



14th February, 2017

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 Standalone Financial results as per Indian Accounting Standards (IND-AS) for the quarter and nine months ended 31st December, 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 Standalone financial results of our company as per Indian Accounting Standards (IND-AS) for the quarter and nine months ended 31st December, 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 13th February, 2017 and 14th February, 2017.

The Board Meeting commenced at 11:30 a.m and concluded at 1:10p.m

Please acknowledge receipt of the above.

Thanks & regards,

For GVK Power & Infrastructure Ltd

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



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CIN : L74999AP2005PLC059013

ENERGY
RESOURCES
AIRPORTS
TRANSPORTATION
HOSPITALITY
LIFE SCIENCES

GVK Power & Infrastructure Limited

CIN: L74999AP2005PLC059013

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Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2016

(Rs. in Lakhs)

S. No.	Particulars	Quarter ended (Unaudited)			Nine months ended (Unaudited)	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
1	Net sales / income from operations	712	713	683	2,106	2,036
2	Expenses					
	(a) Employee benefits expense	65	67	69	189	218
	(b) Depreciation and amortisation expense	4	3	4	10	12
	(c) Operating and maintenance expenses	28	29	24	78	74
	(d) Expenses for manpower services	57	35	30	126	119
	(e) Travel and conveyance	10	9	10	28	30
	(f) Legal and professional charges	16	39	5	68	17
	(g) Rates and taxes	19	21	14	61	61
	(h) Printing and stationery	-	41	-	41	39
	(i) Communication costs	3	34	1	40	30
	(j) Other expenses	61	69	69	193	196
	(k) Fair value loss on financial instruments at fair value through profit or loss	139	1,250	538	6,840	1,199
	Total	402	1,597	764	7,674	1,995
3	Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	310	(884)	(81)	(5,568)	41
4	Other income	1,130	1,142	1,009	3,276	2,955
5	Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	1,440	258	928	(2,292)	2,996
6	Finance costs	1,124	1,353	1,249	3,748	3,774
7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	316	(1,095)	(321)	(6,040)	(778)
8	Exceptional items	-	-	-	-	-
9	Profit/(loss) from ordinary activities before tax (7+ 8)	316	(1,095)	(321)	(6,040)	(778)
10	Tax expense/(credit)	387	246	359	476	1,020
11	Loss from ordinary activities after tax (9-10)	(71)	(1,341)	(680)	(6,516)	(1,798)
12	Extraordinary items (net of tax expenses)	-	-	-	-	-
13	Net Loss for the period (11-12)	(71)	(1,341)	(680)	(6,516)	(1,798)
14	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792	15,792	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.)	(0.01)	(0.08)	(0.04)	(0.41)	(0.11)
	b) Diluted (in Rs.)	(0.01)	(0.08)	(0.04)	(0.41)	(0.11)
16 (ii)	Earnings per share (after extraordinary items) -(not annualised)					
	a) Basic (in Rs.)	(0.01)	(0.08)	(0.04)	(0.41)	(0.11)
	b) Diluted (in Rs.)	(0.01)	(0.08)	(0.04)	(0.41)	(0.11)

Notes:

1. The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of the 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. The opening balance sheet as at April 1, 2015 and the results for the subsequent periods would get finalised along with the annual financial statements for the year ended March 31, 2017.

2. The above standalone financials results have been reviewed by the audit committee on February 13, 2017 and have been approved by board of directors at its meeting held on February 14, 2017. A limited review of the standalone results for the quarter and nine months ended December 31, 2016 have been carried out by the Statutory Auditors. The financial results and other information for the quarter and nine months ended December 31, 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. The reconciliation of Net profit/(loss) as previously reported (referred to as "Previous GAAP") and Ind AS is as under:

Particulars	Quarter ended Dec 31, 2015	Nine Months ended Dec 31, 2015
Net loss under previous GAAP	(657)	(2,026)
Fair value gain on current investments	3	15
Unwinding income on financial assets	366	1,031
Fair value loss on investments	(538)	(1,199)
Financial guarantee income including exchange differences	148	402
Less: Tax expense on Ind-AS adjustments	(2)	(21)
Net loss under IND AS	(680)	(1,798)

4. 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.

5. 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. 31,147 lakhs (December 31, 2015: Rs.38,038 lakhs) (as per previous GAAP) based on the unaudited financial statements of the subsidiary company. 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.

6. The Company has made investments and has receivables aggregating to Rs. 29,423 lakhs (December 31, 2015: Rs. 19,445 lakhs) and provided guarantees and commitments for loans amounting to Rs. 788,256 lakhs (December 31, 2015: Rs.716,984 lakhs) taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) as at December 31, 2016, an entity whose current liabilities exceeds current assets by USD 2,118 million (Rs. 1,432,376 lakhs) as at June 30, 2016 based on the unaudited financial statements. 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. The lenders have not yet exercised the option for repayment of the loan.

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.

7. 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 losses of Rs. 9,545 lakhs (December 31, 2015: Rs.6,494 lakhs) (as per previous GAAP) in the aforementioned quarters based on the unaudited financial statements of the subsidiary companies. Further, certain banks have classified loan balances of the subsidiary companies as non-performing assets. The subsidiary companies are in the process of restructuring the loans. 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 plants 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. 188,658 lakhs (December 31, 2015: Rs.202,242 lakhs) (as per previous GAAP) are recoverable in normal course of business.

b) Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 453,363 lakhs (December 31, 2015: Rs.425,534 lakhs) (as per previous GAAP) based on the unaudited financial statements of the 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 (December 31, 2015: Rs.108,323 lakhs) in their limited review report for the quarter.



8. As at December 31, 2016, the Company had accumulated losses and the Company has incurred losses during the 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 5, 6 and 7 uncertainties are being faced by various projects in the Group such as delays in development of coal mines in an overseas project where the 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.

9. 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 : February 14, 2017




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 December 31, 2016 and nine months ended on December 31, 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 5 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. 31,147 lakhs in books of subsidiary. However, 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 limited review report for the previous quarter and our audit report for the year ended March 31, 2016 was also qualified in respect of this matter.
5. We draw attention to:
 - a. Note 8 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. However, these financial results have been prepared on going concern basis for the reasons more fully stated in the said note.
 - b. Note 7 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.
 - ii. Uncertainty towards availability of fuel and regulatory approvals faced by coal plant of subsidiary company of GVK Energy Limited.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- c. Note 6 to the financial results, the Company has made investments and has receivables aggregating to Rs. 29,423 lakhs and provided guarantees and commitments for loans amounting to Rs. 788,256 lakhs taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) as at December 31, 2016, an entity whose current liabilities exceeds current assets by USD 2,118 million (Rs. 1,432,376 lakhs) as at June 30, 2016 based on the unaudited financial statements, 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, and 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.
7. We have neither audited nor reviewed the accompanying financial results and other financial information for the quarter and year to date period ended December 31, 2015, which have been presented solely based on the information compiled by Management.

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants



per Vikas Kumar Pansari
Partner

Membership No.: 093649



Place: Hyderabad

Date: February 14, 2017