

**GMR**  
**POWER &**  
**URBAN INFRA**

February 07, 2024

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

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

Dear Sir/Madam,

**Sub: Outcome of Board Meeting–February 07, 2024**

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

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to inform that the Board of Directors of the Company at its meeting held on February 07, 2024, have approved the Un-audited Financial Results (Standalone and Consolidated) for the quarter/ nine months ended December 31, 2023.

In this connection, please find attached Un-Audited Financial Results (Standalone and Consolidated) along with the Limited Review Report of the Auditors thereon.

The Board Meeting commenced at 04:00 P.M. and concluded at 05:35 P.M.

Request you to please take the same on record.

Thanking you,

for **GMR Power and Urban Infra Limited**

  
**Vimal Prakash**  
**Company Secretary &**  
**Compliance Officer**

*Encl: As above*

**GMR Power & Urban Infra Limited**

Corporate Office: New Udaan Bhawan, Opp. Terminal 3, Indira Gandhi International Airport, New Delhi -110 037  
Registered Office : Plot No. C-31, G Block, 701, 7th Floor, Naman Centre, Bandra Kurla Complex (Opp. Dena Bank), Bandra (East), Mumbai - 400 051

**CIN** L45400MH2019PLC325541 **T** +91 11 42532600 **F** +91 11 47197181 **E** gpui.cs@gmrgroup.in **W** www.gmrpui.com



**Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Financial Results of GMR Power and Urban Infra Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of GMR Power and Urban Infra Limited ('the Company') for the quarter ended 31 December 2023 and the year to date results for the period 1 April 2023 to 31 December 2023, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.





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5. As explained in note 3(a) to the accompanying Statement, the Company has invested in GMR Generation Assets Limited ('GGAL') and GMR Consulting Services Limited ('GCSL'), subsidiaries of the Company, which have further invested in step down subsidiaries and joint ventures. The Company together with GGAL and GCSL has investments in GMR Energy Limited ('GEL'), a subsidiary of the Company, amounting to Rs. 1,276.37 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,953.17 crore recoverable from GEL as at 31 December 2023. GEL has further invested in GMR Kamalanga Energy Limited ('GKEL') and GMR Warora Energy Limited ('GWEL'), both subsidiary companies, and GMR Bajoli Holi Hydropower Private Limited ('GBHHPL'), a Joint Venture of GEL. The carrying value of investment of the Company in GEL is dependent upon fair values of GKEL, GWEL and GBHHPL. The aforementioned investments are carried at their respective fair values as at the reporting date as per Ind AS 109 – 'Financial Instruments'.

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

- (a) Note 3(d) to the accompanying Statement which states that the fair value of investment in GKEL considered for the purpose of determining the carrying value of aforesaid investment in GEL is based on the valuation of GKEL performed by an external expert using the discounted future cash flows method which is significantly dependent on the achievement of certain key assumptions considered in aforementioned valuation such as expansion and optimal utilization of existing plant capacity, and timing and amount of settlement of disputes with customers and capital creditors, which are outstanding as on 31 December 2023 as further explained in the said note.
- (b) Note 3(b) and 3(c) to the accompanying Statement which states that the fair value of investment in GWEL considered for the purpose of determining the carrying value of aforesaid investment in GEL is based on the valuation of GWEL performed by an external expert using the discounted future cash flows method which is also dependent upon various claims and other receivables from customers of GWEL which are pending settlement / realization as on 31 December 2023, capacity utilization of plant in future years and certain other key assumptions as considered in the valuation performed by an external expert.

The above claims also include disputed claims pertaining to recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. However, based on the Order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 08 May 2015, currently contested by MSEDCL in the Honorable Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges amounting to Rs. 616.33 crore in the Statement of Profit and Loss for the period from 17 March 2014 to 31 December 2023 and accordingly has disclosed the aforesaid transmission charges and those invoiced directly to MSEDCL by Power Grid Corporation Limited for the period December 2020 to December 2023 as contingent liability, as further described in aforesaid note.

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

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable regulatory orders and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment in GEL, taking into account the matters described above in relation to the investment made by GEL in GWEL, GKEL and GBHHPL, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the quarter and nine months period ended 31 December 2023. Our conclusion is not modified in respect of these matters.



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6. We draw attention to note 4 to the accompanying Statement, in relation to the investment made by the Company together with GMR Highways Limited (GMRHL), a subsidiary of the Company, in GMR Hyderabad Vijayawada Expressway Private Limited (GHVEPL) amounting to Rs. 860.92 crore. The aforesaid investment is carried at fair value as at reporting date in the Statement as per Ind AS 109 – 'Financial Instruments'.

The fair value of investment in GHVEPL considered for the purpose of determining the carrying values of aforesaid investments is based on the valuation performed by an external expert using the discounted future cash flows method which is significantly dependent upon claims receivables from National Highway Authority of India (NHAI) as detailed in aforesaid note 4, that are pending before Honorable High Court as on 31 December 2023.

The management of the Company, based on its internal assessment, legal opinion, certain interim favourable orders and valuation assessment made by the external expert as mentioned above, is of the view that the carrying value of the aforesaid investment of the Company along with GMRHL in GHVEPL, taking into account the aforesaid matter, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the quarter and nine months period ended 31 December 2023. Our conclusion is not modified in respect of this matter.

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

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



**Anamitra Das**  
Partner  
Membership No. 062191  
UDIN: 24062191BKDFWN8857

**Place:** New Delhi  
**Date:** 07 February 2024



**Statement of standalone financial results for the quarter and nine month period ended December 31, 2023**

Particulars	(Rs. in crore)					
	Quarter ended			Nine month period ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income</b>						
<b>a) Revenue from operations</b>						
Sales/ income from operations	168.72	202.44	273.01	628.80	1,119.83	1,408.78
<b>b) Other income</b>						
Other income	9.68	5.79	1.61	15.91	14.07	31.97
<b>Total income</b>	<b>178.40</b>	<b>208.23</b>	<b>274.62</b>	<b>644.71</b>	<b>1,133.90</b>	<b>1,440.75</b>
<b>2. Expenses</b>						
a) Cost of materials consumed	24.85	26.75	83.33	96.91	455.39	589.15
b) Sub-contracting expenses	27.77	32.79	45.26	91.50	228.17	308.73
c) Employee benefit expenses	3.33	9.45	10.01	22.92	27.28	34.71
d) Other expenses	27.54	43.02	33.84	103.21	132.28	157.01
<b>Total expenses</b>	<b>83.49</b>	<b>112.01</b>	<b>172.44</b>	<b>314.54</b>	<b>843.12</b>	<b>1,089.60</b>
<b>3. Earnings before finance cost, tax, depreciation and amortisation expenses (EBITDA) and exceptional items (1-2)</b>	94.91	96.22	102.18	330.17	290.78	351.15
4. Finance costs	109.44	104.10	134.95	324.07	415.20	551.22
5. Depreciation and amortisation expenses	3.55	3.60	3.88	10.79	12.33	16.03
<b>6. Loss before exceptional items and tax expenses (3 - 4 - 5)</b>	<b>(18.08)</b>	<b>(11.48)</b>	<b>(36.65)</b>	<b>(4.69)</b>	<b>(136.75)</b>	<b>(216.10)</b>
7. Exceptional items (refer note 7)	326.34	5.45	210.55	280.60	210.55	(66.76)
<b>8. Profit/ (loss) before tax (6) ± (7)</b>	<b>308.26</b>	<b>(6.03)</b>	<b>173.90</b>	<b>275.91</b>	<b>73.80</b>	<b>(282.86)</b>
9. Tax expense	-	-	-	-	-	-
<b>10. Profit/ (loss) for the period/ year (8) ± (9)</b>	<b>308.26</b>	<b>(6.03)</b>	<b>173.90</b>	<b>275.91</b>	<b>73.80</b>	<b>(282.86)</b>
<b>11. Other comprehensive income (net of tax)</b>						
Items that will not be reclassified to profit or loss						
-Re-measurement (loss)/ gain on defined benefit plans	(0.20)	0.22	-	0.02	(0.77)	(0.79)
-Net (loss) on fair valuation through other comprehensive income ('FVTOCI') of equity securities	(147.38)	(143.38)	(117.23)	(398.91)	(209.04)	(357.66)
<b>Total other comprehensive income for the period/ year</b>	<b>(147.58)</b>	<b>(143.16)</b>	<b>(117.23)</b>	<b>(398.89)</b>	<b>(209.81)</b>	<b>(358.45)</b>
<b>12. Total comprehensive income for the period/ year (comprising profit/ (loss) and other comprehensive income (net of tax) for the period/ year) (10 ± 11)</b>	<b>160.68</b>	<b>(149.19)</b>	<b>56.67</b>	<b>(122.98)</b>	<b>(136.01)</b>	<b>(641.31)</b>
<b>13. Paid-up equity share capital</b> (Face value Rs. 5 per share)	301.80	301.80	301.80	301.80	301.80	301.80
<b>14. Other equity (excluding equity share capital)</b>						101.47
<b>15. Earnings per share (EPS) (Rs.) (not annualised)</b>						
Basic and diluted earnings per share	5.11	(0.10)	2.88	4.57	1.22	(4.69)



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## GMR Power and Urban Infra Limited

### Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023

1. Investors can view the unaudited standalone financial results of GMR Power and Urban Infra Limited (“the Company” or “GPUIL”) on the Company’s website [www.gmrpui.com](http://www.gmrpui.com) or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nseindia.com](http://www.nseindia.com)). The Company carries on its business through various subsidiaries, joint ventures, jointly controlled operations and associates (hereinafter referred to as ‘the Group’), being special purpose vehicles exclusively formed to build and operate various infrastructure projects.
2. The Company carries on its business in single business vertical viz., Engineering, Procurement and Construction (‘EPC’).

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

3. (a) The Company together with GMR Generation Assets Limited (“GGAL”) and GMR Consulting Services Limited (‘GCSL’), subsidiaries of the Company, which have further invested in step down subsidiaries and joint ventures. The Company together with GGAL and GCSL has investments in GMR Energy Limited (“GEL”) amounting Rs. 1,276.37 crore and has outstanding loan (including accrued interest) amounting to Rs. 1,953.17 crore in GEL as at December 31, 2023. GEL has certain underlying subsidiaries/ associates/ joint ventures which are engaged in energy sector as further detailed in note 3(b), 3(c), 3(d) and 3(e), below which have been incurring losses/ accumulated losses resulting in substantial erosion in their net worth. Based on management’s internal assessment with regard to future operations and valuation assessment by an external expert during the nine month period ended December 31, 2023, the management of the Company has fair valued its investments and for reasons as detailed in 3(b), 3(c), 3(d) and 3(e) below, the management is of the view that the fair value of the Company’s investments in GEL is appropriate.

(b) GMR Warora Energy Limited (‘GWEL’), a subsidiary of GEL, is engaged in the business of generation and sale of electrical energy from its coal-based power plant of 600 MW situated at Warora. GWEL had accumulated losses of Rs. 453.81 crore as at December 31, 2023 which has resulted in substantial erosion of GWEL’s net worth. There have been delays in receipt of the receivables from customers which has resulted in delays in meeting its financial liabilities. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements (‘PPA’) and have filed petitions with the regulatory authorities for settlement of such claims in favor of GWEL. GWEL has trade receivables, other receivables, and unbilled revenue (including claims) of Rs. 960.05 crore and the payment from the customers against the claims including Interest on such claims which are substantially pending receipt. Based on its internal assessment, legal expert advice and certain favorable interim regulatory orders, the management is confident of a favorable outcome towards the outstanding receivables.



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**GMR Power and Urban Infra Limited**

**Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

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

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

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

However, GWEL has certain favorable interim orders towards the aforementioned claims. Also, during the year ended March 31, 2022, GWEL has entered into a new PPA with Gujarat Urja Vikas Nigam Limited ('GUVNL') for the supply of 150 MW of power from October 2021 to October 2023.

There have been delays in repayment of dues to the lenders on account of the delay in the receipt of the claims by GWEL from its customers thereby resulting in lowering of credit ratings for GWEL's borrowings. However, GWEL has successfully implemented Resolution Plan under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI during the previous year ended March 31, 2023.

Accordingly, GWEL has generated profit after tax of Rs 132.08 crore during the nine month period ended December 31, 2023 and the management of GWEL expects that the plant will generate sufficient profits in the future years and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the nine month period ended December 31, 2023, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales



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**GMR Power and Urban Infra Limited**

**Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the implementation of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management is of the view that the carrying value of the investments in GWEL by GEL as at December 31, 2023 is appropriate.

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

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

GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 08, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claims of Rs. 616.33 crore towards reimbursement of transmission charges from March 17, 2014 till December 31, 2023.

MSEDCL preferred an appeal with the Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) are being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited ('PGCIL') and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period from December 2020 to December 2023. The final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favorable Order from APTEL, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before the Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 616.33 crore relating to the period from March 17, 2014 to December 31, 2023. Further the cost of transmission charges as stated with effect from December 2020 has been directly invoiced by PGCIL to DISCOMS and such amount together with aforesaid reimbursement has been disclosed as contingent liability in the



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**GMR Power and Urban Infra Limited**

**Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

financials of GWEL pending the final outcome of the matter in the Hon'ble Supreme Court of India.

(d) GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of GEL, is engaged in development and operation of 3\*350 MW under Phase I and 1\*350 MW under Phase II, coal-based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of Rs. 1,180.87 crore as at December 31, 2023, 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 and unbilled revenue of Rs. 1,171.04 crore and Rs.640.31 crore respectively as at December 31, 2023, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt as at December 31, 2023. 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 has signed PPA for supply of 102 MW round the clock to TANGEDCO for a period of five years through the aggregator M/s PTC India Limited. In addition to the above, GKEL has won the bid (Shakti-III) for supply of 0.04 crore ton of coal for balance 150 MW. GKEL is actively pursuing its customers for realization of claims and selling its untied capacity in exchange market to support GKEL's ability to continue the business without impact on its operation.

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

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



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**Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

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

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

In furtherance of the order of the Hon'ble Supreme Court, GKEL has filed an appeal under Section 37 of the Arbitration Act before the Hon'ble High Court of Orissa on June 09, 2023, challenging Section 34 judgement and the Award. The Hon'ble High Court of Orissa has pronounced its judgement on September 27, 2023 wherein it has allowed the Section 37 appeal and set aside Section 34 judgement and the Award. During the current quarter, the management has filed a caveat petition before the Hon'ble Supreme Court.

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

In view of these matters, business plans (including expansion and optimal utilization of existing capacity), valuation assessment by an external expert during the nine month period ended December 31, 2023, the management is of the view that the carrying value of the investments in GKEL held by GEL as at December 31, 2023 is appropriate.

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



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## **GMR Power and Urban Infra Limited**

### **Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

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

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

Further on June 10, 2022, GBHHPL invoked arbitration against the contractor to recover their further dues. However counter claims were also filed by the contractor before the arbitration tribunal towards costs and damages on account of prolongation of the Contract. GBHHPL filed its reply to the Statement of Defence and counter claims on March 01, 2023. Subsequently, consolidated statement of claims and counter claims were directed to be filed by the Arbitration Tribunal which have been filed in the month of August 2023. Next hearing will take place in March 2024. Currently, the matter is pending adjudication before the Arbitral Tribunal.

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

4. The Company together with GMR Highway Limited ("GMRHL") a subsidiary of the Company, has invested in GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') amounting to Rs. 860.92 crore. Based on its internal assessment with regard to future operations and valuation assessment by an external expert during the nine month period ended December 31, 2023, the management of the Company has fair valued its investments and for reasons as detailed below, the management is of the view that the fair values of the Company's investments in GHVEPL is appropriate.

GHVEPL, a step-down subsidiary of the Company, has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,769.11 crore as at December 31, 2023. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group



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**GMR Power and Urban Infra Limited**

**Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

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

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

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

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

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

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



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## **GMR Power and Urban Infra Limited**

### **Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

formula for computation of claims for the financial year ended March 31, 2021 and onwards. Further, the Sole arbitrator has also granted interest on claim amount in terms of Clause 47.5 of the Concession Agreement.

The report submitted by the Sole Arbitrator has been taken on record by the Hon'ble High Court of Delhi and the Court has fixed the next hearing on February 27, 2024. On March 29, 2022, NHAI had made an application before the Sole Arbitrator seeking correction of computational error in his report submitted to the Hon'ble High Court. On October 20, 2022 the Sole Arbitrator had passed an order dismissing the application made by NHAI. NHAI, in the interim has also filed an application u/s 34 of Arbitration Act before the Hon'ble High Court of Delhi ,against the report of Sole Arbitrator which is posted for hearing on February 12, 2024.

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

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

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

Legal Counsel opined that NHAI being aware of the financial implications of the notice dated May 08, 2020 trying to somehow avoid quantifying and making any payment of the claim to



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### **Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

GHVEPL under Change in Law. The Counsel further opined that, NHAI after having failed in its series of coercive steps including the notices for recovery of alleged Premium, suspension notice and notices in relation to non-compliance of O & M requirements has, on May 08, 2020, issued the Notice under Article 3.2.2 of the Concession Agreement and that too in the middle of extensive arguments in the aforesaid petitions before the Hon'ble High Court of Delhi, only to make GHVEPL to somehow give up its claims and avoid determination of claims.

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

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

The Committee has held two hearings and, in the hearing, held on April 25, 2022, GHVEPL had given a proposal for amicable settlement to which the Committee granted one month's time to NHAI to discuss internally and inform the Committee of its decision, which has not reached any effective conclusion and hence discontinued. In view of the same, the Arbitral Tribunal has been reconstituted and the hearing has been fixed on March 02, 2024 and March 03, 2024 for cross examination of the witnesses.

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

GHVEPL has been recognizing a provision of additional concession fees (premium) of Rs. 1,540.64 crore including interest payable thereon till December 31, 2023 which is unpaid pending finality of litigation proceedings as detailed above.

Further, the valuation expert based on the assumptions that it would be receiving the compensation in the future and expected future traffic flow over a concession period of 25 years had determined value in use of GHVEPL assets as at December 31, 2023 (i.e. valuation date) which is higher than the carrying value of assets.

The management, based on its internal assessment, legal opinion, certain interim favourable orders and valuation assessment made by an external expert, is of the view that the carrying



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**GMR Power and Urban Infra Limited**

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value of the aforesaid investment of the Company together with GMRHL in GHVEPL, taking into account the matters described above is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying unaudited standalone financial results for the quarter and nine month period ended December 31, 2023.

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

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

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

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

DFCCIL has submitted its Statement of Defense ('SoD') on November 04, 2023 for Contract Package 202 and on December 18, 2023 for Contract Package 201. DFCCIL has also filed counter claims for both the Contract Packages.

As per the revised timelines set forth by DAB in their meeting held on January 03, 2024, JV is required to submit its Rejoinder by February 07, 2024 for Contract Package 202 and by February



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**Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

21, 2024 for Contract Package 201. Next date of hearing of DAB on February 09, 2024 for Contract Package 202 and on February 22, 2024 for Contract Package 201.

Based on internal assessment and review of the technical and legal aspects by independent experts, the management of the JV and the Company recognized such claim in its books of account and basis back-to-back agreement with the JV, the Company has also included an incremental budgeted contract revenue of Rs. 461.18 crore (out of total claim amount of Rs. 847.65 crore) for determination of the revenue recognition in accordance with Ind AS 115 and has recognised in current quarter ended 31 December 2023 and preceding year ended 31 March 2023.

The management of the JV and the Company is confident of the favourable outcome of such claims and considers the unbilled revenue recognized amounting to Rs. 452.07 crore for the aforesaid claims as fully recoverable.

6. The standalone financial results for the nine-month period ended December 31, 2023 reflected an excess of current liabilities over current assets of Rs. 1,117.87 crore and profit from operations after tax amounting to Rs. 275.91 crore. However, the net worth of the Company is positive amounting to Rs. 260.83 crore. Further Management is taking various initiatives including monetization of assets, recovery of outstanding claims in various infra business (highway sector/EPC), raising finances from financial institutions/group companies, strategic investors and from other strategic initiatives, and refinancing of existing debts. Such initiatives will enable the Company to have sufficient funds to meet its financial obligations in an orderly manner.
7. Exceptional items comprise of the reversal/ creation of provision for impairment in carrying value of investments and loans/ advances/ other receivables carried at amortised cost.
8. Sales/ income from operations includes interest income, dividend income, income from management and other services and profit on sale of current investments considering that the Company undertakes investment activities.
9. The Company has presented earnings before finance costs, taxes, depreciation, amortisation expense and exceptional items as EBITDA.
10. The accompanying unaudited standalone financial results of the Company for the quarter and nine month period ended December 31, 2023 have been reviewed by the Audit Committee in their meeting on February 06, 2024 and approved by the Board of Directors in their meeting on February 07, 2024.



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**GMR Power and Urban Infra Limited**

**Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2023**

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

**For GMR Power and Urban Infra Limited**

17 Dec

Place: Jakarta, Indonesia  
Date: February 07, 2024



**Srinivas Bommidala**  
Managing Director  
DIN: 00061464



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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the GMR Power and Urban Infra Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of GMR Power and Urban Infra Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures (refer Annexure 1 for the list of subsidiaries, associates and joint ventures included in the Statement) for the quarter ended 31 December 2023 and the consolidated year to date results for the period 1 April 2023 to 31 December 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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





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4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to:
- As explained in note 2(a) to the accompanying Statement, on 21 November 2023, the Group has acquired additional 29.14% stake from another investor Power and Energy International (Mauritius) Limited of an existing Joint venture Company, GMR Energy Limited ('GEL') at a purchase consideration of Rs. 237.55 crore. Owing to acquisition of additional stake in GEL, the Group has obtained control over GEL and has classified investment in GEL as investment in subsidiary with effect from 22 November 2023. Accordingly, Group has consolidated financial results of GEL in accordance with accounting principles enunciated under Ind AS 110 with effect from 22 November 2023. Further, the Group accounted for the acquisition under the acquisition method of accounting for business combinations in accordance with Ind AS 103 – 'Business Combination'. Accordingly, the purchase price has been allocated to the assets acquired (including identifiable intangible assets and investments in subsidiaries and Joint ventures) and liabilities (including contingent liabilities, if any) assumed based on their fair values on the acquisition date, determined on a provisional basis within the measurement period as allowed under Ind AS 103. Basis such provisional allocation, a bargain purchase amounting to Rs. 39.85 crore has been recognised in the current quarter with respect to the said acquisition. Our conclusion is not modified in respect of this matter.
  - Note 2(b) to the accompanying Statement, regarding the realisation of trade receivables and unbilled revenue (including claims towards change in law events, increased coal cost pass through and carrying costs thereof and capacity charges from one of its customers during the period of COVID-19 lockdown based on declared capacity) of GMR Warora Energy Limited ('GWEL'), a step-down subsidiary of the Holding Company amounting to Rs. 960.05 crore which are pending settlement/realisation as at 31 December 2023. The management of GWEL based on its internal assessment, legal opinion and certain interim favourable regulatory orders for claims is of the view that the aforesaid receivables in GWEL are fully recoverable as at 31 December 2023.
  - Note 2(c) in connection with the dispute pertaining to recovery of transmission charges from Maharashtra State Electricity Distribution Company Limited ('MSEDCL') by GWEL. GWEL has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by GWEL. However, based on the order of the Appellate Tribunal for Electricity ('APTEL') ('the Order') dated 8 May 2015, currently contested by MSEDCL in the Supreme Court and pending conclusion, GWEL has accounted for reimbursement of such transmission charges amounting to Rs. 616.33 crore for the period from 17 March 2014 to 31 December 2023 and accordingly, has disclosed the aforesaid transmission charges and those invoiced directly to MSEDCL, a customer of the Company, by Power Grid Corporation Limited, for the period December 2020 to December 2023 as contingent liability, as further described in aforesaid note. Our conclusion is not modified in respect of the above matters.

The above matters with respect to GWEL have also been reported as emphasis of matters in the review report dated 23 January 2024 issued by other firm of chartered accountants on the financial results of GWEL for the quarter and nine months period ended 31 December 2023.

- Note 2(e) to the accompanying Statement in connection with trade receivables and unbilled revenue of Rs 1,171.04 crore and Rs 640.31 crore respectively of GMR Kamalanga Energy Limited ('GKEL'), step-down subsidiary of Holding Company, which are pending settlement/realisation and are substantially overdue as on 31 December 2023. The management of GKEL based on its internal assessment, external legal opinions and certain interim favorable regulatory orders, is of the view that the aforesaid balances are fully recoverable as at 31 December 2023 and accordingly, management has not made any adjustments in the accompanying Statement. Our conclusion is not modified in respect of this matter.





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- e. Note 2(f) to the accompanying Statement, regarding the investment made by the Group in GMR Bajoli Holi Hydropower Private Limited ('GBHPL'), a joint venture of the Group, amounting to Rs. 263.58 crore as at 31 December 2023. The recoverability of such investment is dependent upon achievement of business plans of GBHPL and recoverability of capital advances in the near future given to the contractor for GBHPL's project, which along with other claims, are pending before the Arbitral Tribunal as described in the said note.

The management of the Holding Company, based on its internal assessment, legal opinion and valuation assessment made by an external expert, is of the view that the carrying value of the aforesaid investment of the Group in GBHPL, is appropriate and accordingly, no adjustments to the aforesaid balance have been made in the accompanying Statement for the quarter and nine months period ended 31 December 2023. Our conclusion is not modified in respect of this matter.

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

The above matter is also reported as an emphasis of matter in the review report dated 23 January 2024 issued by another firm of chartered accountants on the standalone financial results of GGAL for quarter and nine months period ended 31 December 2023. Further, considering the erosion of net worth and net liability position of GGAL, such auditor has also given a separate section on the material uncertainty relating to going concern in their review report.

- g. Note 6 and 7 to the accompanying Statement which relates to the ongoing arbitrations with National Highways Authority of India (NHAI) for compensation of losses being incurred by GMR Ambala Chandigarh Expressways Private Limited ('GACEPL') and GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL'), step-down subsidiaries of the Holding Company, since the commencement of commercial operations. Pending outcome of the aforementioned arbitration proceedings, GHVEPL has not paid to NHAI an amount of Rs. 1,539.40 crore as at 31 December 2023 towards additional concession fee along with interest thereon and GACEPL has not provided for interest on the negative grant amounting to Rs. 60.33 crore calculated up-to 25 August 2020 in the accompanying Statement as explained in the said notes.

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

Further, based on management's internal assessment of compensation inflows, implementation of resolution plan of GACEPL, external legal opinions, and valuation performed by independent experts, the management is of the view that the recoverable amounts of the carriageways of GACEPL and GHVEPL is assessed to be higher than the respective carrying values amounting Rs. 245.58 crore and Rs. 1,721.65 crore as at 31 December 2023. Currently, useful life of 25 years has been considered in arriving at the carrying value and amortisation of carriageways of GHVEPL, on the basis of management's plan to develop the six-lane project within the contractually stipulated timelines ending in April 2024. This useful life is subject to the outcome of the dispute between GHVEPL and NHAI in relation to the restriction of concession period by NHAI to 15 years and withdrawal of six laning of the highway project, in which case the useful life will need to be revised. The management has obtained a legal opinion and is of the view that the original contractual term of 25 years is likely to be enforced and





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accordingly, no adjustments to the consolidated financial results are considered necessary. Our conclusion is not modified in respect of above matters.

The above matters have also been reported as emphasis of matters in the review reports dated 18 January 2024 and 18 January 2024 issued by other firms of chartered accountants on the financial results of GACEPL and GHVEPL, respectively, for the quarter and nine month period ended 31 December 2023. Further, considering the erosion of net worth and net liability position of these entities, such auditors have also given a separate section on the material uncertainty relating to going concern in their respective review reports.

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

The above matter has also been reported as an emphasis of matter in the review report dated 4 November 2023 issued by other firm of chartered accountants on the financial results of GMIAL for the period ended 30 September 2023.

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

The above matter has also been reported as an emphasis of matter in the review report dated 18 January 2024 issued by other firm of chartered accountants on the financial results of GPEL for quarter and nine months period ended 31 December 2023.

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

The above matter has also been reported as an emphasis of matter in the review report dated 24 January 2024 issued by other firm of chartered accountants on the financial results of GIL-SIL-JV for quarter and nine months period ended 31 December 2023.

- k. Note 3 to the accompanying Statement in relation to the matter of compliances with CERC (Procedures, terms and conditions for grant of trading license and other related matters) Regulation, 2020 and its impact on the operations of GMR Energy Trading Limited ('GETL'), a subsidiary of the Holding Company. GETL is in the process of ensuring necessary compliances with respect to current ratio as required under aforesaid regulations in due course.



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The Management of the Holding Company is of the view that said non achievement will not have any material implication on operations of GETL. Our conclusion is not modified in respect of this matter.

The above matter has also been reported as an emphasis of matter in the review report dated 19 January 2024 issued by other firm of chartered accountants on the financial results of GETL for the quarter and nine months period ended 31 December 2023.

6. We did not review the interim financial results of 62 subsidiaries and 1 joint operation included in the Statement (including 7 subsidiaries consolidated for the quarter and period ended 30 September 2023, with a quarter lag and 1 joint operation consolidated for the quarter and period ended 30 September 2023, with a quarter lag, and including 11 subsidiaries, being GEL and its subsidiaries, of which control was acquired by the Group during the quarter as described in Note 2(a), whose financial information reflects total revenues of Rs. 301.41 crore, total net loss after tax of Rs. 142.15 crore, total comprehensive loss of Rs. 142.09 crore, consolidated for the period from 22 November 2023 to 31 December 2023), whose financial information reflects total revenues of Rs. 1,048.42 crore and Rs. 2,964.95 crore, total net loss after tax of Rs. 160.38 crore and Rs. 558.71 crore, total comprehensive loss of Rs. 162.06 crore and Rs. 560.83 crore, for the quarter and nine month period ended on 31 December 2023, respectively.

The Statement also includes the Group's share of net loss of Rs. 213.44 crore and Rs. 229.93 crore and total comprehensive loss of Rs. 210.13 crore and Rs. 230.26 crore, for the quarter and nine month period ended on 31 December 2023, respectively, as considered in the Statement, in respect of 1 associate and 13 joint ventures (including 11 joint ventures, being GEL and its subsidiaries, before their acquisition by the Group in the current quarter as described in Note 2(a), for which the Group's share of net loss after tax was Rs. 120.53 crore and Rs. 108.27 crore and total comprehensive loss was Rs. 117.21 crore and Rs. 108.74 crore, considered for the period from 01 October 2023 to 21 November 2023 and from period from 01 April 2023 to 21 November 2023, respectively), whose interim financial results have not been reviewed by us.

The aforesaid interim financial results have been reviewed/audited by other auditors whose review/audit reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures is based solely on the review/audit reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, of these subsidiaries/ joint operation/ associates/ joint ventures, 10 subsidiaries, 1 joint operation and 3 joint ventures are located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted accounting standards applicable in their respective countries. The Holding Company's management has financial results of such subsidiaries/ joint operations/ associates/ joint ventures from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of these subsidiaries/ joint operations/ associates/ joint ventures is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.

7. The Statement includes the interim financial results of 11 subsidiaries (including 8 subsidiaries consolidated for the quarter and period ended 30 September 2023, with a quarter lag, which have not been reviewed by their auditors, whose interim financial results reflect total revenues of Rs. 0.01 crore and Rs. 0.02 crore, net loss after tax of Rs. 4.59 crore and Rs. 14.59 crore, total comprehensive loss of Rs. 4.59 crore and Rs. 14.59 crore for the quarter and nine month period ended 31 December 2023 respectively. The Statement also includes the Group's share of net loss after tax of Rs. 0.01 crore and Rs. 0.15 crore, and total comprehensive loss of Rs. 0.01 crore and Rs. 0.15 crore for the quarter and nine month period ended on 31 December 2023 respectively, in respect of 4 joint ventures (including 3 joint ventures consolidated for the quarter and period ended





# Walker ChandioK &Co LLP

30 September 2023, with a quarter lag, which have not been reviewed by their auditors. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, are based solely on such unreviewed interim financial results certified and furnished to us by the Holding Company's management. According to the information and explanations given to us by the management, these interim financial statements/ financial information/ financial results are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial statements/ information/ results certified by the Holding Company's management.

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

  


**Anamitra Das**  
Partner  
Membership No. 062191  
UDIN: 24062191BKDFWO3665

**Place:** New Delhi  
**Date:** 07 February 2024

# Walker Chandiook & Co LLP

## Annexure 1

### List of entities included in the Statement

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





# Walker Chandio & Co LLP

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



# Walker Chandio & Co LLP

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





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

**Statement of consolidated financial results for the quarter and nine month period ended December 31, 2023**

Particulars	(Rs. in crore)					
	Quarter ended			Nine month period ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>A. Continuing operations</b>						
<b>1. Income</b>						
<b>a) Revenue from operations</b>						
Sales/ income from operations	1,102.79	627.49	1,442.97	2,854.50	4,092.37	5,515.74
<b>b) Other income</b>						
Other income	106.43	51.13	56.14	223.76	197.06	362.61
<b>Total Income</b>	<b>1,209.22</b>	<b>678.62</b>	<b>1,499.11</b>	<b>3,078.26</b>	<b>4,289.43</b>	<b>5,878.35</b>
<b>2. Expenses</b>						
a) Revenue share paid/ payable to concessionaire grantors	52.89	50.48	47.67	156.78	141.92	191.51
b) Consumption of fuel	288.38	-	-	288.38	-	-
c) Cost of materials consumed	24.84	26.76	83.38	96.91	455.44	589.16
d) Purchase of traded goods	223.32	266.89	1,015.67	1,184.00	2,431.32	3,392.27
e) Transmission and distribution charges	0.46	-	-	0.46	-	-
f) Sub-contracting expenses	48.58	53.56	67.28	146.67	317.35	437.61
g) Employee benefits expense	39.18	26.70	23.10	92.14	60.89	83.25
h) Other expenses	117.62	64.58	45.21	244.23	292.08	365.50
i) Foreign exchange fluctuations loss (net)	11.36	16.17	13.26	35.78	33.46	29.43
<b>Total expenses</b>	<b>806.63</b>	<b>505.14</b>	<b>1,295.57</b>	<b>2,245.35</b>	<b>3,732.46</b>	<b>5,088.73</b>
<b>3. Earnings before finance cost, tax, depreciation and amortisation expenses (EBITDA) and exceptional items (1-2)</b>	<b>402.59</b>	<b>173.48</b>	<b>203.54</b>	<b>832.91</b>	<b>556.97</b>	<b>789.62</b>
4 Finance costs	404.70	271.98	289.27	955.96	1,023.64	1,350.05
5 Depreciation and amortisation expenses	100.06	40.09	35.34	178.67	128.18	149.22
<b>6. Loss before share of (loss) / profit of investments accounted for using equity method, exceptional items and tax from continuing operations (3 - 4 - 5)</b>	<b>(102.17)</b>	<b>(138.59)</b>	<b>(121.07)</b>	<b>(301.72)</b>	<b>(594.85)</b>	<b>(709.65)</b>
7 Share of (loss) / profit of investments accounted for using equity method (Dividend received from joint venture and associates during the year ended March 31, 2023 - Rs 806.01 crore)	(73.67)	(14.26)	(54.12)	(78.60)	886.94	741.47
<b>8. (Loss)/ profit before exceptional items and tax from continuing operations (6) + (7)</b>	<b>(175.84)</b>	<b>(152.85)</b>	<b>(175.19)</b>	<b>(380.32)</b>	<b>292.09</b>	<b>31.82</b>
9 Exceptional items (refer note 11)	220.65	49.56	524.38	122.92	1,438.06	1,231.94
<b>10. Profit/ (loss) before tax from continuing operations (8) + (9)</b>	<b>44.81</b>	<b>(103.29)</b>	<b>349.19</b>	<b>(257.40)</b>	<b>1,730.15</b>	<b>1,263.76</b>
11 Tax expense/(credit) on continuing operations (net)	1.64	20.01	(0.08)	24.27	93.28	92.74
<b>12. Profit/ (loss) after tax from continuing operations (10) - (11)</b>	<b>43.17</b>	<b>(123.30)</b>	<b>349.27</b>	<b>(281.67)</b>	<b>1,636.87</b>	<b>1,171.02</b>
<b>B. Discontinued operations</b>						
13 Loss / (profit) before tax expenses from discontinued operations	(0.01)	0.03	(10.10)	(16.19)	(26.72)	(31.78)
14 Tax expense on discontinued operations (net)	-	-	-	-	-	-
<b>15. Loss / (profit) after tax from discontinued operations (13) - (14)</b>	<b>(0.01)</b>	<b>0.03</b>	<b>(10.10)</b>	<b>(16.19)</b>	<b>(26.72)</b>	<b>(31.78)</b>
<b>16. Profit/ (loss) after tax for the respective periods (12) + (15)</b>	<b>43.16</b>	<b>(123.27)</b>	<b>339.17</b>	<b>(297.86)</b>	<b>1,610.15</b>	<b>1,139.24</b>



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Particulars	(Rs. in crore)					
	Quarter ended			Nine month period ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>17. Other comprehensive income (net of tax)</b>						
Items that will be reclassified to profit or loss	10.98	0.65	51.19	9.76	154.78	180.94
Items that will not be reclassified to profit or loss	39.71	(0.08)	0.11	39.49	(0.72)	(0.55)
<b>Total other comprehensive income, net of tax for the respective periods</b>	<b>50.69</b>	<b>0.57</b>	<b>51.30</b>	<b>49.25</b>	<b>154.06</b>	<b>180.39</b>
<b>18. Total comprehensive income for the respective periods (16) + (17)</b>	<b>93.85</b>	<b>(122.70)</b>	<b>390.47</b>	<b>(248.61)</b>	<b>1,764.21</b>	<b>1,319.63</b>
<b>Profit attributable to</b>						
a) Owners of the Company	45.38	(105.29)	360.53	(265.21)	1,655.88	1,182.79
b) Non controlling interest	(2.22)	(17.98)	(21.36)	(32.65)	(45.73)	(43.55)
<b>Other comprehensive income attributable to</b>						
a) Owners of the Company	47.26	0.73	48.14	46.75	144.73	169.21
b) Non controlling interest	3.43	(0.16)	3.16	2.50	9.33	11.18
<b>Total comprehensive income attributable to</b>						
a) Owners of the Company	92.64	(104.56)	408.67	(218.46)	1,800.61	1,352.00
b) Non controlling interest	1.21	(18.14)	(18.20)	(30.15)	(36.40)	(32.37)
<b>19. Paid-up equity share capital</b> (Face value - Rs. 5 per share)	<b>301.80</b>	<b>301.80</b>	<b>301.80</b>	<b>301.80</b>	<b>301.80</b>	<b>301.80</b>
<b>20. Total equity (excluding equity share capital)</b>						(3,043.28)
<b>21. Earnings per share - (Rs.) (not annualised)</b>						
a) Basic earnings per share	0.75	(1.74)	5.97	(4.39)	27.43	19.60
b) Basic earnings per share from continuing operations	0.75	(1.74)	6.14	(4.12)	27.88	20.12
c) Basic earnings per share from discontinued operations	(0.00)	0.00	(0.17)	(0.27)	(0.45)	(0.52)
d) Diluted earnings per share	0.75	(1.74)	5.97	(4.39)	26.55	19.60
e) Diluted earnings per share from continuing operations	0.75	(1.74)	6.14	(4.12)	26.92	20.12
f) Diluted earnings per share from discontinued operations	(0.00)	0.00	(0.17)	(0.27)	(0.37)	(0.52)



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**GMR Power And Urban Infra Limited**  
**Statement of consolidated segment revenue, results, assets and liabilities**

(Rs. in crore)

Particulars	Quarter ended			Nine month period ended		Year ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment revenue</b>						
a) Power	797.64	278.72	1,033.11	1,803.74	2,503.98	3,473.16
b) Roads	178.46	171.59	160.44	522.38	479.04	655.04
c) EPC	82.71	93.67	177.22	304.84	889.38	1,082.68
d) Others	99.03	109.34	109.23	334.16	293.05	424.76
	1,157.84	653.32	1,480.00	2,965.12	4,165.45	5,635.64
Less: Inter segment	(55.05)	(25.83)	(37.03)	(110.62)	(73.08)	(119.90)
<b>Segment revenue from operations</b>	<b>1,102.79</b>	<b>627.49</b>	<b>1,442.97</b>	<b>2,854.50</b>	<b>4,092.37</b>	<b>5,515.74</b>
<b>2. Segment results (including share of (loss) / profit of investments accounted for using equity method)</b>						
a) Power	117.30	(17.78)	(49.36)	141.52	824.82	710.55
b) Roads	52.49	46.04	63.67	159.38	177.59	297.15
c) EPC	16.15	15.75	10.52	44.83	57.93	3.26
d) Others	7.87	40.82	35.27	116.46	138.50	207.17
Total segment results	193.81	84.83	60.10	462.19	1,198.84	1,218.13
Less: finance costs (net of finance income)	(369.65)	(237.68)	(235.29)	(842.51)	(906.75)	(1,186.31)
<b>(Loss)/ profit before exceptional items and tax from continuing operations</b>	<b>(175.84)</b>	<b>(152.85)</b>	<b>(175.19)</b>	<b>(380.32)</b>	<b>292.09</b>	<b>31.82</b>
Exceptional items (refer note 11)	220.65	49.56	524.38	122.92	1,438.06	1,231.94
<b>Profit / (loss) before tax expenses from continuing operations</b>	<b>44.81</b>	<b>(103.29)</b>	<b>349.19</b>	<b>(257.40)</b>	<b>1,730.15</b>	<b>1,263.76</b>
Tax expense/(credit) on continuing operations (net)	1.64	20.01	(0.08)	24.27	93.28	92.74
<b>Profit/ (loss) after tax from continuing operations</b>	<b>43.17</b>	<b>(123.30)</b>	<b>349.27</b>	<b>(281.67)</b>	<b>1,636.87</b>	<b>1,171.02</b>
(Loss) / profit before tax expenses from discontinued operations	(0.01)	0.03	(10.10)	(16.19)	(26.72)	(31.78)
Tax expense on discontinued operations (net)	-	-	-	-	-	-
<b>(Loss) / profit after tax from discontinued operations</b>	<b>(0.01)</b>	<b>0.03</b>	<b>(10.10)</b>	<b>(16.19)</b>	<b>(26.72)</b>	<b>(31.78)</b>
<b>Profit/ (loss) after tax for the respective period/ year</b>	<b>43.16</b>	<b>(123.27)</b>	<b>339.17</b>	<b>(297.86)</b>	<b>1,610.15</b>	<b>1,139.24</b>
<b>3. Segment assets</b>						
a) Power	13,510.43	2,229.77	2,130.97	13,510.43	2,130.97	2,251.16
b) Roads	2,981.27	3,050.14	3,274.91	2,981.27	3,274.91	3,436.83
c) EPC	1,258.49	1,248.56	1,872.01	1,258.49	1,872.01	1,395.28
d) Others	643.36	1,066.25	2,469.20	643.36	2,469.20	1,858.06
e) Unallocated	2,226.19	2,985.30	2,447.82	2,226.19	2,447.82	2,654.98
f) Assets classified as held for sale	310.61	306.21	199.86	310.61	199.86	206.22
<b>Total assets</b>	<b>20,930.35</b>	<b>10,886.23</b>	<b>12,394.77</b>	<b>20,930.35</b>	<b>12,394.77</b>	<b>11,802.53</b>
<b>4. Segment liabilities</b>						
a) Power	5,025.94	2,565.92	3,181.29	5,025.94	3,181.29	2,816.90
b) Roads	1,864.43	1,788.56	1,555.15	1,864.43	1,555.15	1,638.58
c) EPC	557.12	580.39	672.55	557.12	672.55	706.25
d) Others	202.54	188.51	107.60	202.54	107.60	95.98
e) Unallocated	16,448.10	9,000.54	9,153.72	16,448.10	9,153.72	9,263.22
f) Liabilities directly associated with the assets classified as held for sale	23.09	22.99	22.94	23.09	22.94	23.08
<b>Total liabilities</b>	<b>24,121.22</b>	<b>14,146.91</b>	<b>14,693.25</b>	<b>24,121.22</b>	<b>14,693.25</b>	<b>14,544.01</b>



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## GMR Power and Urban Infra Limited

### Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023

#### 1. Consolidation and Segment Reporting

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

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

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

- b. Investors can view the results of the Company on the Company's website [www.gmrpui.com](http://www.gmrpui.com) or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nseindia.com](http://www.nseindia.com)).
2. (a) GMR Energy Limited ('GEL') was incorporated on October 10, 1996 and is engaged in the business of development, operation and maintenance of power projects, power generation, transmission, distribution and trading of electricity, through its subsidiaries and Joint ventures.

GMR Power and Urban Infra Limited alongwith its subsidiaries (Group) held 69.58% stake in GEL till November 21, 2023. The group entered into a settlement agreement with Power and Energy International (Mauritius) Limited (hereinafter referred to as 'Tenaga') on November 17, 2023 to acquire additional 29.14% stake of GEL at a purchase consideration of Rs.237.55 crore (USD 28.50 million). The Group paid the entire purchase consideration of Rs. 237.55 crore on November 21, 2023 ('transaction date').

With this complete buy-out of Tenaga stake, the Shareholders Agreement ("SHA") with Tenaga stands terminated thereby increasing the shareholding of the Group by 29.14% and enabling control over GEL and full line-by-line consolidation w.e.f. November 22, 2023 in accordance with Ind AS 110 'Consolidated Financial Statements', which till November 21, 2023 was being done on an equity method in accordance with Ind AS 28 'Investments in Associates and Joint Ventures'.



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## **GMR Power and Urban Infra Limited**

### **Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023**

On account of this transaction, total assets & total liabilities as at December 31, 2023 and total revenue for the quarter are higher by Rs. 12,835.29 crore, Rs.11,584.16 crore, Rs.518.73 crore respectively.

Further, the Group accounted for the acquisitions under the acquisition method of accounting for business combinations in accordance with Ind AS 103 – ‘Business Combination’. Accordingly, the purchase price was allocated to the assets acquired (including identifiable intangible assets and investments in subsidiaries and Joint ventures) and liabilities (including contingent liabilities, if any) assumed based on their fair values on the acquisition date. Based on the preliminary purchase price allocation to the various identifiable acquired assets and assumed liabilities, provisional bargain purchase of Rs. 39.85 crore has been recognized in the consolidated financial statements. The Group shall complete the purchase price allocation for the aforementioned acquisition within the measurement period in accordance with Ind AS 103 – ‘Business Combination’.

(b) GMR Warora Energy Limited (‘GWEL’), a subsidiary of the Company, is engaged in the business of generation and sale of electrical energy from its coal-based power plant of 600 MW situated at Warora. GWEL had accumulated losses of Rs. 453.81 crore as at December 31, 2023 which has resulted in substantial erosion of GWEL’s net worth. There have been delays in receipt of the receivables from customers which has resulted in delays in meeting its financial liabilities. GWEL had claimed compensation for coal cost pass through and various "change in law" events from its customers under the Power Purchase Agreements (‘PPA’) and have filed petitions with the regulatory authorities for settlement of such claims in favour of GWEL. GWEL has trade receivables, other receivables and unbilled revenue (including claims) of Rs. 960.05 crore and the payment from the customers against the claims including interest on such claims which are substantially pending receipt. Based on its internal assessment, legal expert advice and 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 customers disputing payment of capacity charges of Rs. 132.01 crore for the period from March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. GWEL responded and clarified that the said situation is not covered under the force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof.

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



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## GMR Power and Urban Infra Limited

### Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023

during the quarter ended June 30, 2022. APTEL issued an interim order and directed to pay 25% of the principal amount within a period of one week from the date of interim order and deposit balance outstanding amount in an interest-bearing fixed deposit with a nationalized bank. However, GWEL has not received any amount from the customer and the matter is pending conclusion. The management, based on its internal assessment and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable.

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

APTEL vide its interim Order dated February 11, 2014 directed GWEL to start scheduling the power from GWEL's bus bar and bear transmission charges of inter-state transmission system towards supply of power. GWEL in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 08, 2015 upheld GWEL's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by GWEL as per its interim order. Accordingly, GWEL has raised claims of Rs. 616.33 crore towards reimbursement of transmission charges from March 17, 2014 till December 31, 2023.

MSEDCL preferred an appeal with the Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) are being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited ('PGCIL') and accordingly, GWEL has not received transmission charges (other than the deviation charges) related invoices for the period from December 2020 to December 2023. The final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

In view of the favorable Order from APTEL, receipt of substantial amount towards reimbursement of transmission charges and also considering the legal opinion received from legal counsel that GWEL has tenable case with respect to the appeal filed by MSEDCL against the said Order which is pending before the Hon'ble Supreme Court of India, GWEL has recognized the reimbursement of transmission charges of Rs. 616.33 crore relating to the period from March 17, 2014 to December 31, 2023. Further the cost of transmission charges as stated with effect from December 2020 has been directly invoiced by PGCIL to DISCOMS and such amount together with aforesaid reimbursement has been disclosed as contingent liability in the financials of GWEL pending the final outcome of the matter in the Hon'ble Supreme Court of India.



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(d) There have been delays in repayment of dues to the lenders on account of the delay in the receipt of the claims by GWEL from its customers thereby resulting in lowering of credit ratings for GWEL's borrowings. However, GWEL has successfully implemented Resolution Plan under Prudential Framework for Resolution of Stressed Assets, as prescribed by the RBI during the previous year ended March 31, 2023.

Accordingly, GWEL has generated profit after tax of Rs. 132.08 crore during the nine month period ended December 31, 2023 and the management of GWEL expects that the plant will generate sufficient profits in the future years also and will be able to recover the receivables and based on business plans and valuation assessment by an external expert during the nine month period ended December 31, 2023, considering key assumptions such as capacity utilization of plant in future years based on current levels of utilization including merchant sales and sales through other long term PPA's and management's plan for entering into a new long-term PPA to replace the PPA earlier entered with one of its customers which has expired in June 2020 and the implementation of the Prudential Framework for resolution of stressed assets with the lenders of GWEL, the management of the Group is of the view that the carrying value of the assets in GWEL as at December 31, 2023 is appropriate.

(e) GMR Kamalanga Energy Limited ('GKEL'), a subsidiary of the Company, is engaged in development and operation of 3\*350 MW under Phase I and 1\*350 MW under Phase II, coal-based power project in Kamalanga village, Orissa and has commenced commercial operation of Phase I of the project. GKEL has accumulated losses of Rs.1,180.87 crore as at December 31, 2023, 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 and unbilled revenue of Rs. 1,171.04 crore and Rs.640.31 crore respectively as at December 31, 2023, for coal cost pass through and various "change in law" events from its customers under the PPAs and have filed petitions with the regulatory authorities for settlement of such claims in favour of GKEL. The payment from the customers against the claims is substantially pending receipt as at December 31, 2023. 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 has signed PPA for supply of 102 MW round the clock to TANGEDCO for a period of five years through the aggregator M/s PTC India Limited. In addition to above, GKEL has won the bid (Shakti-III) for supply of 0.04 crore ton of coal for balance 150 MW. GKEL is actively pursuing its customers for realization of claims and selling its untied capacity in exchange market to support the GKEL's ability to continue the business without impact on its operation.

Further, GKEL had entered an agreement with SEPCO in 2008 for the construction and operation of coal fired thermal power plant. There were certain disputes between the parties in relation to the delays in construction and various technical issues relating to the construction and operation of the plant. SEPCO served a notice of dispute to GKEL in March 2015 and initiated arbitration proceedings. The Arbitral Tribunal has issued an opinion (the Award) on September 07, 2020



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### **Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023**

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

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

The Hon'ble Supreme Court of India in the hearing on July 25, 2022 has issued notice and stayed the operation of the Section 34 Judgment. Vide its order date May 15, 2023, the Hon'ble Supreme Court of India has disposed of SLP by allowing GKEL to approach the Commercial Appellate Division Bench, as constituted by the Hon'ble High Court of Orissa by way of an appeal under Section 37 of the Arbitration Act with liberty to raise all grounds and contentions. It had further directed that the aforesaid stay shall continue till June 30, 2023. In furtherance of the order of the Hon'ble Supreme Court, GKEL has filed an appeal under Section 37 of the Arbitration Act before the Hon'ble High Court of Orissa on June 09, 2023, challenging Section 34 judgement and the Award. The Hon'ble High Court of Orissa has pronounced its judgement on September 27, 2023 wherein it has allowed the Section 37 appeal and set aside Section 34 judgement and the Award. During the current quarter, the management has filed a caveat petition before the Hon'ble Supreme Court of India.

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

In view of these matters, favorable interim orders and external legal opinion, business plans (including expansion and optimal utilization of existing capacity), valuation assessment by an



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external expert during the nine month period ended December 31, 2023, the management is of the view that the carrying value of the net assets of GKEL as at December 31, 2023 is appropriate.

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

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

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

Further on June 10, 2022, GBHHPL invoked arbitration against the contractor to recover their further dues. However counter claims were also filed by the contractor before the arbitration tribunal towards costs and damages on account of prolongation of the Contract. GBHHPL filed its reply to the Statement of Defence and counterclaims on March 01, 2023. Subsequently, consolidated statement of claims and counter claims were directed to be filed by the Arbitration Tribunal which have been filed in the month of August 2023. Next hearing will take place in March 2024. Currently, the matter is pending adjudication before the Arbitral Tribunal.

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

3. The Central Electricity Regulatory Commission ('CERC') has issued CERC (Procedures, terms and conditions for grant of trading license and other related matters) Regulation 2020, (the 'Regulations') on January 31, 2020 repealing its earlier subsisting regulations in this regard. GETL has assessed the impact of its loans given to associate companies on the net worth calculation as per the regulations and non-achievement of other ratios in terms of the Regulations as at December



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31, 2023. GETL was in compliance with the criteria of Net worth as at the beginning of the year and has achieved the Net worth criteria as on the date of approval of financials of GETL, in view of repayment of loans from related parties subsequent to December 31, 2023. GETL is implementing processes to ensure continuity in necessary compliances with its net worth and current/liquidity ratio as per the Regulations, in the ensuing quarter. The management is of the opinion that there is no material implication of the same on the operation of the Company.

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

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

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

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

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

5. GMR Generation Assets Limited ("GGAL") (earlier called GMR Power Corporation Limited ('GPCL'), now merged with GGAL with effect from March 31, 2019), a subsidiary of the Company, approached Tamil Nadu Electricity Regulatory Commission ('TNERC') to resolve the claims / counterclaims arising out of the PPA and Land Lease Agreement ('LLA') in respect of the dues recoverable from Tamil Nadu Generation and Distribution Corporation Limited



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(‘TAGENDCO’) on account of sale of energy including reimbursement towards interest on working capital, Minimum Alternate Tax (‘MAT’), rebate, start / stop charges and payment of land lease rentals to TAGENDCO. GPCL received a favourable order from TNERC and in pursuance of the Order, filed its claim on April 30, 2010 amounting to Rs. 481.68 crore.

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

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

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

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

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

6. GMR Ambala Chandigarh Expressways Private Limited (‘GACEPL’), a subsidiary of the holding Company has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 671.34 crore as at December 31, 2023. The management of the Group believes that these losses are primarily attributable to the loss of revenue arising as a result of diversion of partial traffic on parallel roads.

GACEPL had invoked arbitration proceedings against National Highways Authority of India (NHAI), State of Haryana (SoH) and State of Punjab (SoPb) as per the terms of the Concession



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

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

Further, in accordance with the terms of the Concession Agreement entered into with National Highways Authority of India (NHAI), dated November 16, 2005, GACEPL has an obligation to pay an amount of Rs.174.75 crore by way of Negative Grant over the concession period. The total value of Negative Grant has been recognized in the financials by way of capitalization in the cost of carriageway and a corresponding obligation has been created towards deferred payment. During earlier years GACEPL has paid negative grant to NHAI in various instalment and balance negative grant of Rs. 66.40 crore was due in instalments (i.e. Rs.17.47 crore, Rs.17.48 crore, Rs. 26.21 crore and Rs. 5.24 crore were due in August 2013, August 2014, August 2015 and August 2016 respectively) but have not been remitted to NHAI as there was a stay on account of arbitration. The Arbitral Tribunal on August 26, 2020 while rejecting the GACEPL's prayer for compensation for breach of State Support Agreement & Concession Agreement by State Government of Haryana, State Government of Punjab and NHAI, vacated the stay granted on payment of Negative Grant and NHAI consequently demanded the payment of negative grant including interest from GACEPL and the Escrow Banker. The claim by NHAI for interest communicated to GACEPL and the Escrow Banker was Rs. 101.34 crore calculated up to October 31, 2020, though the interest on balance negative grant dues as computed by GACEPL upto August 25, 2020 from aforesaid respective due dates is Rs. 60.33 crore (@SBI PLR plus 2%). Escrow Banker based on the demand from NHAI, has remitted Rs. 6.08 crore as per the waterfall mechanism to NHAI. NHAI has been demanding the Negative grant along with interest calculated at the rate SBI plus 2% from GACEPL through various communications. GACEPL has discharged the entire liability of negative grant of Rs 66.40 crore during the nine month period ended December 31, 2023.

The dissenting opinion of the other Arbitrator also rejected GACEPL's contention on the non-payment of Negative Grant and has concluded that GACEPL shall be bound by the Concession Agreement in relation to payment of Negative Grant. GACEPL in terms of its communication to NHAI has provided for delay in payment of interest on negative grant w.e.f. August 26, 2020



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onwards amounting to Rs. 22.29 crore till December 31, 2023 under prudence, pursuant to the vacation of stay on payment of negative grant vide Arbitral Award dated August 26, 2020. Further, the management is of the opinion that there is no charge of interest in pursuance of stay given by the Arbitral Tribunal for period prior to August 26, 2020 and effect, if any, will be given on the upon the matters attaining finality as the management is of the opinion that the GACEPL's claim on NHAI for diversion of traffic and interest there on are higher than the counter claim of interest payable on negative grant as the total claim has to be looked at net effect or upon implementation of the resolution plan.

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

In the meanwhile, NHAI and SoH have filed appeal under section 37 of the Arbitration and Conciliation Act, 1996 with the Hon'ble High Court against setting aside of Arbitral Award dated August 26, 2020. The Hon'ble High Court in its judgment dated September 20, 2023 has upheld the order dated August 26, 2020. Further GACEPL has also filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 act with the Hon'ble High Court with a request to consider minority award as final award as the majority award is set aside by the Hon'ble High Court. The Company, however, in view of the Hon'ble Supreme Court judgement in another case, has withdrawn the appeal under section 37 filed by the Company. In the interim, NHAI has filed SLPs against the order of Divisional Bench before the Hon'ble Supreme Court of India, which was listed on January 04, 2024. Court has directed to file replies and next date of hearing will be tentatively in April 2024.

Based on the conclusion and findings arrived by the Hon'ble High Court in its Order setting aside the Arbitral Award and legal opinion and as per the internal assessment, the management is of the view that GACEPL has a good and tenable case on re-initiation of the arbitration proceeding and is reasonable certain that the arbitral claims will flow in to GACEPL on matter attaining finality and



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has considered that there would be no cash outflow related to negative grants or interest thereon and that there will be net cash inflows even if the Negative Grant outflows are considered and expects realisability of GACEPL's claims in the near future. The Company has initiated the Arbitration Process and has also appointed its nominee, however NHAI is yet to appoint its nominee, in view of the pendency of the SLPs in the Hon'ble Supreme Court of India.

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

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

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

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

Further, as part of Resolution Plan, GACEPL has issued 72,810, 0.01% Non-Convertible Debentures (NCDs) of face value Rs. 10,000 each to lenders on November 01, 2023. In terms of Ind AS 109, the Company has fair valued the NCDs and the gain amounting to Rs. 19.17 Crore arising on fair valuation has been accounted as exceptional item in the unaudited statement of profit and loss for the period ended December 31, 2023.

Based on internal assessment and external legal opinions, the management is confident of compensation inflow from claims for loss due to diversion of traffic in arbitration proceedings. Basis the valuation performed by independent experts as at December 31, 2023 (i.e. valuation date),



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## **GMR Power and Urban Infra Limited**

### **Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023**

the management is of the view that the recoverable amounts of the carriageways of GACEPL is higher than the carrying value of the carriageways. Accordingly, management is of the opinion that carrying value of Carriageway in GACEPL of Rs. 245.58 crore as at December 31, 2023 is appropriate.

7. GMR Hyderabad Vijayawada Expressways Private Limited ('GHVEPL') a subsidiary of the Company, has been incurring losses since the commencement of its commercial operations and has accumulated losses of Rs. 1,769.11 crore as at December 31, 2023. The management believes that these losses are primarily due to loss of revenue arising as a result of drop in commercial traffic on account of bifurcation of State of Andhra Pradesh and ban imposed on sand mining in the region. The management of the Group based on its internal assessment and a legal opinion, believes that these events constitute a Change in Law as per the Concession Agreement and GHVEPL is entitled to a claim for losses suffered on account of the aforementioned reasons and accordingly filed its claim for the loss of revenue till the year ended March 31, 2017 with National Highways Authority of India ('NHAI'). The claim of GHVEPL was rejected by NHAI and accordingly during the year ended March 31, 2018, GHVEPL had decided to proceed with arbitration and accordingly Arbitral Tribunal was constituted and claims were filed.

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

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



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

On February 28, 2022, the Sole Arbitrator had submitted his report to the Hon'ble High Court of Delhi by determining the claim amount at Rs. 1,672.20 crore, as against the claimed amount of Rs. 1,676.34 crore, up to March 31, 2020 with direction to follow the same methodology and formula for computation of claims for the financial year ended March 31, 2021 and onwards. Further, the Sole arbitrator has also granted interest on claim amount in terms of Clause 47.5 of the Concession Agreement. The report submitted by the Sole Arbitrator has been taken on record by the Hon'ble High Court of Delhi and the Court has fixed the next hearing on February 27, 2024. On March 29, 2022, NHAI had made an application before the Sole Arbitrator seeking correction of computational error in his report submitted to the Hon'ble High Court. On October 20, 2022 the Sole Arbitrator had passed an order dismissing the application made by NHAI. NHAI, in the interim has also filed an application u/s 34 of Arbitration Act before the Hon'ble High Court of Delhi against the report of Sole Arbitrator which is posted for hearing on February 12, 2024.

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

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



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GHVEPL, issuance of Notice dated May 08, 2020 and letter dated June 24, 2020 / October 15, 2020 by NHAI is in bad light and arbitrary.

Legal Counsel opined that NHAI being aware of the financial implications of the notice dated May 08, 2020 trying to somehow avoid quantifying and making any payment of the claim to GHVEPL under Change in Law. The Counsel further opined that, NHAI after having failed in its series of coercive steps including the notices for recovery of alleged Premium, suspension notice and notices in relation to non-compliance of O & M requirements has, on May 08, 2020, issued the Notice under Article 3.2.2 of the Concession Agreement and that too in the middle of extensive arguments in the aforesaid petitions before the Hon'ble High Court of Delhi, only to make GHVEPL to somehow give up its claims and avoid determination of claims. GHVEPL on October 30, 2020 has issued Notice of Dispute under Article 44.2 read with Clause 44.1.2 of the Concession Agreement to NHAI for amicable settlement as a first step in dispute resolution, which has been declined by NHAI on December 04, 2020. Pursuant to the notice dated April 06, 2021, the Arbitrators have been appointed and the Arbitral Tribunal has held its first hearing setting procedural timelines for hearing the litigation. The Hon'ble Tribunal vide interim order dated September 29, 2021 has stayed the letter and the matter is in process NHAI subsequently has suggested resolving all the disputes through the process of conciliation and the matter was referred to Committee of Conciliation of Independent Experts (CCIE-III) constituted by NHAI on approval from GHVEPL. The Committee has held two hearings and, in the hearing, held on April 25, 2022, GHVEPL had given a proposal for amicable settlement to which the Committee granted one month's time to NHAI to discuss internally and inform the Committee of its decision which has not reached any effective conclusion and hence discontinued. In view of the same, the Arbitral Tribunal has been reconstituted and the hearing has been fixed on May 02, 2024 and May 03, 2024 for cross examination of the witnesses.

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

GHVEPL has been recognizing a provision of additional concession fees (premium) of Rs. 1,539.40 crore including interest payable thereon till December 31, 2023, which is unpaid pending finality of litigation proceedings as detailed above.

Further, the valuation expert based on the assumptions that it would be receiving the compensation in the future and expected future traffic flow over a concession period of 25 years had determined value in use of GHVEPL assets as at December 31, 2023 (i.e. valuation date) which is higher than the carrying value of assets.

The management of the Group is confident that it will be able to claim compensation from the relevant authorities for the loss it suffered due to aforementioned reasons. Accordingly, based on



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### **Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023**

the aforesaid legal opinion, and valuation assessment by an external expert based on expected compensation claim inflows, the management of the Group believes that the carrying value of carriage ways of Rs. 1,721.65 crore of GHVEPL as at December 31, 2023, is appropriate.

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

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

Aggrieved by the findings of the Tribunal, to the limited issue of requirement of overlay upon every 5 years, GPEL filed an application under Section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble High Court of Delhi.

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

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



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## GMR Power and Urban Infra Limited

### Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023

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

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

During the previous year ended March 31, 2023, the JV had submitted its claim against DFCCIL for the period of delay i.e. from January 2019 to December 31, 2021. DFCCIL has rejected such claim citing the amendments made in the contract, while granting extension of time. JV has invoked the dispute resolution process and accordingly Dispute Adjudicating Board (DAB) is constituted. As per directions of DAB, JV has submitted its Statement of Claim ('SoC') before DAB on May 22, 2023 for an amount of Rs. 449.01 crore for Contract Package 202 and on June 09, 2023 for an amount of Rs. 398.63 crore for Contract Package 201 respectively (excluding interest and GST) for cost incurred during the period from January 21, 2019 to September 30, 2022. Further, JV has reserved its right to claim further additional cost for the damages to be suffered during the period (i.e. September 30, 2022 till completion of the project) to be computed in the same manner as set out in the SoC.

DFCCIL has submitted its Statement of Defense ('SoD') on November 04, 2023 for Contract Package 202 and on December 18, 2023 for Contract Package 201. DFCCIL has also filed counter claims for both the Contract Packages.

As per the revised timelines set forth by DAB in their meeting held on January 03, 2024, JV is required to submit its Rejoinder by February 07, 2024 for Contract Package 202 and by February 21, 2024 for Contract Package 201. Next date of hearing of DAB will be held on February 09, 2024 for Contract Package 202 and on February 21, 2024 for Contract Package 201.

Based on internal assessment and review of the technical and legal aspects by independent experts, the managements of the JV and the Company recognized such claim in its books of account and basis back to back agreement with the JV, the Company has also included an incremental budgeted contract revenue of Rs. 461.18 crore (out of total claim amount of Rs.847.65 crore) for determination of the revenue recognition in accordance with Ind AS 115 and has recognised in current quarter ended 31 December 2023 and preceding year ended 31 March 2023. The



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### Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023

management of the JV and the Company is confident of the favourable outcome of such claims and considers the unbilled revenue recognized amounting to Rs. 452.07 crore for the aforesaid claims as fully recoverable.

10. The unaudited consolidated financial results for the nine month period ended December 31, 2023 reflected an excess of current liabilities (including liabilities directly associated with assets classified as held for sale) over current assets (including assets classified as held for sale) of Rs. 3,975.09 crore and loss from operations after tax amounting to Rs. 281.68 crore. The Group has in the past incurred losses primarily on account of losses in the energy and highway sector as detailed in notes 2, 6 and 7. This as a consequence had impact on net worth, delay in repayment of debts and interest servicing and lower credit ratings for some of its borrowings. Management is taking various initiatives including monetization of assets, recovery of outstanding claims in various infra business (highway sector/EPC) investee entities, raising finances from financial institutions/ group companies, strategic investors and from other strategic initiatives, and refinancing of existing debts and other strategic initiatives to ensure the repayment of borrowings and debts in an orderly manner.

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

- i) In the case of DFCC, there are various claims under various heads which has been either agreed by DFCCIL or Group has got the award through Dispute Adjudication Board (DAB). Total amount of claim as on December 31, 2023 is approximately Rs. 194.30 crore which will be received progressively based on the work to be carried out.
- ii) The Group has also raised a claim on DFCCIL under Change in Law on account of Mining Ban in the state of UP and has invoked arbitration after DFCCIL declined to accept the DAB award which was in favor of the Group. The Arbitral Tribunal has given its award on April 22, 2023 wherein it has quantified the claims up to December 2019 in a sum of Rs. 46.86 crore. Based on the principles laid down by the Tribunal for quantification, total claim on account of Change in Law for the entire Project period will come to Rs. 91.16 crore. The Group has already received the amount quantified up to December 2019 and balance amount will be received progressively.
- iii) GMR Chennai Outer Ring Road Private Limited ('GCCRPL') had initiated arbitration against Government of Tamil Nadu ('GOTN') for compensation claim for delay in completion of project due to reasons attributable to GOTN. The Arbitral Award was in favour of GCCRRPL and the Tribunal also awarded interest @ 18% p.a. from the date of Award till actual date of payment. The Award was challenged by GOTN in the Hon'ble High Court of Madras. The Hon'ble High Court of Madras on November 17, 2021 has upheld the award and given judgement in favor of GCCRRPL and has also awarded additional Pendente Lite interest @ 9.00% p.a. from date of filing of Statement of Claim till date of award along with interest of 18% p.a. from date of Award



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## **GMR Power and Urban Infra Limited**

### **Notes to the unaudited consolidated financial results for the quarter and nine month period ended December 31, 2023**

till date of payment. GoTN had filed Special Leave Petition in the Hon'ble Supreme Court of India against the judgement of the Hon'ble High Court of Madras. The Hon'ble Supreme Court confirmed the Arbitral Award against which GCORRPL has received the payment during the previous year. For additional Pendente Lite interest awarded by the Hon'ble High Court of Madras, the matter is pending before the Hon'ble Supreme Court of India.

Meanwhile, GCORRPL had entered into negotiation with Managing Director, Tamil Nadu Road Development Corporation Limited ('TNRDC') for settlement of dispute and has putforth the final claim for Rs 234.10 crore which includes pendalite interest, post award interest for the period up to actual payment of claim, interest on delayed payment of annuity, claim for commission on performance bank guarantee, amount wrongly deducted by TNRDC while releasing withheld annuity & interest thereon and claim for additional GST paid under change in law. GCORRPL has proposed to settle all the disputes for an amount of Rs. 55.00 crore and the cases in Hon'ble Supreme Court of India and Hon'ble High Court of Madras will be withdrawn in case of final settlement is agreed by the Government of India. Based on the finality of the negotiation, GCORRPL and TNRDC/GOTN has agreed to settle the claim at Rs. 54.80 crore. Accordingly, GCORRPL has recognized the amount of Rs 54.80 crore pertaining to amicable settlement of claim in the books of accounts during the current quarter. Necessary effects has been disclosed as exceptional Income in unaudited consolidated financial statement. Further on January 08, 2024 GCORRPL has received the entire amount of Rs. 54.80 crore from TNRDC towards settlement of claims.

- iv) Certain other claims in Energy and Highway sector as detailed in note 2(b), 2(c), 2(d), 2(e) and note 7 respectively.
11. Exceptional items comprise of the impairment of investment in joint venture and associates, reversal of impairment of investments, gain/(loss) on disposal of investment in associate, write back of liability, write off/provision against receivables and provision / loss on investment property.
12. The Company has presented profit before finance costs, taxes, depreciation, amortisation expense and exceptional items as EBITDA.
13. The accompanying unaudited consolidated financial results of the Group for the quarter and nine month period ended December 31, 2023 have been reviewed by the Audit Committee in their meeting on February 06, 2024 and approved by Board of Directors in their meeting on February 07, 2024.



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

For **GMR Power and Urban Infra Limited**



**Srinivas Bommidala**  
Managing Director  
DIN: 00061464



Place: Jakarta, Indonesia  
Date: February 07, 2024



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