

11<sup>th</sup> August, 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: Outcome of Board Meeting.

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

2) Regulation 33 & 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

The Board of Directors of our Company at its meeting held on today i.e. 11-08-2017 had considered and approved the following business:

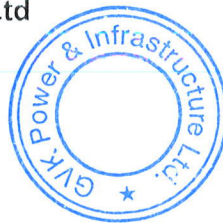
- a) Un-audited Financial Statements of the company for the Quarter ended 30<sup>th</sup> June, 2017 along with Limited Review report of the Auditors thereon.
- b) The 23<sup>rd</sup> Annual general Meeting (AGM) of the Company will be held on Wednesday, 27<sup>th</sup> September, 2017.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from 25<sup>th</sup> September, 2017 to 27<sup>th</sup> September, 2017 (both days inclusive) for the purpose of AGM as per Regulation 42(2) of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015
- d) Subject to the approval of shareholders, the Board of Directors, based on the recommendations of the Audit Committee, have appointed M/s Price Waterhouse Chartered Accountants LLP (Firm Regn No: 101049W) as Statutory Auditors of the Company for a term of five years to hold office from the conclusion of 23<sup>rd</sup> AGM until the conclusion of the 28<sup>th</sup> AGM, in place of M/s S R Batliboi & Associates LLP, Chartered Accountants whose term is completed in terms of Section 139(1) of Companies Act, 2013.

The Board Meeting commenced at 11:00 a.m and concluded at 1:00 p.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

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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, 2017

(Rs. Lakhs)

S. No.	Particulars	Quarter ended		Year ended	
		30.06.2017 (Unaudited)	31.03.2017 (Audited) Note 2	30.06.2016 (Unaudited)	31.03.2017 (Audited)
1	<b>Income</b>				
	Revenue from operations	714	710	681	2,816
2	Other income	1,528	1,875	1,004	5,151
3	<b>Total revenue</b>	<b>2,242</b>	<b>2,585</b>	<b>1,685</b>	<b>7,967</b>
4	<b>Expenses</b>				
	Employee benefit expenses	61	59	57	248
	Other expenses*	136	5,354	164	5,837
	Fair value loss on Investments	118	15,658	5,451	22,498
	Depreciation	3	3	3	13
	Finance costs	844	1,276	1,271	5,176
	<b>Total expenses</b>	<b>1,162</b>	<b>22,350</b>	<b>6,946</b>	<b>33,772</b>
5	<b>Profit/(loss) from ordinary activities but before exceptional items (3-4)</b>	<b>1,080</b>	<b>(19,765)</b>	<b>(5,261)</b>	<b>(25,805)</b>
6	Exceptional items	-	-	-	-
7	<b>Profit/(loss) from ordinary activities (5-6)</b>	<b>1,080</b>	<b>(19,765)</b>	<b>(5,261)</b>	<b>(25,805)</b>
8	Tax expense	403	820	(157)	1,296
9	<b>Profit/(loss) from ordinary activities after tax (7-8)</b>	<b>677</b>	<b>(20,585)</b>	<b>(5,104)</b>	<b>(27,101)</b>
10	Other comprehensive income (net of tax) los	-	(1)	-	(1)
11	<b>Total comprehensive income (after tax) (9+10)</b>	<b>677</b>	<b>(20,586)</b>	<b>(5,104)</b>	<b>(27,102)</b>
12	<b>Paid-up equity share capital (Face value of share: Re 1/- each)</b>	<b>15,792</b>	<b>15,792</b>	<b>15,792</b>	<b>15,792</b>
13	<b>Earnings per share (EPS)</b>				
	Basic (in Rs.)	0.04	(1.30)	(0.32)	(1.72)
	Diluted (in Rs.)	0.04	(1.30)	(0.32)	(1.72)

\*Includes write off of advances amounting to Rs.4,847 lakhs given to Goriganga Hydro Power Private Limited, subsidiary company in the quarter and year ended March 31, 2017

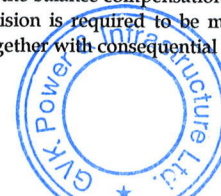
1. The Company has adopted Indian Accounting Standards (Ind AS) from April 01, 2016 prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder. Accordingly, these unaudited standalone financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India.

2. The figures of last quarter for the previous year are the balancing figures between the audited standalone figures in respect of the full financial year ended March 31, 2017 and the unaudited published year-to-date standalone figures up to December 31, 2016.

3. The above standalone financials results have been reviewed by the audit committee on August 10, 2017 and have been approved by board of directors at its meeting held on August 11, 2017.

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 ('GVK Coal'), subsidiary company of a jointly controlled entity, and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 31,110 lakhs (June 30, 2016: Rs. 31,753 lakhs - as per previous GAAP) based on the unaudited financial statements of GVK Coal (March 31, 2017: Rs. 31,115 lakhs). GVK Coal had received order from Hon'ble High Court dated March 09, 2017, based on which it has resubmitted its claim for the balance compensation claim. Management believes that GVK Coal 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 expressed qualified opinion on the recoverability of assets together with consequential impact if any, in their limited review report for the quarter in this regard.



6. a) The Company has made investments and has receivables aggregating to Rs. 59,624 lakhs (June 30, 2016: Rs. 29,504 lakhs; March 31, 2017: Rs. 51,815 lakhs) and provided guarantees and commitments for loans amounting to Rs. 750,942 lakhs (June 30, 2016: Rs. 784,334 lakhs; March 31, 2017: Rs. 752,110 lakhs) taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at June 30, 2017, and has undertaken to provide financial assistance of USD 46 million (Rs.31,104 lakhs) as at June 30, 2016, an entity whose current liabilities exceeds current assets by USD 2,119 million (Rs. 1,432,932 lakhs) as at June 30, 2016 and has incurred losses of USD 122 million (Rs. 83,017 lakhs) for the year ended June 30, 2016, based on the audited financial statements is witnessing material uncertainties. 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 receivables, investments, guarantees and commitments. The auditors of the Company have drawn an Emphasis of Matter paragraph in their limited review report for the quarter in this regard.

b) GVK coal is continued to be assessed as an investment only.

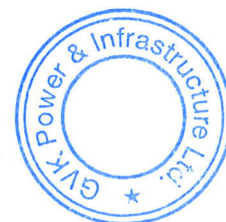
7. Certain subsidiaries and jointly controlled entity (group companies) of GVK Energy Limited ('GVKEL'), a jointly controlled entity are facing uncertainties as detailed below:

a) There has been uncertainty regarding supplies/availability of gas to power generating plants and power projects under construction of the Group. Further, these group companies engaged in this business have made losses of Rs. 9,256 lakhs (June 30, 2016: Rs. 8,951 lakhs - as per previous GAAP) based on the unaudited financial statements of these group companies (Year ended March 31, 2017: Rs. 26,729 lakhs). Further, certain banks have classified loan balances of these group companies as non-performing assets. These group companies are in the process of restructuring the loans. The Company is confident that Government of India will continue to take necessary steps/initiatives to improve the situation of natural gas. 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 that these group 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. 184,313 lakhs (June 30, 2016: Rs. 195,295 lakhs - as per previous GAAP) based on the unaudited financial statements of these group companies (March 31, 2017: Rs. 188,164 lakhs) are recoverable in normal course of business.

b) Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 438,644 lakhs (June 30, 2016: Rs. 462,369 lakhs - as per previous GAAP) based on the unaudited financial statements (March 31, 2017: Rs. 444,129 lakhs) of one of the group companies, towards supply of fuel. Management had 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 group company to run the plant on imported fuel for upto two and half years within which the group company should make arrangements for coal on long term basis. Management based on internal assessment/legal advice believes that cancellation of coal mine will not impact the operations of the power project and accordingly believes that fixed assets of the group company are recoverable in the normal course of the business.

c) One of the subsidiaries of GVKEL, has completed construction of 330MW hydro power project with a carrying value of Rs. 504,391 lakhs as at June 30, 2017 based on the unaudited financial statements of the aforesaid company (March 31, 2017: Rs. 506,768 lakhs). The said Company has filed petitions with Uttar Pradesh Electricity Regulatory Commission ('UPERC') for extension of scheduled commercial operation date ('SCOD') and approval of additional capital cost to be considered for tariff determination. In the interim UPERC has provisionally determined tariff for the financial year 2015-16 and 2016-17 subject to the aforesaid petitions. The said Company had also filed a review petition with UPERC for revising the provisional tariff since it believes that certain components of the provisional tariff were not determined in accordance with the tariff regulations. UPERC in response to the review petition has stated that it will consider certain objections raised by the said Company during determination of final tariff. Further in the current period UPERC has provisionally determined tariff for the financial year 2017-18 subject to the aforesaid petitions. Pending determination of final tariff subsidiary has recorded revenue based on the provisional tariff approved by UPERC. Management based on its internal assessment/legal advice is confident that the aforementioned petitions will be decided in its favour.

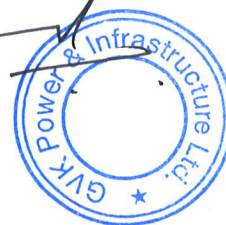
The auditors of the Company have drawn an Emphasis of Matter paragraph on the carrying value of investments in the jointly controlled entity amounting to Rs.108,323 lakhs (June 30, 2016: Rs.108,323 lakhs) (March 31, 2017: Rs.108,323 lakhs) in their limited review report for the quarter in this regard.



8. As at June 30, 2017, 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 and/or has undertaken to provide financial assistance 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 and litigations on determination of tariff of hydro power project. 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 their limited review report for the quarter in this regard.

GVK Power & Infrastructure Limited

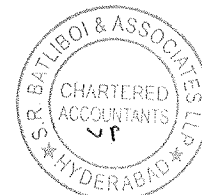
  
Dr. G V Krishna Reddy  
Chairman & Managing Director



Place: Hyderabad  
Date: August 11, 2017

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

1. We have reviewed the accompanying statement of unaudited Ind AS financial results of GVK Power & Infrastructure Limited ('the Company') for the quarter ended June 30, 2017 (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. The preparation of the Statement 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 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 [read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016] is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion 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 Ind AS 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. 31,110 lakhs in books of subsidiary. In the absence of sufficient appropriate audit evidence, we are unable to comment upon recoverability of assets together with consequential impact, if any, arising out of the same in these accompanying Ind AS financial results. Our audit report for the year ended March 31, 2017 was also qualified in respect of this matter.
5. We draw attention to:
  - a. Note 8 to the Ind AS financial results, regarding losses being incurred by the Company in previous years and accumulated losses, defaults in loan and interest payments and material uncertainties faced by various projects in which the Company has made investments, provided guarantees and commitments and/or has undertaken to provide financial assistance. 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 Ind AS financial results have been prepared on going concern basis for the reasons more fully stated in the said note.
  - b. Note 7 to the Ind AS financial results, regarding material uncertainties being faced by subsidiaries and jointly controlled entity of GVK Energy Limited, jointly controlled entity of the Company, in which the Company has an investment of Rs. 108,323 lakhs as detailed below:



# S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- i. Uncertainty towards recovery of capacity charge and supplies/availability of natural gas to gas based power generating plants and power projects under construction of a subsidiary company and a jointly controlled entity of GVK Energy Limited.
  - ii. Uncertainty towards availability of fuel and regulatory approvals faced by coal plant of subsidiary company of GVK Energy Limited.
  - iii. Uncertainty towards determination of final tariff pending disposal of petitions for approval of extension of scheduled commercial operation date, approval of capital cost and other matters of hydro plant of a subsidiary company of GVK Energy Limited.
- c. Note 6 to the Ind AS financial results, the Company has made investments and has receivables aggregating to Rs. 53,019 lakhs and provided guarantees and commitments for loans amounting to Rs. 750,942 lakhs taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at June 30, 2017 and has undertaken to provide financial assistance of USD 46 million (Rs. 31,104 lakhs) as at June 30, 2016, an entity whose current liabilities exceeds current assets by USD 2,119 million (Rs. 1,432,932 lakhs) as at June 30, 2016 and has incurred loss of USD 122 million (Rs. 83,017 lakhs) for the year ended June 30, 2016 based on audited financial statements, is witnessing material uncertainties. The Management believes that for reasons more fully stated in the note, the entity would establish profitable operations and no adjustments is required to aforesaid investments, receivables, guarantees and commitments.

The ultimate outcome of the above matters cannot presently be determined, pending approvals, acceptances, restructuring of loans, obtaining additional funds, notification, legal interpretations, resolution of uncertainty around availability of gas and coal and coal prices, ability to establish profitable operations as referred to in the relevant notes to the Ind AS financial results referred above, accordingly no provision for any liability and/or adjustment that may result has been made in the Ind AS financial results. Our opinion 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, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified 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: HYDERABAD  
Date: August 11, 2017