



14th August, 2018

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 for the quarter ended 30th June, 2018.

**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 for the quarter ended 30th June, 2018 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 August, 2018 and 14th August, 2018.

The Board Meeting commenced at 10:30 a.m and concluded at 12:15 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

CIN: L74999AP2005PLC059013

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Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2018

(Rs. in Lakhs)

S. No.	Particulars	Quarter ended (Unaudited)			Year ended (Audited)
		30.06.2018	31.03.2018 (Refer note 2)	30.06.2017	31.03.2018
1	Income				
	Revenue from operations	313	313	714	1,654
2	Other income	2,071	2,509	1,528	7,560
3	Total revenue	2,384	2,822	2,242	9,214
4	Expenses				
	Employee benefit expenses	9	8	61	91
	Other expenses*	105	(192)	136	360
	Fair value loss on Investments	54	80	118	8,861
	Depreciation	3	4	3	13
	Finance costs	393	210	844	2,361
	Total Expenses	564	110	1,162	11,686
5	Profit/(loss) from ordinary activities but before exceptional items (3-4)	1,820	2,712	1,080	(2,472)
6	Exceptional items	-	-	-	-
7	Profit/(loss) from ordinary activities (5-6)	1,820	2,712	1,080	(2,472)
8	Tax Expense	209	398	403	1,136
9	Profit/(loss) from ordinary activities after tax (7-8)	1,611	2,314	677	(3,608)
10	Other comprehensive income (net of tax)	-	-	-	-
11	Total comprehensive income (after tax) (9+10)	1,611	2,314	677	(3,608)
12	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792	15,792	15,792
13	Earnings per share				
	a) Basic (in Rs.)	0.10	0.15	0.04	(0.23)
	b) Diluted (in Rs.)	0.10	0.15	0.04	(0.23)

* During the last quarter of the previous year, management based on its assessment has reversed certain provisions pertaining to earlier years.

Notes:

1. The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 Companies Act, 2013, read with relevant rules issued thereunder. Accordingly, the unaudited standalone financials results for all the period 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.

The format of unaudited quarterly results as prescribed in SEBI's Circular No. CIR / CFD / CMD / 15 / 2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's Circular dated July 5, 2016, Ind AS Schedule III to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.

2. The figures of last quarter for the previous year are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2018 and the unaudited published year to date figures upto December 31, 2017.

3. 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.



4. The above financial results have been reviewed by the Audit Committee at their meeting held on August 13, 2018 and have been approved by Board of Directors at their meeting held on August 14, 2018.

5. The company has an investment in GVK Coal Developers (Singapore) Pte. Limited (GVK Coal) which is assessed as an associate to the Company. The Company exercises significant influence on GVK Coal as per Ind AS 28.

The Company has made investments and has receivables aggregating to Rs. 70,940 lakhs (June 30, 2017: Rs. 59,624 lakhs) and provided guarantees and commitments for loans amounting Rs. 777,920 lakhs (June 30, 2017: Rs. 750,942 lakhs) taken by GVK Coal as at June 30, 2018, and has undertaken to provide financial assistance of USD 7.63 million (Rs. 5,232 lakhs) as at June 30, 2018, an entity whose current liabilities exceeds current assets by USD 2,151 million (Rs. 1,398,927 lakhs) as at March 31, 2018 and has incurred losses of USD 77 million (Rs. 50,189 lakhs) for the year ended March 31, 2018, based on the unaudited financial statements is witnessing material uncertainties. The prices of the coal have 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 an option to curtail the rights of the company on various assets either on October 2015 or every year thereafter. The lenders have not yet exercised this option.

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 ultimately establish profitable operations, meet its obligations and its current liabilities being in excess of current assets is temporary in nature. The coal prices have also shown an increasing trend in the recent past. The management further believes that even though there are material uncertainties in the short to medium term around achieving appropriate solutions with lenders, non-controlling shareholders and on funding the project, considering the prospects in the long term, presently no adjustment is required to receivables and investments, and the Company considers the same as fully recoverable once the operations are established. Further, the management believes that considering the active discussions with the lenders, it is not probable that guarantees and commitments will be invoked. In the unlikely situation that the guarantees and commitments were to be invoked, the company will be required to arrange cash flows to service the guarantees and commitments. Such outflow which will be accompanied by acquisition of additional interest in the assets of the GVK coal and hence it is unlikely to have any significant adverse impact on the statement of unaudited financial results.

6. Certain subsidiaries and a 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 plants of GVK Industries Limited (GVKIL), subsidiary company, and GVK Gautami Power Limited (GVKGPL), jointly controlled entity. These group companies have made losses of Rs. 9,656 lakhs (June 30, 2017: Rs. 9,256 lakhs) based on the unaudited financial statements. The lenders have classified the loan balances of these group companies as non-performing assets. The Company is confident that Government of India will take necessary steps/initiatives to improve the situation of natural gas. However in the interim these group companies are working with the lenders for one time settlement proposal wherein the loans would be settled at the value of the plant to be realised on its sale to APDISCOM. Further, Management, based on its rights under power purchase agreement to recover capacity charges 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 or will be able to amicably settle the loan liability as part of one time settlement proposal. The Management accordingly believes that no provision for diminution is required towards carrying value of fixed assets aggregating to Rs. 170,506 lakhs (June 30, 2017: Rs. 184,313 lakhs) based on the unaudited financial statements of these group companies.

b) Uncertainty is faced by coal plant of GVK Power (Goindwal Sahib) Limited ('GVKPGSL'), subsidiary company, towards supply of fuel consequent to de-allocation of coal mine. Management 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, approval for completed capital cost, etc. claiming force majeure and change in law as envisaged under Power Purchase Agreement. Pending determination of final tariff, PSERC in its interim order has allowed the subsidiary company to run the plant on imported fuel for up to two and half years within which GVKPGSL should make arrangements for coal on long term basis. In the interim Punjab State Power Corporation Limited ('PSPCL') has made certain deductions while approving the revenue claimed by GVKPGSL pursuant to the aforesaid interim order. GVKPGSL has also filed petitions with PSERC for the aforesaid deductions made by PSPCL.

In February' 2018, GVKPGSL has obtained long term coal linkage through Scheme for Harnessing and Allocating Koyala Transparently in India (SHAKTI scheme) for significant part of its capacity. Further in March'2018, PSERC has approved a provisional fixed charges of Rs 2.20 per unit till the final capital cost is determined.



GVKPGSL was unable to run the plant at optimal capacity during financial year 2016-17 and 2017-18 primarily on account of low availability of fuel and hence defaulted on repayment of dues to lenders. Consequently the lenders have classified the loan balances of GVKPGSL as non-performing assets. GVKPGSL is currently working with lenders towards the resolution plan as required by the RBI notification dated February 12, 2018 on resolution of stressed assets. If a resolution plan is not implemented as per the timelines specified in the aforesaid notification, lenders shall file insolvency application, singly or jointly, under the Insolvency and Bankruptcy Code 2016 within 15 days from the expiry of the said timeline.

Management based on internal assessment/legal advice believes that the aforementioned petitions will be decided in its favor and hence cancellation of coal mine will not impact the operations of the power project and it is also confident of receiving approval from the lenders for resolution plan and also implementing the same within the specified timelines. Accordingly, management is of the view that no provision is required to be made to non-current assets with carrying value of Rs. 404,292 lakhs (June 30, 2017: Rs. 438,644 lakhs) based on the unaudited financial statements.

c) The Hon'ble Supreme Court of India has deallocated coal mine allocated to GVK Coal (Tokisud) Company Private Limited ('GVKCTPL'), subsidiary company, and Nominated Authority had offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 31,113 lakhs as at March 31, 2017. GVKCTPL had appealed against the said order in the Hon'ble High Court of Delhi. The aforesaid court vide its order dated March 09, 2017, directed GVKCTPL to submit its claim to the adjudicating authority constituted under the Coal Mines (Special Provisions) Act, 2015 and subsequently GVKCTPL submitted its claim for the balance compensation claim of Rs. 19,882 lakhs to the aforesaid authority. Management believes that GVKCTPL will be appropriately reimbursed for cancelled coal mine and accordingly no provision is required to be made to the carrying value of assets.

d) Trade receivables of GVKIL, include accruals towards reimbursement of fixed charges for the financial year 1997-1998 to 2000-2001, on increased capital cost worked out as per ratios set out in the PPA aggregating to Rs. 3,597 lakhs by GVKIL, disincentive recoverable aggregating to Rs. 2,409 lakhs, minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2000-2001 upto the financial year 2010-2011, aggregating to Rs. 3,119 lakhs and other receivables of Rs. 60 lakhs which are being refuted by AP Transco subject to approvals.

The company based on the above assessments believes that it is appropriate to recognize investments and loans and advances given to GVK Energy Limited aggregating to Rs. 113,041 lakhs in standalone financial results at carrying value and no provision for diminution for such investments and loans is necessary and also no provision is required for corporate guarantees given by the company amounting to Rs. 4,500 lakhs as at June 30, 2018. The auditors of the Company have expressed qualified opinion on the recoverability of investments in and loans and advances together with consequential impact if any, in their limited review report for the quarter in this regard.

7. As at June 30, 2018, the Company had accumulated losses and the Company has incurred losses during the preceding years. The Company has delayed payment of loans and interest and certain loan accounts have been classified as non-performing 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 and 6 (refer to notes on GVK Coal Developers (Singapore) Pte Limited and GVK Energy Limited) uncertainties are being faced by various projects 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, re-negotiation of terms of PPA of coal based plant. These factors may indicate significant doubt on going concern. 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 ultimately 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 despite current macro-economic environment challenges. Also, the Company's subsidiaries i.e., Mumbai International Airport Private Limited and GVK Jaipur Expressway Private Limited are operating satisfactorily. The Company through its subsidiary has also won the bid for Navi Mumbai International Airport and has also achieved financial closure.

8. A proposed scheme of arrangement for amalgamation of GVK Airport Developers Limited (GVKADL) (a wholly owned subsidiary) with Bangalore Airport & Infrastructure Developers Limited (BAIDL) (a wholly owned subsidiary of GVKADL) has been filed with Registrar of Companies, Telangana and Andhra Pradesh for its comments on February 07, 2018. The proposed scheme after considering the ROC's comments shall be considered for filing with Regional Director for approval.

9. The Ministry of Corporate Affairs (MCA) on 28th March 2018 notified Ind AS 115 "Revenue from contracts with customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new Standard is effective for reporting periods beginning on or after 1st April 2018. The adoption of the standard did not have any material impact to the financial results of the company.

10. 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 : August 14, 2018

GVK Power & Infrastructure Limited

P V Prasanna Reddy
P V Prasanna Reddy
Whole-time Director



Price Waterhouse Chartered Accountants LLP

The Board of Directors
GVK Power & Infrastructure Limited,
"Paigah House" 156-159,
Sardar Patel Road,
Secunderabad - 500 003

1. We have reviewed the unaudited financial results of GVK Power & Infrastructure Limited (the "Company") for the quarter ended June 30, 2018 which are included in the accompanying Statement of unaudited standalone financial results for the quarter ended June 30, 2018 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The 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.
2. 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 Statement is free of material misstatement.
3. 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. We draw your attention to note 6 of the Statement with regard to multiple material uncertainties being faced by certain subsidiaries and a jointly controlled entity of GVK Energy Limited, a jointly controlled entity of the company, in relation to non-availability of fuel, outstanding application for increasing tariff including on account of approval of additional capital cost, unconcluded discussions/applications in relation to one time settlement proposals, unconcluded discussions on resolution plan, compensation in relation to deallocated coal mine etc. Pending resolutions of these uncertainties we are unable to comment on the extent of eventual recoverability of the investment in and loans to such jointly controlled entity aggregating to Rs. 113,041 lakhs and the provisions if any, required for the corporate guarantees given to the jointly controlled entity amounting to Rs. 4,500 lakhs. The impact of adjustments, if any, on the Standalone financial results is presently not ascertainable.
5. We draw your attention to:
 - a. note 5 to the Statement, regarding material uncertainties being faced by GVK Coal Developers (Singapore) Pte. Limited, an associate company in which the Company has investments and has receivables aggregating to Rs. 70,940 lakhs and to whom it has provided guarantees and commitments for loans aggregating to Rs. 777,920 lakhs and has undertaken to provide financial assistance of USD 7.63 million (Rs. 5,232 lakhs) as at June 30, 2018.
 - b. Note 7 to the Statement, regarding losses being incurred by the Company and significant accumulated losses as at June 30, 2018, defaults in repayment of 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 material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the standalone financial results has been prepared on going concern basis for the reasons stated in the said note.

Our opinion is not qualified in respect of the above matters.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no. L1PIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754NIN/500016 (ICAI registration number before conversion was 012754N).

6. Based on our review conducted as above, except for the indeterminate effects of the matter referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. The financial results of the Company for the quarter ended June 30, 2017 were reviewed by another firm of chartered accountants who issued their modified conclusion, vide their report dated August 11, 2017.

Our conclusion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



N.K. Varadarajan
Partner
Membership Number: 90196

Place: Hyderabad
Date: August 14, 2018