



31st August, 2016

Bombay Stock Exchange Limited
PJ Towers, Dalal Street,
Mumbai - 400 001.

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Ex Bandra East,
Mumbai – 400 051.

Dear Sir,

**Sub : Un-audited Financial results as per Indian Accounting Standards (IND-AS)
for the quarter ended 30th June, 2016.**

Ref : 1) BSE Scrip Code:532708, NSE Scrip Code: GVKPIL.

2) Regulation 33 & 52 of the SEBI (LODR) Regulations, 2015.

With reference to the subject stated above, we are enclosing herewith the un-audited financial results of our company as per Indian Accounting Standards (IND-AS) for the quarter ended 30th June, 2016 along with a limited review report from the Statutory Auditors of the Company. The said results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on 30th August, 2016 and 31st August, 2016.

The Board Meeting commenced at 10:00 a.m and concluded at 11:50 a.m

Please acknowledge receipt of the above.

Thanks & regards,

For GVK Power & Infrastructure Ltd

**P V Rama Seshu
AVP & Company Secretary**



GVK Power & Infrastructure Limited
Paigah House, 156-159, Sardar Patel Road
Secunderabad 500 003, Telangana, India

T+91 40 2790 2663/64 F+91 40 2790 2665
www.gvk.com
CIN : L74999AP2005PLC059013

ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
HOSPITALITY
LIFE SCIENCES

GVK Power & Infrastructure Limited

CIN: L74999AP2005PLC059013

Registered office: Paigah House, 156-159, Sardar Patel Road, Secunderabad-500 003 (Telangana)

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

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

Statement of unaudited Standalone Financial Results for the quarter ended June 30, 2016

(Rs. Lakhs)

S. No.	Particulars	Quarter ended	
		30.06.2016 (Unaudited)	30.06.2015 (Unaudited) Refer note 2 and 3
Part I			
1	Net sales / income from operations	681	662
2	Expenses		
	(a) Employee benefits expense	57	72
	(b) Depreciation and amortisation expense	3	4
	(c) Operating and maintenance expenses	21	23
	(d) Expenses for manpower services	34	44
	(e) Travel and conveyance	9	9
	(f) Legal and professional charges	13	2
	(g) Rates and taxes	21	24
	(h) Other expenses	66	53
	(i) Fair value loss on financial instruments at fair value through profit or loss	5,451	-
	Total	5,675	231
3	Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	(4,994)	431
4	Other income	1,004	926
5	Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	(3,990)	1,357
6	Finance costs	1,271	1,304
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(5,261)	53
8	Exceptional items	-	-
9	Profit/(Loss) from ordinary activities before tax (7+ 8)	(5,261)	53
10	Tax expense / (credit)	(157)	362
11	Loss from ordinary activities after tax (9-10)	(5,104)	(309)
12	Extraordinary items (net of tax expenses)	-	-
13	Net Loss for the period (11-12)	(5,104)	(309)
14	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792
15	Reserve excluding Revaluation Reserve as per balance sheet		
16 (i)	Earnings per share (before extraordinary items) -(not annualised)		
	a) Basic (in Rs.)	(0.32)	(0.02)
	b) Diluted (in Rs.)	(0.32)	(0.02)
16 (ii)	Earnings per share (after extraordinary items) -(not annualised)		
	a) Basic (in Rs.)	(0.32)	(0.02)
	b) Diluted (in Rs.)	(0.32)	(0.02)

Notes:

1. The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 Companies Act, 2013, read with relevant rules issued thereunder. The date of transition of the Ind AS is April 01, 2015 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly.

2. The above standalone financials results have been reviewed by the audit committee on August 30, 2016 and have been approved by board of directors at its meeting held on August 31, 2016. A limited review of the standalone results for the quarter ended June 30, 2016 have been carried out the Statutory Auditors. The financial results and other information for the quarter ended June 30, 2015 have not been audited or reviewed by the Statutory Auditors. However, the management has exercised necessary due diligence to ensure that the unaudited financial results provide a true and fair view of the Company's affairs.

3. There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending March 31, 2017 due to changes in financial reporting requirements arising from the new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.

4. The reconciliation of Net profit as previously reported (referred to as "Previous GAAP") and Ind AS as under:

Particulars	(Rs. Lakhs)
	Quarter ended June 30, 2015
Net loss under previous GAAP	(714)
Fair value of current investments	2
Unwinding income on financial assets	320
Financial guarantee income	131
Less: Tax expense on IND- AS adjustments	(48)
Net loss for the quarter under IND AS	(309)

5. The Company's operations fall within a single business segment "Investment, Operations, Management & Consultancy" of infrastructure projects and single geographical segment. Hence, disclosures as per Ind AS 108 "Operating Segments" are not required to be made.

6. GVKPIL had made application for waiver of excess managerial remuneration amounting to Rs. 21 lakhs for the year ended March 31, 2013 paid to a director in excess of limits prescribed under Schedule XIII of the Companies Act, 1956. The auditors of the Company have drawn an Emphasis of Matter paragraph in their limited review report for the quarter.

7. The Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 31,753 lakhs (June 30, 2015: Rs.36,412 lakhs) (as per previous GAAP). Management believes that the subsidiary company will be appropriately reimbursed for cancelled coal mine accordingly no provision is required to be made to carrying value of assets. The auditors of the Company have not expressed an opinion on the recoverability of assets together with consequential impact if any, in their limited review report for the quarter.

8. The Company has made investments and has receivables aggregating to Rs. 29,504 lakhs (June 30, 2015: Rs.33,317 lakhs) and provided guarantees and commitments for loans amounting to Rs. 784,334 lakhs (June 30, 2015: Rs.665,601 lakhs) taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) as at June 30, 2016, an entity whose net liabilities exceeds net assets by USD 900 million (Rs. 574,160 lakhs) as at June 30, 2015. The prices of the coal have significantly fallen since GVK coal had acquired stake in the coal mines. GVK Coal has not been able to achieve financial closure resulting in delays in commencement of mine development activity when compared to scheduled date, delays in entering into definitive agreements for port and rail development and agreement for sale of coal. Further, certain lenders of GVK Coal have classified the loan as non-performing and the lenders had abridgement option on the loans either on October 2015 or every year thereafter.

GVK coal is in discussion with non-controlling shareholders to realign the option exercise dates, looking for additional funding from potential investors and working with lenders to reach to optimal solution. Management believes that while the prices of coal have fallen, the fall in prices of other commodities and services would offset the impact of fall in coal prices on the project by reducing capital and operating cost requirements and hence, GVK Coal would be able to establish profitable operations, meet its obligations and its current liabilities being in excess of current assets is temporary in nature and will not impact ability of the GVK Coal to continue in operation in foreseeable future. The management further believes that the aforesaid will not have any material adverse impact upon cash flows of the Company and accordingly no adjustment is required to receivable, investments, share application money and guarantees and commitments. The auditors of the Company have drawn an Emphasis of Matter paragraph in their limited review report for the quarter.

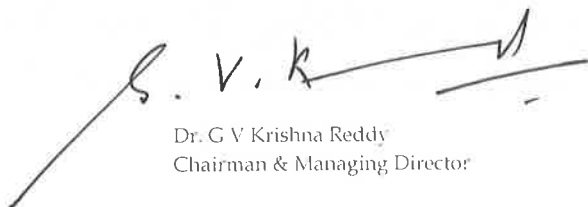
9. Certain subsidiaries of GVK Energy Limited, subsidiary company are facing uncertainties as detailed below:

a) There has been uncertainty regarding supplies/availability of gas to power generating plants and power projects under construction of the Group. Further, subsidiaries engaged in this business have made operational losses of Rs. 8,951 lakhs (June 30, 2015: Rs.5,818 lakhs) in the aforementioned quarters. Further, certain banks have classified loan balances of one of the subsidiary as non-performing assets. The aforesaid subsidiary is in the process of regularization of loans by using proceeds of its disposal of Phase I plant, post which it is planning to tie-up for additional loans and another subsidiary has already obtained moratorium for payments until mid of current year. Further, the Company is confident that Government of India will continue to take necessary steps/initiatives to improve the situation of natural gas for e.g. scheme envisaging supplying of domestic gas to gas based upto the target plant load factor ('PLF'), selected through a reverse e-bidding process and also intervention/sacrifices to be collectively made by all stakeholders. Further, Management based on its rights under power purchase agreement to recover capacity charges and in view of installing alternate fuel equipment and on the basis of aforesaid discussions believes the subsidiary companies will continue to be in operation in foreseeable future despite continued losses. The Management accordingly believes that fixed assets with carrying value of Rs. 195,295 lakhs (June 30, 2015: Rs.208,459 lakhs) (as per previous GAAP) are recoverable in normal course of business.

b) Uncertainty is faced by coal plant with carrying value of Rs. 462,369 lakhs (June 30, 2015: Rs.398,876 lakhs) (as per previous GAAP) of subsidiary company towards supply of fuel. Management has obtained coal linkage for six months, tied up for importing coal and is mulling other options such as, obtaining coal linkage locally and has filed petition with Punjab State Electricity Regulatory Commission (PSERC) for re- negotiation of terms of power purchase agreement such as rate revision, approval for using imported coal etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. PSERC in its interim order has allowed the subsidiary company to run the plant on imported fuel for upto two and half years within which the subsidiary company should make arrangements for coal on long term basis. Management based on internal assessment/legal advise believes that cancellation of coal mine will not impact the operations of the power project and accordingly believes that fixed assets of the subsidiary company are recoverable in the normal course of the business. The auditors of the Company have drawn an Emphasis of Matter paragraph on the carrying value of investments in subsidiary companies amounting to Rs.108,323 lakhs (June 30, 2015: Rs.108,323 lakhs) in their limited review for the quarter.

10. As at June 30, 2016, the Company has accumulated losses and the Company has incurred losses during the quarter and preceding two years. The Company has delayed payment of loans and interest and certain loan accounts have been classified as nonperforming by banks. The Company has provided guarantees and commitments on behalf of various entities and as further detailed in notes 7, 8 and 9 uncertainties are being faced by various projects; such as delays in development of coal mines in an overseas project where Company has provided guarantees and commitments for the borrowings, losses incurred by gas based plants in the absence of gas and litigations on rights to claim capacity charge, cancellation of coal linkage to coal based plant and re-negotiation of terms of PPA of coal based plant. Notwithstanding the above, the financial results of the Company have been prepared on going concern basis as Management believes that the Company would be able to establish profitable operations, 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. Further, the Management is confident that aforesaid entities would win litigations; obtain approvals of regulators; will reach an optimal solution with non-controlling shareholders and lenders; obtain requisite gas/coal allocation etc. as required and despite current macro- economic environment challenges would establish profitable operations. The auditors of the Company have drawn an Emphasis of Matter paragraph in this regard in their limited review report for the quarter.

Place: Hyderabad
Date : August 31, 2016


Dr. G V Krishna Reddy
Chairman & Managing Director

**Review Report to
The Board of Directors
GVK Power & Infrastructure Limited**

1. We have reviewed the accompanying statement of unaudited financial results of GVK Power & Infrastructure Limited ('the Company') for the quarter ended June 30, 2016 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. 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 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 Statement is 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. As discussed more fully in Note 7 to the accompanying financial results, the Hon'ble Supreme Court of India had de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company and Nominated Authority had offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 31,753 lakhs in books of subsidiary. We were not made available appropriate evidence to assess the recoverability of assets together with consequential impact, if any, arising out of the same in these accompanying financial results and accordingly we are unable to comment on the same. Our audit report for the year ended March 31, 2016 was qualified in respect of this matter.
5. We draw attention to:
 - a. Note 10 to the financial results, regarding losses being incurred by the Company, defaults in loan and interest payments and material uncertainties faced by various projects in which the Company had made investments or provided guarantees and commitments. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial results have been prepared on going concern basis for the reasons stated in the said note.
 - b. Note 6 to the financial results, regarding application made by the Company for the waiver of excess managerial remuneration for the year ended March 31, 2013 amounting to Rs. 21 lakhs paid to a director in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956.
 - c. Note 9 to the financial results, material uncertainties are being faced by subsidiaries of GVK Energy Limited, one of the subsidiaries of the Company, in which the Company has an investment of Rs. 108,323 lakhs as detailed below:
 - i. Uncertainty towards supplies/availability of natural gas to gas based power generating plants and power projects under construction of subsidiary companies of subsidiary company, GVK Energy Limited.



S.R. BATLIBOI & ASSOCIATES LLP


Chartered Accountants

- ii. Uncertainty towards availability of fuel and regulatory approvals faced by coal plant under construction of subsidiary company of GVK Energy Limited.
- d. Note 8 to the financial results, the Company has made investments and has receivables aggregating to Rs. 29,504 lakhs and provided guarantees and commitments for loans amounting to Rs. 784,334 lakhs taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) as at June 30, 2016, an entity whose current liabilities exceeds current assets by USD 900 million (Rs. 574,160 lakhs) as at June 30, 2015 and is witnessing material uncertainties. The Management believes that for reasons stated in the note the entity will establish profitable operations and no adjustments are required to aforesaid investments, receivables, guarantees and commitments.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances, notification, legal interpretations and resolution of uncertainty around availability of gas, coal and coal prices, as referred to in the relevant notes to the financial results referred above, accordingly no provision for any liability and/or adjustment that may result has been made in the financial results. Our conclusion is not qualified in respect of the aforesaid matters.

6. Based on our review conducted as above, except for the possible effects of the our observations in para 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants


per Vikas Kumar Pansari
Partner
Membership No.: 093649



Place: Mumbai
Date: August 31, 2016