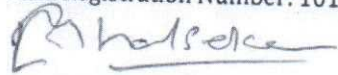


Independent Auditor's Review Report on half yearly unaudited financial Results of GMR Pochanpalli Expressways Limited pursuant to the Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To the Board of Directors of GMR Pochanpalli Expressways Limited

1. We have reviewed the accompanying statement of unaudited financial results of GMR Pochanpalli Expressways Limited ('the Company') for the half year ended September 30, 2020 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended ("Listing Regulations").
2. This 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, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 ('the Act') as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (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 results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed or that it contains any material misstatement.
5. We draw attention to Note No.6 to the Statement, with regard to management's evaluation of impact of COVID-19 on the future performance of the Company. Our review report is not modified in respect of this matter.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number: 101720W/W100355



Lalit R Mhalsekar
Partner
Membership Number: 103418
UDIN: 20103418AAAAHU4828



Place: Mumbai
Date: November 02, 2020

GMR POCHANPALLI EXPRESSWAYS LIMITED

CIN - U45200KA2005PLC049327

Statement of assets and liabilities

Particulars	Rupees in Lakhs	
	As at 30-Sep-20 Unaudited	As at 31-Mar-20 Audited
1 ASSETS		
a) Non-current assets		
Property, plant and equipment	48.25	53.10
Right of use Assets	864.57	-
Financial Assets		
Investments	-	-
Loans	0.28	0.31
Other financial assets	14,669.40	17,499.54
Other non-current assets	742.65	0.47
Income tax assets (net)	299.84	299.84
	16,624.99	17,853.26
b) Current assets		
Inventories	20.06	20.28
Financial Assets		
Investments	217.59	1,620.92
Cash and cash equivalents	2,996.66	327.38
Bank balances other than above	1,050.61	1,374.46
Loans	29,061.12	29,315.20
Other financial assets	14,093.74	11,410.02
Other current assets	10,147.70	11,771.10
	57,587.48	55,839.36
TOTAL ASSETS (a+b)	74,212.47	73,692.62
2 EQUITY AND LIABILITIES		
a) Equity		
Equity share capital	13,800.00	13,800.00
Other equity	10,387.08	9,223.16
Total equity	24,187.08	23,023.16
b) Non-current liabilities		
Financial Liabilities		
Long term borrowings	28,202.60	30,735.32
Lease Liability	596.45	-
Provisions	801.31	59.08
Other non-current liabilities	67.51	-
Deferred tax liabilities (net)	-	-
	29,667.87	30,794.40
c) Current liabilities		
Financial Liabilities		
Lease Liability	311.86	-
Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	37.12	20.42
b) Total outstanding dues of creditors other than (a) above	1,943.68	1,214.98
Other financial liabilities	6,918.82	6,229.93
Other current liabilities	787.63	1,051.89
Provisions	9,639.19	10,964.67
Current tax liabilities (net)	719.22	393.17
	20,357.52	19,875.06
TOTAL EQUITY AND LIABILITIES (a+b+c)	74,212.47	73,692.62

Refer note nos. 1 to 10 forming part of unaudited financial results.

For and on behalf of
GMR POCHANPALLI EXPRESSWAYS LIMITED

Arjun
Arun Kumar Sharma
Director
DIN: 02281905
Date : 02.11.2020
Place : New Delhi

Amit Kumar
Amit Kumar
Chief Financial Officer
Membership no. 500164



GMR POCHANPALLI EXPRESSWAYS LIMITED
CIN - U45200KA2005PLC049327

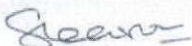
Rupees in Lakhs

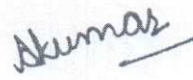
Statement of unaudited financial results for the half year ended September 30, 2020

Sl. No	Particulars	Half year ended		Year ended
		30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Audited
1	Income			
	Income from operations	4,363.94	2,957.47	5,776.85
	Other income	1,868.87	1,525.05	3,158.86
	Total income	6,232.81	4,482.52	8,935.71
2	Expenses			
	(a) Operating expenses	1,640.99	311.94	737.30
	(b) Employee benefits expense	433.44	241.86	470.05
	(c) Finance costs	2,088.94	2,791.00	5,847.02
	(d) Depreciation and amortisation expenses	178.66	5.33	10.46
	(e) Other expenses	393.13	465.76	767.73
	Total expenses	4,735.16	3,815.89	7,832.56
3	Profit/(loss) before tax expense (1-2)	1,497.65	666.63	1,103.15
4	Tax expenses			
	(a) Current tax	310.24	165.43	(78.13)
	(b) Deferred tax	-	-	-
5	Net Profit/ (Loss) for the period after tax (3 ± 4)	1,187.41	501.20	1,181.28
6	Other Comprehensive Income			
	(A) (i) Items that will not be reclassified to profit or loss	(23.49)	(2.49)	(2.16)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
	(B) (i) Items that will be reclassified to profit or loss	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
	Total other comprehensive income, net of tax 6(A)+(B) for the period	(23.49)	(2.49)	(2.16)
7	Total Comprehensive Income for the period (Comprising Profit/ (Loss) for the period (after tax) and Other Comprehensive Income (after tax) (5 ± 6)	1,163.92	498.71	1,179.12
8	Paid-up equity share capital (face value of Rs.10 each)	13,800.00	13,800.00	13,800.00
9	Paid-up Debt Capital (note no.7)	32,351.65	36,768.09	34,586.31
10	Reserves excluding Revaluation Reserves and debenture redemption reserve as per balance sheet of previous accounting year	-	-	(36.28)
11	Debenture redemption reserve (note no. 8)	9,259.44	9,259.44	9,259.44
12	Earnings Per Share (EPS) (of Rs.10 each) (not annualised)			
	i) Basic	0.86	0.36	0.86
	ii) Diluted	0.86	0.36	0.86
13	Debt Equity Ratio (note no. 7)	1.44	1.74	1.60
14	Debt Service Coverage Ratio (note no. 7)	0.87	0.64	0.60
15	Interest Service Coverage Ratio (note no. 7)	2.02	1.40	1.34

Refer note nos. 1 to 10 forming part of unaudited financial results.

For and on behalf of
GMR POCHANPALLI EXPRESSWAYS LIMITED


Arun Kumar Sharma
Director
DIN: 02281905
Date : 02.11.2020
Place : New Delhi


Amit Kumar
Chief Financial Officer
Membership no. 500164



GMR POCHANPALLI EXPRESSWAYS LIMITED

CIN - U45200KA2005PLC049327

Notes to the unaudited financial information for half year ended September 30, 2020

- 1 The unaudited financial results for the half year ended September 30, 2020 has been reviewed and approved by the Audit Committee and approved by the Board of Directors at their meeting conducted on November 02, 2020.
- 2 The unaudited financial results shown above have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 ("the Act") as amended, read with relevant rules issued thereunder and in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended and SEBI Circular No. CIR/IMD/DFI/69/2016 dated August 10, 2016.
- 3 The Company had received a penalty notice from National Highways Authority of India (NHAI) levying a penalty of Rs.1,031 Lakhs for delay in completion of First Periodic Major Maintenance of the Project which was subsequently enhanced by CAG to Rs. 2,300 Lakhs. The penalty levied by NHAI was disputed by the Company and same was referred to Independent Engineer (IE) for amicable resolution as per the provisions of the Concession Agreement (CA).

NHAI had subsequently deducted Rs.1,078.62 Lakhs as penalty and damages while releasing 18th Annuity in March 2018. NHAI has also during the financial year ended 31st March 2020 while remitting the amount of 22nd Annuity has wrongly deducted an amount of Rs. 1,430.48 Lakhs by stating that damages are towards delay in taking up periodical renewal of project highway.

The Company vide its letter dated December 7, 2017 had invoked Arbitration proceedings against NHAI in respect of the dispute on applicability of carrying out major maintenance of the road project once in every five years in the Concession Agreement. Both the Company and NHAI had appointed their Nominee Arbitrators and Indian Council of Arbitration has appointed the Chairman of the Arbitral Tribunal pursuant to the Order of the Hon'ble High Court of Delhi, New Delhi dated November 02, 2018. On 14th January, 2020, the Hon'ble Tribunal had pronounced the award wherein it had not agreed with the contention of the Company that overlay is to be carried out as and when the roughness index exceeds 2000 mm/km and had held that the Company has to carry out overlay irrespective of the condition of the road. In view of the finding, the Tribunal has directed the Company to commence overlay with effect from 1st April, 2020.

The Tribunal has directed NHAI to refund the amount of Rs.1,078.62 Lakhs which was wrongly deducted from the annuity along with interest @12% p.a. from the date of deduction. The Tribunal has also directed NHAI to pay Rs.30.00 Lakhs towards costs of litigation and the entire amount of fee paid to the Arbitrators by the Company on behalf of NHAI. The Company has in the absence of acceptance of claims by NHAI has not recognized the interest and the cost of litigation as recoverable in terms of its accounting policy.

Aggrieved by the findings of the Tribunal, to the limited issue of requirement of overlay upon every 5 years, the Company has filed an application under section 34 of the Arbitration Act, 1996 before Hon'ble High Court of Delhi by challenging the award to the extent of wrong interpretation of clause 4.3.1 of schedule "I" to CA and rejection of claims for reimbursement of cost of overlay incurred by the company which under given circumstance was not required pending disposal of appeal. On July 1, 2020, the Court has stayed the operation of impugned award relating to undertaking of overlay and also stayed the operation of letter dated June 12, 2020 issued by the IE. Now the matter will be finally heard on November 11, 2020, till then the stay granted earlier will continue. The management, based on its understanding of the Order, is of the opinion that there would be no material negative impact on the financial statements for the period considering that the provision for second major maintenance has already been provided for in the books and it would be initiating the same in terms of the arbitral order.

With regard to recognition of interest @ 12% pa on wrongly debited withheld amount of Rs 1078.62 lakh by NHAI and recognition of reimbursement claim of cost of litigation and arbitrator fees paid on behalf of NHAI, the Company has already requested the NHAI to release the payment of Rs 1078.62 Lakh and will recognise the interest income and reimbursement of expense once the same is received thereof.

Subsequent to the Hon'ble Arbitral Tribunal Order, the NHAI withheld an amount of Rs.1,430.48 Lakhs from 22nd Annuity in March 2020 claiming damages towards delay in taking up periodic major maintenance and damages towards non-fulfilment of O&M Obligations and non-curing deficiencies by ignoring the directions of the Tribunal that the same is to be started w.e.f April 01, 2020. NHAI has also directed the company to start major maintenance work as per the Tribunal Order. The Company has served legal notice to NHAI for the recovery of the amount. However NHAI has declined to release the same, the company shall initiate legal action for recovery of the same.

- 4 The Company has recognised and measured right of use assets and corresponding lease liability and other related items in the financial results in terms of Ind AS 116 'Leases' which was notified on March 30, 2019.
- 5 There are numerous interpretative issues till now relating to the Hon'ble Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

Contd.,2

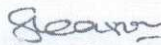


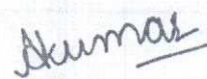
GMR POCHANPALLI EXPRESSWAYS LIMITED
CIN - U45200KA2005PLC049327

Notes to the unaudited financial information for half year ended September 30, 2020

- 6 The outbreak of Coronavirus (Covid-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activities in the country. The Company, however, believes strongly that its offerings to the customer falls in essential services and would not significantly impact its revenue.
- The Company is engaged in development of highways on build, operate and transfer model for which the consideration is received on fixed half-yearly annuity from NHAI. The management hence is of the opinion that there is no impact on the cash inflows and consequently on revenue recognition. The Company proposes to claim compensation if any under Force Majeure to the extent it deems can be claimed when the exact period of the lock down and its impacts considering the lock down are ascertained.
- The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. However, management does not anticipate significant negative impact on operational activities of the Company post lockdown period.
- The Company on the basis of their assessment believes that the probability of the occurrence of their forecasted transactions is not much impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk.
- Further, the Company has also assessed its financial assets and financial liabilities as at September 30, 2020 and based on such assessment, does not expect:
- any impact on its receivables as all receivables are recoverable and does not foresee any bad debts
 - any impact on inter - company loans and deposits receivable from related party as the amounts of principal recovery and interest receivables are backed by Support letter from holding companies.
 - any breach of debt covenants as the Company has enough cash balance and inflows to meet its liabilities towards interest and principal obligation, if any.
 - any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. No changes expected in terms of leases entered with lessors towards properties.
 - any impact on its regular maintenance activities including major maintenance which would be done with the guidance of NHAI.
- Due to the nature of the pandemic and non-availability of necessary vaccine / treatment for its eradication, the Company will continue to be vigilant on various developments / impacts in the future so as to insulate itself from any material adverse impact.
- 7 The management has computed the following ratios based on unaudited financial statements prepared by the management of the Company as per Generally Accepted Accounting Practices in India. Formulae used for computation of ratios are as follows:
- i. Debt / Equity Ratio as per Ind AS Financials : [(Debt means secured debt + interest accrued on secured debt + liability portion of preference shares) / (Equity Share Capital plus other equities including equity component of preference shares)]
 - ii. Debt Service Coverage Ratio (DSCR) : Earnings before Tax + Depreciation + Interest on secured debts / (Interest on secured debts (ie NCDs) + Redemption of NCDs).
 - iii. Interest Service Coverage Ratio (ISCR) : Earnings before Tax + Depreciation + Interest on secured debt / (Interest on secured debts (ie NCDs)).
 - iv. Paid-up debt capital represents outstanding non-convertible debentures issued by the company including accrued interest thereon as at the period end.
- 8 The Company has transferred upto March 31, 2020 Rs.9,259.44 Lakhs which is more than 25% of the value of outstanding Debentures to the Debenture Redemption Reserve (DRR). Further, pursuant to amendment made vide MCA Notification no. GSR 574 (E) dated August 16, 2019, henceforth the company is not required to maintain DRR.
- 9 The Statutory Auditors of the Company have carried out a limited review of the unaudited financial results for the half year ended September 30, 2020.
- 10 Figures relating to previous quarter / year have been regrouped and rearranged, wherever necessary.

For and on behalf of
GMR POCHANPALLI EXPRESSWAYS LIMITED


Arun Kumar Sharma
Director
DIN: 02281905
Date : 02.11.2020
Place : New Delhi


Amit Kumar
Chief Financial Officer
Membership no. 500164

