

GVK Power & Infrastructure Limited
(In CIRP under the provisions of Insolvency & Bankruptcy Code, 2016)
CIN: L74999TG2005PLC059013
Registered office: Darshak Chambers, Plot No.32, Ground Floor, Street No.1, Penderghast Road
Secunderabad - 500003, Telangana

Phone No: 040-2790 2663/64, Fax: 040-2790 2665

Website: www.gvk.com; Email: sanjeevkumar.singh@gvk.com

Statement of Standalone Financial Results for the half year and quarter ended September 30, 2024

(Rs. In Lakhs)

S. No.	Particulars	Quarter ended (Unaudited)			Half Year ended (Unaudited)		Year ended (Audited)
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
1	Income						
	Revenue from operations	75	-	250	75	500	760
2	Other income	74	134	260	208	529	1,208
3	Total revenue	149	134	510	283	1,029	1,968
4	Expenses						
	Employee benefit expenses	3	21	55	24	101	191
	Other expenses	107	116	236	223	560	933
	Impairment of non-current investments/ Deemed investment	5	-	-	5	-	2,284
	Depreciation	1	2	3	3	6	11
	Total Expenses	116	139	294	255	667	3,419
5	Profit/(loss) from ordinary activities but before exceptional items (3-4)	33	(5)	216	28	362	(1,451)
6	Exceptional items	-	-	-	-	-	-
7	Profit/(loss) from ordinary activities (5+6)	33	(5)	216	28	362	(1,451)
8	Tax Expenses	16	-	-	16	-	343
9	Profit/(loss) from ordinary activities after tax (7-8)	17	(5)	216	12	362	(1,794)
10	Other comprehensive income (net of tax)	-	-	-	-	-	-
11	Total comprehensive income (after tax) (9+10)	17	(5)	216	12	362	(1,794)
12	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792	15,792	15,792	15,792	15,792
13	Earnings per share (EPS)						
	a) Basic (in Rs.)	0.00	(0.00)	0.01	0.00	0.02	(0.11)
	b) Diluted (in Rs.)	0.00	(0.00)	0.01	0.00	0.02	(0.11)

GVK Power & Infrastructure Limited

Place: Hyderabad
Date : November 14, 2024


P V Prasanna Reddy
Whole-time Director



(This space is intentionally left blank)



GVK Power & Infrastructure Limited
Standalone Statement of assets and liabilities

	(Rs. In Lakhs)	
Paticulars	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	20	23
Financial assets		
Investments	1,02,212	1,02,214
Non Current tax assets (net)	377	444
Other non-current assets	14	14
	<u>1,02,623</u>	<u>1,02,695</u>
Current assets		
Financial assets		
Investments	1,38,542	1,43,878
Trade receivables	87	344
Cash and cash equivalents	244	3,936
Loans	21,740	12,626
Other financial assets	166	118
Other current assets	361	362
	<u>1,61,140</u>	<u>1,61,264</u>
Total	2,63,763	2,63,959
Equity and Liabilities		
Equity		
Equity share capital	15,792	15,792
Other equity	69,723	69,711
	<u>85,515</u>	<u>85,503</u>
Liabilities		
Non-current liabilities		
Financial liabilities		
Unearned financial guarantee liability	2,695	2,695
	<u>2,695</u>	<u>2,695</u>
Current liabilities		
Financial liabilities		
Borrowings	36,427	36,430
Trade payables		
• Total outstanding dues of micro enterprises and small ente	-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises	26	110
Other financial liabilities	1,39,098	1,39,138
Other current liabilities	1	80
Provisions	1	3
	<u>1,75,553</u>	<u>1,75,761</u>
Total liabilities	1,78,248	1,78,456
Total	2,63,763	2,63,959

(This space is intentionally left blank)



GVK Power & Infrastructure Limited
Standalone Cash flow statement

	(Rs. In Lakhs)	
Paticulars	Half year ended September 30, 2024 (Unaudited)	Year ended March 31, 2024 (Audited)
1 CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	28	(1,451)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expenses	3	11
Impairment of non-current investments/ Deemed investment	5	2,284
Gain on sale of current investments (net)	(94)	(640)
Interest Income	(104)	(359)
Advances written off	11	-
Profit on sale of Assets	-	(1)
Reversal of previous year expenses	-	(34)
Interest income on income tax and service tax refund	(3)	(126)
Operating profit/ (Loss) before working capital changes	(154)	(316)
Movement in working capital:		
Decrease/ (Increase) in trade receivables	257	676
Decrease/ (Increase) in other current assets	12	35
Increase/ (Decrease) in trade payables, current liabilities and provisions	(166)	(234)
Cash generated from operations	(51)	161
Taxes (paid)/refund	51	555
Net cash generated from operating activities	(A) -	716
2 CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/ Sale of current investments, net	5,430	3,791
Investments in subsidiaries/ associates/related party including share application money	(3)	(407)
Loans (given)/refunds to/from subsidiaries/related party	(9,164)	(5,369)
Sale/ (Purchase) of property, plant and equipment	-	(13)
Interest received	48	273
Net Cash (used in)/ generated from investing activities	(B) (3,689)	(1,725)
3 CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of short term borrowings (net)	(3)	(131)
Net Cash generated from/(used in) financing activities	(C) (3)	(131)
Net increase/ (decrease) in Cash and Cash Equivalents	(A+B+C) (3,692)	(1,140)
Cash and Cash Equivalents at the beginning of the year	3,936	5,076
Cash and Cash Equivalents at the end of the year	244	3,936
Components of cash and cash equivalents		
Balance with banks:		
Current accounts	244	3,936
Total cash and cash equivalents	244	3,936

(This space is intentionally left blank)



GVK Power & Infrastructure Limited
(In CIRP under the provisions of Insolvency & Bankruptcy Code, 2016)
CIN: L74999TG2005PLC059013

Registered office: Darshak Chambers, Plot No.32,Ground Floor, Street No.1, Penderghast Road,Secunderabad – 500003, Telangana

Phone No: 040-2790 2663/64, Fax: 040-2790 2665

Website: www.gvk.com; Email: sanjeevkumar.singh@gvk.com

Statement of Consolidated Financial Results for the half yaer and quarter ended September 30, 2024

(Rs. in lakhs)

S. No.	Particulars	Quarter ended (Unaudited)			Half year ended (Unaudited)		Year ended (Audited)
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
1	Income						
	Revenue from operations	39,087	22,395	37,963	61,482	87,680	1,08,014
2	Other income	2,193	1,703	1,612	3,896	3,126	7,499
3	Total Income	41,280	24,098	39,575	65,378	90,806	1,15,513
4	Expenses						
	(a) Employee benefit expenses	393	411	482	804	1,001	1,936
	(b) Finance costs	11,020	12,983	13,492	24,003	26,792	53,373
	(c) Depreciation and amortisation	5,656	5,598	5,761	11,254	11,465	22,702
	(d) Other expenses	2,572	4,175	2,708	6,747	6,893	13,414
	Total expenses	19,641	23,167	22,443	42,808	46,151	91,425
5	Profit/ (Loss) from ordinary activities but before exceptional items (3-4)	21,639	931	17,132	22,570	44,655	24,088
6	Exceptional items (Refer note no 10)	59,956	-	-	59,956	-	-
7	Profit/ (Loss) from ordinary activities (5+6)	81,595	931	17,132	82,526	44,655	24,088
8	Add: Share of profit/ (loss) from associates/ jointly controlled entities	-	-	(5)	-	(48)	(71)
9	Profit/ (Loss) before tax for the period (7+8)	81,595	931	17,127	82,526	44,607	24,017
10	Tax expense	476	444	1,512	920	1,465	2,896
11	Profit/ (Loss) after tax for the period (9-10)	81,119	487	15,615	81,606	43,142	21,121
12	Other comprehensive (expense)/ income	-	-	19	-	39	90
13	Total comprehensive Profit/ (Loss) for the period (11+12)	81,119	487	15,634	81,606	43,181	21,211
14	Profit/ (Loss) for the period attributable to:						
	- Owners of the Company	72,204	(1,115)	6,190	71,089	18,057	2,040
	- Non controlling interests	8,915	1,602	9,425	10,517	25,085	19,081
		81,119	487	15,615	81,606	43,142	21,121
15	Other comprehensive (expenses)/ income for the period attributable to:						
	- Owners of the Company	-	-	23	-	38	88
	- Non controlling interests	-	-	(4)	-	1	2
		-	-	19	-	39	90
16	Total comprehensive Profit/ (Loss) for the period attributable to:						
	- Owners of the Company	72,204	(1,115)	6,213	71,089	18,095	2,128
	- Non controlling interests	8,915	1,602	9,421	10,517	25,086	19,083
		81,119	487	15,634	81,606	43,181	21,211
17	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792	15,792	15,792	15,792	15,792
	- Basic and Diluted earnings per share in Rs	4.57	(0.07)	0.39	4.50	1.15	0.13

GVK Power & Infrastructure Limited

P V Prasanna Reddy

P V Prasanna Reddy
Whole Time Director

Place: Hyderabad
Date : November 14, 2024



GVK Power and Infrastructure Limited
Consolidated statement of Assets and Liabilities

(Rs In Lakhs)

S.No.	Particular	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
	Assets		
I)	Non-current assets		
	Property, plant and equipment	3,39,965	3,51,308
	Investment Property	11,655	11,655
	Intangible assets	-	2
	Right of use asset	753	780
	Financial assets		
	Investments including in joint ventures and associates (accounted under equity method)	7,136	7,136
	Bank balances other than cash and cash equivalents	155	29,676
	Other non-current financial assets	60	1,01,049
	Deferred tax assets (net)	20,839	16,976
	Tax assets (Net)	377	1,640
	Other non-current assets	398	542
	Total	3,81,338	5,20,764
II)	Current Assets		
	Inventories	1,255	1,113
	Financial assets		
	Investments	1,43,269	1,31,859
	Trade receivables	26,654	4,908
	Cash and cash equivalents	50,805	50,458
	Bank balances other than cash and cash equivalents	30,494	-
	Loans	2,050	2,052
	Other financial assets	56,837	55,205
	Current tax assets	237	7,496
	Other current assets	16,088	7,067
	Total	3,27,689	2,60,158
	Grand Total	7,09,027	7,80,922
	Equity and Liabilities		
I)	Equity		
	Equity share capital	15,792	15,792
	Other equity	(62,952)	(1,34,041)
	Equity attributable to owners of the Group	(47,160)	(1,18,249)
II)	Non-controlling interest	1,85,915	1,74,526
	Total Equity	1,38,755	56,277
III)	Liabilities		
	Non-current liabilities		
	Financial Liabilities		
	Borrowings	3,02,106	3,12,805
	Other financial liabilities	12,325	12,324
	Provisions	15	12
	Deferred tax liability (net)	4	127
	Total	3,14,450	3,25,268
IV)	Current liabilities		
	Financial liabilities		
	Borrowings	71,507	1,47,109
	Trade payables - Total outstanding dues of:		
	- micro and small enterprises	48	53
	- other than micro and small enterprises	1,224	1,131
	Other financial liabilities	1,65,591	2,36,097
	Other current liabilities	13,466	13,960
	Provisions	65	928
	Current tax liabilities (net)	3,921	99
	Total	2,55,822	3,99,377
	Total Liabilities	5,70,272	7,24,645
	Grand Total	7,09,027	7,80,922



GVK Power and Infrastructure Limited
Consolidated statement of cash flow

Particulars	(Rs In Lakhs)	
	Half year ended September 30, 2024 (Unaudited)	Year ended March 31, 2024 (Audited)
A. Cash Flow From Operating Activities		
Profit/(Loss) before tax for the year from Continuing operations	82,526	24,017
Adjustments for: *		
Depreciation and amortisation (net)	11,254	22,702
Loss on sale / Impairment of fixed assets (net)	-	5
Interest expense	23,873	53,178
Exceptional item (net)	(59,956)	-
Share of loss in joint venture	-	71
Interest income	(2,776)	(5,201)
Liabilities written back/ Reversal of previous year expenses	(2)	(180)
Income from investment	(508)	(1,857)
Advances written off	242	12
Loss on exchange fluctuation (net)/ Other non cash expenses	2	(99)
Operating Profit before Working Capital Changes	54,655	92,648
Change in operating assets and liabilities:		
Decrease/(Increase) in trade receivables	(21,830)	(105)
Decrease/(Increase) in Inventories	(142)	(207)
Decrease/(Increase) in Financial Assets loans, others, other current and noncurrent assets	(10,435)	(4,921)
(Decrease)/Increase in Provisions	3	(405)
Increase in Trade payables, other financial liabilities and current liabilities	3,427	372
Cash Generated from Operations	25,678	87,382
Taxes (paid)/refund (net)	(772)	(7,985)
Net Cash flow from Operating Activities (A)	24,906	79,397
B. Cash Flow From/(Used In) Investing Activities		
Proceeds/ (Purchase) of fixed assets	7	(950)
(Purchase) / proceeds from sale of current investments (net)	4,479	11,134
Loans (given) to / taken from related parties and others (net)	(150)	(1,301)
(Investment)/ Realization of bank deposits	(972)	(29,521)
(Fixed deposits with maturity of more than 12 months)		
Interest received	2,006	4,740
Net Cash flow from/(used in) Investing Activities (B)	5,370	(15,898)
C. Cash Flow Used In Financing Activities		
(Repayment) of long term borrowings	(10,379)	(22,395)
(Repayment)/ Proceeds from short term Loans and advance (net)	-	(1,617)
Interest paid	(19,267)	(39,837)
Net Cash flow used in Financing Activities (C)	(29,646)	(63,849)
Net increase/(decrease) in Cash and Cash Equivalents		
- For the period from Continuing operations (A+B+C)	630	(350)
Cash and Cash Equivalents at the beginning of the year	50,458	50,808
Add: Upon addition and deletion of subsidiaries	(283)	-
Cash and Cash Equivalents at the end of the year	50,805	50,458
Components of cash and cash equivalents as per Cash Flow Statement		
Balance with banks:		
Current accounts	10,078	5,589
Deposit accounts	40,726	44,869
Cash	1	-
Total Cash and Cash Equivalents	50,805	50,458



GVK Power & Infrastructure Limited
Segment Reporting (Consolidated) for the half year and quarter ended September 30, 2024

Sr No	Particulars	Quarter ended (Unaudited)			Half year ended (Unaudited)		(Rs In Lakhs) Year ended (Audited)
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
1	Segment Revenue						
	Power	40,062	23,075	38,884	63,137	87,952	1,09,297
	Roads	-	-	-	-	1,192	1,192
	Others	75	-	250	75	500	760
	Total	40,137	23,075	39,134	63,212	89,644	1,11,249
	Less: Inter segment revenue	1,050	680	1,171	1,730	1,964	3,235
	Net sales / income	39,087	22,395	37,963	61,482	87,680	1,08,014
2	Segment Result						
	Power	30,748	12,866	29,784	43,614	70,166	72,970
	Roads	(187)	(469)	(729)	(656)	(1,930)	(2,872)
	Others	(114)	(200)	(63)	(314)	(201)	(42,364)
	Total	30,447	12,197	28,992	42,644	68,035	27,734
	Less:						
	Interest Expense	11,019	12,984	13,492	24,003	26,792	53,382
	Add:						
	Other unallocable income net off unallocable	62,167	1,718	1,627	63,885	3,364	49,665
	Total Loss before tax	81,595	931	17,127	82,526	44,607	24,017
3	Capital Employed						
	(Segment Assets)						
	Power	5,24,699	5,04,753	5,23,573	5,24,699	5,23,573	4,95,027
	Roads	-	1,11,765	1,14,298	-	1,14,298	1,12,101
	Others*	1,62,875	1,37,885	1,49,322	1,62,875	1,49,322	1,47,682
	Unallocated	21,453	26,340	31,282	21,453	31,282	26,112
	Total Segment Assets	7,09,027	7,80,743	8,18,475	7,09,027	8,18,475	7,80,922
	(Segment Liabilities)						
	Power	3,81,425	3,83,911	4,25,441	3,81,425	4,25,441	3,87,895
	Roads	-	2,22,368	1,89,447	-	1,89,447	2,19,085
	Others*	1,84,920	1,17,294	1,09,206	1,84,920	1,09,206	1,17,450
	Unallocated	3,927	656	6,531	3,927	6,531	215
	Total Segment Liabilities	5,70,272	7,24,229	7,30,625	5,70,272	7,30,625	7,24,645
	Net Capital employed	1,38,755	56,514	87,850	1,38,755	87,850	56,277

*Others include Investment, Manpower, SEZ and Other companies

(This space is intentionally left blank)



GVK Power & Infrastructure Limited
(In CIRP under the provisions of Insolvency & Bankruptcy Code, 2016)

Notes for standalone & consolidated financial results

1. The above Statement of Standalone and Consolidated unaudited Financial Results and the notes of the GVK Power & Infrastructure Limited ("GVKPIL" or "The Company" or "The parent company") has been drawn up in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) rules, 2015 as amended from time to time and other accounting principles generally accepted in India (Financial results). The financial results have been prepared in accordance with the recognition and measurement principles prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices generally accepted in India.
2. The Company carries its businesses in various segments viz., Power, Roads and others through various subsidiaries, associates, and jointly controlled entities, being special purpose vehicles exclusively formed to build and operate various infrastructure projects. The consolidated financial results published above present the full revenues and expenses of the Company, its subsidiaries, share of profits / (losses) of associates and jointly controlled entities (collectively "the GVKPIL Group").
3. The above published consolidated financial results have been prepared in accordance with principles and procedures as set out in the IND-AS 110 on "Consolidated financial statements" and IND - AS 28 on "Investment in associate and joint venture" notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
4. The above standalone & consolidated financial results have been approved by board of directors at their meeting held on November 14, 2024 and have been subjected to limited review by the statutory auditors of the Company. Interim Resolution Professional (IRP) has relied upon the results provided by the board members in review of the financials results and certifications, representations and statements made by the directors of the company in relation to these financial results and has taken on record accordingly.
5. The figure for the quarter ended September 30, 2024 and September 30, 2023 are the balancing figures between reviewed figures in respect of half year ended September 30, 2024 and September 30, 2023 and the reviewed figure for the quarter ended June 30, 2024 and June 30, 2023 respectively.
6. As of September 30, 2024, the GVKPIL Group had accumulated losses. The liabilities of the GVKPIL Group, considering the amounts not provided for are much higher than the assets of the group. One of the subsidiary company where the project has been terminated are following liquidation basis of accounting. The GVKPIL group has delayed/defaulted in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under the Insolvency and Bankruptcy Code in certain cases. The Interim Resolution Professional (IRP) / Resolution Professional (RP) have also been appointed in certain subsidiaries, step down subsidiaries and Joint controlled entity by National Company Law Tribunal (NCLT). There are various litigations going on in the GVKPIL Group. The GVKPIL Group has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 8 and 9 (referring to notes on GVK Coal Developers (Singapore) Pte Limited and GVK Energy Limited,), uncertainties are being faced by various projects such as delays /non development of coal mines in an overseas project where the parent



Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge, arbitration on delay of commencement of road projects, termination of various projects etc. Various guarantees given by GVKPIL and GVK Energy Limited (GVKEL) on behalf of their subsidiaries, associates and joint controlled entity have been invoked by the lenders. The company has been admitted into CIRP vide NCLT order dated 12th July 2024 in CP. 260/2022 and order uploaded on the portal on July 15, 2024 (Insolvency Commencement Date). These factors indicate significant doubt on going concern ability of the GVKPIL group. Notwithstanding the above, the financial results of the GVKPIL Group have been prepared on going concern basis as management believes that the GVKPIL Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations based on the outcome of the CIRP process.

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

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

- (i) Acquisition of debt and related accrued interest with carrying value in the financial statements of GVKADL of Rs. 255,107 lakhs by AAHL.
- (ii) AAHL acquiring certain securities of Sutara Roads & Infra Limited, a subsidiary of the Company and another Company of the promoter group to be used exclusively for financial support of any of its affiliates and affiliates of GVKPIL post the date of co-operation agreement.
- (iii) Acquiring equity of Rs. 30,000 lakhs and other instruments of Rs.100,000 lakhs held by GVKPIL and its subsidiary in GVKADL by AAHL to be settled by transfer of securities held by AAHL referred to in (ii) above. The said security as held by AAHL will be transferred on the date when GVKPIL transfers the balance shares of GVKADL.
- (iv) GVKPIL and AAHL have also agreed on certain steps to be taken in respect of lenders of GVK Coal.

GVKPIL has sold its majority holding in GVKADL to AAHL and AAHL has acquired and hold the securities as per Para (ii) above during the financial year ended March 31, 2022. The balance shares of GVKADL are yet to be acquired by AAHL. The management of the group considered GVKPIL as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.137,464 Lakhs held by AAHL as per Para (ii) above in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of GVKPIL at Rs.137,464 Lakhs in the standalone and Consolidated financial statements.



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

The GVKPIL Group has provided for impairment Rs 79,048 Lakhs for full value of its investment and receivable in earlier years in the absence of any certainty of realization either by use or from the settlement that may be reached.

The Group has also given guarantees and commitments for loans amounting to USD 1132.45 Million (Rs. 948,857 lakhs as at September 30, 2024) of principal amount (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the finance documents or USD 692.61 Million) taken by GVK Coal part of which is collateralized by pledge of 155,587,500 (March 31, 2024: 155,587,500), 130,287,382 (March 31, 2024: 130,287,382) and 48,000,000 (March 31, 2024: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11 million (Rs. 2,606 lakhs) as at September 30, 2024, with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The entity's current liabilities exceeded current assets by USD 2,624 million (Rs. 2,187,713 lakhs) as of March 31, 2024 (March 31, 2023: USD 2,845 million (Rs. 2,339,320 lakhs)) and accumulated losses as of March, 2024 is USD 1,386 million (Rs. 11,55,562 Lakh) based on audited special purpose consolidated financial statements of GVK Coal.

The GVK Coal lenders had also filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020, and have sought to recover the amounts advanced to GVK Coal. The England court vide its order dated October 19, 2023, has crystallized the amount payable by the defendants (GVKPIL and other guarantors/ stakeholders in GVK Coal) at USD 2.19 billion including the amount towards interest.

As per legal opinion obtained by the parent company, the order dated 19th October 2023 passed by the England court is not a speaking order. It has also been opined that the Order dated 19th October 2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

Management has made several attempts to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement. The GVK Coal having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal dues.

Further, one of the lenders has filed an application under Section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process against the parent company (being guarantor for loan taken by GVK Coal) before National Company Law Tribunal, Hyderabad on July 14, 2022. Interim Resolution professional (IRP) appointed by NCLT vide order dated July 12, 2024 in CP. 260/2022 uploaded on the portal on July 15, 2024 (Insolvency Commencement Date) and IRP has taken possession of all assets of GVKPIL. As approved by NCLT vide its order dated September 05, 2024, IRP has been confirmed as Resolution Professional (RP) of the Company.



RP has received claims to the extent of Rs. 146,54,00 Lakhs from the GVK Coal Developers Financial Creditors and RP has provisionally admitted the claims to the extent of Rs.7,40,436 Lakhs and balance Rs.7,24,964 Lakhs claims are under verification. In accordance with IBC code, the RP is in the process to receive, collate and final admission of the claims submitted by the creditors as part of CIRP process. The above provisionally admitted claims are under verification and the final outcome of the CIRP is pending. Accordingly, no provision has been made in the standalone and consolidated financial results.

The extent of the liability that may arise in respect of guarantees and commitments and the manner of such settlement is presently not ascertainable and accordingly no provision has been made in this regard in relation to any liability.

9. The parent company has wholly own subsidiary company viz. GVK Energy Limited ('GVKEL'), certain subsidiaries and jointly controlled entity (group companies) of GVKEL are facing uncertainties as detailed below:

- a) The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVK Coal (Tokisud) Private Limited (GVKCTPL), a subsidiary company of GVKEL and mine operator was offered compensation by the Nominated Authority of Rs. 11,129 Lakhs as against the carrying value of assets of Rs. 31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Including the above amount of Rs 4,984 lakhs, a total of Rs 23,761 lakhs , being the due on vesting date has been paid to lenders. The nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed regarding R&R costs. The GVKCTPL has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on November 29, 2024 for evidence.

Based on the internal assessment, management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mine. Additionally, the fund lying-in interest-bearing account with Registrar General of the Court will be sufficient to discharge all liabilities and accordingly no provision is required towards corporate guarantee given by GVKEL for loan taken by GVKCTPL and carrying value (Balance of claims) of Rs 6,015 Lakhs.

- b) GVK Power (Goindwal Sahib) Limited ("GVKPGSL") a erstwhile subsidiary company of GVKEL, has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and the Hon'ble NCLT Hyderabad had approved resolution plan vide its order dated December 22, 2023. As per the said order, the secured lenders



have received Rs.1,078 crores against their claims of Rs.6,585 Crores. i.e. with a deficit of Rs.5,507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. The lenders through security trustee (IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1,494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing is fixed on December 19, 2024.

As per management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per GVKPIL management, the liability of the Corporate Guarantor also extinguishes.

Based on internal assessment of the management there is an uncertainty on the outcome of the liability that may arise in respect of guarantee given by GVKEL. Therefore, no provision has been made against the likely impact of the claim against such guarantee.

- c) GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL, has been admitted into Corporate Insolvency Resolution Process (CIRP) during the financial year 2023-24, i.e on October 20, 2023 based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GVKEL has already provided for an impairment in the full value of investment in GVKGPL of Rs 51,897 Lakh.

The GVKEL has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not be invoked by the Lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GVKEL. This Corporate Guarantee may be invoked the lenders of GVKGPL considering the default therein. In such an eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKGPL is negative. The extent of the liability that may arise in respect of guarantee given is presently not determinable at present and no provision has been made in this regard in relation to such liability.

Moreover, One of the GVKGPL lender has submitted the claim of Rs 179,704 Lakhs and IRP has not admitted the claim, pending verification as GVKGPL has fully repaid the facility of inter corporate deposit availed in the year 2010.

- d) Uttar Pradesh Electricity Commission (UPERC has approved final tariff for Multi Year Tariff (MYT) for tariff period 2015-19 and 2019-24 based on approved project cost of Rs 406,186 Lakhs. UPPCL has filed an appeal in APTEL, challenging the determination of Normative Annual Plant Availability Factor (NAPAF) by UPERC for the MYT 2015-19 and 2019-24. AHPCL submitted its response to UPERC under the said appeal. AHPCL also filed an application before APTEL challenging UPERC order regarding the expenditure disallowed by them while approving the project cost.
- e) AHPCL has challenged the vires of the Uttarakhand Tax on Water Used for Generation of Electricity Act, 2012 ("Water Tax Act") before the Uttarakhand High Court. On July 12, 2022, the Uttarakhand High Court directed the company and all other Hydro Electric Projects (HEPs) to pay the Water Tax commencing from



August 01, 2022. AHPCL has sought the Uttarakhand High Court to modify its order dated July 12, 2022, which was denied. Pursuantly, company has paid an amount of Rs.1,371 Lakhs to Uttarakhand Water Resources Management Regulatory Commission (UWRMRC), a nodal agency being appointed under the Water Tax Act, towards demand received against water tax for the period August, 2022 to October, 2022 and also made provision for Rs.11,236 Lakhs for the period November, 2022 to September, 2024. Impact on balance sheet the half year ended September 2024 is Rs.3,467 Lakhs and for the year (April, 2023 – March, 2024) is Rs.5,484 Lakhs.

Further, UPPCL has also filed an application before the Uttarakhand High Court which also impugns the vires of the Water Tax Act. The same is pending for adjudication along with the AHPCL appeal and other batch of appeals.

AHPCL claim for reimbursement of the payments made to UWRMRC towards water tax of Rs.1,371 Lakhs has been denied by UPPCL vide their letter dated June 16, 2023, on the ground that AHPCL has not followed the change in law provision stipulations under the PPA. Subsequently, AHPCL has filed an application before the UPERC for declaring the imposition of Water Tax as a Change in Law UPERC vide its order dt. 01 April 2024 has directed UPPCL to make interim payment against proof of payment of water tax paid by AHPCL from August, 2022 onwards and continue to make interim payment. In case Hon'ble High Court of Uttarakhand decides levy of water tax is null & void, AHPCL shall be required to be claim refund from Uttarakhand Government along with carrying cost and the same shall be released immediately to UPPCL along with such carrying cost.

- f) During the earlier years, GVK Energy Ltd. (GVKEL) and Alaknanda Hydro Power Company Limited (AHPCL) have issued debentures vide respective Trust Deed and taken loans from ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss"). These Debentures and Loans are also secured by pledge of shares of GVK Power (Goindwal Sahib) Limited, GVK Coal Tokisud Company Private Limited and AHPCL held by GVKEL and shares of GVKEL held by GVKPIL as investment in respective companies. The loans were further secured by Corporate Guarantee given jointly by GVKEL and GVKPIL.

Since the repayment of loan and interest was defaulted, GVKEL and AHPCL have entered into settlement agreement with Edelweiss on October 31, 2020 which resulted in settlement of principal and interest outstanding of Rs.68,730 Lakhs (GVKEL Rs.12,139 Lakhs and AHPCL Rs.56,591 Lakhs) at Rs.52,500 Lakhs (GVKEL Rs.3,800 Lakhs and AHPCL Rs.48,700 Lakhs) along with interest rate of 12.50% pa compound monthly w.e.f. September 16, 2020 till July 31, 2021, which was further extended up to March 31, 2022. AHPCL and GVKEL has made total payments of Rs.33,059 Lakhs resulting in balance payable of Rs. 27,115 Lakhs including interest till May 16, 2022 (GVK EL Rs.3,506 Lakhs and AHPCL Rs.23,609 Lakhs). AHPCL and GVKEL has requested for further time till August 31, 2022 from Edelweiss for making balance payment and were in discussions with them.

However, Edelweiss has withdrawn the settlement agreement vide its mail dated April 11, 2022. Edelweiss has also written letter dated July 08, 2022 invoking the Corporate Guarantee issued by GVKEL and GVKPIL. Further, since GVKEL and AHCPL could not make the payment as per settlement terms, ECL Finance Limited (Edelweiss) has invoked the pledge of equity shares and transferred 46,60,11,000 Equity shares, each having face value of Rs 10, of AHPCL held by GVK Energy Limited on May 16, 2022. ECL Finance Limited will continue to hold these shares as security on behalf of Edelweiss for the loans taken/NCD issued by AHCPL & GVKEL. ECL Finance Limited reserved the right to sell the same as per the terms of the pledge agreement read with security sharing agreements. ECL finance Limited has further assigned its



loan of Rs.27,500 lakhs to Asst Reconstruction Company India Limited (ARCIL) on May 31, 2022. (Edelweiss and ARCIL together referred as Lenders).

GVKEL filed a suit before Delhi High Court on May 30, 2022, wherein GVKEL pleaded that because of the invocation and transfer of a valuable asset our liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. The Hon'ble High Court Delhi has given interim order dated May 31, 2022 wherein it is stated that while selling the shares of AHPCL by Lenders, the best offer received by them would be communicated to the GVKEL and GVKPIL as well as to the Court, and an opportunity would be given to them to match the said offer within five days. In the meanwhile, if GVKEL and GVKPIL get an offer for the aforesaid shares, they shall also inform the defendants as well as the Court. In the event GVKEL and GVKPIL are unable to match the offer of the lenders, the lenders would be free to sell the said shares at the best offer received by them. Till the time, the shares which are invoked are sold in the aforesaid manner, the lenders shall not sell any other shares that have been pledged by the GVKEL and GVKPIL with the lenders. However, the lenders shall be free to invoke the pledged shares. Next hearing of the case is scheduled in the month of December 04, 2024.

GVKEL has transferred the liability of AHPCL in its books of account relating to Edelweiss and based on legal opinion, GVKEL has shown the discharge of the loan liability of Edelweiss against the invoked shares till a settlement is arrived at with Edelweiss. GVKEL has not accounted for the impact of the annulment of settlement since they are confident of achieving settlement with Edelweiss. However, on conservative basis, a loss on invocation and transfer of shares, amounting to Rs.19,486 Lakhs during year ended March 31, 2023 (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL as per settlement terms) has been accounted in the books of accounts and reported as an exceptional item in the standalone results of GVKEL and consolidated financial results of GVKPIL.

Due to above mentioned default in the repayment of amount due on Loan / NCDs, Edelweiss (through its debentures trustee namely Catalyst Trusteeship Limited) has also filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against GVKPIL (being the Guarantor of the Loan / NCDs) and GVKEL on October 21, 2022 and petition against GVKPIL was disposed of on July 23, 2024 as the GVKPIL is already admitted into CIRP and in case of GVKEL, the next hearing of the case is scheduled on January 28, 2025.

Meanwhile, AHPCL, GVKEL and GVKPIL has entered into a new settlement agreement with the lenders on October 09, 2023, which requires to pay Rs 33,000 Lakhs up to October 31, 2023 and simple interest @12.50% pa is payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023 and due date further extended till July 31, 2024 with phased payments. On 27th February '24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 20,000 Lakhs out of Rs 33,000 lakhs and Rs.13,000 Lakhs to be brought in by GVKPIL group and till date GVKPIL group has paid an amount of Rs 13,000 lakhs as agreed.

As per the terms of the settlement, lenders will release the securities including the transfer of 46,60,11,000 Equity shares, each having face value of Rs.10, of AHPCL to GVKEL on payment of amount due as per the settlement agreement.

Meanwhile, the company received the intimation from Phoenix ARC Private Limited (Phoenix ARC) vide letters dated October 14, 2024 that both Edelweiss and ARCIL have assigned the facilities to Phoenix ARC. The details of such assignment is pending.



With respect to the above matter, RP has received claims to the extent of Rs.116,399 Lakhs from the financial creditors and RP has provisionally admitted the claims to the extent of Rs.104,682 Lakhs and balance Rs.11,717 Lakhs claims are under verification. In accordance with IBC code, the RP is in the process to receive, collate and final admission of the claims submitted by the creditors as part of CIRP process. The above provisionally admitted claims are under verification and the final outcome of the CIRP is pending. Accordingly, the additional liability in this regard is not determined and no provision has been made in the standalone and consolidated financial results.

The parent company (GVKPIL) has assessed and based on the valuation carried out and other relevant factors including uncertainties involved, no provision is considered necessary in standalone books of accounts of GVKPIL towards the carrying value of investment in GVKEL of Rs 84,120 Lakhs (March 31, 2024 Rs.84,120 Lakhs) and interest free unsecured loan of Rs.19,690 Lakhs (March 31, 2024 Rs.10,565 Lakhs).

10. The parent company has wholly own subsidiary company viz. GVK Transportation Pvt. Ltd. (GVKTPL). J.C. Flowers Asset Reconstruction Pvt Ltd (Debt assigned by Yes bank) has filed the Insolvency Resolution Process petition against GVKTPL with the Hon'ble NCLT, Hyderabad on February 24, 2022 by invoking Corporate Guarantee provided by GVKTPL to the lenders of GVK Deolikota Expressway Private Limited and the GVKTPL has been admitted into CIRP vide NCLT order dated August 06, 2024. IRP has been appointed by the Hon'ble NCLT and IRP has taken the possession of all assets of GVKTPL.

Since the Group has lost the control over the GVKTPL and its subsidiaries namely, GVK Bagodara Vasad Expressway Private Limited, GVK Deoli kota Expressway Private Limited, GVK Jaipur Expressway Limited and Sutara Roads and Infrastructure Private Limited, the assets and liabilities of GVKTPL and its subsidiaries were deconsolidated as at August 06, 2024 as per Ind AS 110 and a gain of Rs.59,956 Lakh is recorded in consolidated financials for the year half year ended September 30, 2024 as detailed below :

<u>Particulars</u>	<u>Rs Lakhs</u>
Value of assets	- 183,215
Value of liabilities	267,683
Equity share capital	21,720
Amount already recognized in consolidated FS in previous period& Provisions	- 46,232
Net amount recognized as exceptional gain	- 59,956

GVKPIL has not provided any corporate guarantees for GVKTPL and its subsidiaries.

11. GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), step down subsidiary of GVK Power and Infrastructure Limited has entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVK Ratle started the project development and had spent/paid advances to the tune of Rs.101,552 lakhs (till March 31,2021) on various works. However, there were significant delays in the construction of the project due to the impediments like land acquisition and execution of land, leases, issues in relation to working conditions, disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc.

GVK Ratle requested for termination of project and offered for an amicable settlement. JKPDD rejected such settlement offer stating that the delays are tantamount to event of default from GVK Ratle. GVK Ratle initiated the arbitration process and Tribunal vide its order dated 11th July'20 and rectification order dated 7th September'20 had partly accepted the contentions of GVK Ratle and had given an award of Rs.29,048



Lakhs in favor of GVK Ratle. Not satisfied with the order, GVK Ratle has filed an appeal before district court, Kishtwar on 8th December, 2020 against the said award, which is challenged by JKPDD that the arbitral award in a cross appeal before the District Court, Kishtwar. District Court, Kishtwar passed an arbitrary ad-interim stay staying the operations of the Award without intimating GVK Ratle about filing of the said appeal by JKPDD. Aggrieved by the said ex-parte interim order, GVK Ratle has filed an appeal challenging the said interim order before Supreme Court. On February 01, 2021, the supreme court stayed all proceedings before the District Court, Kishtwar until it decides the issue relating to applicability of J&K Arbitration Act, 1997, even after the said Act was repealed by J&K State Reorganization Act, 2019. Subsequently, on November 11, 2024, Supreme court disposed of the application filed by GVK Ratle and directed GVK Ratle to submit its arguments in the Stay Application being filed by JKPDD before the Principal District Judge, Kishtwar and also may plead the District Judge to direct JKPDD to deposit the amount Awarded against it. At the same time, if the Application (Appeal) filed by GVK Ratle is ready for the final hearing, the District Court will have an option to immediately hear the same, instead of hearing the stay application.

GVK Ratle had also entered into a settlement agreement with its lender on November 24, 2021 and the award realized from the JKPDD will be paid to lender as per the settlement agreement. Considering the fact of termination of the project and settlement with the lenders, the company has adopted the liquidation basis of accounting in preparation of these financial statements and treated the amount recoverable as per award as its asset with similar amount payable to lender as its liability as per settlement agreement.

12. GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company has Investment Property having book value of Rs.11, 655 Lakh (March 31, 2024, Rs.11, 655 Lakh). GVK SEZ stood as a Guarantor and mortgaged its land admeasuring 2,506.25 Acres to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVK PIL (the Parent Company). GVK PIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, despite the same, Canara bank has not issued a no due certificate and has not returned the original title documents. The Canara Bank has exercised the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVK PIL. GVK PIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained an independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security.

Enforcement Directorate (ED) had tried to provisionally attach the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021, has stayed the proceedings of such provisional attachment of Land by issuing show Cause Notice to ED. As on day no response has been submitted and the status quo is maintained.

The matter is under litigation. Pending these litigations, the Investment Property having book value of Rs.11,655 Lakh (March 2024: Rs 11,655 Lakhs) and deferred tax asset (DTA) of Rs.3,352 Lakhs (As on 31st March 2024 Rs. 3,352 Lakhs) recognized towards possible indexation benefits on sale of this land is shown as recoverable since the Management is confident of winning the cases on merits.

13. In June 2020, Central Bureau of Investigation (CBI) has registered a First Information Report (FIR) against MIAL, its parent Company GVK Airport Holdings Limited (GVKAHL) (both are erstwhile step-down subsidiaries of the Company), the Chairman and Vice Chairman of the Company and has initiated investigation



on various matters alleging misuse of funds of MIAL including for the benefit of other GVK group and related parties. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against MIAL, Vice Chairman & erstwhile CFO of the parent Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the charge sheet has been taken and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated, and no offence u/s section 420 IPC is made out as there is no loss to AAI, Government, or any Tax Authorities as alleged. Considering the status of the proceedings, the implications, if any, that may arise can't be ascertained and would be considered in the financial statements on conclusion of the aforesaid proceedings.

The Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) based on an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at the stage of adjudication of application on behalf of Accused-4 seeking supply of all the un-relied documents and un-relied statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on November 14, 2024.

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

14. Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, wherever considered necessary.

Place: Hyderabad
Date: November 14, 2024



GVK Power & Infrastructure Limited

P V Prasanna Reddy

P V Prasanna Reddy
Whole-Time Director





Independent Auditor's Review Report on Standalone Financial Results of the GVK Power & Infrastructure Limited to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

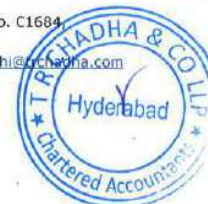
To
The Board of Directors
GVK Power & Infrastructure Limited

1. We were engaged to review the accompanying statement of standalone unaudited financial results of **GVK Power & Infrastructure Limited ('the Company'/'GVKPIL')** for the quarter and half year ended September 30, 2024 ('the statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors and taken on record by Resolution Professional 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We were engaged to review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel who are responsible for financial and accounting matters and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Basis of Disclaimer of conclusion

We draw your attention to the following notes of the standalone financial results:

- i. We draw attention to note 6 to the standalone financial results which states that as at September 30, 2024, GVKPIL had accumulated losses. The liabilities of the Company, considering the amounts not provided for are much higher than the assets of the Company. One of the subsidiary Company where the project has been terminated are following liquidation basis of accounting. The GVKPIL, its subsidiaries, Associates and Joint controlled entity (GVKPIL Group) has delayed/defaulted in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under the Insolvency and Bankruptcy Code in certain cases. The Interim Resolution Professional (IRP) / Resolution Professional (RP) have also been appointed in certain subsidiaries, step down subsidiaries and Joint controlled entity by NCLT. There are various litigations going on. The GVKPIL has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 8 and 9 (referring to notes on GVK Coal Developers (Singapore) Pte Limited and GVK Energy Limited) uncertainties are being faced by various projects such as delays / non development of coal mines in an overseas project where the Company has provided guarantees and commitments for the borrowings. Various guarantees given by GVKPIL and GVK Energy Limited (GVKEL) on behalf of their subsidiaries, associates and joint controlled entity have been invoked by the lenders. Further, the GVKPIL has been admitted into Corporate Insolvency Resolution Process (CIRP)





vide NCLT order dated July 12, 2024 and order uploaded on the portal on July 15, 2024 (Insolvency Commencement Date). These factors indicate significant doubt on going concern ability of the GVKPIL.

Notwithstanding the above, the financial results of the GVKPIL have been prepared on going concern basis as management believes that the GVKPIL would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations based on the outcome of the CIRP process. Considering the various uncertainties involved as fully described in the Basis of Disclaimer section of our report, the probable impact could be material and pervasive on these standalone financial results and that may cause significant doubt on company's ability to continue as a going concern. Accordingly, we are unable to comment that the management assumption of preparing these financial results on going concern basis is appropriate.

- ii. We draw attention to Note No 8 to the standalone Financial Results regarding GVK Coal Developers (Singapore) Pte. Limited, (GVK Coal Developers) (an associate) in which the GVKPIL has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the company along with others jointly and severally had given irrevocable and unconditional guarantee and commitments (CG) for loans up to aggregating to USD 1132.45 Million (Rs.9,48,857 Lakhs) of principal amount (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the finance documents or USD 692.61 Million) taken by the aforesaid associate Company part of which is collateralized by pledge of 155,587,500 (March 31, 2024: 155,587,500), 130,287,382 (March 31, 2024: 130,287,382) and 48,000,000 (March 31, 2024: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11million (Rs.2,606 Lakhs) with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The GVK Coal Developers current liabilities exceeded current assets by USD 2624 million (Rs.21,87,713 Lakhs) as of March, 2024 and accumulated losses as of March, 2024 is USD 1386 million (Rs. 11,55,562 Lakhs) based on audited special purpose consolidated financial statements of GVK Coal Developers (Singapore) Pte. Limited.

The GVK Coal Developers lenders filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal Developers. The England court vide its order dated October 19, 2023 has crystallized the amount payable by the defendants (GVKPIL and other guarantors / stakeholders in GVK Coal Developers) at USD 2.19 billion including the amount towards interest. As per legal opinion obtained by the company, the order dated 19th October 2023 passed by the England court is not speaking order. It has also been opined that the Order dated 19.10.2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

As per the GVKPIL management, several attempts were made by the company to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement.

The GVK Coal Developers having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal Developers dues.

Further, one of the lenders have filed an application under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process (CIRP) against the company (being





guarantor for loan taken by GVK Coal Developers) before National Company Law Tribunal (NCLT), Hyderabad on July 14, 2022 and NCLT has admitted the Company into CIRP vide Order dated July 12, 2024. Interim Resolution professional (IRP) appointed by the Hon'ble NCLT and IRP has taken the possession of all assets of GVKPIL. As approved by NCLT vide its order dated September 05, 2024, IRP has been confirmed as Resolution Professional (RP) of the Company.

The company has received claims to the extent of Rs.14,65,400 Lakhs from the GVK Coal Developers Financial Creditors and RP has provisionally admitted the claims to the extent of Rs.740,436 Lakhs and balance Rs.724,964 Lakhs claims are under verification. In accordance with IBC code the IRP is in the process to receive, collate and final admission of the claims submitted by the creditors as part of CIRP process. The above provisionally admitted claims are under verification and the final outcome of the CIRP is pending.

While the GVKPIL has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79,048 Lakhs, no provision has been made towards the Corporate Guarantee issued by GVKPIL in respect of which the above-mentioned claims made by the financial creditors to the extent of provisionally admitted by the RP as the same are under further verification and the final outcome of the CIRP is pending. Considering the various uncertainties and complexities involved as mentioned above, we are unable to comment on the viability of the GVK Coal project and the additional provision that may be required concerning the aforementioned guarantees and commitments made by the GVKPIL and the resultant impact of the same on these standalone financial results.

- iii. The company (GVKPIL) has subsidiary company GVK Energy limited (GVKEL). The company assessed based on the valuation carried out and other relevant factors, no provision is considered necessary in standalone books of accounts of GVKPIL towards the carrying value of investment in GVKEL of Rs 84,120 Lakhs and interest free loan and trade receivables of Rs.19,765 Lakhs (including net amount of Rs.8849 Lakhs given during the half year ended September 30, 2024) though certain subsidiaries and joint ventures of GVKEL are facing uncertainties, detailed as below:
- a) We draw attention to Note 9(b) to the Standalone financial results regarding GVK Power (Goindwal Sahib) Limited ("GVKPGSL"), a step down subsidiary of GVKPIL up to 9th October 2022, as the same has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the GVKPGSL and the Hon'ble NCLT Hyderabad has approved the resolution plan vide its order dated 22.12.2023. As per the said order, the secured lenders have received Rs.1,078 crores against their claims of Rs.6,585 Crores. i.e. with a deficit of Rs.5,507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. Lenders through its security trustee (IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1,494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing is fixed on December 19, 2024. No provision has been made by GVKEL against these Corporate Guarantees.

As per GVKPIL management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per GVKPIL management, the liability of the Corporate Guarantor also extinguishes.





The contention of the management is subject to interpretation and there are different judgements on the same. Further, as per the Corporate Guarantee agreement, the liability of the guarantor under this guarantee shall not be affected by:

- Any change in constitution, ownership or corporate existence of the borrower or any absorption, merger, or amalgamation of the borrower with any other company
- Any insolvency, liquidation, bankruptcy or similar situation proceeding in respect of the borrower

Accordingly, there is an uncertainty on the final outcome of the same and the extent of the liability that may arise in respect of guarantee given by GV KEL is presently not ascertainable. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying Standalone financial results.

- b) We draw attention to Note No. 9(c) to the Standalone financial results as per which GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GV KEL has been admitted into Corporate Insolvency Resolution Process (CIRP) during the financial year 2023-24, i.e on October 20, 2023, based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GV KEL has already provided for an impairment for the full value of investment in GVKGPL of Rs 51,897 Lakh.

The GV KEL has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not been invoked by lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GV KEL. This Corporate Guarantee may however be invoked by the Lenders of GVKGPL considering the default therein and Insolvency proceedings undergoing in GVKGPL. In such an eventuality, GV KEL may need to reimburse the same, especially considering that the net assets of GVKGPL is negative.

One of the GVKGPL lenders has submitted the claim of Rs 179,704 Lakhs to the IRP of GVKPIL and IRP has not admitted the claim. The claim is pending verification as corporate guarantee given was only for one facility of inter corporate deposit in 2010 which has been fully repaid. A clarification has been sought from lender by IRP which is awaited. In view of pending clarification, claim amount has been kept under verification.

The extent of the liability that may arise in respect of guarantee given is not determinable at present and no provision has been made in this regard in relation to such liability. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying Standalone financial results.

- c) As discussed in detailed in Note 9(f) to the Standalone financial results regarding annulment of settlement by Edelweiss and ARCIL with respect to their loans / NCDs to GV KEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GV KEL of Rs.10 each, recording of exceptional loss of Rs.19,486 lakhs during the year ended March 31, 2023 by GV KEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GV KEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GV KEL pleaded that as a consequence of the invocation and transfer of a valuable asset, GV KEL liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. Next hearing of the case is scheduled in December 4, 2024.





Due to above mentioned default in the repayment of amount due on Loan / NCDs, ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss") (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, and petition against GVKPIL was disposed of on July 23, 2024 as the GVKPIL is already admitted into CIRP and in case of GVKEL, the next hearing of the case is scheduled on January 28, 2025.

Meanwhile, during the financial year 2023-24, AHPCL, GVKEL and GVKPIL has entered into another settlement agreement with the lenders on October 09, 2023, which requires to pay Rs 33000 Lakhs and simple interest @12.50% pa is payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023. The GVKPIL Group could not comply with the settlement terms and requested for extension of time to Edelweiss and they have extended the time till 31st July' 2024 with phased payments. On 27th February'24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 20000 Lakhs out of Rs 33000 Lakhs to be paid and Rs.13000 Lakhs to be brought in by GVKPIL group. Till date GVKPIL group has paid an amount of Rs 13000 Lakhs as agreed. As per the terms of the settlement, lenders will release the securities including the transfer of 46,60,11,000 Equity shares, each having face value of Rs.10, of AHPCL to GVKEL on payment of amount due as per the settlement agreement.

Meanwhile, the company has received the intimation from Phoenix ARC Private Limited (Phoenix ARC) vide letters dated October 14, 2024 that the Edelweiss and ARCIL have assigned the facilities to Phoenix ARC. The details of such assignment is pending.

With respect to the above matter, the company has received claims to the extent of Rs.116,399 Lakhs from the financial creditors and RP has provisionally admitted the claims to the extent of Rs.104,682 Lakhs and balance claims of Rs.11,717 Lakhs are under verification. The provisional claims admitted are subject to further verification. In accordance with IBC code, the RP is in the process to receive, collate and final admission of the claims submitted by the creditors as part of CIRP process. The above provisionally admitted claims are under verification and the final outcome of the CIRP is pending.

In view of the same, we are unable to comment on the accounting done in this regard in books of account and the ultimate impact of the same including of the invocation of the settlement offer by Edelweiss, invocation of pledged shares of AHCPL by Edelweiss, invocation of corporate guarantee issued by the GVKPIL and GVKEL impact of the proceedings in the NCLT, impact of the assignment of facilities by Edelweiss and ARCIL to Phoenix ARC and the additional liability that may arise in this regard if any on the Standalone financial results till the payment of dues as per settlement agreement.

Further, in the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying Standalone financial results including with respect to the balance amount of investments, interest free loans and trade receivables of GVKEL aggregating to Rs.103 885Lakhs in books of GVKPIL.

- iv. Note 13 to the Standalone financial results regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the company by us including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against Mumbai International Airport Limited (MIAL), Vice Chairman & erstwhile CFO of the Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the





charge sheet has been taken and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated and no offence u/s section 420 IPC has been made out as there is no loss to AAI, Government, or any Tax Authorities as alleged.

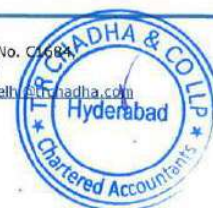
In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the unrelayed documents and unrelayed statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on November 14, 2024.

The Audit Committee of the Company, based on the legal advice received by the Audit committee of Mumbai International Airport Limited (MIAL), had in the past decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings with cases related to CBI and ED, the implications, if any, that may arise on the GVKPIL can't be ascertained and the impact if any of the same on the Standalone financial results cannot be commented upon.

- v. We draw attention to Note 12 to the Standalone financial results regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company. GVK SEZ has Investment Property having book value of Rs.11,655 Lakh as on 30th September 2024. GVK SEZ stood as a Guarantor and mortgaged its land having book value as mentioned above (admeasuring 2,506.25 Acres) to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVKPIL. GVKPIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, Canara bank has not issued a no due certificate and has not returned the original title documents by exercising the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVKPIL. GVKPIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian Contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on September 30, 2024, the status remains the same. The matter is under litigation. Pending these litigations, the recoverability of the investments made by GVKPIL in GVKSEZ of Rs.10,920 Lakhs and deferred tax asset (DTA) of Rs.3352 Lakhs (As on 31st March 2024 Rs. 3352 Lakhs) recognized towards possible indexation benefits on sale of this land is not determinable.

5. Disclaimer of conclusion

We do not express any conclusion on the accompanying Standalone financial results because of the significance of the matters involving uncertainties, described in the "Basis of Disclaimer of conclusion"





section of our report, notwithstanding having obtained sufficient appropriate evidence regarding most of the individual uncertainties, it is not possible for us to form conclusion on the financial results due to the potential interaction of the uncertainties and their possible cumulative effect on the standalone financial results.

6. Emphasis of Matter

We draw attention to Note 7 to the Standalone financial results regarding sale of majority holding of GVK Airport Developers Limited (GVKADL) by company to Adani Airport Holding Limited (AAHL) as per binding co-operation agreement dated August 31, 2020 and other related transaction documents. AAHL has acquired and hold the securities as per co-operation agreement at the end of the financial year. The management considered the company as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.137,464 Lakhs held by AAHL as per co-operation agreement in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of company in the Standalone financial results. These investments in OCDs made by AAHL are yet to be transferred in the name of the company.

Our conclusion is not modified in respect of these matter

For T R Chadha & Co LLP,
Chartered Accountants
FRN: -06711N\N500028

Sheshu Samudrala
(Partner)
Membership No-235031
UDIN: 24235031BKCTWM3436



Date: 14.11.2024
Place: Hyderabad



Independent Auditor's Review Report on Consolidated Financial Results of the GVK Power & Infrastructure Limited to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To
The Board of Directors
GVK Power & Infrastructure Limited

1. We were engaged to review the accompanying consolidated financial results of **GVK Power & Infrastructure Limited ('the Company' 'GVKPIL' 'Entity' 'Holding Company')** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the GVKPIL Group"), its associates and joint ventures for the quarter and half year ended September 30, 2024 (the statement" or "consolidated financial results"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Company's Board of Directors and taken on record by Resolution Professional 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We were engaged to review 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel who are responsible for financial and accounting matters and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/144/2019 dated 29th March 2019 issued by the SEBI under regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. The statement also includes the results of the following entities:

Subsidiary entities including step down subsidiaries:

- i. GVK Airport International Pte. Ltd, Singapore (up to 4th September 2023)
- ii. PT GVK Services, Indonesia
- iii. GVK Airport Services Private Limited
- iv. Sutara Roads and Infrastructure Private Limited (up to 6th August 2024)
- v. GVK Shivpuri Dewas Expressway Private Limited
- vi. GVK Developmental Projects Private Limited
- vii. GVK Ratle Hydro Electric Project Private Limited
- viii. GVK Perambalur SEZ Private Limited
- ix. GVK Power (Khadur Sahib) Limited
- x. GVK Transportation Private Limited (up to 6th August 2024)
- xi. GVK Jaipur Expressway Private Limited (Step down Subsidiary) (up to 6th August 2024)
- xii. GVK Deoli Kota Expressway Private Limited (Step down Subsidiary) (up to 6th August 2024)





- xiii. GVK Bagodara Vasad Expressway Private Limited (Step down Subsidiary) (up to 6th August 2024)
- xiv. GVK Energy Limited
- xv. Alaknanda Hydro Power Company Limited (Step down Subsidiary)
- xvi. GVK Coal (Tokisud) Company Private Limited (Step down Subsidiary)

Joint Control Entity

- i. GVK Gautami Power Limited (JCE of Subsidiary up to October 20, 2023)

Associate Companies:

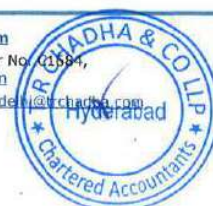
- i. GVK Coal Developers (Singapore) Pte Ltd

5. Basis of Disclaimer of conclusion

- i. We draw attention to note 6 to the consolidated financial results which states that as at September 30, 2024, GVKPIL Group had accumulated losses. The liabilities of the GVKPIL Group, considering the amounts not provided for are much higher than the assets of the group. One of the subsidiary Company where the project has been terminated are following liquidation basis of accounting. The GVKPIL group has delayed/defaulted in repayments of loans and interest thereon and various loan accounts have been classified as non-performing assets by banks/ lenders including recall of loans /filing of cases under the Insolvency and Bankruptcy Code in certain cases. The Interim Resolution Professional (IRP) / Resolution Professional (RP) have also been appointed in certain subsidiaries, step down subsidiaries and Joint controlled entity by NCLT. There are various litigations going on in the GVKPIL Group. The GVKPIL Group has also provided guarantees and commitments and/or has undertaken to provide financial assistance on behalf of various entities and as further detailed in notes 8, 9, (referring to notes on GVK Coal Developers (Singapore) Pte Limited and GVK Energy Limited), uncertainties are being faced by various projects such as delays / non-development of coal mines in an overseas project where the parent Company has provided guarantees and commitments for the borrowings, losses incurred by gas based power plant in the absence of gas and litigations on rights to claim capacity charge, arbitration on delay of commencement of road projects, termination of various projects etc. Various guarantees given by GVKPIL and GVK Energy Limited (GVKEL) on behalf of their subsidiaries, associates and joint controlled entity have been invoked by the lenders. Further, the GVKPIL has been admitted into Corporate Insolvency Resolution Process (CIRP) process vide NCLT order dated July 12, 2024 and order uploaded on the portal on July 15, 2024 (Insolvency Commencement Date). These factors indicate significant doubt on going concern ability of the GVKPIL group.

Notwithstanding the above, the financial results of the GVKPIL Group have been prepared by the management on going concern basis as management believes that the GVKPIL Group would be able to ultimately meet its commitments, reduce debt by stake sale and the entities on whose behalf guarantees/ commitments have been extended would be able to meet their obligations based on the outcome of CIRP process. Considering the various uncertainties involved as fully described in the Basis of Disclaimer section of our report, the probable impact could be material and pervasive on these consolidated financial results and that may cause significant doubt on company's ability to continue as a going concern. Accordingly, we are unable to comment that the management assumption of preparing these financial results on going concern basis is appropriate.

- ii. We draw attention to Note No 8 to the Consolidated Financial Results regarding GVK Coal Developers (Singapore) Pte. Limited, (GVK Coal Developers) (an associate) in which the GVKPIL Group has investments and has receivables aggregating to Rs.79,048 Lakhs and to whom the holding company along with others jointly and severally had given irrevocable and unconditional guarantee and commitments (CG) for loans up to aggregating to USD 1132.45 Million (Rs.9,48,857 Lakhs) of principal amount (GVKPIL itself guaranteed towards the repayment of limits which shall be lower of either 53.9% (including in respect of the Hedging Agreements if any) of all principal amounts outstanding under the





finance documents of USD 692.61 Million) taken by the aforesaid associate Company part of which is collateralized by pledge of 155,587,500 (March 31, 2024: 155,587,500), 130,287,382 (March 31, 2024: 130,287,382) and 48,000,000 (March 31, 2024: 48,000,000) shares of GVK Energy Limited, GVK Transportation Private Limited and GVK Airport Developers Limited respectively for securing loan obtained by GVK Coal Developers (Singapore) Pte. Limited and has also undertaken to provide financial assistance of USD 3.11million (Rs.2,606 Lakhs) with respect to which there are multiple significant uncertainties including outlook on the sector, non-achieving of financial closure and clearances for the project, concluding an appropriate solution with various stakeholders including lenders, and necessary environmental and regulatory clearances etc. The GVK Coal Developers current liabilities exceeded current assets by USD 2624 million (Rs.21,87,713 Lakhs) as of March, 2024 and accumulated losses as of March, 2024 is USD 1386 million (Rs. 11,55,562 Lakhs) based on audited special purpose consolidated financial statements of GVK Coal Developers (Singapore) Pte. Limited. The GVK Coal Developers lenders filed a claim in the High Court of Justice Business and Property Courts of England and Wales Commercial Courts (England Court) on November 09, 2020 and have sought to recover the amounts advanced to GVK Coal Developers. The England court vide its order dated October 19, 2023 has crystalized the amount payable by the defendants (GVKPIL and other guarantors / stakeholders in GVK Coal Developers) at USD 2.19 billion including the amount towards interest.

As per legal opinion obtained by the Holding company, the order dated 19th October 2023 passed by the England court is not speaking order. It has also been opined that the Order dated 19.10.2023 cannot be enforced in India and is contrary to the substantive law of India and is also in violation of the principles of natural justice.

As per the GVKPIL management, several attempts were made by the company to have a solution with the lenders including an agreement dated March 23, 2017, wherein a non-binding framework solution was agreed upon for a settlement. Subsequently also there were several efforts to engage with the lenders to arrive at a settlement.

The GVK Coal Developers having failed to repay debt obligation, ICICI bank has invoked CG of GVKPIL on Nov 02, 2020 and demanding to pay the GVK Coal Developers dues.

Further, one of the lenders has filed an application under section 7 of the Insolvency and Bankruptcy Code 2016 to initiate Corporate Insolvency Resolution Process (CIRP) against the holding company (being guarantor for loan taken by GVK Coal Developers) before National Company Law Tribunal (NCLT), Hyderabad on July 14, 2022 and NCLT has admitted the Company into CIRP vide Order dated July 12, 2024. Interim Resolution professional (IRP) appointed by the Hon'ble NCLT and IRP has taken possession of all assets of GVKPIL. As approved by NCLT vide its order dated September 05, 2024, IRP has been confirmed as Resolution Professional (RP) of the Company.

The company has received claims to the extent of Rs.1465,400 Lakhs from the GVK Coal Developers Financial Creditors and RP has provisionally admitted the claims to the extent of Rs.740,436 Lakhs and balance Rs.724,964 Lakhs claims are under verification. In accordance with IBC code the RP is in the process to receive, collate and final admission of the claims submitted by the creditors as part of CIRP process. The above provisionally admitted claims are under verification and the final outcome of the CIRP is pending.

While the GVKPIL Group has made a provision for impairment in respect of the aforesaid investment and receivables aggregating to Rs.79,048 Lakhs, no provision has been made towards the Corporate Guarantee issued by GVKPIL in respect of which the above-mentioned claims made by the financial creditors to the extent of provisionally admitted by the IRP as the same are under further verification and the final outcome of the CIRP is pending. Considering the various uncertainties and complexities involved as mentioned above, we are unable to comment on the viability of the GVK Coal project and the additional provision that may be required concerning the aforementioned guarantees





and commitments made by the GVKPIL and the resultant impact of the same on these consolidated financial results.

- iii. We draw attention to Note 9(b) to the consolidated financial results regarding Deconsolidation of assets and liabilities of GVK Power (Goindwal Sahib) Limited ("GVKPGSL"), a step down subsidiary of the Holding Company with effect from 10th October 2022, as the same has been admitted into Corporate Insolvency Resolution Process on October 10, 2022 based on petition filed by Axis Bank Ltd, one of the lenders in the consortium of GVKPGSL with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the GVKPGSL and the Hon'ble NCLT Hyderabad has approved the resolution plan vide its order dated 22.12.2023. As per the said order, the secured lenders have received Rs.1078 Crores against their claims of Rs.6585 Crores. i.e. with a deficit of Rs.5507 Crores. The GVKEL has provided Corporate Guarantee to the lenders of GVKPGSL with respect to the amount lent by them. Lenders through its security trustee (IDBI Trusteeship services limited) have invoked the corporate Guarantee. Further, during the financial year 2023-24, one of the lenders (IDBI) has filed the case against the GVKEL demanding the amount of Rs.1494 Crores in the Hon'ble NCLT, Hyderabad and next date of hearing for arguments is fixed on December 19, 2024. No provision has been made by GVKEL against these Corporate Guarantees.

As per GVKPIL management, liability of Corporate Guarantor is co - extensive with the liability of the Principal Borrower. Further, as per GVKPIL management, Section 31(1) of the Code states that when a resolution plan is approved by the adjudicating authority the same is binding on all the creditors and the guarantors and all other stake holders and hence no claim is maintainable against them. Considering, the liability of the Principal Borrower stands discharged pursuant to the CIRP of the Principal Borrower, as per GVKPIL management, the liability of the Corporate Guarantor also extinguishes.

The contention of the management is subject to interpretation and there are different judgements on the same. Further, as per the Corporate Guarantee agreement, the liability of the guarantor under this guarantee shall not be affected by:

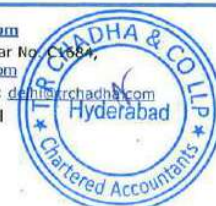
- Any change in constitution, ownership or corporate existence of the borrower or any absorption, merger, or amalgamation of the borrower with any other company
- Any insolvency, liquidation, bankruptcy or similar situation proceeding in respect of the borrower

Accordingly, there is an uncertainty on the final outcome of the same and the extent of the liability that may arise in respect of guarantee given by GVKEL is presently not ascertainable. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

- iv. We draw attention to Note No. 9(c) to the consolidated financial results as per which GVK Gautami Power Limited (GVKGPL), a jointly controlled entity of GVKEL has been admitted into Corporate Insolvency Resolution Process (CIRP) during the financial year 2023-24, i.e on October 20, 2023, based on petition filed by Edelweiss Asset Reconstruction Company Ltd, one of the lenders in the consortium of GVKGPL with the Hon'ble NCLT, Hyderabad and Resolution professional appointed by NCLT has taken possession of all assets of GVKGPL. GVKEL has already provided for an impairment for the full value of investment in GVKGPL of Rs 51,897 Lakh.

The GVKEL has also provided Corporate Guarantee to the lenders of GVKGPL with respect to the amount lent by them. This Corporate Guarantee has not been invoked by lenders so far (account became NPA on 1st October 2016) and no demands have been raised on GVKEL. This Corporate Guarantee may however be invoked by the Lenders of GVKGPL considering the default therein and Insolvency proceedings undergoing in GVKGPL. In such an eventuality, GVKEL may need to reimburse the same, especially considering that the net assets of GVKGPL is negative.

One of the GVKGPL lenders has submitted the claim of Rs 179,704 Lakhs to the IRP of GVKPIL and IRP has not admitted the claim. The claim is pending verification as corporate guarantee given was





only for one facility of inter corporate deposit in 2010 which has been fully repaid. A clarification has been sought from lender by IRP which is awaited. In view of pending clarification, claim amount has been kept under verification.

The extent of the liability that may arise in respect of guarantee given is not determinable at present and no provision has been made in this regard in relation to such liability. In the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

- v. As discussed in detailed in Note 9(f) to the consolidated financial results regarding annulment of settlement by Edelweiss and ARCIL with respect to their loans / NCDs to GVKEL and Alaknanda Hydro Power Company Limited (AHPCL), non-accounting of estimated increase in liability on account of annulment of settlement terms by Edelweiss (amount not ascertained), invocation and transfer by Edelweiss of 46,60,11,000 Equity shares of AHPCL held by GVKEL of Rs.10 each, recording of exceptional loss of Rs.19,486 lakhs during the year ended March 31, 2023 by GVKEL on account of invocation of pledged shares and transfer by Edelweiss (being difference in face value of pledged shares invoked by Edelweiss and the liability of Edelweiss appearing in books of GVKEL and AHPCL), recording of discharge of liability of Edelweiss pending legal suit before Hon'ble Delhi High Court, wherein GVKEL pleaded that as a consequence of the invocation and transfer of a valuable asset, GVKEL liability towards the loan has been discharged and since the value of share is far in excess of the outstanding loan liability, the excess share to be returned. Next hearing of the case is scheduled in December 4, 2024.

Due to above mentioned default in the repayment of amount due on Loan / NCDs, ECL Finance Limited, Edelweiss Asset Reconstruction Company Limited, India Credit Fund II & Ecap Equities Limited (collectively referred to as "Edelweiss") (through its debentures trustee namely Catalyst Trusteeship Limited) has filed petition with the Hon'ble NCLT, Hyderabad invoking Corporate Insolvency Resolution Process against the company and GVK Energy Ltd. on October 21, 2022, and petition against GVKPIL was disposed of on July 23, 2024 as the GVKPIL is admitted into CIRP and in case of GVKEL, the next hearing of the case is scheduled on January 28, 2025.

Meanwhile, during the financial year 2023-24, AHPCL, GVKEL and GVKPIL has entered into another settlement agreement with the lenders on October 09, 2023, which requires to pay Rs 33000 Lakhs and simple interest @12.50% pa is payable w.e.f. 1st November 2023. The entire amount along with interest is to be paid on or before 30th November 2023. The GVKPIL Group could not comply with the settlement terms and requested for extension of time to Edelweiss and they have extended the time till 31st July' 2024 with phased payments. On 27th February'24 the lead lender of Alaknanda Hydro Power Company Limited has approved the release of Rs 20000 Lakhs out of Rs 33000 Lakhs to be paid and Rs.13000 Lakhs to be brought in by GVKPIL group. Till date GVKPIL group has paid an amount of Rs 13000 Lakhs as agreed. As per the terms of the settlement, lenders will release the securities including the transfer of 46,60,11,000 Equity shares, each having face value of Rs.10, of AHPCL to GVKEL on payment of amount due as per the settlement agreement.

Meanwhile, the company received the intimation from Phoenix ARC Private Limited (Phoenix ARC) vide letters dated October 14, 2024 that the Edelweiss and ARCIL has been assigned the facilities to Phoenix ARC. The details of such assignment is pending

With respect to the above matter, the company has received claims to the extent of Rs.116,399 Lakhs from the financial creditors and RP has provisionally admitted the claims to the extent of Rs.104,682 Lakhs and balance claims of Rs.11,717 Lakhs are under verification. The provisional claims admitted are subject to further verification. In accordance with IBC code, the RP is in the process to receive, collate and final admission of the claims submitted by the creditors as part of CIRP process. The above provisionally admitted claims are under verification and the final outcome of the CIRP is pending.





In view of the same, we are unable to comment on the accounting done in this regard in books of account and the ultimate impact of the same including of the invocation of the settlement offer by Edelweiss, invocation of pledged shares of AHCPL by Edelweiss, invocation of corporate guarantee issued by the GVKPIL and GVKEL impact of the proceedings in the NCLT, impact of the assignment of facilities by Edelweiss and ARCIL to Phoenix ARC and the additional liability that may arise in this regard if any on the Consolidated financial results till the payment of dues as per settlement agreement.

Further, in the light of the above, we are unable to comment upon consequential impact, if any, arising out of the same in the accompanying consolidated financial results.

- vi. As discussed in detailed in Note 9(a) to the Consolidated Financial Results regarding GVK Coal (Tokisud) Private Limited ("GVKCTPL"), a step-down subsidiary of the Holding Company. The Hon'ble Supreme Court of India had deallocated dedicated coal mine allotted to GVK Power (Goindwal Sahib) Limited (GVKPGSL). GVKCTPL, a subsidiary company of GVKEL and mine operator was offered a compensation by the Nominated Authority of Rs.11,129 Lakhs as against carrying value of assets of Rs.31,113 Lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09,2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015. Subsequently GVKCTPL submitted its claim for the balance amount of Rs. 19,882 Lakhs to the aforesaid authority. The nominated authority under the Ministry of Coal vide its order dated 16th March 2022 has further approved and released compensation of Rs.13,867 lakhs. Out of this an amount of Rs.8,883 lakhs have been deposited by nominated authority in interest bearing account with Registrar General of the Court as per the directions of the high court of Delhi dated 11th April 2022 and an amount of Rs.4,984 lakhs have been paid to lenders by nominated authority towards the balance dues payable as per the claims made by the lenders as on the date of vesting orders less the amount already paid to the lenders. Including the above amount of Rs 4,984 lakhs, a total of Rs 23,761 Lakhs, being the due on vesting date has been paid to the lenders. Nominated authority has advised in the above order to approach Coal Tribunal in respect of disputes including the compensation disallowed with regard to R&R costs. The GVKCTPL has accordingly filed the appeal under sec. 27 of the Coal Mines (Special Provisions) Act, 2015 with Coal Tribunal for Rs 34,830 lakhs on August 01, 2022 and the next hearing of the case is scheduled on November 29, 2024 for evidence.

In the light of the above, we are unable to comment on the recoverability of assets with carrying value of Rs.6,015 Lakhs and consequential impact, if any, arising out of the same in these accompanying consolidated financial results.

- vii. Note 13 to the consolidated financial results regarding investigation by various Government agencies on various alleged irregularities relating to conflict of interest, misuse of funds, money laundering and other matters, pending completion of which and non-provision of certain related information sought from the holding company by us including complete copy of the Enforcement Directorate complaint. CBI has filed a charge sheet before the Chief Metropolitan Court, Mumbai on February 09, 2023, laying as allegation under section 120B read with section 420 of IPC against Mumbai International Airport Limited (MIAL), Vice Chairman & erstwhile CFO of the Holding Company and four other GVKPIL group companies apart from others. The Court has granted bail to all the accused. The main issue alleged is siphoning of fund of MIAL eventually causing a loss to Airport Authority of India (AAI). Vide order dated 08.12.2023, fresh cognizance of offences in the chargesheet has been taken and accused persons have been summoned. However, the said order has been currently stayed by the Ld. Sessions Court, Mumbai in revision petitions preferred by various accused persons and therefore, the proceedings are currently stayed in the matter and matter will resume only once the stay order gets vacated by the Revision Court. The company is of the view that the case will not stand the test of scrutiny of the court and will eventually be dismissed. The company is also of the view that the charges are unsubstantiated and no offence u/s section 420 IPC is made out as there is no loss to AAI, Government, or any Tax Authorities as alleged.





In addition to be above, the Enforcement Directorate (ED) had also taken up the investigation under the Prevention of Money Laundering Act (PMLA) on the basis of an FIR registered by the CBI. ED had filed a complaint in April 2021 on the same matters against the above-mentioned parties and some of the subsidiaries, joint ventures and step-down subsidiaries of the Company, their directors and officers. ED had filed a complaint before the City Court and Additional Session Judge, Greater Bombay under Section 45 of Prevention of Money Laundering Act, 2002 for commission of offence of Money laundering under section 3, read with section 70, Punishable u/s 4 of the Prevention of Money Laundering Act, 2002. The matter is currently at stage of adjudication of application on behalf of Accused-4 seeking supply of all the unrelayed documents and unrelayed statement u/s 50 PMLA and is fixed for filing reply of Enforcement Directorate on November 14, 2024.

The Audit Committee of the Holding Company, based on the legal advice received by the Audit committee of Mumbai International Airport Limited (MIAL), have decided not to proceed with any independent investigation on the matters mentioned in the FIR or the complaint filed by ED. Considering the status of the proceedings with cases related to CBI and ED, the implications, if any, that may arise on the GVKPIL group can't be ascertained and the impact if any of the same on the consolidated financial results cannot be commented upon.

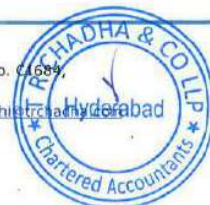
- viii. We draw attention to Note 12 to the consolidated financial results regarding GVK Perambalur SEZ Private Limited (GVK SEZ), a wholly owned subsidiary company. GVK SEZ has Investment Property having book value of Rs.11,655 Lakh as on 30th June 2024. GVK SEZ stood as a Guarantor and mortgaged its land having book value as mentioned above (admeasuring 2,506.25 Acres) to Syndicate Bank (since merged with Canara Bank) on account of loans taken by the GVKPIL (the Holding Company). GVKPIL has since repaid the loan taken from Canara Bank and the bank has also acknowledged the same. However, Canara bank has not issued a no due certificate and has not returned the original title documents by exercising the right of general lien under section 171 of Indian Contract Act, 1872 and has enforced general lien over the title deeds in the name of GVK SEZ for liabilities of GVK Coal (Singapore) PTE Ltd, an associate of GVKPIL. GVKPIL and GVK SEZ have jointly filed writ petition before High Court, Telangana on October 27, 2021, stating that Bank exercising of general lien under section 171 of the Indian Contract Act, 1872 is wholly misconceived and illegal and contrary to the terms of Guarantee extended by the GVK SEZ and the matter is yet to be listed. GVKPIL has obtained independent legal opinion based on which the outcome of the subject matter will be positive and the bank will be directed to release the documents given as security. Further, Enforcement Directorate (ED) has provisionally attached the said Land property in view of investigation under Prevention of Money Laundering Act (PMLA). However, Hon'ble High Court of Telangana vide its order dated April 22, 2021 has stayed the proceedings by issuing Show Cause Notice to ED. As on September 30, 2024, the status remains the same. The matter is under litigation. Pending these litigations, the recoverability of Investment Property having book value of Rs.11,655 Lakh (March 2024: Rs 11,655 Lakhs) and deferred tax asset (DTA) of Rs.3352 Lakhs (As on 31st March 2024 Rs. 3352 Lakhs) recognized towards possible indexation benefits on sale of this land is is not determinable.

6. Disclaimer of conclusion

We do not express any conclusion on the accompanying consolidated financial results because of the significance of the matters involving uncertainties, described in the "Basis of Disclaimer of conclusion" section of our report, notwithstanding having obtained sufficient appropriate audit evidence regarding most of the individual uncertainties, it is not possible for us to form conclusion on the financial results due to the potential interaction of the uncertainties and their possible cumulative effect on the consolidated financial results.

7. Emphasis of Matter

- i. We draw attention to the following matters disclosed in Note 10 to the consolidated financial results regarding the GVK Transportation Private Limited (GVKTPL), a wholly owned subsidiary of the





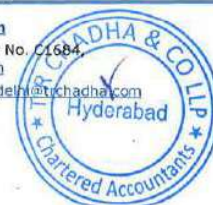
holding company. J.C. Flowers Asset Reconstruction Pvt Ltd (Debt assigned by Yes bank) has filed the Insolvency Resolution Process petition against GVKTPL with the Hon'ble NCLT, Hyderabad on February 24, 2022 by invoking Corporate Guarantee provided by GVKTPL to the lenders of GVK Deolikota Expressway Private Limited, and the GVKTPL has been admitted into CIRP vide NCLT order dated August 06, 2024. IRP has been appointed by the Hon'ble NCLT and RP has taken the possession of all assets of GVKTPL.

Since the Group has lost the control over the GVKTPL, and its subsidiaries namely, GVK Bagodara Vasad Expressway Private Limited, GVK Deoli kota Expressway Private Limited, GVK Jaipur Expressway Limited and Sutara Roads and Infrastructure Private Limited the assets and liabilities of GVKTPL and its subsidiaries were deconsolidated as at August 06, 2024 as per Ind AS 110 and a gain of Rs.59,956 Lakh is recorded in consolidated financials for the half year ended September 30, 2024 as per below entry:

<u>Particulars</u>	<u>Rs Lakhs</u>
Value of assets	- 183,215
Value of liabilities	267,683
Equity share capital	21,720
Amount already recognized in consolidated FS in previous period & provisions	-46,232
Net amount recognized as exceptional gain	- 59,956

GVKPIL has not provided any corporate guarantees for GVKTPL and its subsidiaries.

- ii. We draw attention to Note 7 to the consolidated financial results regarding sale of majority holding of GVK Airport Developers Limited (GVKADL) by company to Adani Airport Holding Limited (AAHL) as per binding co-operation agreement dated August 31, 2020 and other related transaction documents. AAHL has acquired and hold the securities as per co-operation agreement at the end of the financial year. The management considered the company as beneficial owner of the Optionally Convertible Debentures (OCDs) of Rs.137,464 Lakhs held by AAHL as per co-operation agreement in view of the terms of arrangement. Accordingly, the securities held in the name of AAHL have been classified as Current Investments of company in the consolidated financial results. These investments in OCDs made by AAHL are yet to be transferred in the name of the company.
- iii. We draw attention to Note No 9(d) and 9(e) of the consolidated financial results regarding the financial results of Alaknanda Hydro Power Company Ltd, a stepdown subsidiary of the Holding Company, the following matters:
 - a) As per Note 9(d) to the consolidated financial results, regarding Uttar Pradesh Power Corporation Limited (UPPCL) appeal before Appellate Tribunal for Electricity (APTEL) challenging UPERC's determination of Normative Annual Plant Availability Factor (NAPAF) for Multi Year Tariff (MYT) for the years 2015-19 and 2019-24. The AHPCL has submitted its responses to APTEL against the said appeal. Accordingly, in the opinion of the management the appeal filed by UPPCL is not tenable and no provision is required in this regard.
 - b) Note no 9 (e) to the statement, regarding recoverability of reimbursement of water tax based on management legal assessment with respect to (i) applicability of water tax on water drawn for generation of electricity as demanded by Uttarakhand water resources management regulatory commission ("UWRMRC") as per provisions of the Uttarakhand water management and regulatory act, 2013 and (ii) claiming the same from Uttar Pradesh power corporation limited ("UPPCL") as reimbursement under change in law by amending power purchasing agreement with UPPCL ("PPA") for the period August, 2022 to March, 2024. The claim made by the AHPCL for the period August, 2022 to October, 2022 is not accepted by UPPCL vide their letter dated June 16, 2023 on the ground that





the AHPCL has not followed the change in law provision & stipulations under the PPA and the AHPCL's application before UPERC for amendment to PPA for reimbursement of water tax under the provisions of change in law. UPERC vide its order dt.01 April, 2024 has directed UPPCL to make interim payment against proof of payment of water tax paid by AHPCL from August, 2022 onwards and continue to make interim payment. In case Hon'ble High Court of Uttarakhand decides levy of water tax is null & void, AHPCL shall be required to be claim refund from Uttarakhand Government along with carrying cost and the same shall be released to UPPCL along with such carrying cost.

- iv. We draw your attention to note no.11 of Consolidated Financial Results, regarding GVK Ratle Hydro Electric Project Private Limited (GVK Ratle), a subsidiary of the holding company, GVK Ratle had entered into a concession agreement with J&K Power Development Department (JKPDD) for construction and operation of a hydro power plant on Build, Own, Operate and Transfer model. GVK Ratle started the project development and had spent/paid advances to the tune of Rs.101,552 lakhs (till March 31,2021) on various works. However, there were significant delays in the construction of the project due to the impediments like land acquisition and execution of land, leases, issues in relation to working conditions, disturbances and law and order problems, issues under the Indus Water Treaty, issues in relation to Water charges, status of Mega Power Project and taxes such as entry tax, sales and other local taxes etc.

GVK Ratle requested for termination of project and offered for an amicable settlement. JKPDD rejected such settlement offer stating that the delays tantamount to event of default from GVK Ratle. GVK Ratle had initiated the arbitration process and Tribunal vide its order dated 11th July'20 and rectification order dated 7th September'20 had partly accepted the contentions of GVK Ratle and had given an award of Rs.29,048 Lakhs in favor of GVK Ratle. Not satisfied with the order, GVK Ratle has filed an appeal before district court, Kishtwar on 8th December,2020 against the said award, which is challenged by JKPDD that the arbitral award in a cross appeal before the District Court, Kishtwar. District Court, Kishtwar passed an arbitrary ad-interim stay staying the operations of the Award without intimating GVK Ratle about filing of the said appeal by JKPDD. Aggrieved by ex-parte interim order GVK Ratle has filed an appeal challenging the said interim order before Supreme Court. On February 01 ,2021 the supreme court stayed all proceedings before the District Court, Kishtwar until it decides the issue relating to applicability of J&K Arbitration Act, 1997, even after the said Act was repealed by J&K State Reorganization Act, 2019. Subsequently, on November 11, 2024, Supreme court disposed of the application filed by GVK Ratle and directed GVK Ratle to submit its arguments in the Stay Application being filed by JKPDD before the Principal District Judge, Kishtwar and also may plead the District Judge to direct JKPDD to deposit the amount Awarded against it. At the same time, if the Application (Appeal) filed by GVK Ratle is ready for the final hearing, the District Court will have an option to immediately hear the same, instead of hearing the stay application.

GVK Ratle had also entered into a settlement agreement with its lender on November 24, 2021 and the award realized from the JKPDD will be paid to lender as per the settlement agreement. Considering the fact of termination of the project and settlement with the lenders, the GVK Ratle has adopted the liquidation basis of accounting in preparation of these financial results and treated the amount recoverable as per award as its asset with similar amount payable to lender as its liability as per settlement agreement.

Similar matter has been included as an Emphasis of matter paragraph (EOM) in the review report on the standalone financial results of GVK Ratle Hydro Electric Project Private Limited, the stepdown subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide their report dated November 04, 2024.

Our conclusion is not modified in respect of these matters.



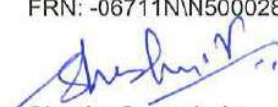


Other Matters

8. We did not review the un audited financial results of 7 subsidiaries included in the consolidated un audited financial results, whose financial results (before adjustments for consolidation), total assets 586935 lakhs, Net assets 204308 lakhs, total revenue of Rs.64,838 Lakhs, total net profit after tax of Rs.26,214 Lakhs and total comprehensive profit of Rs.26214 Lakhs, for the half year ended September 30, 2024, respectively, as considered in the consolidated financial results. These annual financial results have been reviewed by respective auditors. The Independent Auditors review reports on financial results of these entities have been furnished to us and our conclusion on the consolidated financial results in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in paragraph above.
9. The consolidated unaudited financial results include the interim financial results of 7 subsidiaries (including GVKTPL and its subsidiaries upto August 06 2024) which have not been reviewed by respective auditor, whose interim financial results reflect (before adjustments for consolidation) Total assets 385323 lakhs, Total net assets Rs.41336 lakhs total revenue of Rs. 162 Lakhs, total net loss after tax of Rs.5034 lakhs and total comprehensive net loss of Rs.5034 lakhs for the half year ended September 30, 2024, as considered in the consolidated unaudited financial results.
10. The consolidated unaudited financial results include the GVKPIL group's share of one associate, whose interim financial results reflect (before adjustments for consolidation) GVKPIL Group's share of profit of Rs. 2,46,903.47 Lakhs (USD 296.14 Million) for nine months ended March 31, 2024 which is adjusted against the previous losses.

Our conclusion on the statement is not modified in respect of above matters.

For T R Chadha & Co LLP,
Chartered Accountants
FRN: -06711NIN500028


Sheshu Samudrala
(Partner)
Membership No-235031
UDIN: 24235031BKCTWN4031



Date: 14.11.2024
Place: Hyderabad.