



24th August, 2016

Bombay Stock Exchange Limited
PJ Towers
Dalal street
Mumbai 400 001

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

Dear Sirs,

Sub: Statement on impact of Audit Qualifications (for Audit report with modified opinion) under Regulation 33/52 of SEBI (LODR) Regulations, 2015

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

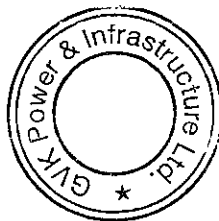
In continuation to our letter dated May 20, 2016, for submission of opinion on the audited financial statements of the Company for the year ended 31st March 2016 in form A (for audit report with unmodified opinion) & Form B (for audit report with modified opinion), please find enclosed herewith Statement on Impact of Audit Qualifications (for audit report with modified opinion) duly signed by the concerned officers as per Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

This is for your information and records

Thanks & regards,

For GVK Power & Infrastructure Ltd


P V Rama Seshu
AVP & Company Secretary



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

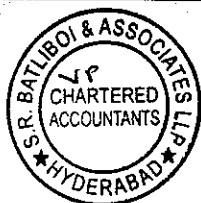
T+91 40 2790 2663/64 F+91 40 2790 2665
www.gvk.com
CIN: L74999AP2005PLC059013

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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - (Standalone)

(Rs in lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	2,718	2,718
	2.	Total Expenditure*	11,174	11,174
	3.	Net Loss	(12,961)	(12,961)
	4.	Earnings Per Share	(0.82)	(0.82)
	5.	Total Assets	261,347	261,347
	6.	Total Liabilities	261,347	261,347
	7.	Net Worth	221,901	221,901
	8.	Any other financial item(s) (as felt appropriate by the management)	Refer EOM's given in the audit report	
*Refer Sl.No.2 of the Annual Audited Standalone Financial Results				
II.	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification: As discussed more fully in Note 5 to the accompanying financial results, the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against the carrying value of assets of Rs. 34,862 lakhs in books of subsidiary. In the absence of appropriate evidence, we are unable to comment upon recoverability of assets together with consequential impact, if any, arising out of the same in these accompanying financial results.			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: First time reported in the year ended March 31, 2015.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Not applicable			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: Any adverse effect on financials of the Company is unlikely to be material.			



(ii) If management is unable to estimate the impact, reasons for the same:
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 one of the step down subsidiary i.e. GVK Power (Goindwal Sahib) Limited, 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 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.34,862 Lakhs. The matter has been heard and kept reserved for judgment. 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.

(iii) Auditors' Comments on (i) or (ii) above: As stated in point II(a) above

III. Signatories:

• CEO/Managing Director

G. V. K.

• CFO

G. D. ...

• Audit Committee Chairman

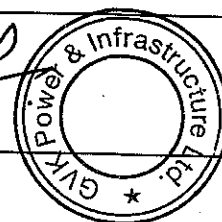
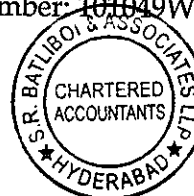
... ..

• Statutory Auditor
For S R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101949W/E300004

VK

per Vikas Kumar Pansari
Partner

Membership Number: 93649



Place: *Hyderabad*

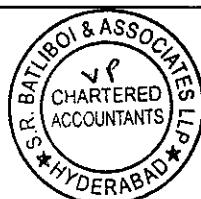
Date: *23/08/2016*

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

(Rs in lakhs)

(RS in lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	416,447	416,447
	2.	Total Expenditure*	352,150	352,150
	3.	Net Loss	(93,418)	(93,418)
	4.	Earnings Per Share	(5.92)	(5.92)
	5.	Total Assets	3,364,648	3,364,648
	6.	Total Liabilities	3,364,648	3,364,648
	7.	Net Worth	135,604	135,604
	8.	Any other financial item(s) (as felt appropriate by the management)	Refer EOM's given in the audit report	
*Refer Sl.No.2 of the Annual Audited Consolidated Financial Results				
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a.	Details of Audit Qualification: As discussed more fully in Note 5 to the accompanying financial results, the Hon'ble Supreme Court of India has de-allocated coal mine allocated to GVK Coal (Tokisud) Private Limited, subsidiary company and Nominated Authority has offered compensation of Rs. 11,129 lakhs as against carrying value of assets of Rs. 34,862 lakhs. In the absence of appropriate evidence, we are unable to comment upon recoverability of assets together with consequential impact, if any, arising out of the same in these accompanying consolidated financial results.		
	b.	Type of Audit Qualification : Qualified Opinion		
	c.	Frequency of qualification: First time reported in the year ended march 31,2015		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Not Applicable		
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i)	Management's estimation on the impact of audit qualification: Any adverse effect on financials of the Company is unlikely to be material.		



(ii) If management is unable to estimate the impact, reasons for the same:

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 one of the step down subsidiary i.e. GVK Power (Goindwal Sahib) Limited, which is implementing a 540 MW Power Plant at Goindwal Sahib in Punjab.

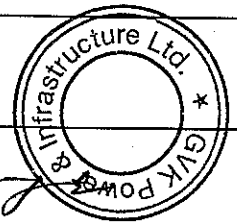
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(iii) Auditors' Comments on (i) or (ii) above: As stated in point II(a) above

III. Signatories:

• CEO/Managing Director

[Signature]



• CFO

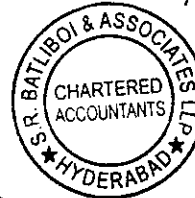
[Signature]

• Audit Committee Chairman

[Signature]

• Statutory Auditor
For S R Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

[Signature]
per Vikas Kumar Pansari
Partner
Membership Number: 93649



Place:

Hyderabad

Date:

23/08/2016