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

To the Board of Directors of GMR Infrastructure Limited

Qualified Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of GMR Infrastructure Limited ('the Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), including relevant circulars issued by SEBI from time to time.

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

   i. presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the effects/possible effects of the matters described in paragraph 3 and 4 below; and

   ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021 except for the effects/possible effects of the matters described in paragraph 3 and 4 below.

Basis for Qualified Opinion

3. As stated in note 3(a) to the accompanying Statement, the Company has invested in GMR Generation Assets Limited ('GGAL') and GMR Energy Projects Mauritius Limited ('GEPML'), subsidiaries of the Company, which have further invested in step down subsidiaries and joint ventures. Further, the Company has outstanding loan (including accrued interest) amounting to Rs. Nil crore recoverable from GGAL as at

31 March 2021. Also, the Company together with GGAL and GEPML has investments in GMR Energy Limited ('GEL'), a Joint venture of the Company, amounting to Rs. 1,272.32 crores and has outstanding loan (including accrued interest) amounting to Rs. 709.01 crore recoverable from GEL as at 31 March 2021. GEL has further invested in GMR Vemagiri Power Generation Limited ('GVPGL') and GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL'), both subsidiaries of GEL and in GMR Kamalanga Energy Limited ('GKEL'), joint venture of GEL and GGAL has further invested in GMR Rajahmundry Energy Limited ('GREL'), an associate company of GGAL. The aforementioned investments are carried at their respective fair value in the Statement as per Ind AS 109 – 'Financial Instruments'.

As mentioned in note 3(e), GVPGL and GREL have ceased operations due to continued unavailability of adequate supply of natural gas and other factors mentioned in the said note and have been incurring significant losses, including cash losses with consequential erosion of their respective net worth. Further, GREL has entered into a resolution plan with its lenders to restructure its debt obligations during the year ended 31 March 2019. The Company has given certain corporate guarantees for the loans including Cumulative Redeemable Preference Shares ('CRPS') outstanding in GREL amounting to Rs. 2,056.59 crores.

The carrying value of the investment of the Company in GEL, to the extent of amount invested in GVPGL, and the Company's obligations towards the corporate guarantees given for GREL are significantly dependent on the achievement of key assumptions considered in the valuation performed by the external expert particularly with respect to availability of natural gas, future tariff of power generated and realization of claims for losses incurred in earlier periods from the customer as detailed in the aforementioned note. The Company has provided for its investment in full in GREL and the management is confident that no further obligation would arise for the guarantees provided to the lenders against the servicing of sustainable and unsustainable debts.

As mentioned in note 3(d), the management has accounted the investment in GKEL based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, rescheduling/refinancing of existing loans at lower rates amongst other key assumptions and the uncertainty and the final outcome of the litigations with the capital creditors as regards claims against GKEL.

Further, as mentioned in note 3(f), GBHPL has stopped the construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand, since 07 May 2014 on directions of Hon'ble Supreme Court of India ('the Supreme Court'). The carrying value of the investments in GBHPL is significantly dependent on obtaining requisite approvals from Supreme court, environmental clearances, availability of funding support for development and construction of the aforesaid power plant and achievement of the other key assumptions made in the valuation assessment done by an external expert.

Accordingly, owing to the aforementioned uncertainties, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid loans and investments, and further provisions, if any, required to be made for the said obligations, and the consequential impact on the accompanying Statement for the year ended 31 March 2021.

The opinion expressed by us on the standalone financial statements for the year ended 31 March 2020 vide our report 30 July 2020 and the conclusion expressed by us in our review report dated 12 February 2021

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on the standalone financial results for the quarter and year to date ended 31 December 2020 was also qualified in respect of above matters.

4. As detailed in note 4 to the accompanying Statement, during the quarter ended 30 September 2020, the Company, along with Kakinada SEZ Limited ('KSEZ'), GMR SEZ and Port Holdings Limited ('GSPHL'), Kakinada Gateway Port Limited ('KGPL') had entered into a securities sale and purchase agreement with Aurobindo Reality and Infrastructure Private Limited, ('Aurobindo') for the sale of entire 51% stake in KSEZ held by GSPHL (Securities sale and purchase agreement hereinafter referred as 'SSPA') along with the settlement of inter corporate deposits given by the Company to KSEZ.

   The investment in KSEZ held by the Company through GSPHL was carried at its fair value of Rs. 502.00 crore that had been determined without giving cognizance to the consideration of Rs. 12.00 crores specified in the aforementioned SSPA and was consequently not in accordance with the requirements of Ind AS 113, Fair Value Measurement (Ind AS 113).

   The Company has now recognised exceptional loss of Rs. 95.00 crores and loss in other Comprehensive income amounting to Rs. 490.00 crores in relation to the above transaction during the quarter ended 31 March 2021, as explained in the said note, instead of restating the financial results for previous quarters in accordance with the requirements of relevant Ind AS.

   The conclusion expressed by us on the standalone financial results for the quarter and nine months period ended 31 December 2020 vide our report dated 12 February 2021 was also qualified in respect of fair value measurement requirement as per Ind AS 113.

   Had the management accounted for the aforesaid transaction in the correct period, the 'exceptional loss' for the quarters ended 31 March 2021 and 31 December 2020 would have been lower by Rs. 126.70 crores and Rs. 14.13 crores respectively and other comprehensive income for the quarter ended 31 March 2021 would have been lower by Rs. 490.00 crores.

5. 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 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 statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

6. In addition to the matters described in paragraph 3 above, we draw attention to note 3(b) and 3(c) to the accompanying Statement, in relation to the investment made by the Company in GEL amounting to Rs. 1,272.32 crore as at 31 March 2021. The recoverability of such investment is further dependent upon various claims, counter claims and other receivables from customers of GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, which are pending settlement / realization as on 31 March 2021, and certain other key assumptions considered in the valuation performed by an external expert, including capacity utilization of plant in future years, management's plan for entering into a new long-term power purchase agreement ('PPA') to replace the PPA expired in June 2020 with one of its customers and the pending outcome of the debt resolution plan being discussed with the lenders of GWEL, as explained in the said note.

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The above claims also include recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL amounting to Rs 611.58 crore for the period from 17 March 2014 to 31 March 2021, based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 8 May 2015 which is currently contested by MSEDCL in the Supreme Court as described in aforesaid note.

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Company in GEL, taking into account the matters described above in relation to the investments made by GEL in its aforementioned subsidiaries, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the quarter and year ended 31 March 2021. Our opinion is not modified in respect of this matter.

7. We draw attention to Note 7(a) of the accompanying statement, which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of its impact on the assumptions underlying the valuation of investments which are carried at fair value in the Statement as at 31 March 2021. Further, we also draw attention to note 7(b) in relation to the carrying value of investments in subsidiaries specified in the note which are further dependent on the uncertainties relating to the future outcome of the ongoing matters.

8. We draw attention to note 4 to the accompanying Statement in relation to the recoverability of sale consideration receivable as at 31 March 2021 amounting to Rs. 513.21 crore pursuant to the sale of equity stake and inter-corporate deposits given to KSEZ which is dependent on the achievement of the milestones as detailed in the aforementioned note. Such achievement of milestones is significantly dependent on future development in the Kakinada SEZ and basis independent assessment by property consultancy agency, Management is confident of achieving such milestones and is of the view that no adjustment to the aforesaid balance is required to be made in the accompanying Statement. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

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

10. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going

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concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Statement

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

13. As part of an audit in accordance with the 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 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 statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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.

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Other Matters

16. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

Anamitra Das
Partner
Membership No. 062191

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UDIN: 21062191AAAAIO6429

Place: New Delhi
Date: 18 June 2021

GMR Infrastructure Limited
Corporate Identity Number (CIN): L45203MH1996PLC281138

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Email: gil.cosecy@gmrgroup.in Website: www.gmrgroup.in

Statement of standalone financial results for quarter and year ended March 31, 2021

(Rs. in crore)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
		Unaudited (refer note 10)	Unaudited	Unaudited (refer note 10)	Audited	Audited
1	**Income**					
	(a) Revenue from operations					
	i) Sales/income from operations	409.64	268.20	246.42	1,055.20	803.46
	ii) Other operating income (refer note 6)	94.07	94.33	106.71	393.40	351.64
	(b) Other income	14.14	2.68	3.48	19.48	7.90
	Total Income	**517.85**	**365.21**	**356.61**	**1,468.08**	**1,163.00**
2	**Expenses**					
	(a) Cost of materials consumed	297.79	154.90	95.75	662.56	360.39
	(b) Sub-contracting expenses	59.90	64.09	45.17	194.66	176.03
	(c) Employee benefit expenses	7.82	7.91	10.04	28.76	40.71
	(d) Finance costs	230.71	175.22	105.47	890.71	892.93
	(e) Depreciation and amortisation expenses	5.20	5.45	5.62	21.50	23.52
	(f) Other expenses	62.33	42.82	55.51	157.06	133.09
	Total expenses	**663.75**	**450.39**	**317.56**	**1,955.25**	**1,626.67**
3	**(Loss)/Profit before exceptional items and tax**	**(145.90)**	**(85.18)**	**39.05**	**(487.17)**	**(463.67)**
4	**Exceptional items (refer note 5)**	(256.15)	(343.93)	(821.52)	(796.85)	(990.47)
5	**Loss before tax (3 ± 4)**	**(402.05)**	**(429.11)**	**(782.47)**	**(1,284.02)**	**(1,454.14)**
6	**Tax (credit)/ expense**	-	(0.66)	34.91	(3.86)	24.98
7	**Loss for the period/ year (5 ± 6)**	**(402.05)**	**(428.45)**	**(817.38)**	**(1,280.16)**	**(1,479.12)**
8	**Other comprehensive income (net of tax)**					
	(A) (i) Items that will not be reclassified to profit or loss					
	-Re-measurement gains on defined benefit plans	(0.14)	0.37	0.04	0.55	0.04
	-Net Gain/ (loss) on fair valuation through other comprehensive income ('FVTOCI') of equity securities	1,102.44	(163.47)	2,401.83	(1,116.48)	1,996.21
	Total other comprehensive income for the period/year	**1,102.30**	**(163.10)**	**2,401.87**	**(1,115.93)**	**1,996.25**
9	**Total comprehensive income for the period/year (Comprising Profit/(Loss) and Other comprehensive income (net of tax) for the period/year) (7 ± 8)**	**700.25**	**(591.55)**	**1,584.49**	**(2,396.09)**	**517.13**
10	**Paid-up equity share capital (Face value - Re. 1 per share)**	603.59	603.59	603.59	603.59	603.59
11	**Other equity (excluding equity share capital)**				9,142.63	11,464.15
12	**Earnings per share (EPS) (of Re. 1 each) (not annualised)**					
	(a) Basic and Diluted EPS before exceptional items	(0.24)	(0.14)	0.01	(0.80)	(0.81)
	(b) Basic and Diluted EPS after exceptional items	(0.67)	(0.71)	(1.35)	(2.12)	(2.45)

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GMR INFRASTRUCTURE LIMITED

GMR Infrastucture Limited
Statement of Standalone assets and liabilities

(Rs. in crore)

	Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	123.63	132.71
	Intangible assets	1.53	1.94
	Financial assets		
	Investments	13,794.82	15,018.66
	Trade receivables	146.91	109.57
	Loans	1,328.83	1,256.28
	Other financial assets	574.03	81.24
	Non-current tax assets (net)	62.82	64.42
	Other non-current assets	7.28	8.73
		16,039.85	**16,673.55**
2	**Current assets**		
	Inventories	78.68	98.48
	Financial assets		
	Investments	0.20	98.00
	Trade receivables	333.21	538.87
	Cash and cash equivalents	57.24	23.26
	Bank balances other than cash and cash equivalents	27.78	2.01
	Loans	631.40	1,137.96
	Other financial assets	934.43	863.83
	Other current assets	148.04	96.68
		2,210.98	**2,859.09**
3	**Assets classified as held for sale**	**-**	**4,748.88**
	Total assets (1+2+3)	**18,250.83**	**24,281.52**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	Equity share capital	603.59	603.59
	Other equity	9,142.63	11,464.15
	Total equity	**9,746.22**	**12,067.74**
	Liabilities		
2	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	3,720.53	6,341.45
	Other financial liabilities	106.12	128.72
	Provisions	3.89	0.89
	Deferred tax liabilities (net)	539.88	882.84
		4,370.42	**7,353.90**
3	**Current liabilities**		
	Financial liabilities		
	Borrowings	766.91	818.64
	Trade payables		
	a) total outstanding dues of micro enterprises and small enterprises	44.23	32.64
	b) total outstanding dues of creditors other than (a) above	518.57	519.42
	Other financial liabilities	2,689.78	3,322.14
	Other current liabilities	113.68	162.21
	Provisions	1.02	4.83
		4,134.19	**4,859.88**
	Total equity and liabilities (1+2+3)	**18,250.83**	**24,281.52**

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GMR INFRASTRUCTURE LIMITED

GMR Infrastructure Limited
Standalone Statement of Cash Flows

(Rs. in crore)

Particulars	March 31, 2021	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	**(1,284.02)**	**(1,454.14)**
Non-cash adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	21.50	23.52
Exceptional items	796.85	990.47
Bad debts written off/ provision for doubtful debts	1.43	4.02
Net foreign exchange differences (unrealised)	14.66	33.94
Gain on disposal of assets (net)	(0.36)	(1.67)
Provision/ liabilities no longer required, written back	(13.38)	(0.71)
Reversal for upfront loss on long term construction cost	(24.28)	(95.05)
Profit on sale of current investments	(3.13)	(0.92)
Dividend income on current investments (gross) Rs. Nil (March 31, 2020: Rs. 4,360)	-	0.00
Finance income (including finance income on finance asset measured at amortised cost)	(390.25)	(349.53)
Finance costs	890.71	892.93
Operating profit before working capital changes	**9.73**	**42.86**
Working capital adjustments:		
Decrease/ (increase) in inventories	19.80	(53.40)
Decrease/ (increase) in trade receivables	166.88	(169.08)
(Increase)/decrease in other financial assets	(81.68)	45.15
(Increase) in other assets	(51.77)	(44.35)
Increase in trade payables	48.32	151.83
(Decrease) in other financial liabilities	(18.71)	(11.84)
(Decrease) in provisions	(0.81)	(0.23)
(Decrease) in other liabilities	(48.53)	(95.71)
Cash from / (used in) operations	**43.23**	**(134.77)**
Direct taxes refund/ (paid) (net)	1.60	(19.67)
Net cash from / (used) in operating activities	**44.83**	**(154.44)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10.35)	(0.96)
Proceeds from sale of property, plant and equipment	0.55	3.95
Purchase of non-current investments (including advances paid)	(376.15)	(0.10)
Proceeds from sale and redemption of non-current investments	4,345.69	1,206.85
Proceeds from / (Purchase) of current investments (net)	100.93	(97.07)
(Investment in)/ Proceeds from bank deposit (having original maturity of more than three months) (net)	(7.23)	17.63
Loans given to group companies	(3,926.79)	(2,951.11)
Loans repaid by group companies	2,129.63	1,679.24
Interest received	365.82	184.83
Dividend received [(Rs. Nil (March 31, 2020: Rs. 4,360)]	-	0.00
Net cash from investing activities	**2,622.10**	**43.26**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	425.12	2,493.60
Repayment of long term borrowings	(2,445.00)	(1,622.51)
Proceeds from / (Repayment) of short term borrowings (net)	19.27	(118.68)
Finance costs paid	(632.34)	(629.75)
Net cash (used in) /from financing activities	**(2,632.95)**	**122.66**
Net increase in cash and cash equivalents	33.98	11.48
Cash and cash equivalents at the beginning of the period	23.26	11.78
Cash and cash equivalents at the end of the year	**57.24**	**23.26**

Particulars	March 31, 2021	March 31, 2020
Component of Cash and Cash equivalents		
Balances with banks:		
– On current accounts	36.28	22.33
Deposits with original maturity of less than three months	20.94	0.90
Cash on hand	0.02	0.03
	57.24	**23.26**

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GMR INFRASTRUCTURE LIMITED

GMR Infrastructure Limited

Notes to the standalone financial results for the quarter and year ended March 31, 2021

1. Investors can view the audited standalone financial results of GMR Infrastructure Limited ("the Company" or "GIL") on the Company's website www.gmrgroup.in or on the websites of BSE (www.bseindia.com) or NSE (www.nse-india.com). The Company carries on its business through various subsidiaries, joint ventures and associates (hereinafter referred to as 'the Group'), being special purpose vehicles exclusively formed to build and operate various infrastructure projects.

2. The Company carries on its business in two business verticals viz., Engineering, Procurement and Construction ('EPC') and Others.

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

3. (a) The Company has invested in GMR Generation Assets Limited ("GGAL") which has further invested in step down subsidiaries and joint ventures. Further, the Company has outstanding loan (including accrued interest) amounting to Rs. Nil recoverable from GGAL as at March 31, 2021. Also, the Company together with GGAL and GMR Energy Projects Mauritius Limited has investments in GMR Energy Limited ("GEL") amounting Rs. 1,272.32 crore and has outstanding loan (including accrued interest) amounting to Rs. 709.01 crore in GEL as at March 31, 2021. GEL and GGAL have certain underlying subsidiaries/ associates/ joint ventures which are engaged in energy sector including mining operations. GEL, GGAL and some of the underlying subsidiaries/ associates/ joint ventures as further detailed in note 3(b), 3(c), 3(d), 3(e) and 3(f) below have been incurring losses resulting in substantial erosion in their net worth. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the year ended March 31, 2021, the management of the Company has fair valued its investments and for reasons as detailed in 3(b), 3(c), 3(d), 3(e) and 3(f) below, the management is of the view that the fair values of the Company's investments in GGAL and GEL are appropriate.

   (b) GMR Warora Energy Limited ('GWEL'), a subsidiary of GEL, is engaged in the business of generation and sale of electrical energy from its coal based power plant of 600 MW situated at Warora. GWEL, has accumulated losses of Rs. 703.86 crore as at March 31, 2021 which has resulted in substantial erosion of GWEL's net worth. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements ('PPA') and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 714.72 crore which are substantially pending receipt. Based on certain favorable interim regulatory orders, the management is confident of a favorable outcome towards the outstanding receivables.

   Further, GWEL received notices from one of its customer disputing payment of capacity charges of Rs. 132.01 crore for the period March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof. Accordingly, during the period ended March 31, 2021, GWEL filed petition with Central Electricity Regulatory Commission ('CERC') for settlement of the dispute. The management based on its internal assessment and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable. Further, in view of the ongoing COVID-19 pandemic and expiry of the PPA with one of the customer availing 200 MW of power in June 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of GWEL. However, GWEL has certain favourable interim orders towards the aforementioned claims. Further during the quarter ended December 31, 2020, GWEL basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVD-19 related stress prescribed by RBI on December 30, 2020 in respect of all the facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by GWEL as on the invocation date. In this regard, all the lenders of GWEL have entered into an Inter Creditors Agreement ('ICA') on January 2021

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and a Resolution Plan is to be implemented within 180 days from the invocation date in accordance with the framework issued by RBI, which is still under progress.

The management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the year ended March 31, 2021, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the pending outcome of the debt resolution plan with the lenders of GWEL, the management of the GEL is of the view that the carrying value of the net assets in GWEL by GEL as at March 31, 2021 is appropriate.

(c) GWEL entered into a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') on March 17, 2010 for sale of power for an aggregate contracted capacity of 200 MW, wherein power was required to be scheduled from power plant's bus bar. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed GWEL to construct separate lines for evacuation of power through State Transmission Utility ('STU') though GWEL was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, GWEL preferred an appeal with APTEL. APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claim of Rs. 611.58 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2021. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion.

In view of the favorable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 611.58 crore relating to the period from March 17, 2014 to March 31, 2021 (including Rs. 75.81 crore for the year ended March 31, 2021) in the financial results of GWEL.

(d) GMR Kamalanga Energy Limited ('GKEL'), a joint venture of GEL is engaged in development and operation of 3*350 MW under Phase I and 1*350 MW under Phase II, coal based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of Rs. 1,813.41 crore as at March 31, 2021, which has resulted in substantial erosion of GKEL's net worth due to operational difficulties faced during the early stage of its operations. Further, GKEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 1,418.05 crore as at March 31, 2021, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt. Based on certain favorable interim regulatory orders with regard to its petition for 'Tariff Determination' and 'Tariff Revision' with its customers, the management is confident of a favorable outcome towards the outstanding receivables of GKEL.

GKEL in view of the Supreme Court Order in Energy Watchdog vs CERC and others and CERC order in its own case for Haryana Discoms had sought legal opinion from the legal counsel on certainty of the claims with Bihar Discoms. Considering opinion received from legal counsels that GKEL has good tenable case with virtual certainty with respect to coal cost pass through and favourable Order from APTEL dated March 21, 2018 and CERC judgment in GKEL's own case for Haryana Discoms where the computation methodology

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of coal cost pass through was decided, the management was virtually certain on receipt of the GKEL's claim of revenue on coal cost pass through and was of the opinion that no contingency was involved in this regard. GKEL has now received a favorable order on September 16, 2019 whereby the CERC has allowed the coal cost pass through to be charged to the Bihar Discom, based on a certain methodology. However, GKEL has filed a review petition with Hon'ble Appellate Tribunal for Electricity dated November 14, 2019 against this methodology on the grounds that the methodology stated in this order, even though favorable, is contradictory to the methodology stated in the earlier order of CERC in GKEL's case with Haryana Discom. Accordingly, GKEL continued to recognize the income on Coal Cost Pass Through claims of Rs. 7.70 crore for the quarter and Rs.17.78 crore for the year ended March 31, 2021.

GKEL has accounted for transportation cost of fly ash as change in law event as the same was agreed in principle by CERC vide Order 131/MP/2016 dated February 21, 2018 and on March 22, 2021 in case no 405/MP/2019, CERC allowed to recover ash transportation costs including GST from Bihar and Haryana Discoms. Similarly CERC in its order dated April 8, 2019 has allowed Maithan Power Limited in case no – 331/MP/2018 to recover the actual ash disposal expenses from its beneficiaries (DVC).

Based on the above orders of CERC, GKEL has recognised revenue amounting to Rs 13.40 Cr for GRIDCO during the year ended March 31, 2021 post complying with the conditions mandated in this regard. GKEL has filed petition with CERC for determination of compensation of transportation charges of fly ash as per Order.

Further, as detailed below there are continuing litigation with SEPCO Electric Power Construction Corporation (SEPCO) ('Capital Creditors') which are pending settlement. Further, during the year, GKEL has won the bid for supply of balance 150 MW to Haryana Discom. GKEL has signed fuel supply agreement with Coal India Limited for supply of coal from its Mahanadi Coal Field Mines for 0.36 crore ton which is within a distance of 15 KM from the plant site. In addition to above, GKEL has won the bid (Shakti-III) for supply of 0.04 crore ton of coal for balance 150 MW.

Further, during the year ended March 31, 2020, as part of the strategic initiatives being undertaken by the management to ensure liquidity and timely payment of its obligations, the management of GEL, entered into share purchase agreement with JSW Energy Limited for sale of its equity stake in GKEL. However, during the quarter ended September 30, 2020, the said transaction has been called off due to uncertainties on account of COVID-19 pandemic.

Further, GKEL had entered agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. The Arbitral Tribunal has issued an opinion (the Award) on September 07, 2020 against GKEL. Since there were computation/ clerical / typographical errors in the Award, both parties (GKEL and SEPCO) immediately applied for correction of the award under Section 33 of the Arbitration & Conciliation Act 1996 (as amended). The Arbitral Tribunal considered the applications of both the parties and has pronounced the corrected award on November 17, 2020. GKEL already accounted for the aforementioned liability in excess of the amount as per the award pertaining to the books, representing the retention money, unpaid invoices and the Bank Guarantee revoked. GKEL has challenged the award under section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Orissa on February 15, 2021. Based on the legal opinion obtained, GKEL has good arguable case under section 34 of the Act to challenge the Award and seek setting aside of the same as thus they are not expecting cash outflow in this matter.

In view of these matters, business plans (including expansion and optimal utilization of existing capacity, rescheduling/ refinancing of existing loans at lower rates), valuation assessment by an external expert during the year ended March 31, 2021, the management is of the view that the carrying value of the investments in GKEL held by GEL as at March 31, 2021 is appropriate.

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Notes to the standalone financial results for the quarter and year ended March 31, 2021

(e) In view of lower supplies / availability of natural gas to the power generating companies in India, GREL, GMR Vemagiri Power Generation Limited ('GVPGL'), a subsidiary of GEL and GEL are facing shortage of natural gas supply and delays in securing gas linkages. As a result, GEL has not generated and sold electrical energy since April 2013. GREL and GVPGL emerged as successful bidders in the auction process organised by the Ministry of Power and operated on an intermittent basis from August 2015 and October 2015 respectively till September 2016 by using Re-gasified Liquefied Natural Gas ('RLNG') as natural gas. These entities have ceased operations and have been incurring losses including cash losses on account of the aforesaid shortage of natural gas supply.

(i) GREL had not commenced commercial operations pending linkages of natural gas supply from the Ministry of Petroleum and Natural Gas till the period ended September 30, 2015. As a result, the consortium of lenders of GREL decided to implement Strategic Debt Restructuring Scheme ('SDR Scheme'). Pursuant to the scheme, borrowings aggregating to Rs. 1,308.57 crore and interest accrued thereon amounting to Rs. 105.42 crore was converted into equity shares of GREL for 55% stake in equity share capital of GREL and the Company and GGAL have given a guarantee of Rs 2,571.71 crore to the lenders against the remaining debt. Under the SDR Scheme, the bankers had to find new promoters for GREL within the period as prescribed under the scheme, which expired during the year ended March 31, 2018. Consequent to the SDR and the conversion of loans into equity share capital by the consortium of lenders, GREL ceased to be a subsidiary of the Company and has been considered as associate as per the requirements of Ind AS -28.

During the year ended March 31, 2019, considering that GREL continued to incur losses in absence of commercial operations, the consortium of lenders has decided to implement a revised resolution plan which has been approved by all the lenders and accordingly the lenders have restructured the debt. The Company along with its subsidiaries has provided guarantees to the lenders against the servicing of sustainable debts having principal amounting to Rs. 1,119.54 crore and all interests there on, including any other obligation arising out of it and discharge of the put option in regard to Cumulative Redeemable Preference Shares ('CRPS') (unsustainable debt) amounting to Rs. 940.59 crore, if any exercised by the CRPS lenders, as per the terms of the revised resolution plan.

(ii) During the year ended March 31, 2018, pursuant to the appeal filed by Andhra Pradesh Discoms ('APDISCOMs'), the Hon'ble Supreme Court held that RLNG is not natural gas and accordingly GVPGL cannot be entitled for capacity charges based on availability declaration for generation of power on the basis of RLNG. GVPGL had also filed petition claiming losses of Rs. 447.00 crore pertaining to capacity charges pertaining to period 2006 to 2008 before Andhra Pradesh Electricity Regulatory Commission ('APERC'). Over the years, the case was heard for deciding the jurisdiction to adjudicate the proceedings. During the year ended March 31, 2019, the Hon'ble High Court of Andhra Pradesh passed its Judgment and held that the Central Electricity Regulatory Commission ('CERC') has the jurisdiction to adjudicate the aforesaid claims of GVPGL. Further, during the year ended March 31, 2020, the Andhra Pradesh DISCOMs (APDISCOMs') appealed against, the aforesaid judgement before the Hon'ble Supreme Court. The Supreme Court vide its order dated February 4, 2020 dismissed the aforesaid petition of the DISCOMs and held that CERC will have jurisdiction to adjudicate the disputes in the present case and directed CERC to dispose off the petition filed before it within six months. The matter is pending to be heard before the CERC as at March 31, 2021.

Additionally, during the year ended March 31, 2020, in case of GVPGL's litigation with APDISCOMs, wherein APDISCOMS refused to accept declaration of capacity availability on the basis of deep water gas citing that natural gas for the purpose of PPA does not include Deep Water Gas and consequent refusal to schedule power from GVGPL and pay applicable tariff including capacity charges, CERC has passed order dated January 28, 2020, declaring that natural gas for the purpose of PPA includes Deep Water Gas. Accordingly, GVGPL is entitled to claim capacity charges from APDISCOMs from October 2016 based on availability declaration for generation of power on the basis of deep water gas, along with late payment surcharge.

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GVGPL has calculated a claim amount of Rs. 741.31 crore for the period from November 2016 till February 2020. GVPGL has not received any of the aforesaid claims and is confident of recovery of such claims in the future based on CERC order.

(iii) During the year ended March 31, 2020, GEL entered into a Sale and Purchase Agreement with a prospective buyer for a consideration of USD 1.55 crore for sale of the Barge Mounted Power Plant ('Barge Plant') on as is where is basis, out of which USD 0.30 crore has been received till March 31, 2020. The transaction was expected to be completed by May 31, 2020. However, the dismantling work is on hold due to COVID-19. The management is confident of completing the transfer of Barge Plant during the financial year ended March 31, 2022. Since the estimate of realizable value amounting Rs. 112.01 crore done by the management as at March 31, 2021 is consistent with the consideration for the Barge Plant as per the agreement, no further impairment charge is required.

(iv) Further, the management of the Company is evaluating various approaches / alternatives to deal with the situation and is confident that Government of India ('GoI') would take further necessary steps / initiatives in this regard to improve the situation regarding availability of natural gas from alternate sources in the foreseeable future. The management of the Company carried out a valuation assessment of GREL and GVPGL during the year ended March 31, 2021 which includes certain assumptions relating to availability and pricing of domestic and imported gas, future tariff, tying up of PPA, realization of claims for losses incurred in earlier periods and current period from the customer and other operating parameters, which it believes reasonably reflect the future expectations from these projects. The business plan of GREL considered for valuation assessment has been approved by the consortium of lenders at the time of execution of the resolution plan. The management of the Company will monitor these aspects closely and take actions as are considered appropriate and is confident that these gas based entities will be able to generate sufficient profits in future years and meet their financial obligations as they arise and GEL will be able to dispose off the Barge Power Plant as per the aforementioned Sale and Purchase agreement. Based on the aforementioned reasons, claims for capacity charges and business plans, the management is of the view that the carrying value of the investment in GVPGL by GEL as at March 31, 2021 is appropriate. The Company has provided for its investment in full in GREL and the management is confident that no further obligation would arise for the guarantees provided to the lenders against the servicing of sustainable and unsustainable debts.

(f) GMR Badrinath Hydro Power Generation Private Limited ('GBHPL') a subsidiary of GEL, is in the process of setting up 300 MW hydro based power plant in Alaknanda River, Chamoli District of Uttarakhand. The Hon'ble Supreme Court of India ('the Court'), while hearing a civil appeal in the matters of Alaknanda Hydro Power Company Limited, directed vide its order dated May 7, 2014 that no further construction work shall be undertaken by the 24 projects coming up on the Alaknanda and Bhagirathi basins until further orders. Further, during the year ended March 31, 2016, Ministry of Environment Forest and Climate Change ('MoEF') has represented to the Supreme Court of India that of the six hydro projects in Uttarakhand, two projects including GBHPL requires certain design modifications as per the policy stipulations. During the year ended March 31, 2018, the validity of Environmental Clearance ('EC') granted to GBHPL by the MoEF ceased to exist. Pursuant to an application made by GBHPL, the MoEF vide its letter dated April 17, 2018, proposed to extend the EC granted to GBHPL for a period of 3 years, subject to the final outcome of the matter pending before the Court. Based on its internal assessment and a legal opinion, the management of GBHPL is confident of obtaining the requisite clearances and based on business plan and a valuation assessment carried out by an external expert during the year ended March 31, 2021, the management of the Company is of the view that the carrying value of the investments in GBHPL by GEL as at March 31, 2021 is appropriate.

4. The Company has signed definitive share sale and purchase agreement ('SSPA') on September 24, 2020 for the sale of equity owned by its wholly owned subsidiary GMR SEZ & Port Holdings Limited ("GSPHL") of its entire 51% stake in Kakinada SEZ Limited ("KSEZ") to Aurobindo Realty and Infrastructure Private Limited ("ARIPL"). As part of the proposed transfer of stake of KSEZ ("Proposed Sale"), the entire equity stake of Kakinada Gateway Port Limited ("KGPL") held by KSEZ would also be transferred to ARIPL. The

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equity stake held by Company through GSPHL and the inter corporate deposits (including accrued interest) given to KSL by the Company are carried at Rs. 502 crore and Rs 1,556.79 crores respectively as on December 31, 2020. The equity stake in KSL held by the Company through GSPHL as on December 31, 2020 has been carried at a fair value of Rs. 502 crores (which includes fair valuation gain of Rs. 454 crores). Apart from the aforementioned, certain subsidiaries of the Company have also extended inter corporate deposits (including accrued interest) to KSL amounting Rs 1,036.75 crore as at December 31, 2020.

The aforesaid SSPA has been amended and Amendment Agreement to Securities Sale and Purchase Agreement (Amendment to SSPA) has been executed during the current quarter. Pursuant to the same, only 74% equity stake of KGPL held by KSEZ would be transferred to ARIPL and balance 26% equity stake of KGPL would be held by GSPHL. In accordance with the Amendment to SSPA, the revised total consideration for the sale of equity stake as well as the inter corporate deposits given to KSEZ by the Company and its subsidiaries is Rs. 2,719.21 crore. Out of the revised total consideration, Rs. 1,692.03 crore would be received upfront on or before the closing date and balance Rs. 1,027.18 crore would be received in next 2 to 3 years which is contingent upon achievement of certain agreed milestones primarily related to the sale of 2,500 acres of the land parcels by KSEZ at specified prices during the financial years ended March 31, 2022 and March 31, 2023.

Pending completion of Conditions Precedent as specified in SSPA, the Company has not given the effect of this transaction in the standalone financial results for the till December 31, 2020. Pursuant to the satisfaction of such conditions precedent in the current quarter, except for Rs. 478.00 crores, ARIPL has released the upfront consideration before March 31, 2021 which has been utilized for the payment to the lenders of GIL and its subsidiaries. Accordingly, Company has recognized exceptional loss of Rs. 95.00 crore and loss of Rs. 490.00 crores in other comprehensive income in the current quarter in relation to the said transaction.

The Company expects in next 2-3 years there will be significant development in the Kakinada SEZ which includes the development of Bulk Drug Park, Commercial Sea port, establishment of various port-based industries, manufacturing industries, development of new International Airport in Bhogapuram. Based on assessment of the achievement of the aforementioned milestones by an independent property consultancy agency, management of the Company is confident of achieving the aforementioned milestones and is of the view that the carrying value of the amount recoverable as at March 31, 2021 is appropriate.

5. During the quarter ended March 31, 2021, the Company has accounted for Provision for impairment in carrying value of investments, loans/advances/other receivables carried at amortised cost amounting to Rs. 256.15 crore (December 31, 2020: Rs. 343.93 crore) for the quarter and Rs. 796.85 crore for the year ended March 31, 2021 given to Group Companies, which has been disclosed as an exceptional item in the standalone financial results.

6. Other operating income includes interest income, dividend income, income from management and other services and profit on sale of current investments considering that the Company undertakes investment activities.

7. a) Post outbreak of COVID-19 last year in the month of March, 2020, many countries have implemented travel restrictions and quarantine measures. As a quarantine measure, Government of India has also imposed the countrywide lockdown with effect from March 25, 2020 which got extended till June 30, 2020, however, restrictions on operation of domestic flights were lifted from May 25, 2020. The Company has majority of its subsidiaries, JVs and associates operating in Airport sector, Energy Sector, Highway sectors and Urban Infra sector and with respect to of COVID - 19 impact on the business of these entities, management believes while the second wave of COVID - 19 may impact the businesses in the short term, it does not anticipate medium to long term risk to the business prospects. Considering the business plans of the investee companies the management does not foresee any material impact on the carrying value at which the aforementioned investments, property plant & equipment, intangible assets, capital work in progress and trade receivables. Accordingly, no adjustments to the carrying value of these assets are considered necessary. Further, the management has made detailed assessment of its liquidity position for the next one year and of the

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recoverability and carrying values of its assets as at the balance sheet date and has concluded that there are no material adjustments required in the financial results.

b) Further, fair value of investments in Equity shares and CCPS of GAL are also subject to likely outcome of ongoing litigations and claims pertaining to DIAL and GHIAL as follows:

- Ongoing arbitration between DIAL and AAI in relation to the payment of Monthly Annual fees for the period till the operations of DIAL reaches pre COVID 19 levels. Basis an independent legal opinion obtained by the management of DIAL, the Company is entitled to be excused from making payment of Monthly Annual fee under article 11.1.2 of OMDA to AAI on account of occurrence of Force Majeure Event under Article 16.1 of OMDA, till such time the Company achieves level of activity prevailing before occurrence of force majeure. In view of the above, the management has not considered the Annual Fee payable to AAI for the years ended March 31, 2021 and March 31, 2022 in the cash flows used for the purposes of estimation of the fair value of investment made by the Company in DIAL through GAL.

- Consideration of Cargo, Ground Handling and Fuel farm ('CGHF') income as part of non-aeronautical revenue in determination of tariff for the third control period by Airport Economic Regulatory Authority in case of GHIAL. GHIAL has filed appeal with Telecom Disputes Settlement Appellate Tribunal ('TDSAT') and during the previous year, the adjudicating authority, TDSAT, in its disposal order dated March 06, 2020 has directed AERA to reconsider the issue afresh while determining the aeronautical tariff for the Third Control Period commencing from April 01, 2021. In July 2020, the GHIAL has filed an application with the AERA for determination of Aeronautical tariff for the third control period commencing from April 1, 2021 to March 31, 2026 wherein it has contended that CGHF income shall be treated as non-aero revenue. The management has also obtained legal opinion and according to which GHIAL position is appropriate as per terms of Concession agreement and AERA Act, 2008.

The impact of the COVID - 19 pandemic might be different from that estimated as at the date of approval of these financial results and the Company will closely monitor any material changes to the future economic conditions.

8. The Financial results for the year ended 31 March 2021 reflected an excess of current liabilities over current assets of Rs. 1,923.21 crores and losses from continuing operations after tax amounting to Rs. 1,280.16 crore. Management is taking various initiatives including monetization of assets, sale of stake in certain non-core assets including receipt of balance consideration as detailed in note 4, recovery of outstanding claims in highway and power sector investee entities, raising finances from financial institutions and strategic investors, refinancing of existing debt and other strategic initiatives. Such initiatives will enable the Company meet its financial obligations and its cash flow in an orderly manner.

9. The standalone financial results of the Company for the quarter and year ended March 31, 2021 have been reviewed by the Audit Committee in their meeting on June 17, 2021 and approved by the Board of Directors in their meeting on June 18, 2021.

10. The figures of the last quarter of the current and previous years are the balancing figure between the audited figures for the respective full financial year and the published unaudited year to date figures for the nine months ended of the respective financial years.

11. During the quarter ended March 31, 2021, the Company has fully redeemed the outstanding Non-Convertible Debentures (NCD) which were listed on NSE Limited Issued to ICICI Bank Limited as per the terms of issuance. Accordingly, the disclosures required under Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 is not applicable.

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Notes to the standalone financial results for the quarter and year ended March 31, 2021

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

For GMR Infrastructure Limited

Grandhi Kiran Kumar
Managing Director & CEO

Place : Dubai
Date : June 18, 2021

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ANNEXURE I

GMR Infrastructure Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its standalone financial results for the year ended March 31, 2021

(in Rs. crore except for earning per share)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / total income (including other income)	1,468.08	1,468.08
	2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and minority interest before exceptional items)	1,951.39	1,951.39
	3	Exceptional items (gain) / loss (net)	796.85	796.85
	4	Net profit/(loss)	(1,280.16)	(1,280.16)
	5	Earnings Per Share (in Rs.) - Basic	(2.12)	(2.12)
	6	Total Assets	18,250.83	18,250.83
	7	Total Liabilities	8,504.61	8,504.61
	8	Net Worth (refer note 1)	9,746.22	9,746.22
	9	Any other financial item(s) (as felt appropriate by the management)	Refer Emphasis of Matter paragraph in the Auditor's Report on Year to Date standalone Financial Results	

Note 1: Net worth has been calculated as per the definition of net worth in Guidance Note on "Terms used in Financial Statements" issued by the Institute of Chartered Accountants of India

II. Audit Qualification (each audit qualification seperately) :

(i) Qualification 1

1a. Details of audit qualification:

As stated in note 3 (a) to the accompanying Statement, the Company has invested in GMR Generation Assets Limited ('GGAL') and GMR Energy Projects Mauritius Limited ('GEPML'), subsidiaries of the Company, which have further invested in step down subsidiaries and joint ventures. Further, the Company has outstanding loan (including accrued interest) amounting to Rs. Nil crore recoverable from GGAL as at 31 March 2021. Also, the Company together with GGAL and GEPML has investments in GMR Energy Limited ('GEL'), a Joint venture of the Company, amounting to Rs. 1,272.32 crores and has outstanding loan (including accrued interest) amounting to Rs. 709.01 crore recoverable from GEL as at 31 March 2021. GEL has further invested in GMR Vemagiri Power Generation Limited ('GVPGL') and GMR (Badrinath) Hydro Power Generation Private Limited ('GBHPL'), both subsidiaries of GEL and in GMR Kamalanga Energy Limited ('GKEL'), joint venture of GEL and GGAL has further invested in GMR Rajahmundry Energy Limited ('GREL'), an associate company of GGAL. The aforementioned investments are carried at their respective fair value in the Statement as per Ind AS 109 – 'Financial Instruments'.

As mentioned in note 3(e), GVPGL and GREL have ceased operations due to continued unavailability of adequate supply of natural gas and other factors mentioned in the said note and have been incurring significant losses, including cash losses with consequential erosion of their respective net worth. Further, GREL has entered into a resolution plan with its lenders to restructure its debt obligations during the year ended 31 March 2019. The Company has given certain corporate guarantees for the loans including Cumulative Redeemable Preference Shares ('CRPS') outstanding in GREL amounting to Rs. 2,056.59 crores.

The carrying value of the investment of the Company in GEL, to the extent of amount invested in GVPGL, and the Company's obligations towards the corporate guarantees given for GREL are significantly dependent on the achievement of key assumptions considered in the valuation performed by the external expert particularly with respect to availability of natural gas, future tariff of power generated and realization of claims for losses incurred in earlier periods from the customer as detailed in the aforementioned note. The Company has provided for its investment in full in GREL and the management is confident that no further obligation would arise for the guarantees provided to the lenders against the servicing of sustainable and unsustainable debts.

As mentioned in note 3(d), the management has accounted the investment in GKEL based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain assumptions considered in aforementioned valuation such as settlement of disputes with customers and timely realization of receivables, expansion and optimal utilization of existing capacity, rescheduling/refinancing of existing loans at lower rates amongst other key assumptions and the uncertainty and the final outcome of the litigations with the capital creditors as regards claims against GKEL.

Further, as mentioned in note 3(f), GBHPL has stopped the construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand, since 07 May 2014 on directions of Hon'ble Supreme Court of India ('the Supreme Court'). The carrying value of the investments in GBHPL is significantly dependent on obtaining requisite approvals from Supreme court, environmental clearances, availability of funding support for development and construction of the aforesaid power plant and achievement of the other key assumptions made in the valuation assessment done by an external expert.

Accordingly, owing to the aforementioned uncertainties, we are unable to comment upon adjustments, if any, that may be required to the carrying value of the aforesaid loans and investments, and further provisions, if any, required to be made for the said obligations, and the consequential impact on the accompanying Statement for the year ended 31 March 2021.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Fourth year of qualification

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor

Management view is documented in note 3 d, 3 e and 3 f of consolidated financial statement of GIL for March 31, 2021. As detailed in the notes, on account of non availability of gas, both GVPGL and GREL plants were not operated for significant time resulting in erosion of economic value. Various stakeholders, including Central and State Governments have formulated schemes for efficient utilisation of these facilities, though these efforts have not brought in permanent resolutions to the operations. GREL have implemented resolution plan during the year ending March 2019 to restructure its debt obligation which would improve the profitability and consequently the carrying cost of these companies. Further, CERC has passed order dated January 28, 2020, declaring that natural gas for the purpose of PPA includes Deep Water Gas and accordingly, GVGPL is entitled to claim capacity charges from APDISCOMs from October 2016 based on availability declaration for generation of power on the basis of deep water gas, along with late payment surcharge. GVGPL has calculated a claim amount of Rs. 741.31 crore which will further improve the valuation.Taking into account the uncertainities associated with the efforts of various stakeholders, management is not in a position to assess the impact of these measures on the carrying values.

Further, Basis the internal assessment and legal opinions, the management of the Group is confident of obtaining the requisite clearances and favourable ordes for GBHPL and GKEL and based on business plan and a valuation assessment carried out by an external expert the management of the Group is of the view that the carrying value of net assets of GBHPL/GKEL by GEL as at March 31, 2021 is appropriate.

(ii) If management is unable to estimate the impact, reasons for the same: Not Ascertainable

(iii) Auditors' Comments on (i) or (ii) above: Not applicable

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GMR INFRASTRUCTURE LIMITED

ANNEXURE I

GMR Infrastructure Limited

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted by GMR Infrastructure Limited along with its standalone financial results for the year ened March 31, 2021

2a. Details of Audit Qualification:

As detailed in note 4 to the accompanying Statement, during the quarter ended 30 September 2020, the Company, along with Kakinada SEZ Limited ('KSEZ'), GMR SEZ and Port Holdings Limited ('GSPHL'), Kakinada Gateway Port Limited ('KGPL') had entered into a securities sale and purchase agreement with Aurobindo Reality and Infrastructure Private Limited, ('Aurobindo') for the sale of entire 51% stake in KSEZ held by GSPHL (Securities sale and purchase agreement hereinafter referred as 'SSPA') along with the settlement of inter corporate deposits given by the Company to KSEZ.

The investment in KSEZ held by the Company through GSPHL was carried at its fair value of Rs. 502.00 crore that had been determined without giving cognizance to the consideration of Rs. 12.00 crores specified in the aforementioned SSPA and was consequently not in accordance with the requirements of Ind AS 113, Fair Value Measurement (Ind AS 113).

The Company has now recognised exceptional loss of Rs. 95.00 crores and loss in other Comprehensive income amounting to Rs. 490.00 crores in relation to the above transaction during the quarter ended 31 March 2021, as explained in the said note, instead of restating the financial results for previous quarters in accordance with the requirements of relevant Ind AS.

Had the management accounted for the aforesaid transaction in the correct period, the 'exceptional loss' for the quarters ended 31 March 2021 and 31 December 2020 would have been lower by Rs. 126.70 crores and Rs. 14.13 crores respectively and other comprehensive income for the quarter ended 31 March 2021 would have been lower by Rs. 490.00 crores.

2b. Type of Audit Qualification : Qualified Opinion

2c. Frequency of qualification: First year of qualification

2d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

All the transactions reflected in above qualifications pertain to the current financial year 20-21 itself and have no impact on annual results. The same have been reported as qualifications by the auditors merely as a procedure to reflect scenarios if the transactions were recorded in respective quarterly results at time when the transactions though were agreed upon contractually but were contingent for need of certain regulatory approvals. According to management, it is prudent to not account for any income or expenses if transactions are contingent and is awaiting such approvals. Management has thus chosen to account for all transactions referred in the qualifications on achieving or indications it recieved on certainty of such contingencies Management view is documented in detailed note 4 of the accompanying consolidated financial results for the quarter and year ended March 31, 2021.

2e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not Applicable

(i) Management's estimation on the impact of audit qualification: Not applicable

(ii) If management is unable to estimate the impact, reasons for the same: Not applicable

(iii) Auditors' Comments on (i) or (ii) above: Not applicable

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GMR INFRASTRUCTURE LIMITED

III.	Signatories:	
	Managing Director & CEO	Grandhi Kiran Kumar Place : Dubai
	Chief Financial Officer	Saurabh Chawla Place : New Delhi
	Audit Committee Chairman	N.C. Sarabeswaran Place : Chennai
	Statutory Auditor	Walker Chandiok & Co LLP Chartered Accountants ICAI firm registration number: 001076N/ N500013 Anamitra Das Partner Membership Number: 062191 Place : New Delhi
	Date:	June 18, 2021

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