

# Walker Chandiook & Co LLP

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

### To the Board of Directors of GMR Infrastructure Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of GMR Infrastructure Limited ('the Company') for the quarter ended 31 December 2021 and the year to date results for the period 1 April 2021 to 31 December 2021, being submitted by the Company pursuant to the requirements 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. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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

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

The Company had recognised loss of Rs. 585.00 crore in loss before tax from discontinued operations in relation to the above transaction during the quarter ended 31 March 2021, as explained in the said note, instead of restating the financial results for previous quarters in accordance with the requirements of relevant Ind AS.

The opinion expressed by us on the standalone financial results for the quarter and year ended 31 March 2021 vide our audit report dated 18 June 2021 and the conclusion expressed by us vide our review reports dated 12 November 2021 and 12 February 2021 on the standalone financial results for the quarter ended 30 September 2021 and quarter and nine month period ended 31 December 2020 respectively, were also qualified in respect of above matter.

Had the management accounted for the aforesaid transaction in the correct period, the 'loss from discontinued operations before tax expense' for the quarter and nine month period ended 31 December 2020 would have been higher by Rs. 14.13 crore and Rs. 138.55 crore respectively and 'other comprehensive loss in respect of discontinued operations' for the nine month period ended 31 December 2020 would have been higher by Rs. 490 crore.

5. Based on our review conducted as above except for the possible effects of the matters described in previous sections nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to note 3(a) of the accompanying Statement, which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of its impact on the assumptions underlying the valuation of investments in the airport sector which are carried at fair value in the Statement as at 31 December 2021. Further, we also draw attention to note 3(b) in relation to the carrying value of investments in subsidiaries specified in the note which are further dependent on the uncertainties relating to the future outcome of the ongoing matters. Our conclusion is not modified in respect of this matter.





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7. We draw attention to note 2 to the accompanying Statement, which describes the impact of amalgamation of GMR Power Infra Limited with the Company and demerger of Engineering, procurement and construction (EPC) business and Urban Infrastructure Business of the Company (including Energy Business) into GMR Power and Urban Infra Limited, pursuant to the Composite scheme of amalgamation and arrangement (the 'Scheme') approved by the National Company Law Tribunal vide its order dated 22 December 2021 and given accounting effect to in the accompany Statement from 31 December 2021, being the 'effective date' as per the Scheme, as further described in the aforesaid note. Our conclusion is not modified in respect of this matter.

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



**Neeraj Sharma**  
Partner  
Membership No. 502103



UDIN: 22502103AAYCFV3336

**Place:** New Delhi  
**Date:** 9 February 2022

GMR Infrastructure Limited							
Corporate Identity Number (CIN): L45203MH1996PLC281138							
Registered Office: Naman Centre, 7th Floor, Opp. Dena Bank, Plot No. C-31, G Block, Bandra Kurla Complex, Bandra (East), Mumbai, Mumbai City, Maharashtra, India - 400051 Phone: +91-22-42028000 Fax: +91-22-42028004 Email: gil.cosecy@gmrop.in Website: www.gmrop.in							
Statement of unaudited standalone financial results for the quarter and nine month ended December 31, 2021							
						(Rs. in crore)	
S.No.	Particulars	Quarter ended			Nine month ended		Year ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	<b>Continuing operations</b>						
1	<b>Income</b>						
	(a) Revenue from operations	8.85	0.35	4.32	10.89	6.22	7.33
	(b) Other income	0.08	0.01	0.03	0.11	0.68	0.94
	<b>Total Income</b>	<b>8.93</b>	<b>0.36</b>	<b>4.35</b>	<b>11.00</b>	<b>6.90</b>	<b>8.27</b>
2	<b>Expenses</b>						
	(a) Employee benefit expenses	0.54	0.24	0.25	0.99	0.45	0.68
	(b) Finance costs	19.44	19.26	11.18	51.07	60.59	78.32
	(c) Depreciation and amortisation expenses	0.25	0.21	0.27	0.67	0.93	1.20
	(d) Other expenses	4.79	7.38	9.34	18.91	22.11	31.59
	<b>Total expenses</b>	<b>25.02</b>	<b>27.09</b>	<b>21.04</b>	<b>71.64</b>	<b>84.08</b>	<b>111.79</b>
3	<b>Loss before exceptional items and tax from continuing operations (1 +/- 2)</b>	<b>(16.09)</b>	<b>(26.73)</b>	<b>(16.69)</b>	<b>(60.64)</b>	<b>(77.18)</b>	<b>(103.52)</b>
4	Exceptional items (refer note 5)	-	-	4.71	-	(36.93)	(13.06)
5	<b>Loss before tax from continuing operations (3 ± 4)</b>	<b>(16.09)</b>	<b>(26.73)</b>	<b>(11.98)</b>	<b>(60.64)</b>	<b>(114.11)</b>	<b>(116.58)</b>
6	Tax (expense) /credit of continuing operations	-	-	-	-	-	-
7	<b>Loss for the period/ year from continuing operations (5 ± 6)</b>	<b>(16.09)</b>	<b>(26.73)</b>	<b>(11.98)</b>	<b>(60.64)</b>	<b>(114.11)</b>	<b>(116.58)</b>
B	<b>Discontinued operations (refer note 2)</b>						
8	(Loss)/profit from discontinued operations before tax expenses	(690.14)	508.88	(417.64)	(150.47)	(769.13)	(1,169.26)
9	Tax (expense) /credit of discontinued operations	-	-	0.66	-	3.86	3.86
10	<b>(Loss)/profit after tax from discontinued operations (8 ± 9)</b>	<b>(690.14)</b>	<b>508.88</b>	<b>(416.98)</b>	<b>(150.47)</b>	<b>(765.27)</b>	<b>(1,165.40)</b>
11	<b>(Loss)/profit for the period/ year (7 ± 10)</b>	<b>(706.23)</b>	<b>482.15</b>	<b>(428.96)</b>	<b>(211.11)</b>	<b>(879.38)</b>	<b>(1,281.98)</b>
12	<b>Other comprehensive income (net of tax)</b>						
	<b>A) In respect of continuing operations</b>						
	Items that will not be reclassified to profit or loss						
	-Re-measurement gains/(loss) on defined benefit plans	-	-	-	-	-	-
	-Net (loss)/gain on fair valuation through other comprehensive income ('FVTOCI') of equity securities	(26.87)	(46.10)	(36.64)	(111.34)	(2,088.55)	(720.39)
	<b>(A)</b>	<b>(26.87)</b>	<b>(46.10)</b>	<b>(36.64)</b>	<b>(111.34)</b>	<b>(2,088.55)</b>	<b>(720.39)</b>
	<b>B) In respect of discontinued operations</b>						
	Items that will not be reclassified to profit or loss						
	-Re-measurement gains/(loss) on defined benefit plans	(0.01)	(0.53)	0.37	(0.45)	0.69	0.55
	-Net (loss)/gain on fair valuation through other comprehensive income ('FVTOCI') of equity securities	673.00	(30.36)	(126.83)	560.13	(130.37)	(396.10)
	<b>(B)</b>	<b>672.99</b>	<b>(30.89)</b>	<b>(126.46)</b>	<b>559.68</b>	<b>(129.68)</b>	<b>(395.55)</b>
	<b>Total other comprehensive income for the period/year (A+B)</b>	<b>646.12</b>	<b>(76.99)</b>	<b>(163.10)</b>	<b>448.34</b>	<b>(2,218.23)</b>	<b>(1,115.94)</b>
13	<b>Total comprehensive income for the period/year (Comprising (loss)/profit and Other comprehensive income (net of tax) for the period/year) (11 ± 12)</b>	<b>(60.11)</b>	<b>405.16</b>	<b>(592.06)</b>	<b>237.23</b>	<b>(3,097.61)</b>	<b>(2,397.92)</b>
14	<b>Paid-up equity share capital (Face value - Re. 1 per share)</b>	<b>603.59</b>	<b>603.59</b>	<b>603.59</b>	<b>603.59</b>	<b>603.59</b>	<b>603.59</b>
15	<b>Other equity (excluding equity share capital)</b>						<b>9,142.63</b>
16	<b>Earnings per share for continuing operations - (Rs.) (not annualised)</b>						
	Basic	(0.03)	(0.04)	(0.02)	(0.10)	(0.19)	(0.19)
	Diluted	(0.03)	(0.04)	(0.02)	(0.10)	(0.19)	(0.19)
	<b>Earnings per share for discontinued operations - (Rs.) (not annualised)</b>						
	Basic	(1.14)	0.84	(0.69)	(0.25)	(1.27)	(1.93)
	Diluted	(1.14)	0.84	(0.69)	(0.25)	(1.27)	(1.93)
	<b>Earnings per share for total operations - (Rs.) (not annualised)</b>						
	Basic	(1.17)	0.80	(0.71)	(0.35)	(1.46)	(2.12)
	Diluted	(1.17)	0.80	(0.71)	(0.35)	(1.46)	(2.12)



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## Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2021

- Investors can view the unaudited standalone financial results of GMR Infrastructure Limited (“the Company” or “GIL”) on the Company’s website [www.gmrgroup.in](http://www.gmrgroup.in) or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nse-india.com](http://www.nse-india.com)). The Company carries on its business through various subsidiaries, joint ventures and associates (hereinafter referred to as ‘the Group’), being special purpose vehicles exclusively formed to build and operate various projects.
- The composite scheme of amalgamation and arrangement for amalgamation of GMR Power Infra Limited (GPIL) with the Company and demerger of Engineering Procurement and Construction (EPC) business and Urban Infrastructure Business of the Company (including Energy business) into GMR Power and Urban Infra Limited (GPUIL) (“Scheme”) was approved by the Hon’ble National Company Law Tribunal, Mumbai bench (“the Tribunal”) vide its order dated December 22, 2021 (formal order received on December 24, 2021). The said Tribunal order was filed to the Registrar of Companies by Company, GPIL and GPUIL on December 31, 2021 thereby making the Scheme effective. Accordingly, assets and liabilities of the EPC business and Urban Infrastructure business (including Energy business), as approved by the board of directors pursuant to the Scheme stand transferred and vested into GPUIL on April 1, 2021, being the Appointed date as per the Scheme. The Standalone financial results of the Company do not have any impact of the Composite Scheme, however as per the applicable Ind AS, the EPC business and Urban Infrastructure Business (including Energy business) have been classified for all periods presented as Discontinued operations.

The breakup of the EPC business and Urban Infrastructure Business (including Energy business) classified as discontinued operation are as under.

Rs in Crore

Particulars	Quarter ended			Nine Months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
Total income	351.32	428.16	360.89	1,136.63	943.71	1,460.22
Total expenses	392.85	443.75	429.90	1229.36	1,209.07	1,845.69
Loss before exceptional items and tax	(41.53)	(15.59)	(69.01)	(92.73)	(265.36)	(385.47)
Exceptional items (expense)/income (refer note 5)	(648.61)	524.47	(348.63)	(57.74)	(503.77)	(783.79)
(Loss)/profit before tax	(690.14)	508.88	(417.64)	(150.47)	(769.13)	(1,169.26)
Tax credit	-	-	(0.66)	-	(3.86)	(3.86)
(Loss)/ profit after tax	(690.14)	508.88	(416.98)	(150.47)	(765.27)	(1,165.40)

- a) The operations of the investee entities were impacted by Covid-19 pandemic and while the Management believes that such impact is short term in nature and does not anticipate any long term impact on business prospects considering the recovery seen in the past as well as during the current quarter. The Company based on its assessment of the business/ economic conditions and liquidity position for the next one year, expects to recover the carrying value of investments, and accordingly no material adjustments are considered necessary in the standalone financial results. The impact of the COVID - 19 pandemic might be different from that estimated as at the date of approval of these standalone financial results and the Company will closely monitor any material changes to the future economic conditions



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Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2021

b) Further, fair value of investments in Equity shares and CCPS of GMR Airports Limited ('GAL') are also subject to likely outcome of ongoing litigations and claims pertaining to Delhi International Airport Limited ('DIAL') and GMR Hyderabad International Airport Limited ('GHIAL') as follows:

- Ongoing arbitration between DIAL and Airports Authority of India ('AAI') in relation to the payment of Monthly Annual fees for the period till the operations of DIAL reaches pre COVID 19 levels. Basis an independent legal opinion obtained by the management of DIAL, the Company is entitled to be excused from making payment of Monthly Annual fee under article 11.1.2 of OMDA to AAI on account of occurrence of Force Majeure Event under Article 16.1 of OMDA, till such time the Company achieves level of activity prevailing before occurrence of force majeure. In view of the above, the management has not considered the Annual Fee payable to AAI for the years ended March 31, 2021 and March 31, 2022 in the cash flows used for the purposes of estimation of the fair value of investment made by the Company in DIAL through GAL.
  - Consideration of Cargo, Ground Handling and Fuel farm ('CGHF') income as part of non-aeronautical revenue in determination of tariff for the third control period by Airport Economic Regulatory Authority in case of GHIAL. GHIAL has filed appeal with Telecom Disputes Settlement Appellate Tribunal ('TDSAT') and during the previous year, the adjudicating authority, TDSAT, in its disposal order dated March 06, 2020 has directed AERA to reconsider the issue afresh while determining the aeronautical tariff for the Third Control Period commencing from April 01, 2021. In July 2020, the GHIAL has filed an application with the AERA for determination of Aeronautical tariff for the third control period commencing from April 1, 2021 to March 31, 2026 wherein it has contended that CGHF income shall be treated as non-aero revenue. The management has also obtained legal opinion and according to which GHIAL position is appropriate as per terms of Concession agreement and AERA Act, 2008.
4. The Company had signed definitive share sale and purchase agreement ('SSPA') on September 24, 2020 which had been subsequently amended on March 31, 2021 for the sale of equity owned by its wholly owned subsidiary GMR SEZ & Port Holdings Limited ("GSPHL") (now part of discontinued business pursuant to the scheme as mentioned in note 2 above) of its entire 51% stake in Kakinada SEZ Limited ("KSEZ") to Aurobindo Realty and Infrastructure Private Limited ("ARIPL"). As part of the transfer of stake of KSEZ ("transaction"), the 74% equity stake of Kakinada Gateway Port Limited ("KGPL") held by KSEZ would also be transferred to ARIPL. The consideration for the aforementioned transaction comprised of Rs. 1,692.03 crore upfront payment to be received on or before the closing date and Rs. 1,027.18 crore to be received in next 2 to 3 years from the transaction date which is contingent upon achievement of certain agreed milestones primarily related to the sale of 2,500 acres of the land parcels by KSEZ at specified prices during the financial years ended March 31, 2022 and March 31, 2023.

The said transaction was subject to Conditions Precedent as specified in SSPA. Pursuant to the satisfaction of such conditions precedent, entire amount of upfront consideration has been received from ARIPL till date of approval of these standalone unaudited financial results. Accordingly, during the quarter ended March 31, 2021 Company had recognized exceptional loss of Rs. 95.00 crore and loss of Rs. 490.00 crores in other comprehensive income in the quarter ended March 31, 2021 in relation to the said transaction.

The Company expects in next 2-3 years there will be significant development in the Kakinada SEZ which includes the development of Bulk Drug Park, Commercial Sea port, establishment of various port-based industries, manufacturing industries, development of new International Airport in Bhogapuram.

5. Exceptional items comprise of gain/(loss) in carrying value of investments.
6. The unaudited standalone financial results of the Company for the quarter and nine month period ended December 31, 2021 have been reviewed by the Audit Committee in their meeting on February 8, 2022 and approved by the Board of Directors in their meeting on February 9, 2022.



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**GMR Infrastructure Limited**

**Notes to the unaudited standalone financial results for the quarter and nine month period ended December 31, 2021**

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

**For GMR Infrastructure Limited**



**Grandhi Kiran Kumar**  
Managing Director & CEO

Place: Bengaluru  
Date: February 9, 2022



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