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Independent Auditor's Report on Standalone Annual Financial Results of GMR Infrastructure Limited Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 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 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the 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 and Regulation 52 read with Regulation 63 of the Listing Regulations, except for the effects/possible effects of the matters described in paragraph 3 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 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020 except for the effects/possible effects of the matters described in paragraph 3 below.

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

Basis for Qualified Opinion

3. As stated in Note 4(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 together with GGAL and GEPML has investments in GMR Energy Limited ('GEL'), a Joint venture of the Company, amounting to Rs. 1,897.63 crores and has outstanding loan amounting to Rs. 212.66 crore recoverable from GEL as at 31 March 2020. 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 4(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. 2,068.50 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 4(d), the proposed sale of equity stake by management of GEL in GKEL during the year ended 31 March 2020 has been put on hold by the buyer subsequent to the year end. The management continues to account 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 including the uncertainty and the final outcome of the litigations as regards claims against GKEL.

   Further, as mentioned in in note 4(f), GBHPL has stopped the construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand, since May 07, 2014 on directions of Hon'ble Supreme Court of India ('the Supreme Court'). The carrying value of the investments in GBHPL is significantly dependent upon obtaining requisite approvals from Supreme court, environmental clearances, availability of funding support and achievements of the 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 non-current investment, and any further provisions, if any, required to be made for the said obligations, and the consequential impact on the accompanying Statement.

   The opinion expressed by the predecessor auditor in their auditor's report dated 29 May 2019 for the year ended 31 March 2019, was also qualified with respect to the matters pertaining to GVPGL and GREL. Our review report dated 13 February 2020 on the standalone financial results for the quarter ended 31 December 2019 was also qualified in respect of these matters.

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4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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

5. In addition to the matters described in paragraph 3 above, we draw attention to note 4(b) and 4(c) to the accompanying Statement, in relation to the investment made by the Company in GEL amounting to Rs. 1,897.63 crore as at 31 March 2020. 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 2020, and certain other key assumptions considered in the valuation performed by an external expert, including capacity utilization of plant in future years and renewal of Power Purchase Agreement with one of its customers which has expired in June 2020 .

   The above claims also include recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL, based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 8 May 2015 as described in aforesaid note.

   The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuations, 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 year ended 31 March 2020. Our opinion is not modified in respect of this matter.

6. We draw attention to note 12 to the accompanying Statement, which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of the impact on the investments carried at fair value in the financial statements of the Company as at the balance sheet date. Our opinion is not modified in respect of this matter.

7. We draw attention to note 3 to the accompanying Statement with respect to the decline in fair value of Company's investment in equity shares of GMR Airports Limited ('GAL'), a subsidiary company, subsequent to the year end. The said event has been considered as a non-adjusting event in accordance with the principles of Ind AS 10 'Events after the Reporting Period' and accordingly Company's investments in equity shares of GAL classified as held for sale and as Investments in equity shares are being carried at the fair values determined based on conditions that existed as at 31 March 2020. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

8. 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 is 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 and Regulation 52 read with Regulation 63 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.

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

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

Auditor's Responsibilities for the Audit of the Statement

11. 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.

12. 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.

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

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

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Other Matters

15. The Statement includes the financial results for the quarter ended 31 March 2020, 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.

16. The audit of standalone financial results for the corresponding quarter and year ended 31 March 2019 included in the Statement was carried out and reported by S. R. Batliboi & Associates LLP who have expressed modified opinion vide their audit report dated 29 May 2019, whose report has been furnished to us, and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

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

Neeraj Sharma
Partner
Membership No. 502103
UDIN: 20502103AAAABH4004

WALKER CHANDIOK & CO LLP * CHARTERED AC

Place: New Delhi
Date: 30 July 2020

GMR Infrastructure Limited
Corporate Identity Number (CIN): L45203MH1996PLC281138
Registered Office: Naman Centre, 7th Floor, Opp. Dena Bank, Plot No. C-31, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai, Mumbai City, Maharashtra, India - 400051
Phone: +91-22-42028000 Fax: +91-22-42028004
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Statement of standalone financial results for quarter and year ended March 31, 2020

(Rs. in crore)

S.No.	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Unaudited (refer note 13)	Unaudited	Unaudited (refer note 13)	Audited	Audited
1	**Revenue**					
	(a) Revenue from operations					
	i) Sales/income from operations	246.42	170.76	212.07	803.46	763.04
	ii) Other operating income (refer note 11)	106.71	90.94	80.40	351.64	338.00
	(b) Other income	3.48	1.19	11.07	7.90	47.86
	Total Revenue	**356.61**	**262.89**	**303.54**	**1,163.00**	**1,148.90**
2	**Expenses**					
	(a) Cost of materials consumed	95.75	87.69	87.55	360.39	448.17
	(b) Subcontracting expenses	45.17	30.84	63.38	176.03	224.55
	(c) Employee benefit expenses	10.04	9.18	10.89	40.71	47.29
	(d) Finance costs	105.47	290.12	215.54	892.93	845.65
	(e) Depreciation and amortisation expenses	5.62	5.89	6.25	23.52	24.49
	(f) Other expenses	55.51	26.49	30.47	133.09	125.18
	Total expenses	**317.56**	**450.21**	**414.08**	**1,626.67**	**1,715.33**
3	**Profit/(loss) before exceptional items and tax**	**39.05**	**(187.32)**	**(110.54)**	**(463.67)**	**(566.43)**
4	**Exceptional items**					
	(i) Provision for impairment in carrying value of investments, loans/advances carried at amortised cost (refer note 8)	(821.52)	(35.33)	(475.96)	(990.47)	(475.96)
5	**Loss before tax (3 ± 4)**	**(782.47)**	**(222.65)**	**(586.50)**	**(1,454.14)**	**(1,042.39)**
6	**Tax expense/(credit)**	**34.91**	**(2.92)**	**(4.12)**	**24.98**	**(8.08)**
7	**Loss for the period/ year (5 ± 6)**	**(817.38)**	**(219.73)**	**(582.38)**	**(1,479.12)**	**(1,034.31)**
8	**Other comprehensive income (net of tax)**					
	(i) Items that will not be reclassified to profit or loss					
	-Re-measurement gains on defined benefit plans	0.04	-	0.21	0.04	0.21
	-Net gain/(loss) on fair valuation through other comprehensive income ('FVOCI') of equity securities	2,401.83	(117.29)	(1,718.31)	1,996.21	(4,315.81)
	Total other comprehensive income for the period/year	**2,401.87**	**(117.29)**	**(1,718.10)**	**1,996.25**	**(4,315.60)**
9	**Total comprehensive income for the period/year (7 ± 8)**	**1,584.49**	**(337.02)**	**(2,300.48)**	**517.13**	**(5,349.91)**
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**				11,464.15	11,097.56
	Earnings per share (EPS) (of Re. 1 each) (not annualised)					
	(a) Basic and Diluted EPS before exceptional items	0.01	(0.31)	(0.18)	(0.81)	(0.93)
	(b) Basic and Diluted EPS after exceptional items	(1.35)	(0.36)	(0.97)	(2.45)	(1.72)

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Additional disclosures as per regulation 52(4) of Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulation, 2015:

A. Credit Rating of the Non-Convertible Debentures and change in Credit Rating (if any)

Name of credit rating agency: Infomerics Valuation and Ratings Private Limited	Outstanding balance as at March 31, 2020 Rs 252.50 Crores	**Date of report :** May 22, 2020 **Credit rating:** IVR BBB-/stable outlook (IVR Triple B Minus with stable outlook)

B. Previous due date for the payment of interest as at March 31, 2020 are as under

Details of Non-Convertible Debentures	Due date for payment of Interest	Date of payment of Interest
Rs 350 Crore (Tranche I), Rs 350 Crore (Tranche II),Rs 200 Crore (Tranche III), Rs 100 Crore (Tranche IV)	March 25, 2020	June 23, 2020

C. Previous due date for the payment of principal as at March 31, 2020 are as under

Details of Non-Convertible Debentures	Due date for payment of principal	Date of payment of principal
Rs 350 Crore (Tranche I), Rs 350 Crore (Tranche II),Rs 200 Crore (Tranche III), Rs 100 Crore (Tranche IV)	March 25, 2020	June 23, 2020

D. Next due date and amount for the payment of interest/principal along with the amount of interest and the redemption amount of non-convertible debentures

Details of Non-Convertible Debentures	Principal/Interest amount (Rs in Crore)	Due date for Payment	Type (Principal/Interest/Redemption Premium)
Rs 350 Crore (Tranche I), Rs 350 Crore (Tranche II),Rs 200 Crore (Tranche III), Rs 100 Crore (Tranche IV)	51.80	June 25, 2020	Principal
Rs 350 Crore (Tranche I), Rs 350 Crore (Tranche II),Rs 200 Crore (Tranche III), Rs 100 Crore (Tranche IV)	7.03	June 25, 2020	Interest

E. Ratios:

Particulars	March 31, 2020 (Audited)	March 31, 2019 (Audited)
Debt Equity Ratio (refer note 9)	0.68	0.61
Asset Coverage Ratio	2.97	3.10
Paid-up debt capital (refer note 10)	252.18	431.78
Debenture Redemption Reserve	59.49	94.86
Debt Service Coverage Ratio ('DSCR') (refer note 9)		
(a) DSCR before exceptional items	0.17	0.14
(b) DSCR after exceptional items	(0.22)	(0.10)
Interest Service Coverage Ratio ('ISCR') (refer note 9)		
(a) ISCR before exceptional items	0.48	0.33
(b) ISCR after exceptional items	(0.63)	(0.23)
Net worth (paid up equity share capital plus Other Equity)	12,067.74	11,701.15

GMR INFRASTRUCTURE LIMITED

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GMR Infrastructure Limited

Statement of standalone assets and liabilities

(Rs. in crore)

	Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	132.71	156.84
	Intangible assets	1.94	1.92
	Financial assets		
	Investments	15,018.66	12,238.91
	Trade receivables	109.57	88.64
	Loans	1,256.28	1,600.35
	Other financial assets	81.24	94.04
	Non-current tax assets (net)	64.42	48.61
	Other non-current assets	8.73	8.36
		16,673.55	**14,237.67**
2	**Current assets**		
	Inventories	98.48	45.08
	Financial assets		
	Investments	98.00	0.01
	Trade receivables	538.87	394.74
	Cash and cash equivalents	23.26	18.01
	Bank balances other than cash and cash equivalents	2.01	6.84
	Loans	1,137.96	295.42
	Other financial assets	863.83	1,061.42
	Other current assets	96.68	53.43
		2,859.09	**1,874.95**
3	**Assets classified as held for sale**	**4,748.88**	**6,180.12**
	Total assets (1+2+3)	**24,281.52**	**22,292.74**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	Equity share capital	603.59	603.59
	Other equity	11,464.15	11,097.56
	Total equity	**12,067.74**	**11,701.15**
	Liabilities		
2	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	6,341.45	5,233.70
	Other financial liabilities	128.72	150.15
	Provisions	0.89	1.13
	Deferred tax liabilities (net)	882.84	392.05
	Other non-current liabilities	-	563.85
		7,353.90	**6,340.88**
3	**Current liabilities**		
	Financial liabilities		
	Borrowings	818.64	943.55
	Trade payables		
	a) Total outstanding dues of micro enterprises and small enterprises	32.64	13.94
	b) Total outstanding dues of creditors other than (a) above	519.42	482.05
	Other financial liabilities	3,322.14	2,526.12
	Other current liabilities	162.21	249.82
	Provisions	4.83	4.82
	Current tax liabilities (net)	-	5.18
		4,859.88	**4,225.48**
4	**Libilities directly associated with the assets classified as held for sale**	**-**	**25.23**
	Total equity and liabilities (1+2+3+4)	**24,281.52**	**22,292.74**

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GMR Infrastructure Limited

Standalone Statement of cash flows

(Rs. in crore)

Particulars	March 31, 2020	March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(1,454.14)	(1,042.39)
Non-cash adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	23.52	24.49
Fair value (gain) on financial instruments at fair value through profit or loss	-	(0.31)
Exceptional items- Provision for impairment in carrying value of investments, loans/advances carried at amortised cost	990.47	475.96
Bad debts written off/ provision for doubtful debts	4.02	14.03
Net foreign exchange differences (unrealised)	33.94	3.93
Gain on disposal of assets (net)	(1.67)	-
Provision no longer required, written back	(0.71)	(1.85)
(Reversal) /Provision for upfront loss on long term construction cost	(95.05)	109.86
Profit on sale of current investments	(0.92)	(2.02)
Dividend income on current investments (gross) Rs. 4,360 (March 31, 2019: Rs. 14,732)	0.00	0.00
Finance income (including finance income on finance asset measured at amortised cost)	(349.53)	(333.09)
Finance costs	892.93	845.65
Operating profit before working capital changes	**42.86**	**94.26**
Working capital adjustments:		
(Increase) in inventories	(53.40)	(6.98)
(Increase) in trade receivables	(169.08)	(380.32)
Decrease in other financial assets	45.15	138.92
(Increase)/ decrease in other assets	(44.35)	19.42
Increase in trade payables	151.83	54.15
(Decrease) in other financial liabilities	(11.84)	-
(Decrease) in provisions	(0.23)	(0.49)
(Decrease)/ increase in other liabilities	(95.71)	546.88
Cash (used in) / from operations	**(134.77)**	**465.84**
Direct taxes paid (net of refunds)	(19.67)	(14.02)
Net cash (used in)/ from operating activities	**(154.44)**	**451.82**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(0.96)	(37.14)
Proceeds from sale of property, plant and equipment	3.95	-
Purchase of non-current investments	(0.10)	(2,060.00)
Proceeds from sale and redemption of non-current investments	1,206.85	1,869.85
(Purchase) / sale of current investments (net)	(97.07)	28.61
Proceeds from bank deposit (having original maturity of more than three months) (net)	17.63	63.41
Loans given to group companies	(2,951.11)	(2,022.54)
Loans repaid by group companies	1,679.24	2,009.74
Interest received	184.83	223.56
Dividend received [(Rs. 4,360 (March 31, 2019: Rs. 14,732)]	0.00	0.00
Net cash from investing activities	**43.26**	**75.49**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	2,493.60	604.44
Repayment of long term borrowings	(1,622.51)	(791.54)
Proceeds/ repayment of short term borrowings (net)	(118.68)	169.38
Finance costs paid	(629.75)	(572.99)
Net cash from/(used in) financing activities	**122.66**	**(590.71)**
Net increase/(decrease) in cash and cash equivalents	11.48	(63.40)
Cash and cash equivalents at the beginning of the period	11.78	75.18
Cash and cash equivalents at the end of the period	**23.26**	**11.78**

Component of Cash and Cash equivalents	**March 31, 2020**	**March 31, 2019**
Balances with banks:		
– On current accounts	22.33	17.87
Deposits with original maturity of less than three months	0.90	-
Cash on hand	0.03	0.14
	23.26	18.01
Less: Bank overdraft	-	(6.23)
	23.26	11.78

GMR INFRASTRUCTURE LIMITED

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Notes to the standalone financial results for the quarter and year ended March 31, 2020

1. Investors can view the 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. The Company has presented the operating segments information on the basis of its consolidated Ind AS financial results.

3. The management of the Company along with other shareholders of the Company and GMR Airports Limited (GAL), a subsidiary Company (together referred as "GMR Group") had signed a share subscription and share purchase agreement with Aerport De Paris SA (ADP) for stake sale in the GAL on February 20, 2020. Pursuant to consummation of the same, ADP would hold 49% stake (directly & indirectly) in the GAL for an equity consideration of Rs 10,780.00 crore, valuing GAL at the Base post money valuation of Rs. 22,000.00 crore. The equity consideration comprises of:

   - Rs. 9,780.00 crore towards secondary sale of shares by GMR Group; and
   - Rs. 1,000.00 crore equity infusion in GAL

   In addition, ADP had also pegged Earn-outs upto Rs. 4,475.00 crore linked to achievement of certain agreed operating performance metrics as well as on receipt of certain regulatory clarifications. The successful consummation of Earnouts, could increase, Company's valuation on post money basis to Rs. 26,475.00 crore and GMR Group stake to ~59%. GMR Group will retain management control over the Airports Business with the Investors having customary rights and board representation at Company and its key subsidiaries.

   The first tranche of Rs 5,248.00 crore for 24.99% shares of GAL (primarily through buyout of GMR Infra Services Limited (GISL) via primary infusion of equity) had been completed on February 24, 2020. The second & final tranche of Rs. 5,532.00 crore (including primary of Rs. 1,000.00 crore in GAL) was subject to regulatory approvals, consents and other approvals.

   Since March 31, 2020, the outbreak of COVID-19 and related global responses have caused material disruptions to businesses around the world, leading to an economic slowdown. Despite unprecedented adverse conditions, on July 7, 2020 the Company has successfully completed the transaction with ADP with slight modifications. As per the revised Share Purchase Agreement, the second tranche of the investment for 24.01% of GAL has been structured in two parts:

   - A firm amount, immediately paid at Second closing, for a total of Rs. 4,565.00 crore, including Rs. 1,000.00 crore equity infusion in GAL.

   - Earn-outs amounting to Rs 1,060.00 crore, subject to the achievement of certain performance related targets by GAL upto FY2024.

   Accordingly, ADP has increased earn-outs for GMR Group which are now pegged at up to Rs. 5,535.00 crore compared to the earlier Rs. 4,475.00 crore. These additional Earn-outs of Rs. 1,060.00 crore are linked to the achievement of certain agreed operating performance metrics as well as the receipt of certain regulatory clarifications over the next 5 years. The amount of Rs. 4,565.00 crore towards second & final tranche payment

GMR INFRASTRUCTURE LIMITED

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from ADP has been received. This money will primarily be used in servicing the debt which will help deleverage both GMR Group and GAL further and result in improved cash flows and profitability.

Further, the financial results of March 31, 2020 reflected an excess of current labilities over current assets of Rs. 2,000.75 crore and loss from continuing operation after tax of Rs. 1,478.97 crore. The divestment of GAL stake will enable the company to meet its financial obligations and its cash flow requirements in an orderly manner.

The management has engaged an external valuation expert to ascertain the fair value of such investments. The subsequent modification in the terms of the deal with ADP, detailed above, shall result in a potentially reduced fair value of the Company's investments in GAL. As at July 30, 2020 the date that these financial results were authorized for issue, owing to the aforementioned reason, the fair value of the Company's investments in GMR Airport Limited had declined by Rs. 2,046.94 crore (net of taxes).

However, considering the negotiations for the modifications were initiated subsequent to the year end, such modification has been considered as a non-adjusting event. Accordingly, the Company's investments in GAL have been carried at the fair value determined by the external valuation expert which are based on the conditions existing as at the balance sheet date.

These subsequent changes in the fair value of the Company's investments in GAL are considered as non-adjusting event and are not reflected in the financial results as at March 31, 2020.

4. (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 together with GGAL and GMR Energy Projects Mauritius Limited has investments in GMR Energy Limited ("GEL") amounting Rs. 1,897.63 crores and has outstanding loan amounting to Rs. 212.66 crore in GEL. 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 4(b), 4(c), 4(d), 4(e) and 4(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, 2020, the management of the Company has fair valued its investments and for reasons as detailed in 4(b), 4(c), 4(d), 4(e), 4(f) and 4(g) 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. 640.76 crore as at March 31, 2020 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 has 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. 535.87 crore which are substantially pending receipt. Based on certain favorable interim regulatory orders, the management is confident of realization of the outstanding receivables. Further, the management of the GWEL is in active discussions with one of its customers for renewal of the existing PPA expiring in June 2020. Though the net worth of GWEL is substantially eroded GWEL has made pretax profits during the year ended March 31, 2020, 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, 2020, the management of GEL is of the view that the carrying value of the net assets in GWEL by GEL as at March 31, 2020 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

GMR INFRASTRUCTURE LIMITED

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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, as at March 31, 2020, GWEL has raised claim of Rs. 535.77 crore towards reimbursement of transmission charges from March 17, 2014 till March 31, 2020. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and also applied for stay proceedings for the above order of APTEL, which was rejected by the Hon'ble Supreme Court of India.

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. 535.77 crore relating to the period from March 17, 2014 to March 31, 2020 (including Rs. 32.26 crore and Rs. 121.68 crore for the quarter and year ended March 31, 2020) in the financial statements of the 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. 1,803.49 crores as at March 31, 2020, 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. 1,502.86 crore as at March 31, 2020, 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 21 December 2018 and CERC judgment in GKEL's own case for Haryana Discoms where the computation methodology 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 16 September 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 14 November 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 has continued to recognize the income on Coal Cost Pass Through claims of Rs. 58.86 crores for the year ended March 31, 2020.

GMR INFRASTRUCTURE LIMITED

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Notes to the standalone financial results for the quarter and year ended March 31, 2020

In the current year ended March 31, 2020, GKEL has accounted for late payment surcharge on billed invoices to Haryana Discoms amounting to Rs. 94.25 crore as per Order 135 of 2018 passed by APTEL dated 20 December 2020.

Further as per the PPA with GRIDCO, GKEL shall raise a combined invoice for capacity charge and energy charge. GKEL had raised invoices and claimed capacity charges based on availability declared to State Load Dispatch Center (SLDC) on the basis of Tariff Orders issued by CERC for FY 2009-14 and FY 2014-19 respectively. However, GRIDCO disputed the declared availability, calculated the capacity charges and paid partial amount, against which the GKEL has objected as to the method of calculation and filed a petition before CERC in case no 115IMP/2019 on account non receipt of capacity charges along with late payment surcharge. CERC has passed an Order on 04 February 2020 and directed GRIDCO to pay the outstanding amount along with late payment surcharge as per CERC Tariff Regulation 2014. Further, CERC has directed SLDC to revise the availability for the said period as available by the Company. Accordingly, the Company has raised invoice to GRIDCO on LPS and recognised Rs. 47.26 crore during year ended March 31, 2020.

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 21 February 2018 and recognized revenue amounting to Rs. 36.36 crores for Haryana, Bihar and GRIDCO PPAs for the year ended March 31, 2020 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 131/MP/2016 and is awaiting final order.

Further, there is uncertainty regarding the final outcome of litigations as regards claims against GKEL. In view of these matters, business plans, valuation assessment by an external expert during the year ended March 31, 2020, the management is of the view that the carrying value of the investments in GKEL held by GEL as at March 31, 2020 is appropriate.

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 the Company, entered into share purchase agreement with JSW Energy Limited for sale of its equity stake in GKEL. However, subsequent to the year end, the said transaction has been put on hold due to uncertainties on account of COVID – 19 pandemic.

(e) In view of lower supplies / availability of natural gas to the power generating companies in India, GMR Rajahmundry Energy Limited ('GREL'), an associate of GMR Generation Assets Limited ("GGAL"), subsidiary of the Company, 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, GREL ceased to be a

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subsidiary of the Company and has been considered as associate as per the requirement 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. 1,127.91 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 present dispute. 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.

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.

GVGPL has calculated a claim amount of Rs. 741.31 crores for the period from October 2016 till February 2020, out of which the Company has claimed by submitting invoices to APDISCOMs of Rs. 363.42 crores for the period from October 2016 to January 2018 and is in the process of submitting invoices for the remaining amounts.

(iii) During the year, 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. However, the management is confident of completing the transfer of Barge by December 31, 2020. Since the estimate of realizable value amounting Rs. 112.02 crore done by the management as at March 31, 2020 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

GMR INFRASTRUCTURE LIMITED

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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, 2020 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 and business plans, the management is of the view that the carrying value of the investment in GVPGL amounting to Rs. 605.70 crore by GEL as at March 31, 2020 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, 2020, the management of the Company is of the view that the carrying value of the investments in GBHPL by GEL as at March 31, 2020 is appropriate.

5. The Company through its subsidiary GMR Coal Resources Pte. Limited ('GCRPL') has investments of Rs. 3,618.65 crore in PTGEMS, a joint venture as at March 31, 2020. PTGEMS along with its subsidiaries is engaged in the business of coal mining and trading activities. The cost of investments is significantly higher than the book value of assets of PTGEMS and includes certain future benefits including Coal Supply Agreement ('CSA') of GCRPL with PTGEMS whereby the Company along with its subsidiaries is entitled to offtake stated quantity of coal as per the terms of the CSA at an agreed discount other than profit from mining operations. Though the shares of PTGEMS are listed on the overseas exchanges, the management is of the view that the quoted prices are not reflective of the underlying value of the mines as in the past few years the shares have been very thinly traded. Based on profitable mining operations, ramp up of production volumes and other assumptions around off take at a discounted price and trading thereof considered in valuation assessment carried out by an external expert during the year ended March 31, 2020, the management believes that the carrying value of aforesaid investments in PTGEMS as at March 31, 2020 is appropriate.

6. During the year ended March 31, 2020, GMR Highways Limited ("GMRHL"), a subsidiary of the Company, received approval of shareholders and creditors and subsequent confirmation from National Company Law Tribunal (NCLT) vide the order dated March 20, 2020 has reduced its issued, subscribed and paid-up equity share capital from Rs. 2,052.93 crore (comprising 2,05,29,29,749 fully paid up equity shares of Rs. 10/- each) to Rs. 775.44 crore (comprising of 77,54,40,510 fully paid up equity shares of Rs. 10/- each). Such reduction has been given effect by cancelling and extinguishing 62.23% of the total issued, subscribed and paid up

GMR INFRASTRUCTURE LIMITED

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Notes to the standalone financial results for the quarter and year ended March 31, 2020

equity share capital of the GMRHL (the "Capital Reduction"). The shareholders whose share capital has been reduced have been paid a sum of 10 paise per equity share as a consideration.

7. Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

8. During the year ended March 31, 2020, the Company has accounted for provision for diminution in value of investments at amortised cost, loans/advances amounting to Rs. 990.47 crore (March 31, 2019 Rs 475.96 crore) given to group companies, which has been disclosed as an exceptional item in the standalone financial results.

9. Debt Service Coverage Ratio (DSCR) represents profit and other income and before finance costs, and tax expenses / finance costs plus principal repayment of loan funds during the period. ISCR represents profit and other income and before finance costs and tax expenses / finance costs. Debt-equity ratio represents loan funds (long term borrowings, short term borrowings and current maturity of long-term borrowings included in current liabilities)/ shareholders' funds (equity shares + other equity).

10. Paid-up debt capital represents outstanding non-convertible debentures issued by the Company (excluding provision for redemption premium) as at the period end.

11. 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.

12. With the recent and rapid development of the COVID – 19 outbreaks, many countries have implemented travel restrictions. The company has majority of its investments in the Airport sector, Energy Sector, Highway sectors and Urban Infra sector and with respect to COVID 19 impact on the business of these entities, management believes while the 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 fair value at which the aforementioned investments are carried. Accordingly, no adjustments to the carrying value of these investments are considered necessary. Further, the management has made detailed assessment of its liquidity position for the next one year and of the 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. 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.

13. 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.

14. The standalone financial results of the Company for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee in their meeting on July 29, 2020 and approved by the Board of Directors in their meeting on July 30, 2020.

GMR INFRASTRUCTURE LIMITED

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Notes to the standalone financial results for the quarter and year ended March 31, 2020

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

For GMR Infrastructure Limited

New Delhi
July 30, 2020

Grandhi Kiran Kumar
Managing Director & CEO

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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, 2020

I.

(in Rs. crore except for earning per share)

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)	1,163.00	1,163.00
2	Total Expenditure (including finance cost, tax expenses, share of loss/profit with associates and minority interest before exceptional items)	1,651.65	1,651.65
3	Exceptional items (gain) / loss (net)	990.47	990.47
4	Net profit/(loss)	(1,479.12)	(1,479.12)
5	Earnings Per Share (in Rs.) - Basic	(2.45)	(2.45)
6	Total Assets	24,281.52	24,281.52
7	Total Liabilities	12,213.78	12,213.78
8	Net Worth (refer note 1)	12,067.74	12,067.74
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 4(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 together with GGAL and GEPML has investments in GMR Energy Limited ("GEL"), a joint venture company, amounting Rs. 1,897.63 crores and has outstanding loan amounting to Rs. 212.06 crore recoverable from GEL as at March 31, 2020. 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, 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 financial statements as per Ind AS 109 – 'Financial Instruments'.

As mentioned in note 4(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')and Cumulative Redeemable Preference Shares ('CRPS') outstanding in GREL amounting to Rs. 2,068.50 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 4(d), the proposed sale of equity stake by management of GEL in GKEL during the year ended March 31, 2020 has put on hold by the buyer subsequent to the year end. The management continues to account 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 including the uncertainty and the final outcome of the litigations as regards claims against GKEL.

Further, as mentioned in in note 4(f), GBHPL has stopped the construction of the 300 MW hydro based power plant on Alaknanda river, Uttarakhand, since May 07, 2014 on directions of Hon'ble Supreme Court of India ('the Supreme Court'). The carrying value of the investments in GBHPL is significantly dependent upon obtaining requisite approvals from Supreme court, environmental clearances, availability of funding support and achievements of the 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 non-current investment, and any further provisions, if any, required to be made for the said obligations, and the consequential impact on the accompanying Statement.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: Third 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 4 d, 4 e and 4 f of standalone quarterly/annual results of GIL for March 31, 2020. 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 uncertainties associated with the efforts of various stakeholders, management is not in a position to assess the impact of these measures on the carrying values.

Basis the internal assessment and legal opinions, the management of the company 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, 2020 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:

GMR INFRASTRUCTURE LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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III.	Signatories:	
	Managing Director & CEO	Grandhi Kiran Kumar
	Chief Financial Officer	Saurabh Chawla
	Audit Committee Chairman	N.C. Sarabeswaran
	Statutory Auditor	Walker Chandiok & Co LLP Chartered Accountants ICAI firm registration number: 001076N/ N500013 per Neeraj Sharma Partner Membership Number: 502103
	Place:	New Delhi
	Date:	July 30, 2020

GMR INFRASTRUCTURE LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS