



24th May, 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. 24-05-2017 had considered and approved the following business:

- a) Audited Financial Statements of the company (Standalone and Consolidated) for the year ended 31st March, 2017 along with Auditor's report thereon.
- b) Opinion on the said financial statements duly signed by the concerned officers in the prescribed Form A & B.
- c) Statement of Assets & Liabilities as at 31st March, 2017 in the format specified under SEBI (LODR) Regulations, 2015

The Board Meeting commenced at 10:00 a.m and concluded at 5:15 p.m

Please acknowledge receipt of the above.

Thanks & regards,

For GVK Power & Infrastructure Ltd

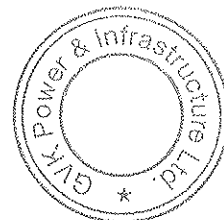
P V Rama Seshu
AVP & Company Secretary



GVK Power & Infrastructure Limited
CIN: L74999AP2005PLC059013
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 audited standalone financial results for the quarter and year ended March 31, 2017

S. No.	Particulars	Quarter ended			Year ended	
		31.03.2017 (Audited) (refer note 5)	31.12.2016 (Unaudited)	31.03.2016 (Audited) (refer note 5)	31.03.2017 (Audited)	31.03.2016 (Audited)
1	Revenue from operations	710	712	682	2,816	2,718
2	Other income	1,875	1,130	1,043	5,151	3,998
3	Total Income	2,585	1,842	1,725	7,967	6,716
4	Expenses					
	(a) Employee benefit expenses	59	65	51	248	269
	(b) Other expenses*	5,354	146	10,275	5,837	10,706
	(c) Fair value loss on investment	15,658	139	222	22,498	1,421
	(d) Depreciation	3	4	4	13	16
	(e) Finance costs	1,276	1,172	1,412	5,176	5,321
	Total expenses	22,350	1,526	11,964	33,772	17,733
5	Profit/(Loss) from ordinary activities but before exceptional items (3-4)	(19,765)	316	(10,239)	(25,805)	(11,017)
6	Exceptional items	-	-	-	-	-
7	Profit/(Loss) from ordinary activities (5-6)	(19,765)	316	(10,239)	(25,805)	(11,017)
8	Tax expense	820	387	320	1,296	1,340
9	Net loss from ordinary activities after tax (7-8)	(20,585)	(71)	(10,559)	(27,101)	(12,357)
10	Other comprehensive income (net of tax) loss	(1)	-	-	(1)	-
11	Total comprehensive income (after tax) (9+10)	(20,586)	(71)	(10,559)	(27,102)	(12,357)
12	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792	15,792	15,792	15,792
13	Earnings per share (EPS)					
	Basic (in Rs.)	(1.30)	(0.01)	(0.67)	(1.72)	(0.78)
	Diluted (in Rs.)	(1.30)	(0.01)	(0.67)	(1.72)	(0.78)

*Includes write off of investments and advances amounting to Rs.4,847 lakhs and Rs.10,161 lakhs in Goriganga Hydro Power Private Limited and GVK Oil & Gas Limited respectively, in subsidiary companies, in year ended March 31, 2017 and in year ended March 31, 2016.

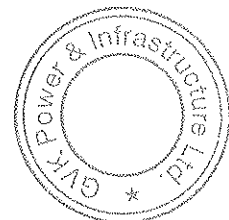


GVK Power & Infrastructure Limited

Standalone statement of assets and liabilities

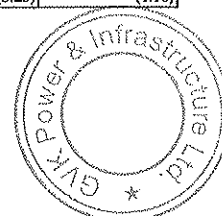
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

S.No.	Particulars	As at Year ended 31.03.2017 (Audited)	As at Year ended 31.03.2016 (Audited)
	Assets		
I)	Non-current assets		
	Property, plant and equipment	48	63
	Financial assets		
	Investments	214,365	189,283
	Loans	5	672
	Others	4,469	25,605
	Non Current tax assets (net)	302	302
	Other non-current assets	25	13
		219,214	215,938
II)	Current assets		
	Financial assets		
	Investments	872	105
	Trade receivables	916	732
	Cash and cash equivalents	16	89
	Loans	3,357	34,007
	Other financial assets	1,528	1,904
	Other current assets	65	14
		6,754	36,851
	Total	225,968	252,789
	Equity and Liabilities		
I)	Equity		
	Equity share capital	15,792	15,792
	Retained earnings	(55,137)	(28,036)
	Other equity	216,062	216,063
		176,717	203,819
	Liabilities		
II)	Non-current liabilities		
	Financial liabilities		
	Borrowings	-	13,951
	Unearned financial guarantee income	5,574	7,846
		5,574	21,797
III)	Current liabilities		
	Financial liabilities		
	Borrowings	8,620	-
	Trade payables		
	• Total outstanding dues of micro enterprises and small enterprises	-	-
	• Total outstanding dues of creditors other than micro enterprises and small enterprises	433	293
	Other financial liabilities	30,890	25,347
	Other current liabilities	28	10
	Provisions	23	15
	Current tax liabilities	3,683	1,508
		43,677	27,173
	Total	225,968	252,789



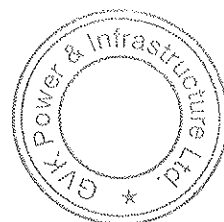
GVK Power & Infrastructure Limited
Statement of audited consolidated financial results for the year ended March 31, 2017

S. No.	Particulars	Year ended	
		31.03.2017 (Audited)	31.03.2016 (Audited)
1	Revenue from operations	351,647	320,687
2	Other income (refer note 8 and 10)	53,266	51,002
3	Total Income	404,913	371,689
4	Expenses		
	(a) Employee benefit expenses	20,119	16,439
	(b) Annual fee to Airport Authority of India	118,770	106,606
	(c) Finance costs	189,037	165,076
	(d) Depreciation and amortisation	66,867	54,896
	(e) Fair value loss on investment	22,498	1,421
	(f) Other expenses	74,628	79,088
	Total expenses	491,919	423,526
5	Loss from ordinary activities but before exceptional items (3-4)	(87,006)	(51,837)
6	Exceptional items	-	-
7	Loss from ordinary activities (5-6)	(87,006)	(51,837)
8	Add: Share of profit/(loss) from associate/jointly controlled entity		
	Share of profit of associate	23,464	18,206
	Share of loss of jointly controlled entity	(65,094)	(27,094)
		(41,630)	(8,888)
9	Loss before tax (7+8)	(128,636)	(60,725)
10	Tax expense		
	Current tax	17,144	6,650
	Deferred tax (credit)/charge	(11,417)	1,344
		5,727	7,994
11	Loss for the year	(134,363)	(68,719)
12	Other comprehensive income		
	A Items that will not be reclassified subsequently to profit or loss		
	(a) Remeasurements of the defined benefit plans	(169)	(33)
	(b) Share of OCI from Associate and jointly controlled entity	(40)	(12)
	(c) Income tax relating to items that will not be reclassified to profit or loss	56	-
	B Items that may be reclassified to profit or loss		
	(a) Exchange differences in translating the financial statements of foreign operations	(125)	190
	(b) Share of OCI from Associate and jointly controlled entity	(8)	(21)
	Total other comprehensive (expense)/income	(287)	124
12	Total comprehensive income for the year		
13	Profit for the year attributable to:		
	- Owners of the Company	(130,228)	(64,680)
	- Non controlling interests	(4,135)	(4,039)
		(134,363)	(68,719)
14	Other comprehensive income for the year attributable to:		
	- Owners of the Company	(287)	124
	- Non controlling interests	-	-
		(287)	124
15	Total comprehensive income for the year attributable to:		
	- Owners of the Company	(130,515)	(64,556)
	- Non controlling interests	(4,135)	(4,039)
		(134,650)	(68,595)
16	Paid-up equity share capital (Face value of share: Re 1/- each)	15,792	15,792
	Earnings per share (EPS)		
	Basic (in Rs.)	(8.25)	(4.10)
	Diluted (in Rs.)	(8.25)	(4.10)



GVK Power & Infrastructure Limited
Consolidated statement of assets and liabilities
(All amounts are in Indian Rupees Lakhs except for share data or otherwise stated)

S.No.	Particulars	As at Year ended 31.03.2017 (Audited)	As at Year ended 31.03.2016 (Audited)
	Assets		
I)	Non-current assets		
	Property, plant and equipment	1,071,239	1,102,211
	Capital work-in-progress	83,261	91,547
	Goodwill	112,237	112,237
	Other intangible assets	221,283	228,854
	Intangible assets under development	59,354	53,030
	Investment Property	11,649	11,649
	Financial assets		
	Investments	165,831	360,809
	Loans	5	6
	Trade receivables	33	-
	Other financial assets (carried at amortised cost)	19,955	6,922
	Deferred tax assets (net)	12,386	10,465
	Tax assets	25,114	14,672
	Other non-current assets	82,008	82,094
		1,864,355	2,074,496
II)	Current Assets		
	Inventories	1,069	904
	Financial assets		
	Investments	9,875	1,988
	Trade receivables	44,385	44,410
	Cash and cash equivalents	85,126	79,845
	Other bank balances	17,657	10,771
	Loans	10,770	2,480
	Other financial assets (carried at amortised cost)	16,609	16,608
	Current tax assets	880	379
	Other current assets	12,397	7,129
	Assets held for sale	-	957
	Total	198,768	165,471
	Grand Total	2,063,123	2,239,967
	Equity and Liabilities		
I)	Equity		
	Equity share capital	15,792	15,792
	Other equity	(45,475)	84,328
		(29,683)	100,120
II)	Non-controlling interests	140,564	100,520
	Total Equity	110,881	200,640
III)	Non-current liabilities		
	Financial Liabilities		
	Borrowings	1,051,151	1,259,157
	Other financial liabilities	108,460	129,743
	Provisions	1,344	1,089
	Deferred tax liabilities, net	14,560	24,107
	Other non-current liabilities	79,829	69,723
	Total	1,255,344	1,483,819
IV)	Current liabilities		
	Financial liabilities		
	Borrowings	238,588	287,338
	Trade payables	27,766	22,675
	Other financial liabilities	376,049	196,869
	Provisions	2,805	2,474
	Current tax liabilities, net	9,378	7,954
	Other current liabilities	42,312	38,198
	Total	696,898	555,508
	Grand Total	2,063,123	2,239,967

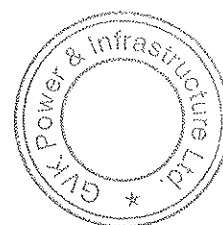


Notes:

1. The Company carries its businesses in business segments viz., Power, Roads, Airports and others through various subsidiaries, associates and jointly controlled entities, being special purpose vehicles exclusively formed to build and operate various infrastructure projects. The consolidated results published above present the full revenues and expenses of the Company, its subsidiaries, share of profits of associates and jointly controlled entities (collectively "the Group"). Investors can view the standalone results of the Company on the Company's website www.gvk.com or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
2. The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued thereunder from April 01, 2016. The date of transition of the Ind AS is April 01, 2015 and accordingly these financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of 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.
3. The above published consolidated results have been prepared in accordance with principles and procedures as set out in the IND-AS 110 on "Consolidated financial statements" and IND - AS 28 on "Investment in associate and joint venture" notified under Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
4. Financial results of GVK Power & Infrastructure Limited (Standalone Information):

Particulars	Quarter ended			Year ended	
	31.03.2017 (Audited) (refer note 5)	31.12.2016 (Unaudited)	31.03.2016 (Audited) (refer note 5)	31.03.2017 (Audited)	31.03.2016 (Audited)
Revenues	710	712	682	2,816	2,718
Loss before tax	(19,765)	316	(10,239)	(25,805)	(11,017)
Loss after tax	(20,585)	(71)	(10,559)	(27,101)	(12,357)

5. The standalone figure of the last quarter for the current year and previous year are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2017 and March 31, 2016 and the unaudited published year-to-date figures up to December 31, 2016 and December 31, 2015. Standalone results for the nine months ended December 31, 2016 have been subjected to the limited review by the statutory auditors, but the financial results and other information for 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 affair.

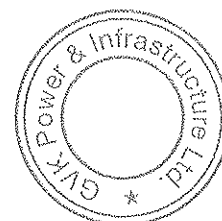


6. The reconciliation of net profit/(loss) as previously reported (referred to as "Previous GAAP") and Ind AS is as under:

Particulars	Standalone		Consolidated
	Quarter ended March 31, 2016	Year ended March 31, 2016	Year ended March 31, 2016
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Net loss under previous GAAP	(10,935)	(12,961)	(93,418)
Fair value gain/(loss) on current investments	(5)	10	113
Fair value loss on investments	(222)	(1,421)	(1,421)
Financial guarantee income/(expense) including exchange differences and unwinding income on financial assets	507	1,940	1,118
Fair value changes on financial assets	75	75	(676)
Gain on deemed dilution of GVK Energy Limited			34,964
Interest expense on NHAI premium payable			(941)
Depreciation/amortisation on adjustments to property, plant and equipment/intangible assets			(1,461)
Present value change on major maintenance provision			829
Others	21		(301)
Deferred tax on Ind AS adjustments			(3,553)
Net loss under IND AS	(10,559)	(12,357)	(64,747)

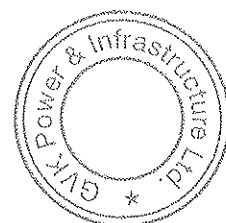
7. Reconciliation of equity as previously reported under Previous GAAP to Ind AS:

Particulars	Standalone	Consolidated
	Year ended March 31, 2016	Year ended March 31, 2016
	Rs. In Lakhs	Rs. In Lakhs
Equity reported under Previous GAAP as on March 31, 2016	221,901	135,604
Adjustments:		
Fair value gain/(loss) on current investments	10	355
Fair value loss on investments	(16,520)	(16,520)
Financial guarantee income/(expense) including exchange differences and unwinding income on financial assets	(240)	(2,470)
Fair value changes on financial assets	(1,332)	(710)
Deferred tax on Ind AS adjustments		(7,145)
Equity pick up on Ind AS adjustments of jointly controlled entities and associate		(7,079)
Grant adjusted against intangible asset		3,590
Consolidation of welfare trust		(4,789)
Depreciation/amortisation on adjustments to property, plant and equipment/intangible assets		(1,253)
Interest expense on NHAI premium payable		(941)
Present value change on major maintenance provision		829
Others		649
Equity reported under Ind AS as on March 31, 2016	203,819	100,120



8. During the year, the Group has divested 33% of its stake in Bangalore International Airport Limited ('BIAL'), an associate company, to Fairfax India Holdings Corporation ('Fairfax') for an aggregate amount of Rs 220,200 lakhs and accordingly accounted for profit amounting to Rs. 36,619 lakhs. The Group's stake in BIAL has come down to 10% on divestment of the aforesaid stake. However pursuant to agreement with Fairfax the Group has power to appoint two directors on the board of BIAL one of whom shall be a Managing Director. Thereby Management believes, it continues to have significant influence over BIAL even after stake sale and hence it is treated as an associate under IND - AS 28 "Investment in associate and joint venture".
9. The Group has sold assets in GVK Industries Limited ('GVKIL'), a subsidiary company of GVK Energy Limited ('GVKEL'), a jointly controlled entity, for a value of Rs. 26,127 lakhs to AP Transco on exercise of buyout option as per power purchase agreement. During the year, the Group has recorded profit of Rs. 9,743 lakhs on such sale.
10. The Group's stake in GVKEL had come down in the previous year from 73.94% to 62.80% on conversion of securities into equity shares. On such deemed dilution the Group has recorded a gain of Rs. 34,964 lakhs in the above results for the year ended March 31, 2016. Based on the rights available to the investors, the Management has considered GVKEL as jointly controlled entity under IND - AS 28 "Investment in associate and joint venture".
11. The Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, 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. 31,115 lakhs (March 31, 2016: Rs. 34,668 lakhs). The Company has received order from Hon'ble High Court dated March 09, 2017, based on which the Company has resubmitted its claim for the balance compensation claim. Management believes that the aforesaid 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 expressed qualified opinion on the recoverability of assets together with consequential impact if any, in their audit report on the consolidated and standalone Ind AS financial statements in this regard.
12. a) The Company has made investments and has receivables aggregating to Rs. 51,815 lakhs (March 31, 2016: Rs. 20,157) and provided guarantees and commitments for loans amounting to Rs. 752,110 (March 31, 2016: Rs. 769,444) taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at March 31, 2017, and has undertaken to provide financial assistance of USD 460 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 unaudited 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 audit report on the standalone and consolidated Ind AS financial statements in this regard.



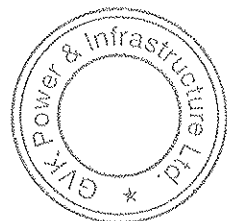
b) GVK coal is continued to be assessed as an investment only.

13. 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. 26,729 lakhs (March 31, 2016: Rs.26,158 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. 188,164 lakhs (March 31, 2016: Rs.209,798 lakhs) are recoverable in normal course of business.
- b. Uncertainty is faced by coal plant with carrying value of non-current assets of Rs. 444,129 lakhs (March 31, 2016: Rs.463,295 lakhs) of one of the group companies, 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 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.506,768 lakhs as at March 31, 2017 (March 31, 2016: Rs. 529,882 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 2014-15 and 2015-16 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. 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 (March 31, 2016: Rs.108,323 lakhs) in their audit report on the consolidated and the standalone Ind AS financial statements in this regard.

14. Trade receivable of GVKIL, a subsidiary company of a jointly controlled entity, 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. 3,212 lakhs (March 31, 2016: Rs. 2,868 lakhs) by GVKIL, disincentive recoverable aggregating to Rs. 2,151 lakhs (March 31, 2016: Rs. 1,921 lakhs), minimum alternate tax under the provisions of Income Tax Act, 1961 for the period commencing from the financial year 2000-2001 up to the financial year 2010-2011, aggregating to Rs. 2,945 lakhs (March 31, 2016: Rs. 2,790 lakhs) and other receivables of Rs. 54 lakhs (March 31, 2016: Rs. 48 lakhs) which are being



refuted by AP Transco/subject to approvals. The auditors of the Company have drawn an emphasis of matter paragraph in their audit report on the consolidated Ind AS financial statements in this regard.

15. As at March 31, 2017, the Group/Company had accumulated losses and the Group/Company has incurred losses during the preceding two years and the current year. 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 11, 12, 13 and 14 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 their audit report on the standalone and consolidated Ind AS financial statements in this regard.
16. BIAL, the associate company in the financial year 2013-14, accounted for depreciation as per its accounting policy which was in accordance with the requirements of Schedule XIV of the Companies Act, 1956. The revised useful lives of property, plant and equipment was effective from April 01, 2014 and was in accordance with Part C of Schedule II of the Act. During the financial year 2014-15, the Airport Economic Regulatory Authority ('AERA') in its Order No. 08/2014-15 dated June 10, 2014 issued to the associate company has stated that it has initiated the process to issue a notification on the useful lives for airport specific assets based on the guidance provided in Part B of Schedule II of the Act. We have been informed by the Management that pending notification of such useful lives of property, plant and equipment by AERA, the associate company would continue to follow the useful lives of property, plant and equipment as per the existing accounting policy. Pending the aforesaid notification from AERA, any impact on the depreciation, book value of property, plant and equipment and the consequential impact on profit for the year, reserves and surplus as at March 31, 2017 and taxes including deferred taxes of the associate company is currently not ascertainable. The auditors of the Company have drawn an Emphasis of Matter paragraph in their audit report on the consolidated Ind AS financial statements in this regard.
17. The above financial results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on May 24, 2017.

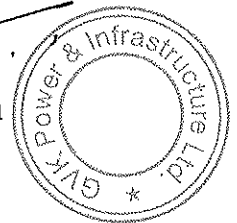
Place: Hyderabad

Date: May 24, 2017

G. V. K.
GVK Power & Infrastructure Limited

Dr. G V Krishna Reddy

Chairman & Managing Director



Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**To****Board of Directors of****GVK Power & Infrastructure Limited**

1. We have audited the accompanying statement of quarterly standalone Ind AS financial results of GVK Power & Infrastructure Limited ('the Company') for the quarter ended March 31, 2017 and for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement 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. The quarterly standalone Ind AS financial results are the derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016 being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone Ind AS financial results for the quarter ended March 31, 2017 and year ended March 31, 2017 have been prepared on the basis of the standalone Ind AS financial results for the nine-month period ended December 31, 2016, the audited annual standalone Ind-AS financial statements as at and for the year ended March 31, 2017, and the relevant 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, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone Ind AS financial results based on our review of the standalone Ind AS financial results for the nine-month period ended December 31, 2016 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2017; and the relevant 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. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. As discussed more fully in Note 11 to the accompanying Ind AS financial results, the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company of GVK Energy Limited, jointly controlled entity of the Company and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against the carrying value of assets of Rs. 31,115 lakhs in books of GVK Coal (Tokisud) Private Limited. 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 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.



4. We draw attention to:

- a. Note 15 to the Ind AS 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 has made investments, provided guarantees and commitments and/or has undertaken to provide financial assistance. However, 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 standalone Ind AS financial results have been prepared on a going concern basis for the reasons stated in the said note.
- b. Note 13 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:
 - 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 12 (a) to the Ind AS financial results, the Company has made investments and has receivables aggregating to Rs. 51,815 lakhs and provided guarantees and commitments for loans amounting to Rs. 752,110 lakhs taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at March 31, 2017 and has undertaken to provide financial assistance of USD 460 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 unaudited 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 standalone Ind AS financial results. Our opinion is not qualified in respect of the aforesaid matters.

5. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the paragraph 3, these quarterly standalone Ind AS financial results as well as the year to date results:
 - i. are presented in accordance with 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, in this regard; and
 - ii. give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2017 and for the year ended March 31, 2017.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under 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.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004


per **Vikas Kumar Pansari**

Partner

Membership No.: 093649



Place: Hyderabad

Date: May 24, 2017

Auditor's Report On Consolidated Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**To****Board of Directors of****GVK Power & Infrastructure Limited**

1. We have audited the accompanying statement of consolidated Ind AS financial results of GVK Power & Infrastructure Limited ('the Company'), comprising its subsidiaries (together, 'the Group'), its associates and joint controlled entities, for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement 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. The consolidated Ind AS financial results for the year ended March 31, 2017 have been prepared on the basis of the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2017 and the relevant 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, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated Ind AS financial results based on our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2017 which was prepared in accordance with the applicable accounting standards and other accounting principles generally accepted in India and the relevant 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. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. As discussed more fully in Note 11 to the accompanying Ind AS financial results, the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company of GVK Energy Limited, jointly controlled entity of the Company and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against the carrying value of assets of Rs. 31,115 lakhs in books of GVK Coal (Tokisud) Private Limited. 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 and accordingly we are unable to comment on the same. Our audit report for the year ended March 31, 2016 was also qualified in respect of this matter.



4. We draw attention to:

- a. Note 15 to the Ind AS financial results, regarding losses being incurred by the Group and jointly controlled entities, current liabilities exceeding current assets, defaults in loan and interest payments and material uncertainties faced by various projects in the Group and jointly controlled entities or for project for which the Company has provided guarantees and commitments and/or has undertaken to provide financial assistance. However, these conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. These consolidated Ind AS financial results have been prepared on a going concern basis for the reasons stated in the said note;
- b. Note 14 to the Ind AS financial results, regarding outstanding fixed charge component of the tariff on the increased capital cost for the years 1997-98 to 2000-01 aggregating to Rs. 3,212 lakhs considered recoverable from AP Transco in GVK Industries Limited, a subsidiary company of GVK Energy Limited, a jointly controlled entity of the Company;
- c. Note 14 to the Ind AS financial results, regarding outstanding minimum alternate tax amounts claimed for reimbursement, disincentives recoverable and other receivable aggregating to Rs. 2,945 lakhs, Rs. 2,151 lakhs and Rs. 54 lakhs respectively considered recoverable from AP Transco and consequential impact on taxes in GVK Industries Limited and GVK Gautami Power Limited's books, a subsidiary company and a jointly controlled entity of GVK Energy Limited, a jointly controlled entity of the Company;
- d. Note 13 to the Ind AS financial results, regarding material uncertainties being faced by subsidiaries and jointly controlled entity of GVK Energy Limited, a jointly controlled entity of the Company, in which the Company has an investment of Rs. 55,883 lakhs as detailed below:
 - 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;
- e. Note 12 (a) to the Ind AS financial results, the Company has made investments and has receivables aggregating to Rs. 51,815 lakhs and provided guarantees and commitments for loans amounting to Rs. 752,110 lakhs taken by GVK Coal Developers (Singapore) Pte. Limited (GVK Coal), an investee company, as at March 31, 2017, and has undertaken to provide financial assistance of USD 460 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 unaudited 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;

- f. We have relied on the Auditor's report of an associate company and as stated in paragraph 7 below includes matters, in respect of which such Auditors report included Emphasis of Matter as given below:

Note 16 to the Ind AS financial results, the associate company in the financial year 2013-14, accounted for depreciation as per its accounting policy which was in accordance with the requirements of Schedule XIV of the Companies Act, 1956. The revised useful lives of property, plant and equipment was effective from April 01, 2014 and was in accordance with Part C of Schedule II of the Act. During the financial year 2014-15, the Airport Economic Regulatory Authority ('AERA') in its Order No. 08/2014-15 dated June 10, 2014 issued to the associate company has stated that it has initiated the process to issue a notification on the useful lives for airport specific assets based on the guidance provided in Part B of Schedule II of the Act. We have been informed by the Management that pending notification of such useful lives of property, plant and equipment by AERA, the associate company would continue to follow the useful lives of property, plant and equipment as per the existing accounting policy. Pending the aforesaid notification from AERA, any impact on the depreciation, book value of property, plant and equipment and the consequential impact on profit for the year, reserves and surplus as at March 31, 2017 and taxes including deferred taxes of the associate company is currently not ascertainable.

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 standalone Ind AS financial results. Our opinion is not qualified in respect of the aforesaid matters.



5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiaries / associates / joint controlled entities these consolidated Ind AS financial results for the year:

- i. include the year-to-date results of the following entities (list of entities included in consolidation);

S.No	Name of the entity
	Subsidiaries
1.	GVK Airport Developers Limited
2.	GVK Transportation Private Limited
3.	GVK Oil & Gas Limited
4.	GVK Perambalur SEZ Private Limited
5.	GVK Developmental Projects Private Limited
6.	Goriganga Hydro Power Private Limited
7.	GVK Airport Services Private Limited
8.	GVK Airport Holdings Private Limited
9.	Bangalore Airport & Infrastructure Developers Private Limited
10.	GVK Airports International Pte Ltd
11.	Mumbai International Airport Private Limited
12.	GVK Jaipur Expressway Private Limited
13.	GVK Deoli Kota Expressway Private Limited
14.	GVK Bagodara Vasad Expressway Private Limited
15.	GVK Shivpuri Dewas Expressway Private Limited
16.	Sutara Roads & Infra Limited
17.	GVK Energy Ventures Private Limited
18.	PT GVK Services, Indonesia
19.	GVK Ratle Hydro Electric Project Private Limited
20.	Navi Mumbai Airport Developers Private Limited
	Jointly controlled entities
1.	GVK Energy Limited
2.	GVK Industries Limited
3.	GVK Gautami Power Limited
4.	Alaknanda Hydro Power Company Limited
5.	GVK Power (Goindwal Sahib) Limited
6.	GVK Coal (Tokisud) Company Private Limited
7.	GVK Power (Khadur Sahib) Private Limited
8.	Mumbai Aviation Fuel Farm Facility Private Limited
	Associates
1.	Bangalore International Airport Limited
2.	Bangalore Airport Hotel Limited
3.	Seregarha Mines Limited

- ii. are presented in accordance with 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 in this regard; and
- iii. give a true and fair view of the consolidated net loss and other financial information for the consolidated year to date results for the year ended March 31, 2017.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

We did not audit the financial statements and other financial information, in respect of nineteen subsidiaries whose Ind AS financial statements include total assets of Rs.973,353 lakhs and net assets of Rs 220,818 lakhs as at March 31, 2017, and total revenues of Rs 47,487 lakhs for the year ended on that date and net cash outflows of Rs.6,875 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The accompanying consolidated Ind AS financial statements include total assets of Rs.1,312,730 lakhs and net assets of Rs.188,476 lakhs as at March 31, 2017, and total revenues and net cash inflows of Rs. 302,598 lakhs and Rs.11,996 lakhs respectively for the year ended on that date, in respect of a subsidiary, which has been audited by SRBC & Co LLP jointly with other auditors. The above financial information are before giving effect to any consolidation adjustments. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 69,932 lakhs for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of ten associates and joint controlled entities, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion, in so far as it relates to the affairs of such subsidiaries, joint controlled entities and associates is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Vikas Kumar Pansari

Partner

Membership No.: 93649



Place: Hyderabad

Date: May 24, 2017

Compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015

FORM A

1.	Name of the Company	GVK Power & Infrastructure Limited
2.	Annual financial statements for the year ended	March 31, 2017
3.	Type of Audit observation	Emphasis of Matter ("EOM") on Standalone and Consolidated financial statements. Also refer Form B for qualification on Standalone & Consolidated Financial Statements.
4.	Frequency of observation	<p>Standalone financial statements</p> <p>a) EOM with respect to carrying value of investments in the jointly controlled entity. Refer notes to the standalone financial statements.</p> <p>Frequency of observation: With respect to the Gas based power plants and the Coal mines, first time reported in the year ended March 31, 2013. With respect to the Hydro power plant, first time reported in the current year.</p> <p>b) EOM with respect to going concern- continuous losses, defaults in interest payments and material uncertainties faced by various projects in which the Company has made investments, provided guarantees and commitments and undertaken to provide financial assistance. Refer notes to the standalone financial statements.</p> <p>Frequency of observation: First time reported in the year ended March 31, 2016.</p> <p>c) EOM with respect to uncertainties faced by an investee to which the Company has provided guarantees, commitments, financial assistance and net liabilities exceeds net assets of the investee. Refer note to the standalone financial statement.</p> <p>Frequency of observation: First time reported in the year ended March 31, 2015.</p>

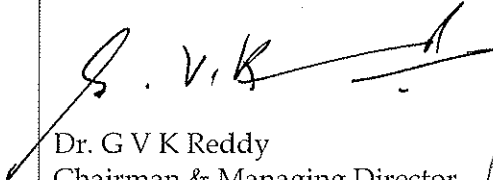
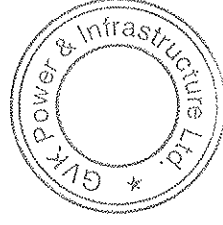






	<p><u>Consolidated financial statements</u></p> <p>a) EOM regarding outstanding fixed charge component of the tariff on the increased capital cost considered receivable from AP Transco. Refer notes to the consolidated financial statements.</p> <p>Frequency of observation: First time reported in the year ended March 31, 2006.</p> <p>b) EOM regarding recoverable minimum alternate tax, disincentives recoverable and other receivables. Refer note to the consolidated financial statements.</p> <p>Frequency of observation: First time reported in the year ended March 31, 2006 for minimum alternate tax and other receivables and in the year ended March 31, 2014 for disincentives recoverable.</p> <p>c) EOM with respect to carrying value of investments in the jointly controlled entity and continuation of operation in foreseeable future despite continued losses. Refer notes to the consolidated financial statements..</p> <p>Frequency of observation: With respect to the Gas based power plants and the Coal mines, first time reported in the year ended March 31, 2013. With respect to the Hydro power plant, first time reported in the current year.</p> <p>d) EOM with respect to going concern- continuous losses, defaults in interest payments and material uncertainties faced by various projects in which the Company has made investments, provided guarantees and commitments and undertaken to provide financial assistance. Refer notes to the consolidated financial statements..</p> <p>Frequency of observation: First time reported in the year ended March 31, 2016.</p> <p>a) EOM with respect to recognition of deferred tax of an associate company pending notification of useful life for airport specific assets by Airport Economic Regulatory Authority. Refer notes to the consolidated financial statements.</p>
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		<p>Frequency of observation: First time reported in the year ended March 31, 2015.</p>
		<p>b) EOM with respect to uncertainties faced by an investee to which the Company has provided guarantees and commitments and net liabilities exceeds net assets of the investee. Refer notes to the consolidated financial statement.</p> <p>Frequency of observation: First time reported in the year ended March 31, 2015.</p>

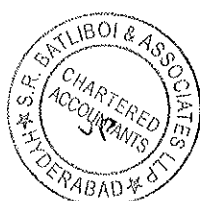


5.	<p>To be signed by-</p> <p>CEO/Managing Director</p> <p>CFO/Person in-charge of Finance</p> <p>Auditor of the company</p> <p>Audit Committee Chairman</p>	<p> Dr. G V K Reddy Chairman & Managing Director</p> <p></p> <p> A Issac George Director & CFO</p> <p>S R Batliboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W/E300004</p> <p> per Vikas Kumar Pansari Partner Membership Number: 93649 Date:</p> <p></p> <p> Ch. G Krishna Murthy Director</p>
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Compliance under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015

FORM B

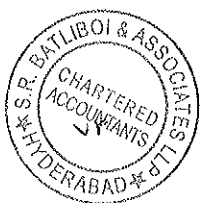
1.	Name of the Company	GVK Power & Infrastructure Limited
2.	Annual financial statements for the year ended	March 31, 2017
3.	Type of Audit qualification	Qualified opinion on Standalone & consolidated financial statements. Also refer Form A for Emphasis of Matter on Standalone and Consolidated Financial Statements.
4.	Frequency of qualification	As detailed below
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p><u>Standalone financial statements</u></p> <p>Qualification on recoverability against carrying value of assets of GVK Coal (Tokisud) Private Limited, a subsidiary of GVK Energy Limited, a jointly controlled entity involved in coal mining.</p> <p>Frequency of observation: First time reported in the year ended March 31, 2015.</p> <p>Management response: GVK Coal (Tokisud) Private Limited was incorporated for developing a coal mine with minable reserve of 52 Million Tons (geological reserve of around 92 Million Tons) in the state of Jharkhand as a captive coal mine to meet the requirements of coal of GVK Power (Goindwal Sahib) Limited, , subsidiary of GVK Energy Limited, a Jointly controlled entity , which is implementing a 540 MW Power Plant at Goindwal Sahib in Punjab. The Honorable Supreme Court vide is decision of September 24, 2014 held that allotment of various coal blocks including those allotted to GVK Coal (Tokisud) Company Private Limited is arbitrary and illegal and had cancelled the allotment. Subsequently, the government promulgated The Coal Mines (Special Provisions) Ordinance 2014, which intends to take appropriate action to deal with situation arising pursuant to the Honorable Supreme Court's judgment. GVK Coal Tokisud, subsidiary company has filed writ petition before the Hon'ble High Court of Delhi challenging the decision of the Nominated Authority, Ministry of Coal which quantified the compensation payable to GVK for taking over the Tokisud Coal Block</p>

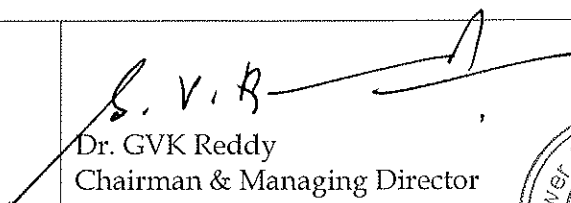
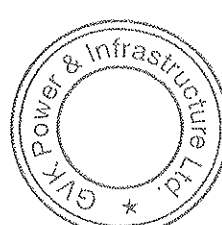
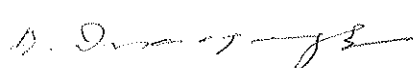

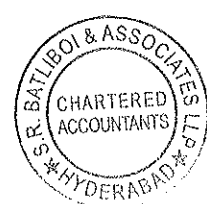
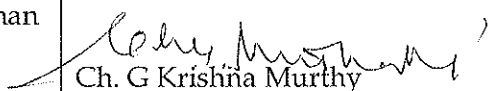


		<p>as Rs.11,129 Lakhs against the carrying value of assets of Rs.311,15 Lakhs. The Hon'ble High court had passed an order 09.03.2017. In the order, Hon'ble High court has agreed that restricting compensation to the computed written down value as on 31.03.2014 may not be correct and valuation of the mine infrastructure should be done as on the date of execution of the vesting order or allotment order as the case may be. Court has advised the management to raise disputes before the tribunal for the quantum of compensation. Based on the management's judgment the Company has resubmitted its claim for balance compensation to nominated authority on 28th April 2017. Management believes that the subsidiary will be appropriately reimbursed for cancelled coal mine accordingly no provision was required to be made on carrying value of assets.</p> <p><u>Consolidated financial statements</u></p> <p>a) Qualification on recoverability against carrying value of assets of GVK Coal (Tokisud) Private Limited, a subsidiary of GVK Energy Limited, a jointly controlled entity involved in coal mining.</p> <p>Frequency of observation: First time reported in the year ended March 31, 2015.</p> <p>Management response: GVK Coal (Tokisud) Private Limited was incorporated for developing a coal mine with minable reserve of 52 Million Tons (geological reserve of around 92 Million Tons) in the state of Jharkhand as a captive coal mine to meet the requirements of coal of GVK Power (Goindwal Sahib) Limited, subsidiary of GVK Energy Limited, a Jointly controlled entity, which is implementing a 540 MW Power Plant at Goindwal Sahib in Punjab. The Honorable Supreme Court vide its decision of September 24, 2014 held that allotment of various coal blocks including those allotted to GVK Coal (Tokisud) Company Private Limited is arbitrary and illegal and had cancelled the allotment. Subsequently, the government promulgated The Coal Mines (Special Provisions) Ordinance 2014, which intends to take appropriate action to deal with situation arising pursuant to the Honorable Supreme Court's judgment. GVK Coal Tokisud, subsidiary company has filed writ</p>
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		<p>petition before the Hon'ble High Court of Delhi challenging the decision of the Nominated Authority, Ministry of Coal which quantified the compensation payable to GVK for taking over the Tokisud Coal Block as Rs.11,129 Lakhs against the carrying value of assets of Rs.311,15 Lakhs. The Hon'ble High court had passed an order 09.03.2017. In the order, Hon'ble High court has agreed that taking restricting compensation to the computed written down value as on 31.03.2014 may not be correct and valuation of the mine infrastructure should be done as on the date of execution of the vesting order or allotment order as the case may be. Court has advised the management to raise disputes before the tribunal for the quantum of compensation. Based on the management's judgment the Company has resubmitted its claim for balance compensation to nominated authority on 28th April 2017. Management believes that the subsidiary will be appropriately reimbursed for cancelled coal mine accordingly no provision was required to be made on carrying value of assets.</p>
6.	Additional comments from the board/audit committee chair:	None.



7.	<p>To be signed by-</p> <p>CEO/Managing Director</p> <p>CFO/Person in-charge of Finance</p> <p>Auditor of the company</p> <p>Audit Committee Chairman</p>	<p> Dr. GVK Reddy Chairman & Managing Director</p> <p></p> <p> A Issac George Director & CFO</p> <p>S R Batliboi & Associates LLP Chartered Accountants ICAI Firm Registration Number: 101049W/E300004</p> <p> per Vikas Kumar Pansari Partner Membership Number: 93649 Date: 24/05/2017</p> <p></p> <p> Ch. G Krishna Murthy Director</p>
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