAL)	Year ended March 31, 2021	Year ended March 31, 2020
Term Loan on securitisation of Development Fees		
Banks	91,903	103,028
Others	12,176	13,515
Funded Interest Term Loan (FITL)	6,167	1,008
Term Loan on securitisation of Real Estate Deposit		
Banks	27,000	28,437
Funded Interest Term Loan (FITL)	1,757	289
	706,787	698,270
Less : Amount classified under other current liabilities	(95,714)	(65,759)
Total	611,073	632,511

MIAL has availed the moratorium of six months from the month of March 2020 as granted 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 for the restructuring of loan to lead bank of lender's consortium, State Bank of India. MIAL has therefore, not paid loan repayment and interest after the moratorium period. As per the contractual obligation revised after availing moratorium 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 INR 28757 lakhs. Yes Bank has a put option in 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.

MIAL had submitted a request to the lenders for restructuring of the existing loans in September 2020 and had also sought additional loans to enable the Group to meet its operational and capex requirements. However after acquisition of equity stake in the MIAL by Adani Airport Holdings Limited, it has been decided by the MIAL to go for refinancing of all existing loans and non-fund based facilities instead of restructuring.

On 15 July 2021, MIAL has completed its refinancing with new set of lenders. MIAL has refinanced the existing project term loan and term loan on securitisation of development fee with proceeds of new term loan (secured) and issuance of Non-convertible Debentures (NCD) (Secured). In addition, the new facility has also extinguished existing working capital facility and term loan on securitisation of Real Estate Deposit.

The new term loan has a tenure of one year. NCD's that are issued on securitisation of development fee for a tenure of two years and others for a tenure of one year. The facility have been availed with a coupon/interest rate @ 11% p.a, except in case of term loan on securitisation of development fee wherein the coupon rate is @10.75% p.a.

Security:**a) Term loans from consortium of banks and financial institutions 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 MIAL 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., Adani Airport Holdings Limited) 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. and Adani Airport Holdings Limited) 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 AAI/Gol.
- (v) First Charge on 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 of ADF loan in case of default under the ADF Loan facility.

b) Term loans from banks and others on securitisation of Development Fee:

Notes to the consolidated financial statements

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

- (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 Airport Development Fee (ADF) and Real Estate Security Deposit (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 Ltd. and Adani Airport Holdings Limited) 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 AAI/Gol.
- (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 Ltd. and Adani Airport Holdings Limited) constituting not less than 74% of the total voting paid-up equity share capital of the MIAL.
- (vi) First Charge on pari-passu basis with Project Term Loan Lenders on right of substitution of the 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 the 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 Apr-17. 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 monthly instalments as per the schedule commencing from Apr-17. 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 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.

c) Term loan from banks and others on securitisation of Real Estate Deposit (RE):

Loan of INR 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.

Rate of Interest

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 10.30% to 11.95%.

2. GVK Airport Developers Limited (GVKADL)	As at March 31, 2021	As at March 31, 2020
13,150 (March 31, 2020: 13,150) 18.1% Freely transferable, redeemable and non-convertible Debentures of Rs. 1,000,000 each (Refer note "c" below)	131,500	131,500
From financial institutions (Refer note "b" below)	-	41,793
5,217 (March 31, 2019: 5,217) 9% Compulsory convertible Preference Shares (CCPS)	11,999	11,999
	143,499	185,292
Less: Current maturities of long term debt	(143,499)	(173,294)
	-	11,998

a. Compulsorily convertible preference shares (CCPS) - Held by ICICI Bank Limited

The CCPS have a par value of Rs. 10 per share. GVKADL declares and pays dividends in Indian rupees. CCPS carry a dividend

Notes to the consolidated financial statements

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

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 GVKADL 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.

Security:

- (i) First ranking security interest by way of the pledge, over 100% equity shares of GVKADL 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.
- (ii) First ranking security interest by way of a pledge, over 68% equity shares of GVK Airport Holdings Limited (GVK AHL), held by GVKADL.
- (iii) First ranking security interest by way of a pledge, over 100% equity shares of Bangalore Airport and Infrastructure Developers Limited (BAIDL) held by GVKADL
- (iv) 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.
- (v) 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.
- (vi) First ranking security interest by way of a pledge over 9,40,800 preference shares of GVKADL, 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.
- (vii) A charge over
 - (a) The proceeds of any sale or transfer or other disposal of shares held by GVK PIL in GVKADL including pursuant to any enforcement of pledge created over the shares of GVKADL.
 - (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.
- (viii) A charge over all the assets of GVKADL 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 GVKADL 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) GVKADL's existing loan Hancock Lenders - Portion and all rights and receivables of rights and receivables of GVKADL in relation thereto including:
 - (1) A designated account of GVKADL 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 GVKADL 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.
 - (2) Existing GVKADL's Airport Lenders portion and all rights and receivables of GVKADL in relation to thereto
- (ix) 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.
- (x) A charge over all assets of BAIDL (excluding the BAIDL Hancock Lenders Designated Account and the amounts deposited there in from time to time.)
- (xi) Corporate Guarantee by GVK PIL.
- (xii) Second Rank mortgage over the land owned by GVK Perambalur SEZ Private Limited.

Notes to the consolidated financial statements

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

(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.

In addition to the above, other securities are as follows:

- (a). Combined debt (HDFC bank loan, Yes bank loan & Debentures) shall be secured by
- 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.
 - 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 GVKADL'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.

X. Current Borrowings

1. Mumbai International Airport Private Limited (MIAL)	As at March 31, 2021	As at March 31, 2020
Secured		
Cash credit facilities from banks (repayable on demand)	9,737	29,273
	9,737	29,273

Cash Credit facility 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, Adani Airport Holdings Limited) constituting not less than 74% of the total voting paid-up equity share capital of MIAL.

Notes to the consolidated financial statements

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

d.) Undertaking from Prime Members (i.e. GVK Airport Holdings Ltd., Adani Airport Holdings Limited) 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 AAI/Gol."

MIAL had submitted a request to the lenders for restructuring of the existing loans in September 2020 and had also sought additional loans to enable the Group to meet its operational and capex requirements. However after acquisition of equity stake in the MIAL by Adani Airport Holdings Limited, it has been decided by MIAL to go for refinancing of all existing loans and non-fund based facilities instead of restructuring.

On 15 July 2021, MIAL has completed its refinancing with new set of lenders. MIAL has refinanced the existing project term loan and term loan on securitisation of development fee with proceeds of new term loan (secured) and issuance of Non-convertible Debentures (NCD) (Secured). In addition, the new facility has also extinguished existing working capital facility and term loan on securitisation of Real Estate Deposit.

The new term loan has a tenure of one year. NCD's that are issued on securitisation of development fee for a tenure of two years and others for a tenure of one year. The facility have been availed with a coupon/interest rate @ 11% p.a, except in case of term loan on securitisation of development fee wherein the coupon rate is @10.75% p.a.

Unsecured Loan from : i) Directors amounting to Rs. 800 lakhs is repayable on availability of funds and carries a rate of interest of one year SBI MCLR rate.

ii) Adani Airports Holding Ltd (AAHL), Associate of Holding Company, amounting to Rs.1492 lakhs is repayable on or before 2nd Nov 2021 and carries a rate of interest of 12.5% p.a.

2. GVK Airport Developers Limited (GVKADL)	As at March 31, 2021	As at March 31, 2020
Rupee loan from banks		42,930
Loans from Others	92,757	-
Total	92,757	42,930

A. Rupee loans from banks currently carries an effective interest of 14% per annum and secured by

i. 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.

(ii) Yes bank Limited to have charge on proportionate proceeds of Liquidity event of GVKADL, GVK AHL, and BAIDL.

iii. 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.

iv. 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.

v. 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.

(vi) Corporate guarantee by GVK PIL.

B. Loans and advances from related parties are interest free and are repayable on demand.

XI. Contingent Liabilities

MIAL

i. Income tax amounting to INR 596.16 Crores (2020: INR 596.16 Crores) 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 fee 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 be payable for the years under review

Notes to the consolidated financial statements

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

- 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 INR 274.17 crores (Net of MAT credit available for set off INR 100.42 cr) plus interest payable. MIAL has contested such an action and based on fact of the case and legal precedence available to 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 INR 98.13 Crores (2020: INR 98.13 Crores), 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 7.36 crores 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.
- iii. During the previous year, MIAL has received a refund of Rs 23.90 crores from Assistant commissioner of Service tax, on account of service tax paid to contractors on account of Construction of Airport which has been exempted with retrospective effect. The department has filed appeal before Commissioner Appeals, on direction of commissioner of service tax. MIAL is contesting the same.
- 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 316.01 crores and INR 18.89 crores respectively. Meanwhile, upon an application filed by Union of India (UoI), Honorable Supreme Court's Order dated 05.03.2018 in the Transfer Petition no. 124-131/2018, directed that instead of transferring all the matters, one petition i.e. W.P. 1696/2014 – DIAL v. UoI shall be heard expeditiously and other High Courts shall await the same. On this, MIAL filed a Transfer Petition no. 1109 of 2018 in the Supreme Court to transfer Bombay High Court matter WP no. 2443/2014 to Delhi High Court and tag it with WP 1696/2014- DIAL v. UoI. Vide order dated 24.07.2018. Subsequently, Supreme Court modified its earlier order dated 05.03.2018 partially, and allowed MIAL and other similarly situated parties to intervene in WP 1696/2014 i.e. DIAL v. UoI pending before DHC. Accordingly, MIAL has filed an Intervention Application in the Delhi High Court and the same is pending for hearing. Next hearing date is on 28th July, 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.
- v.a) Other claims from Airports Authority of India of INR 136.33 Crores (2020: INR 132.12 Crores) and from Customer and Others INR 5.43 Crores (2020 : INR 5.42 Crores) respectively.
 - b) 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.
 - c) MIAL has received demand notice from Tahsildar (Andheri) of net amount of Rs. 98.43 Crores for alleged arrears of Non Agricultural tax for the period from 1st Aug 1996 to 31st July 2018 which includes the period until May 02, 2006, during which Airport Authority of India was the airport operator of CSIA. While MIAL has denied the appropriateness of leviability of this demand, it has paid Rs. 72 Crores under protest during financial year 2017-18 to prevent any coercive action from the authorities. Management will continue to contest the case and is confident of recovering this amount paid under protest.
- vi. The Service Tax Department has preferred appeal before Hon'ble High Court in respect of relief granted by CESTAT for Service Tax Demand for INR 60.05 crores 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.
- vii. The Service Tax Department has issued a show cause notice for Service Tax Demand for INR 2.57 crores 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.
- viii. 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 INR 15.82 Cr exclusive of Interest, towards disallowance of project

Notes to the consolidated financial statements

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

import benefits, on certain items imported by MIAL under Project import regulations (PIR) Scheme 1986. MIAL has paid 7.50% of demand for INR 1.19 Cr under protest.

- ix) During the previous year, the Covid-19 pandemic has caused MIAL to invoke the force majeure provision as per Operation, Management and Development Agreement ('OMDA') with the Airports Authority of India (AAI). MIAL has thus claimed relief from AAI towards, inter alia, suspension/ excuse from discharging its annual fee obligations till the time of force majeure event and such additional period thereafter as is necessary to enable MIAL to achieve the level of activity prevailing before the event of force majeure. Consequently, MIAL provided AAI with various details, as requested by them from time to time, for provide for force majeure relief. However, AAI continued its demand for seeking annual fee which would have left MIAL with virtually no funds to run the operations of the airport. In order to claim urgent relief on the matter, MIAL filed an application with Honourable High Court of Delhi ("DHC") under Section 9 of the Arbitration and Conciliation Act, 1996. The DHC has vide its final order dated 27th November, 2020 allowed the petition of MIAL post which MIAL is able to access and 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.

Against the aforesaid order AAI had filed an appeal before the division bench of the Delhi High Court vide FAO(OS) (COMM) 16/8/2020. The same was disposed-off on 14th January, 2021 vide consent order.

Currently, the matter is under arbitration before the Arbitral Tribunal and Section 17 application filed by MIAL and AAI is being heard by the Arbitral Tribunal. The Arbitral Tribunal have passed an order dated 28th June, 2021 in the section 17 appeal preferred by MIAL and AAI wherein they have disposed off section 17 application by passing the similar order as that of the Division Bench of the Delhi High Court. Against this order, AAI has preferred an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Delhi High Court.

Pending decision of the Honourable Delhi High Court on the above appeal, legal opinion, Award of this Arbitral Tribunal and another arbitration in respect of excess payment of Annual Fee to AAI in earlier years), MIAL has not provided for its annual fee liability in these financial statements.

- x) The Concession Agreement requires the Concessionaire to provide irrevocable and unconditional Performance Security by way of a Bank Guarantee to the CIDCO (Authority) for a sum of INR 10,000. Mumbai International Airport Limited being the holding company has provided the Performance Bank Guarantee on behalf of MIAL. Thereafter, on 29th May 2021 Adani Airport Holding Limited being the Associate of holding company has provided the Performance Bank Guarantee on behalf of MIAL.
- xi) The subsidiary, Navi Mumbai International Airport Private Limited (NMIAL) had entered into Design consultancy services agreement dated 6th April, 2018 with Zaha Hadid Ltd. (The Agreement). Consequent to issue of notice dated 21st September, 2019 by NMIAL for suspension of services under the Agreement, Zaha Hadid Ltd. has raised certain claims issuing Notice of Dispute dated 12th August, 2020 under clause 30.1 of the Agreement and sought for amicable settlement within 15 days as per said clause of the Agreement. NMIAL, vide its letter dated 28th August, 2020 responded to the notice of dispute and initiated discussions for resolution of issues under dispute. The issues under dispute remained unresolved and Zaha Hadid Ltd., vide their letter dated 10th December, 2020 invoked arbitration proceedings under the Agreement. Zaha Hadid Ltd. has claimed amounts for work done including retention besides interest on delayed payments, prolongation of scheme design and its approval, abortive concept design stage work, project launch costs and costs during suspension period. Both parties have now appointed respective nominee arbitrators as well as presiding arbitrator. The presiding arbitrator has finalized terms of appointment of arbitrators and has passed procedural order and time table for proceedings. As on the Balance Sheet date, as proceedings have not yet commenced, it is not possible for NMIAL to estimate the impact on cash flows/financial statements, if any, in respect of the same. Zaha Hadid Ltd. (Claimant) has submitted its statement of claims and NMIAPL (Respondent) has submitted its statement of Defence along-with counter claims. Claimant's response to respondent's submission is awaited. Arbitration proceedings would commence thereafter.
- xii) CIDCO, vide assessment order under Maharashtra Regional & Town Planning (Amended) Act, 1966 dated 28th Aug 2020 assessed development charges and scrutiny fee payable by the subsidiary, Navi Mumbai International Airport Private Limited (NMIAL) amounting to Rs.238.43 crores. NMIAL has disputed the said demand and paid the said development charges on 16th July, 2021 under protest. CIDCO on 29th July, 2021, raised demand for delayed payment of development charges amounting to Rs. 23.70 crores. NMIAL on 12th August, 2021, filed an appeal before Appellate Authority Constituted under above referred Act.

Notes to the consolidated financial statements

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

XII. Capital Commitment

MIAL

- a) As at March 31, 2021 the estimated amount of contracts (to the extent purchase orders issued) remaining to be executed on capital account, net of advances is INR 359.53 Crores. (2020: INR 452.59 Crores).
- b) As at 31 March, 2021, the subsidiary Navi Mumbai International Airport Private Limited has commitment towards repayment of soft loan towards Pre - development works carried out by CIDCO amounting to INR 708.77 crores (as at 31 March 2020 is INR 1,198.71 crores) and towards allotment of 1120.2 equity shares of face value of INR 10 each amounting to INR 112.02 crores (as at 31 March 2020 is INR 112.02 crores) towards Pre - development works to be carried out by CIDCO pursuant to clause 12.9 and 5.4 of the Concession Agreement respectively.
- c) The subsidiary Navi Mumbai International Airport Private Limited has entered into a concession agreement with City and Industrial Development Corporation (CIDCO) to undertake the implementation, operation and maintenance of the Navi Mumbai International Airport (NMIAL).
- d) Commitment towards purchase of shares: INR 41.00 crores (net of advance for investment of INR 23.00 crores) (March 2020: INR 23.00 crores)

XIII. Notional Income

a) Notional Income not subject to annual fees

Notional Income of INR 187.20 Crores (March 2020: INR 49.33 Crores) including impact of termination of Concession Contract of Duty Free (INR 95.43 crores) represents unwinding of discount on interest free security deposit which is accounted only to comply with the provisions of Ind AS. As per provisions of Operation, Management and Development Agreement (OMDA) executed between the MIAL and Airports Authority of India, the 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. The MIAL has been legally advised that no Annual Fee is payable on this amount, being not actual Revenue within the provisions of OMDA.

b) 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 INR 17.58 crores (March 31, 2020- 17.66 crores) 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 INR 6.80 crores (March 31, 2020- INR 6.83 crores) 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.

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 concessionaires and consequent termination of few contracts, the MIAL has recognised provision against Lease Equalisation Asset except for the contracts which are expected to continue in normal course of business.

XIV. MSME

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

MIAL owes Rs 699 lakhs including interest accrued on unpaid dues (March 2020:Rs. 827 lakhs) towards Micro and Small Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the MIAL 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 MIAL.

63. Related Parties

(a)	Enterprises over which Key Managerial Personnel exercise significant influence and with whom there are transactions during the year
1	Crescent EPC Projects and Technical Services Limited (Formerly GVK Projects and Technical Services Limited)
2	GVK Technical & Consultancy Services Private Limited
3	GVK Foundation
4	Orbit Travels & Tours Private Limited
5	Paigah House Hotel Private Limited
6	Pinakani Share and Stock Broker Limited
7	TAJ GVK Hotels & Resorts Limited
8	Green Wood Palaces & Resorts Private Limited

Notes to the consolidated financial statements

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

9	Adaa Traders Private Limited
10	Cygnus Real Estates Private Limited
(b)	Key Managerial Personnel
1	Dr. GVK Reddy - Chairman
2	Mr. G V Sanjay Reddy - Director
3	Mr. Krishna R Bhupal - Director
4	Mr. A Issac George - Whole-time Director & CFO
5	Mr. P V Prasanna Reddy - Whole Time Director
6	Mr. P V Rama Seshu - Vice President & Company Secretary
(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) (Till February 04, 2021)
3	Adani Airport Holdings Limited (w.e.f: February, 05, 2021)
(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

A. Details of related party transactions during the year:

	March 31, 2021	March 31, 2020
Services received		
Airport Authority of India	1	56
ACSA Global Limited, Mauritius (AGL)	881	1,053
Mumbai Airport Lounge Services Private Limited	-	1
GVK Technical and Consultancy Services Private Limited	92	276
Orbit Travels and Tours Private Limited	1	22
TAJ GVK Hotels and Resorts Limited	1	11
Green wood Palaces and Resorts Private Limited	3	78
Fees for services rendered (Includes Corporate guarantee commission income)		
Mumbai Aviation Fuel Farm Facility Private Limited	1,653	1,744
Mumbai Airport Lounge Services Private Limited	1,228	6,187
Green wood Palaces and Resorts Private Limited #	645	1,191
GVK Coal Developers (Singapore) Pte Limited	-	1,772
GVK Energy Limited	35	54
ADAA Traders Private Limited	7	1,055
Crescent EPC Projects and Technical Services Limited	60	45

Notes to the consolidated financial statements

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

	March 31, 2021	March 31, 2020
Rent Expenses		
Paigah House Hotel Private Limited	18	1
Reimbursement of Expenses		
Orbit Travel and Tours Private Limited		
- Reimbursement of travel ticket cost	5	683
- Credit note received for earlier years	(105)	(973)
	(100)	(290)
GVK Energy Limited	-	-
GVK Industries Limited	0	0
Alaknanda Hydro Power Company Limited	0	0
GVK Power (Goindwal Sahib) Limited	0	0
GVK Gautami Power Limited	0	0
GVK Technical and Consultancy Services Private Limited	0	0
Crescent EPC Projects and Technical Services Limited	0	-
Reimbursement of pre-operative expenses		
CIDCO	2	-
Investments/ Advances Written Off		
GVK Coal Developers (Singapore) Pte Limited	414	77,535
GVK Industries Limited	1,225	-
GVK Gautami Power Limited	2,354	-
Provision for doubtful debts		
GVK Coal Developers (Singapore) Pte Limited	-	1,098
Remuneration to key managerial personnel*	3,705	4,913
*Including arrears of previous years of INR 17 lakhs (2020: INR 407 lakhs) and provision for commission of INR 390 lakhs.		
Donation		
GVK Foundation	241	662
Investment in Equity/Preference Shares allotted during the year		
GVK Coal Developers (Singapore) Pte Limited	-	4,313
Loans given		
Dr. GVK Reddy	300	200
Mr. Sanjay Reddy	300	-
Adani Airport Holdings Limited	492	-
GVK Energy Limited	10,433	3,032
GVK Industries Limited	21	1,241
GVK Coal Developers (Singapore) Pte Limited	-	(7)
Loans recovered		
GVK Energy Limited	147	17
GVK Industries Limited	35	-
Crescent EPC Projects and Technical Services Limited	-	21

Notes to the consolidated financial statements

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

	March 31, 2021	March 31, 2020
Interest on loans taken		
GVK Reddy	48	2
Mr. Sanjay Reddy	28	-
Adani Airport Holdings Limited	25	-
Soft loan towards pre-development works*		
CIDCO	48,994	85,839
*Pre-development works and soft loan towards pre-development works has been accounted based on payments made by CIDCO till 28 February 2021.		
Concession fees payable towards concession rights		
CIDCO	-	500
Annual fees		
Airport Authority of India	-	134,880
Disposal of assets		
Airport Authority of India	4	27
Advances given		
Crescent EPC Projects and Technical Services Limited	-	2
Security deposits received		
Mumbai Airport Lounge Services Private Limited	-	6
ADAA Traders Private Limited	-	62
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
Advances received		
Mumbai Airport Lounge Services Private Limited	-	4,200
B Year end balances (Payables)/ receivables		
Accounts receivable		
ADAA Traders Private Limited	36	48
Green wood Palaces and Resorts Private Limited	146	147
Crescent EPC Projects and Technical Services Limited	90	20
Other receivable		
Orbit Travel and Tours Private Limited*	-	1,191
Mumbai Aviation Fuel Farm Facility Private Limited	0	-
Airports Authority of India	6,391	3,554
GVK Energy Limited	39,439	125
GVK Industries Limited	141	155
Alaknanda Hydro Power Company Limited	2	2
GVK Gautami Power Limited	3	19
GVK Power (Goindwal Sahib) Limited	23	23
GVK Technical and Consultancy Services Private Limited	-	0
Crescent EPC Projects and Technical Services Limited	8,510	8,510
GVK Coal Developers (Singapore) Pte Limited	-	403

Notes to the consolidated financial statements

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

	March 31, 2021	March 31, 2020
Accounts payable		
ACSA Global Limited, Mauritius	-	535
Mumbai Aviation Fuel Farm Facility Private Limited	6	6
ADAA Traders Private Limited	-	16
Green wood Palaces and Resorts Private Limited	26	27
TAJ GVK Hotels and Resorts Limited	2	27
Orbit Travel and Tours Private Limited	5	20
GVK Technical and consultancy Services Private Limited	162	1,450
Crescent EPC Projects and Technical Services Limited	-	39
Pinakini Share and Stock Broker Limited	-	6
Orbit Travels & Tours Private Limited	0	-
Short term loans taken		
Dr. GVK Reddy	500	200
Mr. Sanjay Reddy	300	-
Adani Airport Holdings Limited	1,492	-
Loana given		
GVK Energy Limited	-	24,707
GVK Industries Limited	-	1,225
GVK Gautami Limited	-	2,354
Interest payable on Short term loan		
Dr. GVK Reddy	46	2
Mr. Sanjay Reddy	26	-
Adani Airport Holdings Limited	50	-
Reimbursement of pre-operative expenses#		
City and Industrial Development Corporation of Maharashtra Limited (CIDCO)	10,215	9,266
Soft Loan Towards Pre-development works#		
City and Industrial Development Corporation of Maharashtra Limited	65,693	48,499
# 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
Mumbai Airport Lounge Services Private Limited	-	755
ADAA Traders Private Limited	-	313
Green wood Palaces and Resorts Private Limited	-	1,054
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	43	398
Compensation of Key managerial personnel payable		
Short term employee benefits	3,863	3,354
Post employment pension and medical benefits	120	112
Total*		

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, 2021, 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) As discussed more fully in Note 39 to the Standalone Financial Statements regarding GVK Coal Developers (Singapore) Pte. Limited, (an associate) in which the Group has investments and has receivables aggregating to Rs.78,634 Lakhs and to whom the holding company has provided guarantees and commitments for loans aggregating to Rs.827,149 lakhs taken by the aforesaid associate Company and has undertaken to provide financial assistance of USD 3.11 million (Rs.2,272 lakhs) as at March 31, 2021 with respect to which there are multiple significant uncertainties including outlook on the sector including those arising from COVID, achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The entity's current liabilities exceed current assets by USD 2,423 million (Rs.17,69,794 Lakhs) as at March 31, 2021 as per Unaudited Financials. In this regard, while the company has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.78,634 Lakh during year ended March 31, 2020, we are unable to comment on the viability of the project and of the provision that may be required in relation to the aforementioned guarantees and commitments (in respect of which collateral security by way of pledge of 37% shares of GVK Airport Holdings Limited a step down wholly owned subsidiary of the Company, is also given in favour of the lenders) and the resultant impact of the same on these Standalone Financial Standalone.
 - (b) Note no.40 to the Standalone Financial Statements regarding GVK Energy Limited (a jointly controlled entity) and its subsidiaries and jointly controlled entity in which the company has investments and loans aggregating to Rs.84,236 Lakh (after provisions and write offs done so far) and financial guarantees issued by the company to the jointly controlled entity amounting to Rs.3100 Lakh. With respect to GVK Energy Limited, there are multiple significant uncertainties like (a) various receivables aggregating to Rs.10,996 Lakh from AP Transco which are refuted / subject to approvals (b) non-availability of fuel (coal / gas), (c) conclusion on outstanding application for increase in tariff and (d) compensation in relation to deallocated coal mine etc. There are also various uncertainties relating to subsidiaries and Jointly Controlled Entity of GVK Energy Limited as referred in Note 40. The Company has made total provision of Rs.34,400 Lakhs against the same so far including provision of Rs.25,100 lakh made during year ended March 31, 2021 based on the valuation reports obtained. In this regard, considering the uncertainties, we are unable to ascertain whether any adjustments are required with respect to the balance amounts of investments and loans aggregating to Rs.84,236 Lakh and financial guarantees issued by the company to the jointly controlled entity amounting to Rs.3100 Lakh.
 - (c) Note 43 to the Standalone Financial Statements regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the company including complete copy of the Enforcement Directorate complaint, we are unable to comment on the effect thereof on the Standalone Financial Statements including prior year comparatives considering allegations over GVK Group.
 - (d) Note 44 to the Standalone Financial Statements regarding the requirements of Section 96(1) of the Companies Act, 2013, the Company was required to hold its Annual General Meeting (AGM) at which the Board of Directors were to lay the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2020 by December 31, 2020 and for the year ended March 31, 2021 by November 30, 2021. While the Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2020 was approved at the AGM held on October 29, 2021, the Company, however, could not lay the Balance Sheet and the

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

Statement Profit and Loss for the year ended March 31, 2021, before November 30, 2021 and will be applying to the relevant authority(ies) for compounding of these non-compliances under the relevant sections of the Companies Act, 2013 and the Rules made thereunder. We are unable to comment on the impact of these non-compliances on the Standalone Financial Statements.

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

Material Uncertainty Related to Going Concern

- We draw attention to note 45 to the Standalone Financial Statements, which indicate that the company has significant accumulated losses as at March 31, 2021, has continued to incur significant losses during the year ended March 31, 2021 and in previous years, and material uncertainties are faced by various projects, in which the company has made investments, provide guarantees / commitments and / or has undertaken to provide financial assistance. These events or conditions, along with other matters as set forth in aforesaid note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our Opinion is not modified in respect of this matter.

Emphasis of Matter

- (a) We draw attention to Note 42 to the Standalone Financial Statements regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company, which has Investment Property having book value of Rs.11,655 Lakh. GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the Company. The company has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, inspite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of the company. The company and GVK SEZ have jointly filed writ petition stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana has stayed the proceedings by issuing Show Cause Notice to ED. The matter is under litigation. Pending these litigations, the impact of the same on the Company is not determinable.
- (b) We draw attention to Note 46 to Standalone 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 period ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statement. Accordingly, no adjustments have been made to the Standalone Financial Statements.
- (c) Note 47 to the Standalone Financial Statements regarding proposed sale by the Company of its interest in Mumbai International Airport Limited (MIAL) and the companies related to airport vertical by sale of securities held by the Company in GVK Airport Developers Limited (GVKADL), a wholly owned subsidiary under a binding co-operation agreement dated August 31, 2020 and other related transaction documents, basis which no adjustment was considered necessary to be made to the carrying value of investments and other receivables (including held for sale) in / from GVKADL / MIAL / Navi Mumbai International Airport Limited (NMIAL).

Our opinion is not modified in respect of above matters.

Key Audit Matter

- 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.

Information other than the Financial Statements and Auditor's Report thereon

- 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 Standalone Financial Statements and our auditor's report thereon.

Independent Auditor's Report

To The Members Of Gvk Power & Infrastructure Limited

These reports are 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 standalone 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. These Standalone Financial Statements have been approved by the Company's Board of Directors. 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.
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 Standards on Auditing (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 a part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has in place adequate internal financial controls with reference to financial statement and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

report. However, future events or conditions may cause the Company to cease to continue as a going concern. The material uncertainty with regard to Going Concern is reported in Para 5 of our report.

- Evaluate the overall presentation, structure and content of the standalone financial statement, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
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.
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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 28(c) to the standalone financial statements;

Independent Auditor's Report

To the Members of GVK Power & Infrastructure Limited

- 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, 2021;
 - 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, 2021;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021
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.

Place: Hyderabad
Date: 28th December, 2021

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration Number: 006711N/N500028
Pravin Kumar Jabade
Partner
Membership Number: 107196
UDIN: 21107196AAAADP9918

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, 2021

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, 2021 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, 2021:
- 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 associates and joint ventures 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 holding Annual General Meetings in stipulated time, submission of quarterly and annual results to Exchanges within the time limits as specified under Regulation 33 of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015.
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 by various Government agencies (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 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

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, 2021, 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, 2021.
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, 2021, 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)

Place: Hyderabad
Date: 28th December, 2021

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration Number: 006711N/N500028
Pravin Kumar Jabade
Partner
Membership Number: 107196
UDIN: 21107196AAAADP9918

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, 2021

- 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 8 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 formal Loan Agreements are entered with them and no schedule for repayment of principal and payment of interest has been stipulated by the company. Hence, we do not make any comment on the regularity of repayment of principal and payment of interest and overdue amount, if any, in this regard.
- 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, Goods and Service Tax, duty of customs, duty of excise, cess 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, 2021 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

- viii. According to the records of the Company examined by us and the information and explanations given to us, the company neither has any loans or borrowings from any financial institution, bank or government, nor has it issued any debentures as at the balance sheet date.

Annexure B to Independent Auditors' Report

- 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. 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 43 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 T R Chadha & Co LLP
Chartered Accountants
Firm Registration Number: 006711N/N500028

Pravin Kumar Jabade
Partner
Membership Number: 107196
UDIN: 21107196AAAADP9918

Place: Hyderabad
Date: 28th December, 2021

Standalone Statement of profit and loss for the year ended March 31, 2021

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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	21	2,066	2,320
Other income	22	3,237	7,867
Total Income		5,303	10,187
Expenses			
Employee benefit expenses	23	128	233
Other expenses	24	605	2,898
Impairment of non-current investments	4	25,126	87,800
Depreciation expenses	3	19	21
Finance costs	25	2	1,320
Total expenses		25,880	92,272
Profit / (Loss) before tax		(20,577)	(82,085)
Tax expense			
Current tax		-	15
Advance tax of previous year written off		-	715
Taxes of earlier years		47	-
Total tax expense		47	730
Profit / (Loss) for the year		(20,624)	(82,815)
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		(20,624)	(82,815)
General information and significant accounting policies	1 & 2		
Earnings/(Loss) per equity share:	27		
Basic earnings per share		(1.31)	(5.24)
Diluted earnings per share		(1.31)	(5.24)
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 T R Chadha & Co LLP, Chartered Accountants
Firm registration number: 006711N/N500028

Pravin Kumar Jabade
Partner
Membership No. 107196
Place: Hyderabad
Date: December 28, 2021
UDIN: 21107196AAAADP9918

For and on behalf of the Board of Directors of
GVK Power and Infrastructure Limited
(CIN - L74999TG2005PLC059013)

Dr. GVK Reddy Chairman DIN: 00005212	A Issac george Director & CFO DIN: 00005456
P V Rama Seshu Vice President & Company Secretary	

Notes to Standalone financial statements for the year ended March 31, 2021

(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, 2020.

- Ind AS 105, Non -Current Assets Held for Sale and Discontinued Operations

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.

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.

Notes to Standalone financial statements for the year ended March 31, 2021

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

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.

Manpower and consultancy services:

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

Notes to Standalone financial statements for the year ended March 31, 2021

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

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 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.

Notes to Standalone financial statements for the year ended March 31, 2021

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

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

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.

(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

Notes to Standalone financial statements for the year ended March 31, 2021

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

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-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.

Notes to Standalone financial statements for the year ended March 31, 2021

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

(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.
- d) Financial guarantee contracts which are not measured as at FVTPL.

Notes to Standalone financial statements for the year ended March 31, 2021

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

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, 2021

(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, 2021

(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, 2019	1	3	131	9	144
Additions	-	1	-	0	1
Deletions	-	-	-	-	-
At March 31, 2020	1	4	131	9	145
Additions	-	2	-	1	3
Deletions	-	-	-	-	-
At March 31, 2021	1	6	131	10	148
Accumulated depreciation					
At April 1, 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
Charge for the year	-	0	16	3	19
Deletions	-	-	-	-	-
At March 31, 2021	1	3	81	7	92
Net Block					
At March 31, 2020	-	2	66	5	72
At March 31, 2021	-	3	50	3	56

Notes: Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil. (March 31, 2020: Rs. Nil)

4. Investments

	As at March 31, 2021	As at March 31, 2020
a. Unquoted, in fully paid equity shares (at cost)		
In subsidiaries		
300,000,000 (March 31, 2020: 300,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Limited (Refer Note 4(iii))	-	30,000
10,000 (March 31, 2020: 10,000) Equity shares of Rs.10 each fully paid-up in GVK Perambalur SEZ Private Limited	1	1
143,410,000 (March 31, 2020: 10,000) equity shares of Rs.10 each fully paid-up in GVK Developmental Projects Private Limited	11	1
190,000 (March 31, 2020: 190,000) equity shares of Rs.10 each fully paid-up in GVK Airport Services Private Limited	19	19
907,350 (March 31, 2020: Nil) equity shares of USD 1 each fully paid-up in GVK Airports International Pte. Ltd	669	-
50,000 (March 31, 2020: Nil) equity shares of Rs.10 each fully paid-up in Sutara Roads & Infra Limited	5	-
217,149,070 (March 31, 2020: 37,700,070) equity shares of Rs.10 each fully paid-up in GVK Transportation Private Limited	-	-
Sub Total	705	30,021
In Joint Ventures		
557,869,479 (March 31, 2020: 557,869,479) equity shares of Rs.10 each fully paid-up in GVK Energy Limited	73,923	99,023
Sub Total	73,923	99,023
In Associate		
50,000 (March 31, 2020: 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	1
	26	26

Notes to Standalone financial statements for the year ended March 31, 2021

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

	As at March 31, 2021	As at March 31, 2020
Provision for impairment in value of Equity investment in GVK Coal Developers Singapore Pte Ltd	(26)	(26)
Sub Total	-	-
A	74,628	129,044
B. Loan given to subsidiaries classified as equity (at cost)		
'GVK Perambalur SEZ Private Limited	9,620	9,239
B	9,620	9,239
C. Deemed investment in subsidiaries/ Associate		
GVK Airport Developers Limited (Refer Note 4(iii))	-	7,553
GVK Jaipur Expressway Private Limited	2,284	2,284
C	2,284	9,837
(A+B+C)	86,532	148,120
(ii) Other investments		
Unquoted, in fully paid non-cumulative redeemable preference shares (at amortised cost)		
D. In subsidiary		
59,200 (March 31, 2020: 59,200) non-cumulative redeemable preference shares of Rs. 10,000 each fully paid-up in GVK Airport Developers Limited	-	5,175
D	-	5,175
E. In Associate		
17,66,31,918 (March 31, 2020: 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	77,510
Provision for diminution in value of non-cumulative redeemable preference investment in GVK Coal Developers (Singapore) Pte. Ltd	(77,510)	(77,510)
E	-	-
Total (D+E)	-	5,175
Total (A+B+C+D+E)	86,532	153,295
Aggregate carrying value of unquoted investments	86,532	153,295
F. Break up of impairment of non-current investments		
Investments in Equity shares of GVK Energy Limited written off	25,100	4,900
Investments in Equity shares of GVK Transportation Private Limited written off	26	3,770
A	25,126	8,670
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	-	77,536
Total (A+B+C)	25,126	87,801

Notes to Standalone financial statements for the year ended March 31, 2021

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

iii. Assets classified as held for Sale

	As at March 31, 2021	As at March 31, 2020
(i) Investments		
A. Unquoted, in fully paid equity shares (at cost)		
In subsidiaries		
300,000,000 (March 31, 2020: 300,000,000) equity shares of Rs.10 each fully paid-up in GVK Airport Developers Limited	30,000	-
B. Deemed investment in subsidiaries/ Associate		
GVK Airport Developers Limited	7,553	-
(ii) Other investments		
Unquoted, in fully paid non-cumulative redeemable preference shares (at amortised cost)		
A. 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	5,920	-
Total	43,473	-

5. Non current tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Advance income-tax (net of provision for taxation)	1,111	2,009
Total	1,111	2,009

6. Other non-current assets

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good:		
Balance with government authorities	13	13
Total	13	13

7. Current investments

	As at March 31, 2021	As at March 31, 2020
Quoted mutual funds at fair value through statement of profit and loss		
898,321 (March 31, 2020: 1,833,775) Franklin India Ultra Short Bond Fund – Super Institutional Growth plan	269	507
156,805 (March 31, 2020: Nil) Birla Sun Life Savings Fund	669	-
4,501,293 (March 31, 2020: Nil) ICICI Prudential Liquid	1,030	-
6,780 (March 31, 2020: Nil) Invesco Mutual Fund	151	-
Total	2,119	507
Aggregate carrying and market value of quoted investments	2,119	507

8. Trade receivables

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good:		
Receivables from related parties	2,050	803
Total	2,050	803

Note: Trade receivables are non-interest bearing and are generally on terms of less than one year.

9. Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balance with banks:		
- In current accounts	57	28
Total	57	28

There are no repatriation restrictions on the usage of Cash and Bank Balances

Notes to Standalone financial statements for the year ended March 31, 2021

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

10. Loans

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good:		
Interest free loans to related parties receivable on demand	19,803	408
Total	19,803	408

11. Other financial assets

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good:		
Guarantee commission receivable	-	58
Unbilled Revenue from related parties	-	175
Other receivables	18	6
Total	18	239

12. Other current assets

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good:		
Advances recoverable in cash or kind	29	43
Prepayments	2	1
Total	31	44

13. Equity share capital and other equity

(A) Equity share capital

	As at March 31, 2021	As at March 31, 2020
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

	Year ended March 31, 2021		March 31, 2020	
	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	Year ended March 31, 2021		March 31, 2020	
	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%

Notes to Standalone financial statements for the year ended March 31, 2021

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

(B) Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
Retained Earnings	(150,790)	(130,166)
Securities premium	215,935	215,935
General reserve	127	127
Total reserves and surplus	65,272	85,896

(i) Retained Earning

	As at March 31, 2021	As at March 31, 2020
Opening balance	(130,166)	(47,351)
Profit / Loss for the year	(20,624)	(82,815)
Closing balance	(150,790)	(130,166)

(ii) Securities premium

	As at March 31, 2021	As at March 31, 2020
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, 2021	As at March 31, 2020
Opening balance	127	127
Movement during the year	-	-
Closing balance	127	127

14. Long-term borrowings

	As at March 31, 2021	As at March 31, 2020
From Banks (Secured)		
Indian rupee loans	-	898
	-	898
Less - Current maturities (Refer note 18)	-	(898)
Total	-	-

a) Term loan aggregating to Rs. 898 (March 31, 2020: 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, 2021	As at March 31, 2020
Current maturities of non-current borrowings (refer note 14)	-	898
Current Borrowings (refer note 16)	70,518	47,276
Cash and cash equivalents	(57)	(28)
Total	70,461	48,146
Opening balance	48,146	50,991
Add: Proceeds from short term borrowings	23,242	134
Less: Repayment of long term borrowings	(898)	(3,000)
Add: Cash generated from operations	(29)	21
Closing balance	70,461	48,146

Notes to Standalone financial statements for the year ended March 31, 2021

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

15. Unearned financial guarantee liability

	As at March 31, 2021	As at March 31, 2020
Unearned guarantee commission liability on financial guarantees given to related parties	1,663	1,961
Total	1,663	1,961

16. Short-term borrowings

	As at March 31, 2021	As at March 31, 2020
Unsecured:		
Loans from related parties repayable on demand	70,518	47,276
Total	70,518	47,276

17. Trade payables

	As at March 31, 2021	As at March 31, 2020
- Outstanding dues to micro enterprises and small enterprises	-	-
- Outstanding dues to creditors other than micro enterprises and small enterprises (Dues to related parties is Rs 43.93 Lakhs (March'20: 60.10 Lakhs))	201	186
Total	201	186

Terms and conditions of the above financial liabilities.

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

18. Other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings (refer note 14)	-	898
Interest accrued and due on borrowings	-	3,185
Unearned guarantee commission liability on financial guarantees given to related parties	1,717	2,186
Total	1,717	6,269

19. Provisions

	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences (Refer note 29)	7	8
Total	7	8

20. Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Statutory liabilities	7	28
Other liabilities	86	2
Total	93	30

21. Revenue from operations

	As at March 31, 2021	As at March 31, 2020
Sale of services		
- Manpower and consultancy services	2,066	2,320
Total	2,066	2,320

22. Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Income from current investments	109	52
Commission on financial guarantees	801	4,583
Interest income on financial guarantees and debt instruments	745	2,904
Foreign exchange gain	-	39
Interest on income tax refund	350	287
Liabilities/ Provisions no longer required, written back	1,228	-
Miscellaneous income	4	2
Total	3,237	7,867

Notes to Standalone financial statements for the year ended March 31, 2021

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

23. Employee benefit expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	117	217
Contribution to provident and other funds (Refer note 29)	6	10
Staff welfare expenses	5	6
Total	128	233

24. Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Rent	4	6
Communication costs	7	21
Travelling and conveyance	35	15
Operating and maintenance expenses	39	53
Repairs and maintenance	15	17
Legal and professional charges	385	274
Rates and taxes	51	39
Printing and stationery	2	1
Insurance	4	6
Remuneration to statutory auditors (refer note below)	57	25
Directors' sitting fees	3	8
Provision for bad and doubtful debts	-	1,098
Foreign exchange loss (net)	-	273
Miscellaneous expenses	3	62
Fair value loss on investment in preference shares	-	1,000
Total	605	2,898

Payment to auditor

	Year ended March 31, 2021	Year ended March 31, 2020
As auditor:		
Audit fee	21	22
Limited review	36	3
Certification fee	-	0
Total	57	25

25. Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	1	1,319
Bank charges	1	1
Total	2	1,320

26. Taxes**a. Income tax expense**

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	-	15
Taxes of earlier years	47	715
Total	47	730

b. Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) before taxes	(20,577)	(82,085)
Existing tax rates in India	25.168%	25.168%
Expected tax expenses (a)	(5,179)	(20,659)
Add: Effect of non-deductible expenses:		
Advances and investments written off	25,126	87,800
Fair value loss on investments	-	1,000
Less: Effect of non-taxable incomes:		

Notes to Standalone financial statements for the year ended March 31, 2021

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

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on financial guarantees and debt instruments	(1,512)	(4,972)
Profit on sale of mutual funds taxable at other rates	(109)	(52)
Utilisation of brought forward losses	(2,928)	(1,696)
Effect of non-deductible expenses (net)	20,577	82,080
Tax effect on the above (b)	5,179	20,659
Tax on sale of mutual funds (c)	-	15
Net current tax expense recognised in Statement of Profit and Loss (a) + (b) + (c)	-	15

c. Tax losses

	Year ended March 31, 2021	Year ended March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised	18,487	23,730
Potential tax benefit	4,653	5,972

27. 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, 2021	Year ended March 31, 2020
Profit/(Loss) after tax	(20,624)	(82,815)
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	(1.31)	(5.24)

28. 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 Company has not recognised any contingent rent as expense in the Statement of Profit and Loss. The aggregate amount of operating lease payments recognised in the Statement of Profit and Loss is Rs. 4 lakhs (March 31, 2020: Rs. 6 lakhs).

B. Capital and other commitments

i) Capital Commitments

The Company has no outstanding capital commitments as at year end. (March 31, 2020: Nil)

ii) Other Commitments

a) The company has given undertaking to infuse equity aggregating to Rs. 421,846 lakhs (March 31, 2020: Rs. 434,120 lakhs) in GVK Coal Developers (Singapore) Pte. Limited, towards shortfall, if any, of its loan repayment obligations [Also refer note C(iii) below]. Further, the Company has pledged 155,587,500 (March 31, 2020: 155,587,500), 22,495,000 (March 31, 2020: 22,495,000) and 48,000,000 (March 31, 2020: 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.

C. Contingent liabilities

	Year ended March 31, 2021	Year ended March 31, 2020
Direct and indirect taxes		
Claims not acknowledged as debts by the company		
Income tax	200	200
Service tax	1,396	1,620

Notes to Standalone financial statements for the year ended March 31, 2021

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

Security against loan taken by group companies

- (i) The Company had provided security by way of pledge of 225,843,130 (March 31, 2020: 230,960,770) shares of GVK Energy Limited for loans taken by the aforesaid joint venture entity.
- (ii) The Company has provided security by way of corporate guarantees amounting to Rs. 2,87,333 lakhs (March 31, 2020: Rs. 303,280 lakhs) to subsidiaries and joint ventures and Rs. 405,303 lakhs to the lenders of GVK Coal Developers (Singapore) Pte Ltd, an associate (March 31, 2020: Rs. 417,096 lakhs) for various fund and nonfund based facility availed by them. Also refer note iii below:
- (iii). 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:
- (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 39 and 46 to the financial statements.

29. Employee benefits**A) Defined contribution plan**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to provident fund recognised as expense in the Statement of Profit and Loss	6	10

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, employees who have 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:

Notes to Standalone financial statements for the year ended March 31, 2021

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

i) Net employee benefit expense (included under employee benefit expenses)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	1	5
Interest expense	(2)	(2)
Net employee benefit expenses	(1)	3

ii) Amount recognised in the Balance Sheet

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Defined benefit obligation	17	16
Fair value of plan assets	44	41
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, 2021	Year ended March 31, 2020
Opening defined benefit obligation	16	11
Current service cost	1	5
Interest cost	1	1
Benefits paid	-	-
Net Actuarial (gains)/losses on obligation for the year recognised under OCI	(1)	(1)
Closing defined benefit obligation	17	16

iv) Changes in fair value of plan assets

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening fair value of plan assets	41	38
Expected return	3	3
Closing fair value of plan assets	44	41

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, 2021	Year ended March 31, 2020
Scheme of Insurance- Conventional products	100%	100%

v) Amount recognised in statement of other comprehensive income (OCI):

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurement for the year - Obligation gain/(loss)	(1)	-
Closing amount recognised in OCI	(1)	-

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.20%	6.50%
Expected rate of return on assets	6.20%	6.50%
Salary rise	6.00%	6.00%
Attrition Rate	10.00%	10.00%

- 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.
- 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.

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, 2021	Year ended March 31, 2020
Within next 12 months	2	2
Between 2 and 5 years	18	7
Beyond 5 years	1	13

Notes to Standalone financial statements for the year ended March 31, 2021

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

Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as at year end is as shown below:

Assumptions	Year ended March 31, 2021	Year ended March 31, 2020
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(1)	(1)
- 1% decrease	1	1
(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)

30. 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.

31. Related Parties

(a) Related parties where control exists	
GVK Airport Developers Limited #	Subsidiary
GVK Airport Holdings Limited #	Subsidiary
Mumbai International Airport Limited #	Subsidiary
Navi Mumbai International Airport Limited #	Subsidiary
Bangalore Airport & Infrastructure Developers Limited #	Subsidiary
GVK Airports International Pte Ltd	Subsidiary
GVK Airport Services Private Limited	Subsidiary
PT.GVK Services, Indonesia	Subsidiary
GVK Transportation Private Limited	Subsidiary
GVK Jaipur Expressway Private Limited	Subsidiary
Sutara Roads & Infra Limited	Subsidiary
GVK Deoli Kota Expressway Private Limited	Subsidiary
GVK Shivpuri Dewas Expressway Private Limited	Subsidiary
GVK Bagodara Vasad Expressway Private Limited	Subsidiary
GVK Developmental Projects Private Limited	Subsidiary
GVK Ratle Hydro Electrical Projects Private Limited	Subsidiary
GVK Perambalur SEZ Private Limited	Subsidiary
(b) Related parties where joint control exists	
GVK Energy Limited	Jointly Control Entity (JCE)
GVK Industries Limited	Subsidiary of JCE
GVK Gautami Power Limited	JCE of JCE
Alaknanda Hydro Power Company Limited	Subsidiary of JCE
GVK Power (Goindwal Sahib) Limited	Subsidiary of JCE
GVK Power (Khadur Sahib) Private Limited	Subsidiary of JCE
GVK Coal (Tokisud) Company Private Limited	Subsidiary of JCE
Mumbai Aviation Fuel Farm Facility Private Limited #	JCE
Mumbai Airport Lounge Services Private Limited #	JCE
# Classified as held for Sale	
(c) Associates	
GVK Coal Developers (Singapore) Pte Ltd	Associate
Seregraha Mines Limited	Associate of JCE

Notes to Standalone financial statements for the year ended March 31, 2021

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

(d) Key management personnel	
Dr. GVK Reddy	Chairman
Mr. G V Sanjay Reddy	Director
Mr. Krishna R Bhupal	Director
Mr. A Issac George	CFO& Director
Mr. P V Prasanna Reddy	Director
Mr. P V Rama Seshu	Vice President & Company Secretary
(e) Enterprises over which the key management personnel exercise significant influence and with whom there are transactions during the year	
TAJ GVK Hotels & Resorts Limited	
Orbit Travels & Tours Private Limited	
GVK Technical & Consultancy Services Private Limited	
Pinakini Share and Stock Broker Limited	
Paigah House Hotels LLP	
Crescent EPC Projects and Technical Services Limited	

32. 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, 2021	Year ended March 31, 2020
i) GVK Perambalur SEZ Private Limited		
Balance as at the year end	9,620	9,239
Maximum amount outstanding during the year	9,620	9,239
The aforesaid loan is repayable at the option of the subsidiary.		
ii) GVK Transportation Private Limited		
Balance as at the year end	9,264	33
Maximum amount outstanding during the year	9,264	33
The aforesaid loan is repayable on demand		
iii) GVK Jaipur Expressway Private Limited		
Balance as at the year end	-	82
Maximum amount outstanding during the year	-	82
The aforesaid loan is repayable on demand		
iv) 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		
v) GVK Energy Limited		
Balance as at the year end	10,314	67
Maximum amount outstanding during the year	10,314	269
The aforesaid loan is repayable on demand		
vi) GVK Industries Limited		
Balance as at the year end	139	154
Maximum amount outstanding during the year	139	154
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	69	50
Maximum amount outstanding during the year	69	122
The aforesaid loan is repayable on demand.		

Notes to Standalone financial statements for the year ended March 31, 2021

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

33. Details of trade receivables due from subsidiary companies in which Company's director is a director.

Mumbai International Airport Limited Rs. 110 Lakhs (March 31, 2020 Rs. 187 Lakhs).

Navi Mumbai International Airport Private Limited Rs. 1,917 Lakhs (March 31, 2020 Rs. 769 Lakhs).

A. Details of related party transactions during the year:

	March 31, 2021	March 31, 2020
Fees for services rendered (Includes Corporate guarantee commission income)		
GVK Energy Limited	35	54
GVK Airport Developers Limited	615	1,452
Mumbai International Airport Private Limited	1,016	1,270
Navi Mumbai International Airport Private Limited	1,050	1,050
GVK Transportation Private Limited	-	145
GVK Jaipur Expressway Private Limited	152	470
GVK Ratle Hydro Electric Project Private Limited	-	8
GVK Coal Developers (Singapore) Pte Limited	-	1,772
Reimbursement of expenses (Billable expenses)		
GVK Industries Limited	0	0
GVK Gautami Power Limited	0	0
Alaknanda Hydro Power Company Limited	0	0
GVK Power (Goindwal Sahib) Limited	0	0
GVK Airport Developers Limited	0	-
GVK Developmental Projects Private Limited	0	-
GVK Airport Holdings Pvt Ltd	0	-
Sutara Roads & Infra Limited	0	-
GVK Jaipur Expressway Private Limited	0	0
GVK Deoli Kota Expressway Private Limited	-	0
GVK Technical & Consultancy Services Private Limited	0	0
Crescent EPC Projects and Technical Services Limited	0	-
Services received		
GVK Airport Developers Limited	14	12
GVK Airport Holdings Pvt Ltd	28	28
Sutara Roads & Infra Limited	12	12
GVK Developmental Projects Private Limited	9	8
TAJ GVK Hotels & Resorts Limited	0	1
Orbit Travels & Tours Private Limited	1	10
GVK Technical & Consultancy Services Private Limited	92	137
Pinakini Share and Stock Broker Limited	8	-
Rent		
Paigah House Hotels LLP	4	0
Interest income on financial assets		
GVK Airport Developers Limited	745	654
GVK Coal Developers (Singapore) Pte Limited	-	2,250
Director sitting fees		
Dr. GV Krishna Reddy	0	1
Mr. GV Sanjay Reddy	0	1

Notes to Standalone financial statements for the year ended March 31, 2021

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

	March 31, 2021	March 31, 2020
Mr. Krishna R Bhupal	0	1
Mr. S Balasubramanian	1	1
Mr. Anil Kumar Reddy	1	0
Ms. Sudha Vasanth	0	1
Mr. S Anwar	0	1
Mr. A. Rajashekar	1	1
Mr.G.Krishna Murthy	-	2
Advances and Investments (Including deemed) written off/Fair value loss including provision for impairment		
GVK Energy Limited	25,100	4,900
GVK Transportation Private Limited	26	4,951
GVK Ratle Hydro Electric Project Private Limited	-	414
GVK Coal Developers (Singapore) Pte Limited	-	77,536
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
Investments in Equity		
GVK Transportation Private Limited	26	-
GVK Developmental Projects Private Limited	10	-
GVK Airports International Pte. Ltd	669	-
Sutara Roads & Infra Limited	5	-
Loans/advances given/expenditure incurred on behalf		
GVK Energy Limited	10,335	-
GVK Industries Limited	21	16
GVK Airport Developers Limited	69	50
GVK Transportation Private Limited	9,857	33
GVK Perambalur SEZ Private Limited	382	7
Loans/advances recovered		
GVK Energy Limited	147	17
GVK Industries Limited	35	-
GVK Airport Developers Limited	49	-
GVK Transportation Private Limited	653	-
Crescent EPC Projects and Technical Services Limited	-	21
Loan taken		
GVK Developmental Projects Private Limited	-	579
Sutara Roads & Infra Limited	24,995	-
Loan repaid		
GVK Developmental Projects Private Limited	1,753	444
GVK Jaipur Expressway Private Limited	83	-

Notes to Standalone financial statements for the year ended March 31, 2021

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

	March 31, 2021	March 31, 2020
Guarantees given		
GVK Airport Developers Limited	-	131,500
Guarantees released		
GVK Energy Limited	-	-
GVK Airport Developers Limited	-	20,175
GVK Jaipur Expressway Private Limited	10,591	18,101
GVK Transport Private Limited	-	18,159
B Year end balances - Receivables/ (Payables)		
GVK Energy Limited	10,314	125
GVK Industries Limited	141	155
GVK Gautami Power Limited	3	3
Alaknanda Hydro Power Company Limited	2	2
GVK Power (Goindwal Sahib) Limited	23	23
GVK Airport Developers Limited	69	50
GVK Airport Holdings Pvt Ltd	0	0
Mumbai International Airport Private Limited	110	187
Navi Mumbai International Airport Private Limited	1,917	769
GVK Transportation Private Limited	9,264	33
GVK Jaipur Expressway Private Limited	0	83
Sutara Roads & Infra Limited	-36,802	-11,811
*GVK Bagodara Vasad Expressway Private Limited	5	5
GVK Deoli Kota Expressway Private Limited	2	2
GVK Perambalur SEZ Private Limited	9,620	9,239
GVK Developmental Projects Private Limited	-33,709	-35,461
*GVK Ratle Hydro Electric Project Private Limited	0	0
TAJ GVK Hotels & Resorts Limited	-0	-0
Orbit Travels & Tours Private Limited	-0	-1
GVK Technical & Consultancy Services Private Limited	-48	-59
Crescent EPC Projects and Technical Services Limited	1	0
Corporate Guarantee (Loan outstanding)		
GVK Energy Limited	3,100	4,500
GVK Jaipur Expressway Private Limited	33,504	44,096
GVK Airport Developers Limited	224,257	228,224
GVK Ratle Hydro Electric Project Private Limited	26,472	26,472
GVK Coal Developers (Singapore) Pte Limited	405,303	417,096
Pledge of Investment (no. of shares)		
GVK Energy Limited	225,843,130	230,960,770
GVK Airport Developers Limited	183,000,000	251,999,900
GVK Coal Developers (Singapore) Pte Limited	226,082,500	226,082,500
Sutara Roads & Infra Limited	-	239,800

Note:

a. Refer note 39 for equity commitments

b. 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, 2021

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

34. 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. The Company includes within net debt, borrowings including interest accrued on borrowings, less cash and short-term deposits.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Borrowings including interest accrued on borrowings (refer note 16, 18 & 20)	70,518	51,359
Less: Cash and short-term deposits (refer note 11)	(57)	(28)
Less: Investments in mutual funds (refer note 9)	(2,119)	(507)
Net debt	68,342	50,824
Equity share capital	15,792	15,792
Other Equity	65,272	85,896
Total Equity	81,064	101,688
Gearing ratio (Net Debt/ Total Equity)	0.84	0.50

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 as per settled terms:

Particulars	Delay in days	Status	Amount
March 31, 2021			
Principal payment on loans from banks - Axis Bank	above 365	Paid	898
Principal payment on loans from banks - Axis Bank	above 365	Paid	1,963
March 31, 2020			
Principal payment on loans from banks	above 365	Paid	3,000
Principal payment on loans from banks	above 365	Unpaid	898
Principal payment on loans from banks	1-730	Unpaid	3,185

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.

35. 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.

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:

Notes to Standalone financial statements for the year ended March 31, 2021

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

a) Financial instruments by category

	Level	March 31, 2021		March 31, 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Measured at amortised cost					
Non current					
Investments	3	-	-	5,175	5,175
Loans	3	-	-	-	-
Other financial assets	3	-	-	-	-
Current:					
Trade receivables	3	2,050	2,050	803	803
Loans	3	19,803	19,803	408	408
Other financial assets	3	18	18	239	239
Cash and cash equivalents	3	57	57	28	28
Mandatorily measured at fair value through profit or loss					
Investments	1	2,119	2,119	507	507
Financial liabilities					
Measured at amortised cost					
Current					
Borrowings	3	70,518	70,518	48,174	48,174
Trade payables	3	201	201	186	186
Other financial liabilities	3	-	-	5,371	5,371

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.

36. 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

Notes to Standalone financial statements for the year ended March 31, 2021

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

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 44 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 has prepared financial statements 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 hat 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. 25,100 lakhs (March 31, 2020: Rs 4,900 Lakhs) , GVK Transportation Private Limited Rs 26 Lakhs (March 31, 2020: Rs 4,951 Lakhs) and GVK Coal Developers (Singapore) Pte Limited Nil (March 31, 2020: Rs 77,510 Lakhs).

(ii) Defined employee benefit plans (Gratuity)

The 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 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 29.

(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.

Notes to Standalone financial statements for the year ended March 31, 2021

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

(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.

37 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 summarizes 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Increase by 1%	21	5	-	-
Decrease by 1%	(21)	(5)	-	-

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.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 21,871 lakhs (March 31, 2020: Rs. 1,450 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.

Notes to Standalone financial statements for the year ended March 31, 2021

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

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, 2021				
Borrowings	70,518	-	-	70,518
Other financial liabilities	-	-	-	-
Trade payables	-	201	-	201
Total	70,518	201	-	70,719
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

* 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, 2021	Year ended March 31, 2020
Change in Interest Rate		
-increase by 50 basis points	-	44
-decrease by 50 basis points	-	(44)

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.

Notes to Standalone financial statements for the year ended March 31, 2021

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

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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Investments*	9	-	669	-
Other financial liability	-	-	-	-
Other financial assets	-	-	-	-

* 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, 2021	Year ended March 31, 2020
5%	33	-
-5%	(33)	-

38. 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.

39. 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 provided for impairment of its investment and receivable aggregating to Rs. 78,634 lakhs during the year ended March 31, 2020 in the absence of any certainty of realization either by use or from the settlement that may be reached.

The Group has also given guarantees and commitments for loans amounting Rs. 827,149 lakhs (March 31, 2020: Rs. 851,216 lakhs) taken by GVK Coal as at March 31, 2021 part of which is collateralized by the pledge of 37% shares of GVK Airport Holdings Limited a wholly owned subsidiary of the Company, and has also undertaken to provide financial assistance of USD 3.11 million (Rs. 2,272 lakhs) as at March 31, 2021, an entity whose current liabilities exceeds current assets by USD 2,423 million (Rs. 1,769,795 lakhs) as at March 31, 2021, and based on the unaudited financial statements of GVK Coal is witnessing material uncertainties. The prices of the coal have fallen since GVK coal had acquired a stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal and also necessary environmental and regulatory clearances. There are also uncertainties arising from COVID. Further, all the lenders of GVK Coal have classified the loan as non-performing and the lenders had an option to curtail the rights of the 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.

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 final solution with the lenders to get unencumbered ownership over the shares of GVK Airport Developers pledged with the lenders. The extent of the liability that may arise in respect of guarantees and commitments and the manner of such settlement is presently not ascertainable and accordingly no provision has been made in this regard in relation to any liability.

Notes to Standalone financial statements for the year ended March 31, 2021

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

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

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

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

GVKEL is confident that the Government of India will take necessary steps/initiatives to improve the situation of natural gas. However, in the interim, these group companies are working with the lenders for a one time settlement proposal wherein the loans would be settled at the value of the plant to be realized on its sale to APDISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions, believes that these group companies continue to be in operation in foreseeable future despite continued losses or will be able to amicably settle the loan liability as part of one time settlement proposal. GVKEL has given corporate guarantee for the loan taken by GVKGPL. GVKEL based on the valuation performed for these entities, has made a provision for diminution for full value of investments to the extent of Rs. 64,295 lakhs in its standalone financial statements during the FY ended March 31, 2020.

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

b) Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary of GVKEL and mine operator for coal mine allotted to GVKPGSL, was offered of a compensation by the Nominated Authority of Rs. 11,129 Lakhs as against carrying value of assets of Rs. 31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09,2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. Nominated authority further approved Rs 13,827 Lakhs against the claim recently and GVKCTPL has appealed against the same for the differential amount.

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

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

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

Notes to Standalone financial statements for the year ended March 31, 2021

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

PSERC had approved the capital cost of Rs 3,05,837 Lakhs on January 17, 20220 against the claim of Rs 4,49,106 Lakhs. PSERC has also not allowed complete pass through of cost on account of fuel. Aggrieved with the above order, the company has preferred an appeal against the said order before Appellate Tribunal for Electricity (APTEL).

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

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

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

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

The Company has also given corporate guarantee of Rs 3,100 Lakhs (March, 2020 Rs. 4,500 Lakhs) to GVKEL. The management believes that no provision is required for corporate guarantees given by the Company.

41. The company has made an investment in GVK Transportation Private Limited (GVKTPL) amounting to Rs. 4,977 lakhs (Includes deemed investment of Rs. 1,181 lakhs) and given a loan amounting to Rs. 9,264 lakhs as at March 31, 2021. 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 amountng to Rs 26 Lakhs & Rs. 4,951 lakhs (which includes investments of Rs. 3,770 lakhs and deemed investment of Rs. 1,181 lakhs) for the year ended March 31, 2021 & March 31, 2020 respectively. 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.

GVKTPL has further made investments into four subsidiaries out of which two subsidiaries are facing uncertainties, detailed as follows:

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

GVK Bagodara Vasad Expressway Private Limited (GVK BVEPL) step subsidiary of the Company has spent an amount of Rs 67,374 lakhs till March 31, 2021, comprising Rs 58,904 lakhs towards project expenditure and Rs. 8,470 lakhs net towards advances to contractor. (March 31, 2020: Rs 67,374 lakhs) on various works under this Concessionaire Agreement. During the course of construction, there has been significant delays in fulfilling the obligations from GSRDC like providing Land required for construction, right of way, shifting of utilities etc., which has resulted in significant delays in construction also. On March 27, 2018, GSRDC has issued a termination and arbitration notice as per which GSRDC has terminated the concession agreement and also has claimed an amount of Rs. 108,419 Lakhs. In response to which notice, GVK BVEPL has written to GSRDC denying the claims from GSRDC and terminated the agreement. GVK BVEPL has also stated that the delay is due to the default from GSRDC. Also, GVK BVEPL has notified GSRDC that dispute settlement process will be as per the Concession Agreement.

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

GVK BVEPL is closely working with the lenders by explaining to them the intricacies of the project and outlining support required to give effect to the process of arbitration. Tribunal heard arguments of both sides in respect of Application dated 23-09-2021 for production of additional documents, the hearing was concluded and orders in the said application are reserved.

Notes to Standalone financial statements for the year ended March 31, 2021

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

b. GVK Deolikota Expressway Private Limited (GVK DKEPL)

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

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

The matter is under Arbitration and the company has filed claim documents with Tribunal and NHAI has filed statement of defence. GVK DKEPL is also taking other necessary legal remedies in this regard and the Arbitration tribunal is yet to decide the date for hearing on these claims.

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

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

42. The Company has an investment in GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company.

The Company has an investment and has receivables (Loan given to subsidiaries classified as equity) aggregating to Rs 9,621 Lakhs (March 31, 2020: Rs 9,240 Lakhs). GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, inspite of the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA) (Refer Note 43). However, Hon'ble High Court of Telangana has stayed the proceedings by issuing Show Cause Notice to ED.

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

The Enforcement Directorate (ED) has also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED has filed a complaint in April 2021 on the same matters against the above mentioned parties and some of the subsidiaries, joint ventures and step down subsidiaries of the Company, their Directors and officers, and the concerned parties are cooperating with the investigating agencies.

Notes to Standalone financial statements for the year ended March 31, 2021

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

ED has filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002.

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

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

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

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

45. As at March 31, 2021, 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. 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 39 and 40 above(Referring to notes on GVK Coal Developers (Singapore) Pte. Limited & GVK Energy Limited), 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 and re-negotiation of terms of PPA of coal based plant. These factors together impact of Covid-19 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.

46. 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.

Notes to Standalone financial statements for the year ended March 31, 2021

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

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, 2021. This considers the existing binding agreement for sale of stake under the cooperation and other agreements. Also refer note 47 to the financial statements.

47. The Company and its subsidiary GVK Airport Developers Limited (GVK ADL) has entered into a binding agreement comprising a co-operation agreement and other related agreements with Adani Airport Holdings Limited (AAHL) on August 31, 2020 and subsequent dates. This includes acquisition of the debt by AAHL from various lenders of GVKADL with a view to release pledge on certain shares of GVK Airport Holdings Limited (GVKAHL) and with an ability for AAHL to convert the acquired debt from the lenders of GVKADL to equity so as to acquire equity interest in Mumbai International Airport Limited (MIAL) and also acquiring Company's equity and other instruments in GVKADL and also possible acquisition/ settlement of debt of GVK Coal Developers (Singapore) Pte Ltd (with a view to release pledge on remaining shares of GVKAHL). AAHL has since acquired the debt of GVKADL from lenders and has converted the same to equity acquiring controlling interest in GVKADL on July 13, 2021. GVKPIL has also sold its majority holding in GVKADL to AAHL. Consequently GVKADL, Bangalore Airport & Infrastructure Developers Limited (BAIDL), GVKAHL, MIAL and Navi Mumbai International Airport Limited (NMIAL) are no longer subsidiaries of the Company from July 13, 2021.

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

(i) Acquisition of debt and related accrued interest with carrying value in the financial statements of GVKADL of Rs. 255,107 lakhs by AAHL.

(ii) AAHL acquiring certain securities of Sutara Roads & Infra Limited, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of co-operation agreement.

(iii) Acquiring equity of Rs. 30,000 lakhs and other instruments of Rs. 100,000 lakhs held by GVKPIL and its subsidiary in GVKADL by AAHL to be settled by transfer of securities held by AAHL referred to in (ii) above.

(iv) GVKPIL and AAHL have also agreed on certain steps to be taken in respect of lenders of GVK Coal.

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

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

48. Assets held for sale

Considering the above note 47, based on the binding agreement between the Company, GVK ADL (the holding company of GVKAHL) and Adani Airport Holdings Limited dated August 31, 2020, the management has evaluated the criteria as per Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, and is of the view that the Airport vertical is considered as "Held for sale".

Accordingly, the Investments relating to GVK Airport Developers Limited amounting to Rs 43,473 Lakhs has been shown as Assets Held for Sale as on March 31, 2021.

49. Events occurring after the reporting date - Non adjusting events

Refer note 47 for details of co-operation agreement entered into by the Company for sale of stake in GVK Airport Developers Limited. In view of this agreement the Company has classified its investment in GVK Airport Developers Limited as "Assets Held for Sale" and made applicable disclosures in financial statement. further The company has transferred 252,000,000 equity shares of GVK ADL to Adani holdings airport limited by July 13, 2021.

Aiport Lenders of GVKADL, converted part of the outstanding amount of Rs 243,632 Lakhs into 2,436,316,183 equity shares of GVKADL on July 13, 2021 and securities given to lenders has been released.

50. The Code of Social Security, 2020 ("Code") relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently the Ministry of Labour and Employment had released the draft rules on the aforementioned code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the financial statements in the period when the code will come into effect.

51. The Ministry of Corporate Affairs, Government of India, issued notifications dated 24th March 2021 to amend Schedule III to the Companies Act 2013 to enhance the disclosures required to be made by the Company in its Financial Statements. These amendments came into force w.e.f. 1st April 2021.

GVK Power & Infrastructure Limited

Notes to Standalone financial statements for the year ended March 31, 2021

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

52. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

53. Previous year's figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

For T R Chadha & Co LLP, Chartered Accountants

Firm registration number: 006711N/N500028

Pravin Kumar Jabade

Partner

Membership No. 107196

Place: Hyderabad

Date: December 28, 2021

UDIN: 21107196AAAADP9918

For and on behalf of the Board of Directors of

GVK Power and Infrastructure Limited

(CIN - L74999TG2005PLC059013)

Dr. GVK Reddy

Chairman

DIN: 00005212

A Issac george

Director & CFO

DIN: 00005456

P V Rama Seshu

Vice President & Company Secretary



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