KSK
Power from knowledge

KSK ENERGY VENTURES LIMITED

ANNUAL REPORT
2018-19

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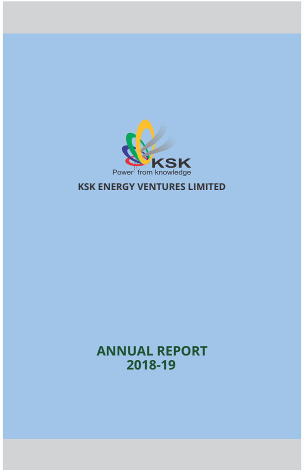

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CORPORATE INFORMATION

Board of Directors	Mr. N.S. Ramachandran Ms. Alankrita Soni Mr. S. Kishore Mr. K. Bapi Raju
CFO	Mr. Manjul Saha
Company Secretary	Mr. Ranjith Kumara Shetty
Registered Office	8-2-293/82/A/431/A, Road No.22, Jubilee Hills Hyderabad - 500 033, Telangana, India Ph: 040-23559922-25 Fax: 040-23559930 E-mail: investors@ksk.co.in CIN:L45204TG2001PLC057199
Statutory Auditors	M/s. Jawahar and Associates., Chartered Accountants C-5 Skylark Apartments, 3-6-309 Basheer Bagh, Hyderabad - 500029
Bankers	Andhra Bank Bank of India Indian Bank UCO Bank Axis Bank
Registrar & Share Transfer Agent	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Ph: 040-67162222 Fax: 040-23001153 E-mail: einward.ris@karvy.com
Shares Listed at	National Stock Exchange of India Limited BSE Limited
Website	www.ksk.co.in

Indian Economy Overview

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

Despite a moderation in real GDP growth by 40 basis points in 2018-19 over 2017-18, Indian economy remained the fastest growing major economy along with macroeconomic stability. There was a pickup in fixed investment rate in 2018-19. Fiscal situation remained comfortable and the consolidation process continues to bring down the elevated level of public debt. Consumer price inflation was within the targeted limits set by the monetary policy committee of RBI. Current Account Deficit increased from 1.9 percent of GDP in 2017-18 to 2.4 percent in April-December 2018-19. Global confidence on the Indian economy has improved as seen from indicators like improvement in ease of doing business and gross FDI inflows. According to World Bank's Ease of Doing Business 2019 Report, India's ranking improved by 23 positions to 77th rank in 2018.

Industry

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity registered a growth of 3.6 percent in 2018- 19, as compared to 4.4 percent in 2017-18. As per the sectoral classification, mining, manufacturing and electricity sectors registered 2.9 percent, 3.6 percent and 5.2 percent growth during 2018-19 respectively. Among the use-based categories, primary goods, capital goods, intermediate goods, infrastructure/construction goods, consumer durables goods and consumer nondurables goods have attained 3.5 percent, 2.8 percent, (-)0.5 percent, 7.5 percent, 5.5 percent and 3.9 percent growth respectively in 2018-19.

The eight core infrastructure supportive industries, viz. coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity that have a total weight of nearly 40 percent in the Index of Industrial Production (IIP) grew by 4.3 percent in 2018-19 at the same level of growth at 4.3 percent in 2017-18. The production of coal, natural gas, refinery products, fertilizers, steel, cement and electricity increased by 7.4 percent, 0.8 percent, 3.1 percent, 0.3 percent, 4.7 percent, 13.3 percent and 5.2 percent respectively during 2018-19, while the production of crude oil fell during the same period.

Government Initiatives

The interim Union Budget for 2019-20 was announced by Mr Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at Rs 2,784,200 crore (US$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefitting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- In February 2019, the Government of India approved the National Policy on Software Products - 2019, to develop the country as a software hub.
- The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.
- Village electrification in India was completed in April 2018.
- The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US$ 60 billion by 2022.
- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of Rs 5,500 crore (US$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

Road Ahead

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics and reforms. India's revenue receipts are estimated to touch Rs 28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price waterhouse Coopers.

Power Sector:

Power Sector in India has witnessed a paradigm shift over the years due to the constant efforts of Government to foster investment in the sector. As a result, India improved its ranking in the Energy Transition Index published by World Economic Forum (WEF) (76th position). Along with universal electrification, commendable progress has been made in generation and transmission of electricity.

Performance Highlights:

Power plays a crucial role in the economic growth and welfare of India. The country's power sector is one of the most diversified in the world with thermal power contributing 63.5% of installed capacity, while hydro, nuclear, RES accounting for 12.8%, 1.9%, 21.8%, respectively. Coal continues to be the mainstay for the power sector, primarily due to its abundant domestic availability and the predominance of coal-based plants in the power generation base. India is the fifth largest in the world by power generation capacity and is the third largest producer of electricity. The total Installed Capacity of power stations in India stood at 356.10 Gigawatt (GW) as on 31st March 2019.

The overall Generation in the country has increased from 1308.146 BU during 2017-18 to 1376.095 BU during 2018-19, with growth rate of 5.19%.

The Power Supply position in the country has marginally got better, since during the FY 2018-19, the supply gap in terms of energy has decreased to 7355 MUs as against shortfall of energy of 8567 MUs in FY 2017-18. The shortfall in peak demand has also decreased to 1,494 MW in FY 2018-19 from 3,314 MW in FY 2017-18.

Generation:

The aggregate Plant Load Factor for the FY 2018-19 stood at 61.07% compared to 60.67% during the previous year.

Year	PLF	Sector-wise PLF (%)		
	%	Central	State	Private
2010-11	75.1	85.1	66.7	80.7
2011-12	73.3	82.1	68	69.5
2012-13	69.9	79.2	65.6	64.1
2013-14	65.6	76.1	59.1	62.1
2014-15	64.46	73.96	59.83	60.58
2015-16	62.29	72.52	55.41	60.49
2016-17	59.88	71.98	54.35	55.73
2017-18	60.67	72.35	56.83	55.32
2018-19	61.07	72.64	57.81	55.24

The Plant Load Factor of Thermal Power Stations is an index of utilization of the installed capacity. Therefore, even though there was increase in generation compared to the previous year, lot of thermal power plants were left stranded due to various reasons like lack of demand, availability of fuel etc.

The fall in Plant Load Factors of Independent Power Producers (IPPs) from 83.9% to 55.24% between 2010 to 2019 also reflects the inherent challenges and contrasts in the policy paradigms of new power generation capacities that have resulted in prolonged period of challenges and uncertainty across the Indian power sector. Overall capacity utilisation of coal-based plants stood at 61.1%, as of March 2019, up from 60.7% in the year-earlier period, due to improved domestic coal availability and higher imports. Gas-based power plants continued to witness a PLF of 22.2% due to paucity of domestic natural gas.

Transmission

Recognizing the need for development of the national grid, thrust was given to enhance the capacity of inter-regional links in a phased manner. Working in this direction, all the five regional grids are now interconnected through synchronous links. An extensive network of Transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers. Depending upon the quantum of power and the distance involved, lines of appropriate voltages are laid. The nominal Extra High Voltage lines in vogue are ± 800 kV HVDC & 765kV, 400 kV, 230/220 kV, 110 kV and 66kV AC lines. These have been installed by all the SEBs and by Generation, Transmission & Distribution utilities including those in Central Sector.

Development of High Capacity Power Transmission Corridors (HCPTCs)

Being the nodal agency for grant of Long Term Access (LTA), POWERGRID has undertaken development of high capacity power transmission corridors for evacuation of large quantum of power from various Independent Power Producers (IPPs) mainly coming up in resource rich states/coastal locations, i.e Odisha, Jharkhand, Sikkim, Madhya Pradesh, Chhattisgarh, Tamil Nadu, Andhra Pradesh, etc. Accordingly, to transmit this power to various load centres located across the states and regions, implementation of 11 nos of HCPTCs has been planned by POWERGRID in consultation with CEA, IPPs & beneficiaries. Central Electricity Regulatory Commission (CERC) has already granted regulatory approval for 11 nos. of HCPTCs at an estimated cost of Rs. 750,000 million. Implementation of HCPTCs is progressing as per schedule with completion in a phased manner matching with generation projects. In fact some of the elements under HCPTCs of Chhattisgarh and Odisha have already been commissioned and balance elements of HCPTCs are expected to be completed progressively as per requirement.

Distribution

The various reforms like Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY), Ujwal Discom Assurance Yojana (UDAY), National Smart Grid Mission (NSGM), Revised Tariff Policy, 2016 were launched for development of the Distribution sector.

Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of state-owned power distribution companies (Discoms), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15% by FY19. However, AT&C losses stood at 19.8% in March 2019, which remains a concern. A few major Subhagya beneficiary states - Jammu & Kashmir, Uttar Pradesh, Madhya Pradesh, Bihar and Rajasthan recorded AT&C losses above 25%. Rajasthan has recently raised tariffs to cover additional power cost of Discoms, owing to regulatory claims arising from power generating companies.

Under the UDAY scheme, as of 31st March, 2019, A total of 27 states and 5 UTs have adopted UDAY scheme for financial and operational improvement and UDAY states' have reduced book losses to Rs. 15,049 Cr. in FY18 from Rs. 51,480 Cr in FY16.

In order to bring uniformity in power procurement by the DISCOMs and also to promote competition in electricity sector, DEEP (Discovery of Efficient Electricity Price) e-bidding portal was launched. In the first stage, portal was launched for procurement of short term power (i.e. up to One year). The scope of the portal has been extended for procurement of power for medium term also.

Introduction of SHAKTI - (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India)

The Cabinet Committee on Economic Affairs, chaired by the Prime Minister Shri Narendra Modi, has approved the signing of Fuel Supply Agreement (FSA) with the Letter of Assurance (LoA) holders. Allocation of linkages for power sector shall be based on auction of linkages or through Power Purchase Agreement (PPA) based on competitive bidding of tariffs except for the State and the central power generating companies and the exceptions provided in Tariff Policy, 2016. Coal drawl will be permitted against valid long term PPAs and to be concluded medium term PPAs. The intended benefits of the policy include :

- Coal available to all Power Plants in transparent and objective manner.
- Auction to be made on the basis of linkage allocations to IPPs; cheaper and affordable POWER FOR ALL.
- The stress on account of non-availability of linkages to power sector projects shall be overcome. Good for the infrastructure and banking sector.
- PPA holders to reduce tariff for linkage; direct benefit of reduced tariff to Discom/consumers.

The first round of SHAKTI was successfully conducted by Coal India Limited, resulting in 10 companies participating in the auction representing a cumulative capacity of approx.9044 MW and booked from 8 available sources a cumulative quantity of approx.

27.18 million tonnes per annum (MTPA). This is expected to result in an annual generation of over 47 billion units per annum from the linkage coal and a savings in tariff of approximately Rs. 125 crores / annum for period up to 25 years.

OPPORTUNITIES AND OUTLOOK

The Indian power sector itself has an investment potential of US $ 250 billion in the next 4-5 years, providing immense opportunities in power generation, distribution, transmission and equipment, according to Union Minister of Coal, Power and Renewable Energy. The Government of India has identified the power sector as a key sector of focus for sustained industrial growth. In September 2018, a draft amendment to the Electricity Act, 2003 was introduced which calls for separation of content and carriage, direct benefit transfer of subsidy, 24X7 Power supply as an obligation, penal action on PPA violations, Smart Meters and Prepaid Meters. This means doubling the current production capacity to provide 24x7electricity for residential, industrial, commercial and agriculture use. Capital intensive nature of the industry and strenuous process of regulatory approval and land acquisition makes it difficult for new entrants there by existing players reaching their highest potential.

The Government of India approved a pilot scheme for procurement of power of 2.5 GW aggregate power for three years on competitive basis under medium term with commissioned projects but without Power Purchase Agreement. It aims to revive commissioned power plant which were unable to sell electricity in the absence of valid PPAs, in the month of April 2018 & March 2019.

Therefore, the current metamorphosis at the Indian power sector carries both an opportunity and threat. If handled appropriately, through reconsidered business approach and collaborations, long term economic value could be preserved as well as realised and if not properly handled, the same could lead to challenges to private power generation, distressed projects adding to the growing bad loan portfolios of project lenders.

RISKS AND CONCERNS

While the company attempts to address various risks, the key risks and uncertainties continued to be faced by the group are as follows:

- The actions of lending banks and other financial institutions at subsidiaries' level under RBI's revised framework for resolution of stressed assets have resulted in a significant number of the wider group's power plants and subsidiaries ceasing to be subsidiaries of the Group with material impact on the Group's business going forward.
- Uncertainty on Company's investment and receivables in some of the subsidiaries whose lenders have invoked the pledge of majority shares of subsidiaries and in subsidiaries in which Corporate Insolvency Resolution processes have been initiated.
- Liquidity risk, project financing and sustainable debt levels against invested equity at projects
- Delay in Government decisions or implementation of earlier Government decisions along with continual inconsistencies in Government policies across departments and retrospective amendments to the existing policies or introduction of new policies
- Delay in providing necessary regulatory support and / or dispensation as may be required for timely implementation of the financing plans or regulatory constraints on financing arrangements resulting in alternate financing arrangements, which may take more time than anticipated to fructify
- Deviation from approved Government policies and abuse of market dominance position by certain contractual counterparties
- Shortage of fuel and dependence on market based or imported fuel which is subject to market vagaries and other uncertainties

- Economic slowdown and negative sectoral outlook with resultant impact on banking sector delays in agreed project disbursements and timely availability of credit
- Delays in enforcement of contractual rights or legal remedies with Government counter parties undertaking fuel supplies, power offtake, transmission and open access amongst others
- PPA Counter parties going contrary to pre agreed understanding and seeking benefits from the power generators that are often in conflict with shareholder obligations to further the business
- Unusual currency depreciation that adversely affects the cost of project imports, project implementation and repayment obligations
- Logistics bottlenecks and other infrastructure constraints of various agencies
- Challenges in the development of support infrastructure for the power projects including physical hindrances and delay in the issue of permits and clearances associated with land acquisitions
- Political and economic instability, global financial turmoil and the resultant fiscal and monetary policies as well as currency depreciation resulting in increasing cost structures

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, which provides protection to all its assets against loss from unauthorised use and for correct reporting of transactions. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by the management. The Audit Committee of the Board addresses issues raised by both the Internal and Statutory Auditors.

The internal control systems are implemented :

- To safeguard the Company's assets from loss or damage
- To keep constant check on cost structure
- To provide adequate financial and accounting controls and implement accounting standards

OPERATIONAL PERFORMANCE

During the year, operating assets generated 443GWh with an average portfolio plant load factor of 34%.

The Plant wise details are tabulated below:

	31 March 2019		31 March 2018	
	GWh	**(%)**	**GWh**	**(%)**
Sai Regency (58 MW)	426	84%	420	83%
Sai Lilagar (86 MW)	0	0%	96	13%
Sai Maithili (10 MW)	17	19%	18	21%
TOTAL	**443**	**34%**	**534**	**39%**

Note:

1. Lenders Consortium of KSK Mahanadi Power Company Limited on 27th March, 2018 have decided to consider the change in management and accordingly invoked the shares pledged with them as security for the financial facilities. Consequent to this, it ceased to be Subsidiary of the Company and accordingly it is not considered in the operational performance of the Company.
2. Lenders Consortium of Sai Wardha Power Generation Limited on 28th April, 2017 have decided to implement change in Management and has invoked shares pledged with them. Further, Corporate Insolvency resolution Process has also been initiated in Sai Wardha Power Generation Limited vide National Company Law Tribunal, Hyderabad order dated 9 November, 2018 and accordingly it is not considered in the operational performance of the Company.
3. Pursuant to decision of lenders of VS Lignite Power Private Limited on 29th August, 2017 to implement change in Management, the Company has lost control and it ceased to be a Subsidiary of the Company and accordingly it is not considered in the operational performance of the Company.

86 MW Sai Lilagar Power Generation Limited:

- The plant was not in operation during the year due to non-availability of coal.
- Corporate Insolvency resolution Process has been initiated in Sai Lilagar Power Generation Limited vide National Company Law Tribunal, Hyderabad order dated 11th July, 2019.

58 MW Sai Regency Power Corporation Private Limited:

- The total gross power generated in the combined cycle gas fired power plant during the year was 426GWh as against 420 GWh during FY 2018.
- Corporate Insolvency resolution Process has been initiated in Sai Regency Power Corporation Private Limited vide National Company Law Tribunal, Chennai order dated 27th March, 2019.

10 MW Sai Maithili Solar Power Project:

- The total gross power generated during the year was 17GWh as against 18 GWh during the previous year. The 10 MW PV solar power generation plant of Sai Maithili is located in the state of Rajasthan, operating under the Jawaharlal Nehru National Solar Mission with a long term PPA.

FINANCIAL REVIEW

All figures given in the review are in Indian Rupee million unless otherwise stated.

Financial Highlights:

Rs in million

Particulars	31 March 2019	31 March 208	% variance
Revenue from operations	2,074	31,490	-93%
Gross profit	934	10,373	-91%
EBITDA	715	6,243	-89%
Loss after tax	(3,603)	(17,014)	-79%

These movements are on account of deconsolidation of Sai Wardha, VSLP and KSK Mahanadi pursuant to lenders decision of change in management and disposal of Joint venture Sitapuram Power to coventurer in the previous years.

Further, Financial creditors of SRPCPL have filed the petition for a Corporate Insolvency Resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Tribunal, Chennai ("NCLT") and same has been admitted by NCLT on 27 March 2019. Consequent to this, the Group has lost control over the subsidiary and has derecognised the related carrying values of assets and liabilities of SRPCPL with effect from 27th March 2019.

Principal activity and overview

KSK Group is primarily engaged in the development; ownership, operation and maintenance of power generation assets in India. KSK focused its strategy on the private sector power development market, undertaking entire gamut of development, investment, construction, operation and maintenance of power plant with supplies to industrial consumers operating in India and to state utilities and others in the wider Indian power sector.

Operating Results:

Rs in million

Particulars	March 2019	March 2018	Variance	% variance
Revenue	2,074	31,490	(29,416)	-93%
Cost of revenue	(997)	(19,014)	18,017	-95%
Manufacturing expenses	(143)	(2,103)	1,960	-93%
Gross Profit	**934**	**10,373**	**(9,439)**	**-91%**

Generation, revenues and cost of revenue

The total revenue from operation of the Group have decreased by Rs. 29,416 million reflecting a year on year decrease of 93% as a result of deconsolidation of Sai Wardha, VSLP and KSK Mahanadi during the end of previous year.

Cost of revenue also decreased by Rs. 18,017 million reflecting a year on year decrease of 95%. The decrease is mainly due to deconsolidation of Sai Wardha, VSLP and KSK Mahanadi. Manufacturing expenses also decreased in same proportion on account of above mentioned reasons.

Gross Profit

Gross profit of the Group decreased from Rs. 10,373 million to Rs. 934 million, reflecting a year on year decrease of 91%. Decrease as explained above is mainly on account of deconsolidation effect.

Earnings before Interest, depreciation and tax (EBITDA)

Rs in million

Particulars	March 2019	March 2018	Variance	% variance
Gross Profit	934	10,373	(9,439)	-91%
Employee benefit expenses	(69)	(836)	767	-92%
Other general & administrative expenses	(150)	(3,294)	3,144	-95%
EBITDA	**715**	**6,243**	**(5,528)**	**-89%**

EBITDA of the Group have also decreased by 89% from Rs. 6,243 million in FY 2018 to Rs. 715 million in FY 2019 in line with decrease in revenue and gross profit.

Profit / (loss) for the year

Rs in million

Particulars	March 2019	March 2018	Variance	% variance
EBITDA	**715**	**6,243**	**(5,528)**	**-89%**
Finance costs	(1,176)	(21,843)	20,667	-95%
Depreciation and amortisation	(346)	(5,998)	5,651	-94%
Other income and exceptional items	(2,751)	2,981	(5,731)	-192%
Loss before tax	**(3,559)**	**(18,617)**	**15,058**	**-81%**
Tax income	(44)	1,604	(1,648)	-103%
Loss for the year	**(3,603)**	**(17,013)**	**13,410**	**-79%**

Movement in loss for the year from Rs. 17,013 million to Rs. 3,603 million is mainly because of the following:

- Decrease in finance costs by Rs. 20,667 million from Rs. 21,843 million to Rs. 1,176 million reflecting year on year decrease of 95%. The decrease is on account of deconsolidation of Sai Wardha, VSLP and KSK Mahanadi. Further Company along with it's subsidiaries Sai Lilagar Power Generation Limited and KSK Electricity Financing (India) Private Limited has not accrued interest on various credit facilities from Banks and Financial Institution subsequent to account becoming NPA.
- Decrease in depreciation and amortization expenses from Rs. 5,998 million in FY 2018 to Rs. 346 million in FY 2019 is mainly on account of deconsolidation of Sai Wardha, VSLP and KSK Mahanadi.
- Decrease in other income (including exceptional) from Rs. 2,981 million to Rs (2,751) million is mainly on account of recognition of gain on deconsolidation of above mentioned company amounting to Rs. 8,406 million in the previous year. Further group has also impaired its investment in various Hydro, Solar, Thermal under constructed projects amounting to Rs 6,206 million in the previous year. During current year Group has recognised a loss of Rs. 2,840 million on account of impairment of receivables and deconsolidation of SRPCPL.
- Decrease in tax income from Rs. 1,604 million to Rs. (44) million.

Financial position and cash flows

The capital employed of the Group was Rs. 25,425 million as at March 31, 2019 and decreased by Rs. 7,406 million as compared to March 31, 2018. The Group incurred Rs. 131 million mainly towards capital expenditure relating to continuous development activities at KSK Dibbin project during FY 2019.

The loan portfolio of the Group comprises only Indian currency loans. The aggregate outstanding indebtedness as at March 31, 2019 stood at Rs. 20,766 million and decreased by Rs. 2,928 million compared to FY 2018. The decrease is mainly on account of repayment and deconsolidation of SRPCPL.

Net customer receivables as at March 31, 2018 stood at Rs. 56 million as compared to Rs. 313 million as at previous year. Lower trade receivables are mainly due to deconsolidation of SRPCPL and impairment made pursuant to Sai Wardha admitted to NCLT.

Cash accruals from operations before working capital changes are lower in FY 2019 by Rs. 7,986 million as compared to FY 2018 mainly due to deconsolidation of Sai Wardha, VSLP and KSK Mahanadi. Apart from deployment of cash for capital expenditure, the Group repaid some of its long term loans amounting to Rs. 842 million and availed fresh disbursement of borrowings amounting to Rs. 398 million. Consequently, there is net cash outflow of Rs. 193 million for the FY 2019.

Consolidation Financial Ratios

Particulars	Mar-19	Mar-18
Debtors Turnover Ratio (Days)	90.45	175.48
Inventory Turnover Ratio (Days)	77.83	21.43
Current Ratio	1.14	1.40
Net Debt Equity Ratio	4.42	2.54

Notes:

1. Operating Profit Margin, Net Profit Margin and Return on Networth has not been given since Group is incurring losses
2. Reason for >25% variances in key ratios:
   - (i) Debtors and Inventory Turnover Ratio: Significant change is on account of deconsolidation of key subsidiaries during previous year
   - (ii) Net Debt Equity Ratio: Significant change is on account of losses of the year

Going Concern

The Group has incurred net loss during the current year as well in the previous years with resultant defaults in payment of interest and instalments dues to banks and financial institutions. Further as discussed at note 43 to the financial statements, the Group has residual investments and receivables pursuant to invocation of shares. However, the Group has been making appropriate representation and is in discussion with the respective lenders to find an appropriate resolution plan at each of the assets. The Group continues to prepare the financial statements as going-concern.

HUMAN RESOURCES

The Focus of Human Resources function this year continued from the last year focus of effective utilization of manpower & cost optimization along with integrated roles to the extent possible at supervisor and above levels. The other critical focus was on maintaining Positive Industrial Relations by engaging the Project Effected People in skill development and effective deployment on work given the environment of continued business challenges in the sector as well as our Group companies

Total manpower of the Group at the end of financial year is 35.

SUSTAINABILITY INITIATIVES

KSK actively contribute to the social and economic development of the communities to build a better and environmentally sustainable way of life for all stake-holders. The group's sustainability initiatives towards community are essentially focused on five thrust areas; Education, Health, Socio- economic empowerment, infrastructure development and cultural and social contribution.

KSK's holistic approach to the issues in education sector in India focuses on addressing the critical issues of quality, access, equity, infrastructure and bridging the urban-rural disparity. KSK is committed to ensure that healthcare is more easily available to all. The group believes that socio-economic empowerment of our communities alone can help us ensure sustainability of the development that we undertake. KSK is committed to develop /renewing Common property Resources that are critical for rural economy. The Group proactively seeks to deepen its relationship with local communities. Building relationship for us is sharing and being part of the joys and sorrows of our communities.

KSK Group is currently engaged through its CSR programme by building Sustainable Communities covering project affected families and the villlages they reside in.

KSK Group supported infrastructure projects in the state of Chhattisgarh through Sanjeevani Hospital project. The hospital has taken forward the initiative of exclusive paediatric cardiac services totally free of cost to all irrespective of caste, creed, colour, religion and nation.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis describing the Company's business plans estimates and expectations, numerical or otherwise, may be 'Forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include economic conditions, government permissions, significant changes in political and regulatory environment in India, tax laws, litigation, labour relations and interest costs amongst others.

In compliance with Regulation 34(3) and Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company submits the following report:

1. Company's philosophy on code of Corporate Governance

Corporate governance is a synonym for sound management, transparency and disclosure. It is all about ethical conduct, openness, integrity and accountability of an enterprise and it is vital for sustained growth and enhancing shareholder value. Credibility generated by good Corporate Governance enables an enterprise in enhancing the confidence of the investors and in establishing productive and lasting business relationship with all stakeholders.

The Company believes that maintaining the highest standards of Corporate Governance is to facilitate effective, prudent management that will contribute towards achieving long term success. The Board governs the Group consistently with their business strategy and commitment to a transparent and high quality governance system. It is the Company's firm belief that corporate governance policies and practices and its periodic review need to be tailored to the size and maturity of the organisation.

The Company is committed to good Corporate Governance and has complied in all material respects with the requirements specified in Listing Regulations. The Company is continually putting thrust on implementing best corporate governance practices and benchmarking the same with high standards. The Corporate Governance Principles implemented by the Company seeks to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them.

2. Board of Directors

The Board has a responsibility to determine the policies, practices and operating frameworks for the Company. The Board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board of Directors is the principal agent of risk taking enterprise, the principal maker of commercial and other judgments. Discharging these responsibilities involves having an overall perspective of the functioning of the Company and the business as a whole.

i. Composition and Category of Directors

The Board of Directors as on the date of this report comprised 4 (four) Directors of which two are Independent Directors including one woman director and one Executive / Whole-time Director. The number of Independent Directors is half of the total number of Directors and hence the composition of the Board is in conformity with Listing Regulations.

The number of Directorships, Committee Memberships/Chairmanships of all Directors is within the limits prescribed under Companies Act, 2013 and Listing Regulations and same are provided below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / Memberships of board committees shall include only Audit Committee and Stakeholders' Relationship Committee (excluding KSK Energy Ventures Limited).

Name of the Director & Category	No. of other Directorships as on 31 March 2019	No. of other Committee positions held as on 31 March 2019		No. of shares held in the Company	Directorship in other listed entities (category directorship)
		Chairman	Member		
Mr. N.S. Ramachandran* Independent Director	2	3	1	Nil	Restile Ceramics Limited

Continued...

Name of the Director & Category	No. of other Directorships as on 31 March 2019	No. of other Committee positions held as on 31 March 2019		No. of shares held in the Company	Directorship in other listed entities (category directorship)
		Chairman	Member		
Ms. Alankrita Soni, Independent Director#	1	0	6	Nil	Nil
Mr. S. Kishore Whole-time Director / Promoter Director	1	0	4	Nil	Nil
Mr. K.B Raju, Non-Executive Director^	1	1	1	Nil	Nil

* appointed w.e.f. 30 May 2019
# appointed w.e.f. 30 May 2018
^ appointed w.e.f. 30 May 2018

- None of the Directors are related to each other.
- All Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. In the opinion of the Board, Independent Directors are independent of the management.

ii. Board Meetings and Procedures

During the year ended 31 March 2019, the Board met five times on the following dates: 30 May 2018, 14 June 2018, 11 August 2018, 10 November 2018 and 14 February 2019.

The Maximum time gap between any two meetings did not exceed 120 days. Leave of absence was granted to those directors who expressed their inability to attend the Board Meeting(s).

All required information including but not limited to those mentioned in Schedule II of Listing Regulations has been placed before the Board for its consideration. Presentations on the financial and operational performance are made to the Board by the members of the Senior Management team. Information and data that are more important to the Board's understanding of the business in general and related matters are tabled for discussion.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company. During the year, a separate meeting of the Independent Directors was held inter-alia to review the performance of Non-independent Directors and the Board as a whole.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company (http://www.ksk.co.in/ourpolicies.php)

The Board periodically reviews compliance reports of all laws applicable to the Company. The Board functions in a democratic manner and the members are at liberty to discuss any issue related to the business in general.

iii. Details of Directors attendance at Board Meetings and at the last Annual General Meeting held on 29 September 2018 are given in the following table:

Name of the Director	No. of Board Meetings attended during the year	Attendance at the Annual General Meeting
Mr. T. L. Sankar*	4	Yes
Mr. Abhay M Nalawade**	2	Yes
Mr. K. Bapi Raju#	3	No
Mr. S. Kishore	5	Yes
Mr. K.A. Sastry##	0	NA
Ms. Alankrita Soni^	4	Yes
Mrs. K. Kusuma Mani Kumari^^	0	NA

* Expired on 26 December 2018.

** Mr. Abhay M Nalawade, Independent Director has resigned w.e.f. 05 October 2018 citing personal reasons. He was again appointed w.e.f. 14 February 2019. However, he has resigned on 05 March 2019 on health reasons and confirmed that there are no material reasons other than those provided in resignation.

appointed w.e.f. 30 May 2018

vacated his office w.e.f. 11 August 2018

^appointed w.e.f. 30 May 2018

^^resigned w.e.f. 30 May 2018

3. Committees of the Board

The Committees constituted by the Board focus on specific areas and make informed decisions within the authority delegated. Each Committee of the Board is guided by its Charter, which defines the composition, scope and powers of the Committee.

The Committees also make specific recommendations to the Board on various matters from time to time. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

Your Board has constituted the following committees.

I. Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audit of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial reporting.

Apart from the matters provided in Part C of Schedule II of SEBI (LODR) Regulations, 2015 read with Section 177(4) of the Companies Act, 2013, the Committee reviews Internal Audit Report, Secretarial Audit Report and the report of Statutory Auditors. The Committee also discusses with the Internal, Secretarial and Statutory Auditors their scope of audit, adequacy of internal control systems, findings and observations / suggestions.

Composition, meetings and attendance particulars of the Audit Committee during the year 2018-19 is as follows:

The Audit Committee met five times during the year on 30 May 2018, 14 June 2018, 11 August 2018, 10 November 2018 and 14 February 2019.

Sl. No	Name of the Director	Category	No. of Meetings attended
1	Mr. T.L. Sankar*	Member	4
2	Mr. Abhay M Nalawade#	Chairman	2
3	Ms. Alankrita Soni##	Member	4
4	Mr. S. Kishore	Member	5

* expired on 26 December 2018

#resigned w.e.f. 05 October 2018 and appointed w.e.f. 14 February 2019 and resigned w.e.f. 05 March 2019.

appointed w.e.f. 30 May 2018

All the members of the Committee except Mr. S. Kishore are Independent Directors and all have the requisite qualification and sound knowledge of finance, accounting practices and internal controls.

The Audit Committee invites such of the executives, as it considers appropriate (and particularly the head of the Accounts function) to be present at its meetings. The Internal Auditors and Statutory Auditors are also invited to the meetings. The Company Secretary officiates as the Secretary of the Committee.

The terms of reference of the Audit Committee are:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Qualifications in the draft audit report.
5. Reviewing with the management the quarterly financial statements before submission to the board for approval;
6. Reviewing with the management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of Non-Executive Directors and Independent Directors and the terms of reference of Nomination and Remuneration Committee are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

Accordingly, the Board has adopted the policy on Board Diversity, Director Attributes and Remuneration policy for Directors, Key Managerial Personnel and other employees of the Company. The Remuneration Policy is attached as Annexure to the Directors' Report

a. Composition, meetings and attendance particulars of the Nomination and Remuneration Committee during the year is as follows:

The Committee met two times during the year on 10 May 2018 and 10 November 2018.

Sl. No	Name of the Director	Category	No. of Meetings attended
1	Mr. T.L. Sankar*	Member	2
2	Abhay M Nalawade#	Chairman	1
3	Ms. Alankrita Soni**	Member	1
4	Mrs. K. Kusuma Mani Kumari##	Member	1

* expired on 26 December, 2018.
#resigned w.e.f. 05 October 2018 and appointed w.e.f. 14 February 2019 and resigned w.e.f. 05 March 2019.
** appointed w.e.f. 30 May 2018.
resigned w.e.f. 30 May 2018

b. Performance evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated includes participation in board meetings, contribution to development of strategy and risk management policies, understanding of policies of the company, relationship with fellow members, compliance with code of conduct and Insider Trading Policy of the Company.

c. Remuneration to Directors:

The Independent Directors receive sitting fee for attending meetings of the Board and Audit Committee. The remuneration paid to the Directors during the year under review was in conformity with the applicable provisions of the Companies Act, 2013, duly considered and approved by the Board and the shareholders.

The appointment of Whole-time Directors is governed by resolutions passed by the Board of Directors, Members of the Company and the Service Agreements entered into by the Company with the Whole-time Directors, which cover the terms and conditions of such appointment read with the service rules of the Company. The notice period for Whole-time Directors is six months as per the Service Agreements. All components of remuneration to the Whole-time Directors are fixed in line with the Company's policies.

The Company has no stock option scheme and hence no stock options have been granted to the Directors.

d. Details of Remuneration paid to Directors for the year ended 31 March, 2019:

Rs in million

Name of the Director	Sitting Fees	Salary	Perquisites	Commission	Total
Mr. T. L. Sankar	0.16	-	-	-	0.16
Ms. Alankrita Soni	0.20	-	-	-	0.20
Mr. Abhay M Nalawade	0.08	-	-	-	0.08
Mr. K. Bapi Raju	-	-	-	-	-
Mr. S. Kishore	-	9.0	-	-	9.0
Mr. K.A. Sastry	-	3.7	-	-	3.7

iii. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is empowered to perform following functions:

1. to redress the grievances of shareholders, debenture holders and other security holders;
2. to resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

The Stakeholders Relationship Committee consists of three Directors. The Chairman of the Committee is a Non-executive Director.

The Committee met four times during the year on 26 May 2018, 11 August 2018, 10 November 2018 and 14 February 2019.

The Company Secretary, Mr. Ranjith Kumara Shetty has been designated as Compliance Officer of the Company in compliance with the SEBI (LODR) Regulations, 2015 for resolution of shareholder / investor complaints.

Composition of the Stakeholders Relationship Committee and attendance record during the year 2018-19 is as follows:

Name of the Director	Category	No. of Meetings attended
Mrs. Kusuma Mani Kumari*	Chairman	1
Ms. Alankrita Soni**	Member	2
Mr. K. Bapi Raju#	Chairman	3
Mr. S. Kishore	Member	4

* resigned w.e.f. 30 May 2018

** Appointed as member w.e.f. 10 November 2018

Appointed as Chairman w.e.f. 10 November 2018

During the year under review, the Company has not received any complaints from the investors.

iv. Finance and Authorisation Committee

The Finance and Authorisation Committee allows the directors of the Company to exercise among other things, powers to borrow money otherwise than on debentures, invest the funds of the Company and to open bank accounts.

The Committee consists of two directors as on date of this report. The Company Secretary officiates as Secretary of the Committee.

The Committee met two times during the year on 23 June 2018 & 9 March 2019.

Composition of the Finance and Authorisation Committee and attendance record during the year 2018-19 is as follows:

Name of the Director	Category	No. of Meetings attended
Mr. S. Kishore	Member	2
Mr. K. Bapi Raju#	Member	2
Mr. K.A. Sastry##	Member	0

vacated his office w.e.f. 11 August, 2018

#appointed w.e.f. 30 May 2018

v. Corporate Social Responsibility (CSR) Committee

The Committee formed with three Directors, including two Non-Executive Directors. The composition of the CSR Committee is as follows:

Name of the Director	Category
Mr. Abhay Nalawade*	Member
Mr. K. Bapi Raju	Member
Mr. N.S. Ramachandran#	Member
Mr. S. Kishore	Member

* resigned w.e.f. 05 October 2018 and appointed w.e.f. 14 February 2019 and resigned w.e.f. 05 March 2019.

appointed as member w.e.f. 30 May 2019

The CSR Committee's primary functions are to:

1. To formulate and recommend a Corporate Social Responsibility Policy to the Board which shall indicate the activities to be undertaken by the Company in line with Schedule VII of the Companies Act, 2013.
2. To recommend the amount of expenditure to be incurred on the activities.
3. To monitor the Corporate Social Responsibility Policy from time to time.

No meetings were held during the year.

4. GENERAL BODY MEETINGS

I. Details of the Annual General Meetings (AGMs) held during the preceding 3 years and Special Resolutions passed thereat are given below:

Financial Year	Date and time of AGM	Location	Details of Special Resolutions passed
2015-16	24 September 2016 11.00 AM	Plot No. 694, Road No. 33, Jubilee Hills, Hyderabad - 500 033	Approval for Issue of Securities Approval for disposal of shares held in Subsidiaries/assets held by Subsidiaries
2016-17	25 September 2017 11.00 AM		Approval for Issue of Securities
2017-18	29 September 2018 10.00 AM	Mini Conference Hall, Micro, Small And Medium Enterprises, Yousufguda, Hyderabad - 500 049	Approval for continuation of Mr. T. L. Sankar, an Independent Director of the Company

ii. Postal Ballot

No resolution was passed through Postal Ballot during the financial year 2018-19.

5. OTHER DISCLOSURES:

i. Disclosure of Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The Board has approved the policy for dealing with related party transactions and the said policy has been posted on the Company's website at http://www.ksk.co.in/ourpolicies.php

ii. Suitable disclosures as required for related parties by the Indian Accounting Standard - 24 (IND AS-24) has been made in the notes to the financial statements.

iii. Capital Market Compliance(s)

There was no incidence of non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority except penalties levied by stock exchanges for delay in approval and submission of financial results.

iv. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The policy has been posted on the Company's website at http://www.ksk.co.in/ourpolicies.php. The Company affirms that no person has been denied access to the Chairman of the Audit Committee.

v. The policy for determining 'material' subsidiaries is available on the website of the Company at http://www.ksk.co.in/ our policies.php

6. The Company has complied with the requirements of Schedule V Corporate Governance report sub-paras (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. Compliance with mandatory requirements and adoption of discretionary requirements:

The Company has complied with all the mandatory requirements of corporate governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Certificate from Statutory Auditors confirming compliance with the conditions of Corporate Governance is annexed.

The status of compliance with discretionary requirements is as under:

a. Half-yearly and other quarterly financial results are published in newspapers and posted on Company's website.

b. The Internal Auditors Reports to the Audit Committee.

8. The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

9. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority which is annexed herewith.

10. Code of Conduct:

The Company has adopted a Code of Conduct as required under Regulation 17 (5) of SEBI (LODR) Regulations, 2015, which applies to all the Board Members and Senior Management of the Company. The Board Members and senior management personnel have affirmed their compliance on an annual basis and their confirmations have been received in this regard. The Code of Conduct is available on the Company's website: www.ksk.co.in

A declaration to this effect signed by the Whole-time Director is attached as Annexure.

11. CEO and CFO Certification

WTD & CFO of the Company have certified to the Board in relation to reviewing financial statements and other information as mentioned in Part B Schedule II of SEBI (LODR) Regulations, 2015 and the required certificate is appended.

12. Means of Communication

i. Financial Results: The quarterly, half yearly and annual financial results are published in all India editions of Business Standard / Financial Express (national daily) and Andhra Prabha (regional newspaper). Further the financial results, official news releases and other shareholder information are posted on Company's website: www.ksk.co.in.

ii. Annual Reports: The Annual Reports were e-mailed/posted to Members and others entitled to receive them.

iii. Website: The Company's website www.ksk.co.in contains a separate dedicated section 'Investor relations' where shareholders' information is available. Comprehensive information about the Company, its business and operations, press releases and presentation to Investors can also be viewed. Annual Report is also available in a downloadable form.

iv. NSE Electronic Application Processing System (NEAPS) and BSE online Portal: The Company also submits to NSE, all disclosures and communications through NSE's NEAPS portal. Similar filings are made to BSE on their Online Portal - BSE Corporate Compliance & Listing Centre.

13. General Shareholder Information

i. Annual General Meeting

Day, Date and time: Monday, 30th September 2019, 1000 hours

Venue: Mini Conference Hall, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad - 500045

ii. Financial Year: April 1 to March 31

iii. Dividend Payment date: Nil

iv. Listing on Stock Exchanges with Stock Code

Name and Address of the Stock Exchange	Scrip Code / Trading Symbol
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	532997
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East),Mumbai-400051.	KSK

v. Listing fee for the year 2018-19 has been paid to all the Stock Exchanges.

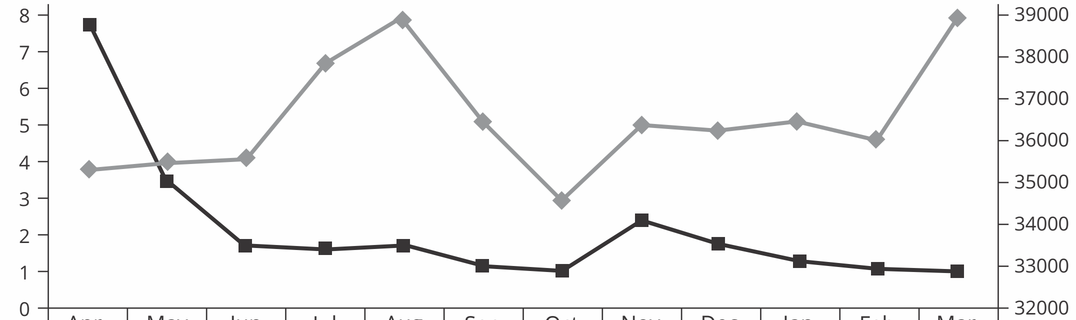
vi. ISIN Code for Demat: The ISIN allotted to the Company is INE143H01015

vii. Market Information:

Market Price Data: High, low during each month and trading volumes of the Company's Equity shares during the last financial year at NSE and BSE are given below.

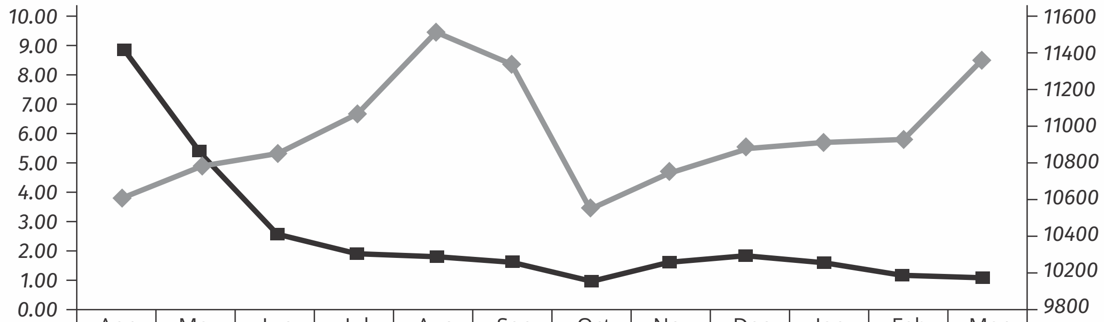
MONTH	NSE			BSE		
	High ₹	Low ₹	Volume ₹	High ₹	Low ₹	Volume ₹
April, 2018	10.2	7.4	12554861	10.2	7.41	2694211
May, 2018	7.8	3.3	50297533	7.65	3.26	14806821
June, 2018	3.15	1.75	80924116	3.1	1.55	37514055
July, 2018	2.1	1.5	45138584	2.2	1.44	53275817
August, 2018	1.9	1.45	21857988	2.05	1.42	13576639
September, 2018	1.75	1.1	8896266	1.82	1.04	5641054
October, 2018	1.05	0.65	22705889	0.99	0.69	5577725
November, 2018	1.9	0.9	9661325	2.2	0.93	9307101
December, 2018	2	1.5	15426509	2.31	1.43	9915272
January, 2019	1.65	1.2	20631229	1.69	1.15	6555850
February, 2019	1.15	0.85	21750221	1.2	0.85	7031129
March, 2019	1.15	0.85	33841151	1.12	0.85	15611624

(i) Performance of share price of the Company in comparison to the BSE SENSEX



	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
KSK	7.5	3.26	1.55	1.49	1.58	1.04	0.89	2.2	1.6	1.15	0.97	0.86
Sensex	35160	35322	35423	37607	38645	36227	34442	36194	36068	36257	35867	38673

(ii) Performance of share price of the Company in comparison to the NSE NIFTY



	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
KSK	*8.76*	*5.18*	*2.41*	*1.77*	*1.65*	*1.44*	*0.85*	*1.43*	*1.68*	*1.46*	*1.03*	*0.94*
Nifty	*10473*	*10664*	*10743*	*10991*	*11498*	*11297*	*10384*	*10622*	*10778*	*10809*	*10834*	*11317*

viii. There was no suspension of trading in Securities of the Company during the year under review

ix. **Registrar and Transfer Agents**

Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad - 500 032.

Ph: 040-67162222, Fax: 040-23001153

E-mail: einward.ris@karvy.com

x. Share Transfer System :

The Company has appointed M/s. Karvy Fintech Private Limited, as its Registrar and Share Transfer Agent, who are fully equipped to carry out share transfer activities and redress investor complaints. Company Secretary is the Compliance Officer for redressal of all shareholders' grievances.

xi. Distribution of Shareholding

a). Distribution of Shares as on 31 March, 2019

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	20607	49.78	3626557	36265570.00	0.86
5001- 10000	6077	14.68	5450684	54506840.00	1.29
10001- 20000	4308	10.41	7148830	71488300.00	1.69
20001- 30000	2118	5.12	5619941	56199410.00	1.33
30001- 40000	1181	2.85	4348725	43487250.00	1.03
40001- 50000	1553	3.75	7565453	75654530.00	1.78
50001- 100000	2535	6.12	20368907	203689070.00	4.80
100001& Above	3015	7.28	369856677	3698566770.00	87.23
TOTAL	**41394**	**100.00**	**423,985,774**	**4,239,857,740**	**100.00**

b). Shareholding Pattern as on 31 March 2019

Category	No of Shares	%
A. Promoters Holding		
Promoters	125462083	29.59
Sub -Total: A	**125462083**	**29.59**
B. Public Shareholding		
Mutual Funds /UTI	3872814	0.91
Financial Institutions /Banks	10648936	2.51
Foreign Institutional Investors	2917586	0.69
Bodies Corporate	60975888	14.38
Non Resident Indians	1855402	0.44
Non Resident Indian Non Repatriable	550945	0.13
Foreign Bodies	26374531	6.22
Indian Public	191327589	45.13
Sub -Total: B	**273523691**	**70.41**
GRAND TOTAL (A+B)	**423985774**	**100**

(xii) Dematerialisation of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form and are admitted for dematerialisation on both Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shares of the Company are actively traded in the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

(xiii) Address for investor's correspondence

(i) Registrar and Transfer Agents:

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032.
Ph: 040-67162222 , Fax: 040-23001153, E-mail: einward.ris@karvy.com

(ii) Any Query on Annual Report:

Corporate Affairs Department
KSK Energy Ventures Limited
8-2-293/82/A/431/A, Road No. 22, Jubilee Hills, Hyderabad - 500 033
Ph: 040-23559922-25, Fax: 040-23559930, E-mail: investors@ksk.co.in
CIN: L45204TG2001PLC057199

Plant Locations: Not applicable as the Company operates through its subsidiaries

Certificate pursuant to Regulation 34 (3) and Schedule V(C)(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
KSK Energy Ventures Limited
Hyderabad.

Based on the records available with the Registrar of Companies through the MCA21 site, Stock Exchanges namely, BSE & NSE, disclosures received from the Directors and taken on record by the Company as on March 31, 2019, we hereby certify that none of the Directors on the Board of KSK Energy Ventures Limited bearing CIN: L45204TG2001PLC057199, have been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India or Ministry of Corporate Affairs and / or any such statutory authority as on March 31, 2019.

For **SRV & Associates**
Company Secretaries,
Firm Regn No.S2018TL599600

V. Pavana Srinivasa Rao
Practicing Company Secretary
FCS No. F-9796; C P No.:7671

Date: 31.07.2019
Place: Hyderabad

Independent Auditors' Certificate regarding compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of

KSK Energy Ventures Limited

1. This certificate is issued in accordance with terms of our engagement letter dated 10th November, 2018.
2. We, Jawahar and Associates, Chartered Accountants, the statutory auditors of KSK Energy Ventures Limited('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of the Internal Control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by Institute of Chartered Accountants of India (ICAI), the Standards on Auditing Specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI Listing Regulations during the year ended March 31, 2019.
9. We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Jawahar & Associates**
Chartered Accountants
FRN 001281S
Sd/-
M. Chandramouleswar Rao
Partner
ICAI MRN 024608

Place: Hyderabad
Date : 14.08.2019

Certificate of Compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management of the Company in respect of Financial Year 2018-19.

Sd/-
S. Kishore
Whole-time Director

Place : Hyderabad
Date : 14.08.2019

The Board of Directors,

KSK Energy Ventures Limited.

COMPLIANCE CERTIFICATE

We, S. Kishore, Whole-time Director and Manjul Saha, Chief Financial Officer of KSK Energy Ventures Limited, to the best of our knowledge and belief hereby certify that:

a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 and:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the audit committee:

   (i) Significant changes in internal control over financial reporting during the year;

   (ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
	Manjul Saha	**S. Kishore**
Date: 30.05.2019	Chief Financial Officer	Whole-Time Director

Dear Shareholders,

Your Directors have the pleasure in presenting the Nineteenth Annual Report together with the audited statements of accounts for the year ended 31 March 2019.

Performance Highlights

The financial performance of your Company for the year ended 31 March 2019 is summarized below:

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Income	17.40	24.93	2,073.51	31,490.17
Operating expenditure	(75.65)	(654.61)	(1,358.85)	(25,247.91)
Operating profit	(58.25)	(629.68)	714.66	6,242.26
Add: Other income	37.92	139.79	88.82	780.28
Less: Finance cost	(76.76)	(1,380.60)	(1,176.13)	(21,842.80)
Less: Depreciation	(0.62)	(2.16)	(346.41)	(5,997.75)
Add: Exceptional items	(7,221.75)	(1,888.84)	(2,839.55)	2,200.37
Profit/(loss) before tax (PBT)	(7,319.46)	(3,761.50)	(3,558.61)	(18,617.63)
Tax expense / (income)	-	73.83	44.38	(1,603.72)
Net profit/(loss) after tax	(7,319.46)	(3,835.33)	(3,602.99)	(17,013.91)
Share of profit /(loss) of Associate	-	-	(212.52)	(111.15)
Other comprehensive income	0.32	(1.32)	75.25	(4.60)
Total comprehensive income	(7,319.14)	(3,836.65)	(3,740.26)	(17,129.66)
Earnings per share (EPS) (Rs.)				
Basic and Diluted	(17.26)	(9.05)	(9.00)	(33.64)

Standalone

During the year under review, income of the Company stood at Rs.17.40 million. With higher impairement of investments and receivables and decrease of other income, the Company reported a loss of Rs. 7,319.14 million.

Consolidated

During the year under review, the consolidated revenue of the group has decreased by Rs. 29,416.66 million as a result of deconsolidation of Sai Wardha Power Generation Limited, VS Lignite Power Private Limited and KSK Mahanadi Power Company Limited pursuant to lenders decision of change in management. As a result, operating profit has also decreased by Rs. 5,527.6 million. With lower finance cost and depreciation and lower other income, loss before tax for the year stood at Rs. 3,558.61 million.

Review of Business

The operational and financial performance of each of the power plants for the financial year 2018-19 has been outlined in the "Management Discussion and Analysis Report".

Material changes and commitments

Sai Wardha Power Generation Limited, Sai Regency Power Corporation Private Limited and Sai Lilagar Power Generation Limited are under Corporate Insolvency Resolution Process ("CIRP"). The Lenders Consortium at KSK Mahanadi Power Company Limited along with Lenders consortium at the Water and Railway infrastructure SPVs have invoked the shares pledged with them as security for the financial facilities.

The above mentioned events had substantial impact on the financial position of the Company.

Further, there is no change in the nature of business of the Company.

Share Capital

The paid up equity share capital as on 31 March 2019 was Rs.4,239.86 million comprising of 42,39,85,744 (Forty Two Crore Thirty Nine Lakh Eighty Five Thousand and Seven Hundred Forty Four)equity shares of Rs.10/- each.

Subsidiaries / Joint Ventures / Associates

Details of major subsidiaries of the Company and their business operations during the year under review are covered in the Management Discussion and Analysis Report.

As per the provisions of Section 129 of the Companies Act, 2013 (hereinafter referred to as "Act") read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the Subsidiary Companies/Associate Companies/Joint Ventures has been provided in Form AOC-1.

The consolidated financial statements of the Company which includes the results of its subsidiaries, associates and joint ventures are included in this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements including consolidated financial statements are being made available on the website of the Company www.ksk.co.in.The financial statements of subsidiary companies will be available for inspection during business hours at the registered office of the Company and also on the website of the Company.

Policy for determining material subsidiaries of the Company is available on the website of the Company at the link: http://www.ksk.co.in/ourpolicies.php.

Companies which have become or ceased to be Subsidiaries, Joint Ventures or Associate Companies during the year

During the year, financial creditors of Sai Regency Power Corporation Private Limited (Sai Regency) have filed the petition for a Corporate Insolvency Resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Tribunal, Chennai ("NCLT") and same has been admitted by NCLT on 27 March, 2019. Consequent to this, the Company has lost control in Sai Regency and it ceased to be Subsidiary of the Company.

The Lenders Consortium at KSK Mahanadi Power Company Limited (KSK Mahanadi) along with Lenders consortium at the Water and Railway infrastructure SPVs have invoked the shares pledged with them as security for the financial facilities and as a result all three Companies and Sai Power Pte. Ltd. subsidiary of KSK Mahanadi have ceased to be Subsidiaries and Associate Company respectively.

Further, financial creditor of Sai Lilagar Power Generation Limited, ("Sai Lilagar") Subsidiary of the Company has filed petition for a CIRP before NCLT, Hyderabad Bench under Section 7 of the Insolvency and Bankruptcy Code 2016 ("IBC") and the same has been admitted by NCLT on 11th July, 2019.Consequent to this, the Company has lost control in Sai Lilagar and it ceased to be Subsidiary of the Company.

Corporate Governance

Pursuant to SEBI (LODR) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), a detailed report on Corporate Governance is given in this Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance with conditions o f Corporate Governance is attached to the Corporate Governance report.

Management Discussion and Analysis Report

A Management Discussion and Analysis report in terms of regulation 34 of Listing Regulations is provided in a separate section and forms an integral part of this Annual Report.

Directors and Key Managerial Personnel

Independent Directors & Non-Executive Directors

Mr. Abhay M Nalawade, Independent Director and Mrs. Kusuma Mani Kumari, Non-Executive Director have resigned with effect from 05 March, 2019 and 30 May, 2018 respectively.

Mr. T.L. Sankar expired on 26 December 2018. Mr. K.A. Sastry has vacated his office of Whole-time Director pursuant to provisions of Section 167(1)(b) of the Companies Act, 2013 with effect from 11 August 2018.

Mr. K. Bapi Raju and Ms. Alankrita Soni have been appointed as Additional Directors of the Company with effect from30 May 2018 and Mr. N.S Ramachandran has been appointed as Additional Director with effect from 30 May, 2019. Ms. Alankrita Soni, Mr. Abhay Nalawade were appointed as Independent Directors for a term of five years and Mr. K. Bapi Raju was appointed as Director at the Annual General Meeting on 29th September, 2018.

Mr. N.S Ramachandran is proposed to be appointed as Independent Director for a term of five years under the provision of section 160 of the Act at the ensuing Annual General Meeting.

In accordance with the provisions of Section 152(6) of the Act, Mr. K. Bapi Raju, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

Brief profiles of Mr. N.S. Ramachandran and Mr. K. Bapi Raju are given in notice convening the Nineteenth Annual General Meeting for reference of shareholders.

During the year, Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

The Company has received declaration from all Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the applicable provisions of Section 149 of the Act and under Listing Regulations.

Key Managerial Personnel

Mr. V. Sambasiva Rao, Chief Financial Officer and Mr. M.S. Phani Sekhar, Company Secretary have resigned with effect from 30 May, 2018.

Mr. Ranjith Kumara Shetty has been appointed as Company Secretary and Compliance Officer and Mr. Manjul Saha has been appointed as Chief Financial Officer with effect from 30 May, 2018 and 10 November, 2018 respectively.

Meetings of the Board

The Board met five (5) times during the year. The details are given in Corporate Governance report that forms part of this Annual report.

Performance Evaluation

As per the provisions of the Act and Listing Regulations, the Board carried out annual evaluation of the Board's performance, its Committees and individual Directors.

Board performance evaluation, evaluation of Committees and individual Directors is carried out through a questionnaire encompassing upon various areas that provide an insight and feedback into the functioning of the Board, its Committees, individual Directors and areas of development.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole, performance of the Chairman and quality, quantity and timeliness of flow of information between the Company management and the Board was evaluated.

Remuneration Policy

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Schedule II Part D of Listing Regulations, the Nomination and Remuneration Committee is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director.

The Nomination and Remuneration Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management.

The Remuneration Policy is annexed herewith as **Annexure I** and the same form part of this Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked as **Annexure II.**

Particulars of Employees

The particulars of employees as required to be disclosed pursuant to the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3)of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended is annexed herewith and marked as **Annexure III** to this Report.

Directors' Responsibility Statement

In terms of Section 134(3)(c) and 134(5) of the Act, your Board of Directors to the best of their knowledge and ability confirm that:

- in the preparation of annual financial statements, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- annual financial statements have been prepared on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- proper systems are in place to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

The Audit Committee of the Company constituted in terms of Section 177(1) of the Act and Regulation 18 of the Listing Regulations comprises of - Mr. N.S Ramachandran, Ms. Alankrita Soni and Mr. S. Kishore as on date of this report. Terms of reference, meetings and attendance particulars of the Audit Committee are included in the Corporate Governance Report forming an integral part of this Annual Report.

Corporate Social Responsibility Committee

KSK has been pursuing CSR activities long before they were made mandatory under the Act. The Group's sustainability initiatives towards community are essentially focused on five thrust areas:

1. Education
2. Health and Family welfare
3. Sustainable development
4. Infrastructure development
5. Cultural and Community Support

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31 March 2019 in the format prescribed under Rule 8 of Companies (Corporate Social Responsibility Policy)Rules, 2014 is annexed herewith as **Annexure IV**. The CSR Committee has not met during the year.

Statutory Auditors

M/s. Jawahar and Associates, Chartered Accountants, Hyderabad, (ICAI Firm Registration No. 001281S) have been appointed as Statutory Auditors of the Company to hold office from the conclusion of the 17th Annual General Meeting held on 25th September, 2017 for 5 consecutive years till the conclusion of the 22nd Annual General Meeting of the Company in the calendar year 2022 (subject to ratification by the shareholders at each Annual General Meeting if so required under the Act).

Companies Amendment Act, 2017 omitted the first proviso to Section 139 of Companies Act, 2013 that requires ratification of appointment of auditor at every annual general meeting.

Explanation to Statutory Auditors' Qualification / Comment on the Company's financial statements

The Auditors' Qualification has been appropriately dealt with in Note No. 2.6,16(v), 33 to 36 of the Notes to the standalone audited financial statements and in Note No. 2.4,8, 31(ii), 43 to 45 of the Notes to the consolidated audited financial statements. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Audit Report

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. V. Pavana Srinivasa Rao, Practising Company Secretary, Hyderabad to undertake Secretarial

Audit of the Company for the financial year 2018-19. The Secretarial Audit Report in form MR-3 received from him is annexed herewith as **Annexure V** to this Report.

There is no qualification, reservation, adverse remark or disclaimer by the Secretarial Auditor in his Secretarial Audit Report and hence no explanation or comments of the Board is required in this matter.

Cost Audit

The Company is not required to maintain cost records and cost audit as per section 148 of the Companies Act, 2013 and the rules framed thereunder.

Whistle Blower Policy/Vigil Mechanism

The Company has formulated a Whistle Blower Policy and has established a Vigil Mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Act and Regulation 22 of Listing Regulations.

The whistle blower policy is available on the Company's website at the link:http://ksk.co.in/pdfs/Whistle-Blower-Policy.pdf.

Dividend

Your Directors have not recommended any dividend on equity shares for the year under review.

Transfer to Reserves

No amounts were proposed to be transferred to reserves for the year under review.

Deposits from Public

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act and the Companies(Acceptance of Deposits) Rules, 2014.

Details of significant and material orders passed by the Regulators or Courts or Tribunals

Apart from the National Company Law Tribunal orders on Corporate Insolvency Resolution Process of Subsidiaries mentioned in this report, there are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Internal Control Systems

Your Directors believes that the Company's internal financial controls with reference to financial statements were adequate and effective during the financial year 2018-19.

Loans, Guarantees or Investments under Section 186 of the Act

Particulars of loans given, investments made, guarantees given and securities provided are detailed in notes to the financial statements.

Contracts and arrangements with Related Parties

The Board has approved a policy for Related Party Transactions which has been posted on the Company's website at the weblinkhttp://ksk.co.in/ourpolicies.php

There are no materially significant related party transactions made by the company with related parties which may have potential conflict with interest of the company at large. As a matter of policy, your Company carries out transactions with related parties on an arms' length basis.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form a part of this report.

Further, the Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 31 March 2019. Suitable disclosure as required by the Indian Accounting Standards as applicable has been made in the notes to the financial statements.

Risk Management Policy

The Company's policy for Risk Management is to apply best practice in identifying, evaluating and cost-effectively controlling risks to ensure that any residual risks are at an acceptable level. Whilst it is not possible to eliminate risk absolutely, effort is underway to actively promote and apply best practices at all levels and to all its activities, including its dealing with external partners.

Extract of Annual Return

The extract of Annual Return in the prescribed format as per the provisions of Section 92(3) oftheCompaniesAct,2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed herewith as an **Annexure VI**.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no complaints received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year ended 31 March 2019.

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of Energy:

1) Steps taken or impact on conservation of energy: -N.A.

2) Steps taken by the Company for utilizing alternate sources of energy: -N.A.

3) The Capital investment on energy conservation equipments: -N.A.

B. Technology Absorption:

i. The Efforts made towards technology absorption: NIL

ii. The Benefits derived like product improvement, cost reduction, product development or import substitution: NIL

iii. Details of technology imported during the past 3 years: No technology has been imported during the past 3 years.

a. The details of technology import: -NIL

b. The year of import: -NIL

c. Whether the technology has been fully absorbed: -NIL

d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: - NIL

iv. The expenditure incurred on Research and Development: -N.A.

C. Foreign Exchange Earnings and Outgo:

Rs in million

Particulars	2018-19	2017-18
Exchange Earnings	-	-
Foreign Exchange Outgo	-	-

Acknowledgments

Your Directors would like to place on record their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government of India, State Government, Government Authorities, Customers, Vendors and Shareholders. Your Directors also wish to place on record their deep sense of appreciation for the services of the employees of the Company. We look forward to their continued support in the future.

On behalf of the Board

	Sd/-	Sd/-
Hyderabad	**S. Kishore**	**K. Bapi Raju**
Date: 14.08.2019	Whole-time Director	Director
	DIN: 00006627	DIN: 00940849

REMUNERATION POLICY

Preamble

Much before the advent of Companies Act, 2013 mandating various class of Companies to formulate a Remuneration Policy, KSK Energy Ventures Limited ("KSK" or "Company") has a remuneration strategy in place, designed to reward competitively the achievement of long-term sustainable performance and attract and motivate the best people who are committed to maintaining along-term career with the Company and aligning their performance and interest to the long-term interests of the Company.

In achieving this, the Company always believed that effective governance of its remuneration practices is a key driver. The guiding principle has always been that the remuneration and the other terms of employment shall be competitive in order to ensure that KSK can attract and retain competent people.

Purpose

This Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the"Policy") has been formulated in terms of the provisions of Section 178 of the Companies Act, 2013 (the "Act") and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Objectives of the Policy

The objectives of this policy are as detailed below:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- To evaluate the performance of the members of the Board.

Definitions

Some of the key terms used in the policy are as under:

Board means Board of Directors of KSK Energy Ventures Limited or the Company.

Director means a Director appointed on the Board of the Company including executive, non-executive and independent directors.

Independent Director means a Director referred to in Section 149(6) of the Act and Listing Regulations, as amended from time to time.

Key Managerial Personnel(the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act and includes Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director; Company Secretary and Chief Financial Officer.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Constitution of Nomination and Remuneration Committee

A nomination and remuneration committee of the Board has been constituted in line with the requirements of the Act.

Role of the Committee:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., to the Managing /Whole-time Director will be determined by the Committee and recommended to the Board for approval and shall be in accordance with the provisions of the Act and Rules made there under and subject to the approval of the shareholders of the Company.

Further, the Whole-time Directors of the Company are authorised to decide the remuneration of KMP (other than Managing /Whole-time Director) and Senior Management and which shall be decided by Whole-time Directors based on the standard market practices and prevailing HR policy of the Company.

Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and listing regulations, as amended from time to time.

On behalf of the Board

	Sd/-	Sd/-
Hyderabad	**S. Kishore**	**K. Bapi Raju**
Date: 14.08.2019	Whole-time Director	Director
	DIN: 00006627	DIN: 00940849

Statement of particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.

(I) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2018-19 are as below:

S. No.	Name of the Director	Designation	Remuneration of Director/Key Managerial Personnel for the financial year (INR Million)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year
1	Mr. T.L. Sankar[1]	Non-Executive Chairman and Independent Director	Nil	Nil	Nil
2	Mr. Abhay M Nalawade[1]	Independent Director	Nil	Nil	Nil
3	Ms. Alankrita Soni[1]	Independent Director	Nil	Nil	Nil
4	Mr. K.A. Sastry[2]	Whole-time Director	3.7	1:0.2404	Nil
5	Mr. S. Kishore	Whole-time Director	9.0	1:0.0991	Nil
6	Mr. K. Bapi Raju[3]	Non-Executive Director	Nil	Nil	Nil
7	Mrs. Kusuma Mani kumari[3]	Non-Executive Director	Nil	Nil	Nil
8	Mr. V. Sambasiva Rao[4]	Chief Financial Officer	0.41	Not Applicable	Nil
9	Mr. Manjul Saha[4]	Chief Financial Officer	1.55	Not Applicable	Nil
10	Mr. Ranjith Kumara Shetty[5]	Company Secretary	Nil	Nil	Nil

1. Mr. T.L. Sankar, Mr. Abhay M Nalawade and Ms. Alankrita Soni were paid sitting fees for attending the Meetings.

2. Mr. K.A. Sastry has vacated his office of Whole-time Director pursuant to provisions of Section 167(1)(b) of the Companies Act, 2013 w.e.f. 11.08.2018.

3. Mr. K. Bapi Raju and Mrs. Kusuma Mani Kumari were not paid any remuneration.

4. Mr. V. Sambasiva Rao has resigned with effect from 30 May, 2018 and Mr. Manjul Saha has been appointed as Chief Financial Officer with effect from 10 November, 2018.

5. Mr. Ranjith Kumara Shetty has been appointed as Company Secretary with effect from 30 May, 2018 and paid remuneration in subsidiary Company.

6. The Company experienced an average decrease of 55.51% in the median remuneration of employees in the financial year. Though there is no decrease in salaries of employees, the decrease in median remuneration of employees is due to reduction in employees during the year 2018-19.

7. The Company has 3 permanent employees on its rolls as on 31 March 2019.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was NIL and the increase in the managerial remuneration was NIL.

9. The key parameters for any variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee.

10. It is hereby affirmed that the Remuneration paid to Directors, Key Managerial Personnel and Senior Management is as per the Remuneration policy of the Company.

On behalf of the Board

	Sd/-	Sd/-
Hyderabad	**S. Kishore**	**K. Bapi Raju**
Date: 14.08.2019	Whole-time Director	Director
	DIN: 00006627	DIN: 00940849

Information pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 as amended

Details of top ten employees of the Company in terms of remuneration drawn during the year ended on 31 March, 2019.

S. No	Employee Name	Age	Qualifi- -cations	Designation	Date of commen- -cement of emplo- -yment	Remun- -eration (INR Mn)	Nature of employ- -ment	Related to any Director or Manager of the Company	Exper- -ience (Years)	Last Employment
1	Kishore S	55	B.Com, FCA	Whole-time Director	1 April 2004	9.00	Contractual	No	31	Director, K&S Consulting Group Private Limited
2	Sastry K A	58	B.Com, FCA	Whole-time Director	1 April 2004	3.7	Contractual	No	30	Director, K&S Consulting Group Private Limited
3	Manjul Saha	48	B.Com, CMA	Chief Financial Officer	10 Nove mber 2018	1.56	Permanent	No	26	KSK Group
4	Krishna Murthy K V	41	MBA	Deputy Chief Financial Officer	8 June 2004	1.23	Permanent	No	19	Vxceed Technologies
5	Ravi Kumar R	49	PG	Senior Manager - Corporate Communications	7 September 2010	0.54	Permanent	No	26	VignanaJyothi Institute Of Management
6	Sambasiva Rao V	69	B.Com, ACA	Chief Financial Officer	3 October 2006	0.4	Permanent	No	43	Bambino Agro Industries Limited
7	M. Sanjeeva Reddy	38	B.Com	Dy. Manager Accounts	14 February 2001	0.38	Permanent	No	19	KSK Group
8	M.R. Venkat	64	B.Com	Head- DMS	03 August 2007	0.28	Permanent	No	37	KSK Group
9	Raj Kamal Bajaj	66	B.Com	Head - Administration	25 January 2010	0.21	Permanent	No	37	Pidilite Industries Limited
10	Latha Parikh	51	B.Com	Executive Secretary	14 February 2001	0.21	Permanent	No	34	Super Inducto Castings Private Limited

Please note that no employees are there in the service of the company in the category specified under Rule 5 (2)(iii) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

On behalf of the Board

	Sd/-	Sd/-
Hyderabad	**S. Kishore**	**K. Bapi Raju**
Date: 14.08.2019	Whole-time Director	Director
	DIN: 00006627	DIN: 00940849

Report on CSR activities

Report on CSR Activities undertaken during the year as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

   The CSR activities of KSK reflect its basic philosophy of being an infrastructure company that not only generates power - which is anessential building block for the development and sustenance of the economy - but also, a Company that seeks a larger role in nation building through its contribution towards improving the lives of the communities in whose midst it works. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

   The group's CSR initiatives towards community are essentially focused on five thrust areas:

   a. Education

   b. Health and Family welfare

   c. Sustainable Development

   d. Infrastructure Development

   e. Cultural and Community Support

   web-link:http://ksk.co.in/pdfs/CSR-Policy.pdf

2. The CSR committee as on the date of this report comprises of Mr. N.S. Ramachandran, Mr. K. Bapi Raju and Mr. S. Kishore.

3. Average net profit of the Company for last three financial years: Nil (since the Company incurred losses during last 3 years)

4. Prescribed CSR expenditure:Not Applicable for the financial year 2018-19.

5. Details of CSR spend for the financial year:

   a. Total amount spent for the financial year: Nil

   b. Amount unspent, if any: Nil

   c. Manner in which the amount spent during the financial year:

CSR Project or activity projects identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1)Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting the period	Amount spent : Direct or through implementing agency
NOT APPLICABLE						

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable

   We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

On behalf of the Board

	Sd/-	Sd/-
Hyderabad	**S. Kishore**	**K. Bapi Raju**
Date: 14.08.2019	Whole-time Director	Director
	DIN: 00006627	DIN: 00940849

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31 March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

KSK Energy Ventures Limited
CIN: L45204TG2001PLC057199
8-2-293/82/A/431/A, Road No.22, Jubilee Hills,
Hyderabad - 500 033.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KSK Energy Ventures Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KSK Energy Ventures Limited ("the Company") for the financial year ended on 31 March 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including any amendments thereto;

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the Audit Period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **SRV & Associates**
Company Secretaries,
Firm Regn No.S2018TL599600

V. Pavana Srinivasa Rao
Practicing Company Secretary
FCS No. F-9796; C P No.:7671

Date: 31.07.2019
Place: Hyderabad

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31 March 2019)

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I.	**REGISTRATION & OTHER DETAILS:**	
1.	CIN	L45204TG2001PLC057199
2.	Registration Date	14 February, 2001
3.	Name of the Company	KSK ENERGY VENTURES LIMITED
4.	Category/Sub-category of the Company	Public Company limited by shares
5.	Address of the Registered office & contact details	8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad 500 033. Tel: 040-23559922-25
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana. Tel: 040-67162222 E-mail : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company)

Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
Project Management / Development of Power Projects	42201	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES#

S.No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	KSK Energy Limited St. James Court, St. Denis Street, Port Louis, Mauritius	NA	Holding	20.41	2 (46)
2	KSK Wind Energy Private Limited***	U40109TG2005PTC047721	Subsidiary	100	2 (87)
3	Sai Maithili Power Company Private Limited*	U40101TG2002PTC039426	Subsidiary	100	2 (87)
4	KSK Dibbin Hydro Power Private Limited*	U40108TG2007PTC053501	Subsidiary	70	2 (87)
5	Kameng Dam Hydro Power Limited*	U40108TG2007PLC053499	Subsidiary	100	2 (87)

S.No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
6	Sai Lilagar Power Generation Limited (formerly Sai Lilagar Power Limited)*	U40101TG2004PLC061239	Subsidiary	100	2 (87)
7	KSK Electricity Financing India Private Limited*	U40109TG2005PTC047594	Subsidiary	100	2 (87)
8	VS Lignite Power Private Limited*	U40104AP2001PTC045088	Subsidiary	83.75	2 (87)
9	Sai Regency Power Corporation Private Limited**	U40105TN2002PTC055046	Subsidiary	73.92	2 (87)
10	Sai Wardha Power Generation Limited (formerly Sai Wardha Power Limited)*	U40109TG2005PLC047917	Associate	27.98	2 (67)
11	J R Power Gen Private Limited**	U31200TN2007PTC062021	Subsidiary	99.87	2 (87)
12	KSK Upper Subansiri Hydro Energy Limited*	U40108TG2010PLC068931	Subsidiary	100	2 (87)
13	KSK Jameri Hydro Power Private Limited*	U40108TG2010PTC071752	Subsidiary	100	2 (87)
14	KSK Dinchang Power Company Private Limited*	U40108TG2010PTC071808	Subsidiary	100	2 (87)
15	KSK Surya Photovoltaic Venture Limited*	U74999TG2008PLC057567	Subsidiary	97.97	2 (87)
16	Tila Karnali Hydro Electric Company Private Limited Kathmandu Municipality - 3, Baluwatar, Kathmandu, Nepal	NA	Subsidiary	80	2 (87)
17	Bheri Hydro Power Company Private Limited Kathmandu Municipality - 2, Saraswattithan Marg, Gairithara, Kathmandu, Nepal	NA	Subsidiary	99	2 (87)
18	KSK Wind Energy Mothalli Haveri Private Limited***	U40108TG2010PTC071927	Subsidiary	99.61	2(87)
19	KSK Wind Power Sankonahatti Athni Private Limited***	U40105TG2011PTC071999	Subsidiary	99.61	2 (87)
20	KSK Wind Energy Halagali Benchi Private Limited***	U40108TG2010PTC071926	Subsidiary	99.61	2 (87)
21	KSK Wind Power Aminabhavi Chikodi Private Limited *	U40108TG2011PTC072003	Subsidiary	100	2 (87)
22	Global Coal Sourcing Plc Fort Anne South Quay, Douglas, Isle of Man IM1 5PD	NA	Subsidiary	100	2 (87)

#Details mentioned is based on shareholding held as per shareholding records, though the Company has lost actual control of some of these Companies as mentioned in financial statements.

*8-2-293/82/A/431/A, Road No. 22, Jubilee Hills, Hyderabad - 500 033

** 2nd Floor, Crown Court, No. 128, Cathedral Road, Chennai - 600086

***Plot No 106, Survey No. 41 & 42 Phase-I, Kavuri Hills Hyderabad - 500033

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
PROMOTER & PROMOTER GROUP									
INDIAN									
Individual /HUF									
Central Government / State Government(s)									
Bodies Corporate	19299310	-	19299310	4.55	19299310	-	19299310	4.55	0
Financial Institutions / Banks									
Others									
Sub-Total A(1)	**19299310**	**-**	**19299310**	**4.55**	**19299310**	**-**	**19299310**	**4.55**	**0**
FOREIGN									
Individuals (NRIs/ Foreign Individuals)									
Bodies Corporate	131162773	-	131162773	30.94	106162773	-	106162773	25.04	(5.90)
Institutions									
Qualified Foreign Investor									
Others									
Sub-Total A(2) :	**131162773**		**131162773**	**30.94**	**106162773**	**-**	**106162773**	**25.04**	**(5.90)**
Total A=A(1)+A(2)	**150462083**		**150462083**	**35.49**	**125462083**	**-**	**125462083**	**29.59**	**(5.90)**
PUBLIC SHAREHOLDING									
INSTITUTIONS									
Mutual Funds /UTI	48004639		48004639	11.32	3872814	-	3872814	0.91	(10.41)
Financial Institutions /Banks	10643936		10643936	2.51	10643936		10643936	2.51	0
Central Government / State Government(s)									
Venture Capital Funds									
Insurance Companies									
Foreign Institutional Investors	26325686	-	26325686	6.21	2917586	-	2917586	0.69	(5.52)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Venture Capital Investors									
Qualified Foreign Investor									
Others									
Sub-Total B(1) :	**84974261**	**-**	**84974261**	**20.04**	**17439336**	**-**	**17439336**	**4.11**	**(15.93)**
NON-INSTITUTIONS									
Bodies Corporate	60134491		60134491	14.18	60975888	-	60975888	14.38	0.20
Individuals									
(I) Individuals holding nominal share capital upto Rs.1 lakh	32461638	23	32461661	7.66	69111328	73	69111255	16.30	8.64
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	61007149		61007149	14.39	110237258		110237258	26.0	11.61
Others	34946129		34946129	8.24	40759881	-	40759881	9.62	1.38
Sub-Total (B)(2)	**188549430**	**23**	**188549453**	**44.47**	**281084355**	**73**	**281084282**	**66.30**	**(21.83)**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**273523691**	**23**	**273523714**	**64.51**	**298523691**	**73**	**298523618**	**70.41**	**(5.9)**
C. Shares held by Custodian for GDRs & ADRs	-								
Grand Total (A+B+C)	**423985751**	**23**	**423985774**	**100**	**423985701**	**73**	**423985774**	**100**	

ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year *
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encum bered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encum bered to total shares	
1	KSK Energy Limited	111545854	26.31	96.83	86545854	20.41	95.92	0.91
2	KSK Energy Company Limited	19299310	4.55	99.96	19299310	4.55	99.96	0
3	KSK Power Holdings Limited	19616919	4.63	55.83	19616919	4.63	55.83	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	KSK Energy Limited	111545854	26.31	01.04.2018				
				21.04.2018	2,50,00,000	Invocation	86545854	
				31.03.2019			**86545854**	**20.41**
2	KSK Energy Company Private Limited	19299310	4.55	01.04.2018				
				31.03.2018			**19299310**	**4.55**
3	KSK Power Holdings Limited	19616919	4.63	01.04.2018	19616919	4.63		
				31.03.2019			**19616919**	**4.63**

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	LB Mauritius IV Limited	18500000	4.36	18500000	4.36
2	L&T Infrastructure Finance Company Limited	-	-	10996699	2.59
3	IDBI Trusteeship Services Limited	-	-	9000000	2.12
4	LB Mauritius III Limited	7874531	1.85	7874531	1.85
5	Bodhivriksha Advisors LLP	7000000	1.65	7000000	1.65
6	Life Insurance Corporation of India	-	-	4001256	0.94
7	ICICI Prudential Midcap Fund	-	-	3872814	0.91
8	Anil Jain T	-	-	3130715	0.73
9	Bank of India	-	-	2734307	0.64
10	Punjab National Bank	-	-	2576442	0.60

Note :

1. The Share Capital of the Company as on 01.04.2018 is 42,39,85,774.
2. The Shares of the Company are traded on a daily basis on the stock exchanges and hence date wise increase/decrease in shareholding is not provided.
3. The details of the date wise increase/decrease will be provided at the request of shareholder.

v) Shareholding of Directors and Key Managerial Personnel:

S.N	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1	Ms. Alankrita Soni				
	At the beginning of the year	0	0		
	At the end of the year			0	0
2	Mr. K. Bapi Raju				
	At the beginning of the year	0	0		
	At the end of the year			0	0
3	Mr. S. Kishore				
	At the beginning of the year	0	0		
	At the end of the year			0	0
	Key Managerial Personnel				
4	Mr. Manjul Saha				
	At the beginning of the year	0	0		
	At the end of the year			0	0
5	Mr. Ranjith Kumara Shetty				
	At the beginning of the year	0	0		
	At the end of the year			0	0

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Rs in million

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,638.03	7,128.64	-	10,767.67
ii) Interest due but not paid	125.22	1,449.30	-	1,584.52
iii) Interest accrued but not due	-	547.62	-	547.62
Total (i+ii+iii)	**3,763.25**	**9,135.56**	**-**	**12,898.80**
Indebtedness at the end of the financial year				-
i) Principal Amount	3,756.84	7,189.06		10,945.91
ii) Interest due but not paid	125.22	2,015.22		2,141.04
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**3,882.06**	**9,204.88**	**-**	**13,086.94**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs in million

S.No.	Particulars of Remuneration	Name of WTD		Total Amount
1	Gross salary	K. A. Sastry*	S. Kishore	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.7	9.0	12.7
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit			
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	3.7	9.0	12.7
	Ceiling as per the Act	10% of the net profits of the Company as calculated under Section 198 of Companies Act, 2013		

*Vacated office w.e.f. 11 August 2018

B. Remuneration to other directors:

Rs in million

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		T. L. Sankar*	Abhay M Nalawade#	Alankrita Soni	
1	Independent Directors				
	Fee for attending board committee meetings	0.16	0.08	0.20	0.44
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (1)	0.16	0.08	0.20	0.44
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-		
	Commission	-	-		
	Others, please specify	-	-		
	Total (2)	-	-		
	Total (B)=(1+2)	**0.16**	**0.08**	**0.20**	**0.44**
	Ceiling as per the Act	1% of the net profits of the Company as calculated under Section 198 of Companies Act, 2013			
	Total Managerial Remuneration				13.14
	Overall Ceiling as per the Act	11% of the net profits of the Company as calculated under Section 198 of Companies Act, 2013			

* Expired on 26 December 2018

Resigned w.e.f. 05 October 2018 and appointed w.e.f. 14 February 2019 and resigned w.e.f. 05 March 2019

C. Remuneration to key managerial personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS#	CFO*	Total (Rs.)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	1.56	1.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
5	Others, please specify	-	-	-
	Total	**0**	**1.56**	**1.56**

#Appointed w.e.f. 30 May 2018 and has been paid remuneration in Subsidiary Company.

*Appointed w.e.f. 10 November 2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

On behalf of the Board

	Sd/-	Sd/-
Hyderabad	**S. Kishore**	**K. Bapi Raju**
Date: 14.08.2019	Whole-time Director	Director
	DIN: 00006627	DIN: 00940849

INDEPENDENT AUDITORS' REPORT

To,

The Members of

KSK Energy Ventures Limited

Report on Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the Standalone Ind AS Financial Statements of KSK Energy Ventures Limited("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other Comprehensive income), the statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We here by draw your attention towards:

a. Note No.16(v) of the Standalone Ind AS Financial Statements regarding non accrual of interest by the Company on various credit facilities from Banks and Financial institutions subsequent to account become NPA, which is not in accordance with the generally accepted accounting principles.

   The estimated interest not provided from 1st April 2018 to 31st March 2019 worked out to an amount of Rs.1,737.56 Millions. Due to non-recognition of Interest as expenditure, loss for the current financial year and other current financial liabilities are understated by Rs. 1.737.56 Million.

b. Note no. 33 of the Standalone Ind AS Financial Statements regarding invocation of the shares of KSK Mahanadi Power Company Limited ('KMPCL') pledged with consortium lender as Security Trustee for the financial assistance granted by lenders to KMPCL. The company holds an investment of Rs. 3,586.15 million and an amount of Rs. 28,882.76 million shown as advances and receivables consequent to invocation of pledge referred above in the financial statements.

   Pursuant to RBI Circular dated 12th February, 2018, Lenders decision on 27th March, 2018 to consider the change in management outside NCLT, during May 2018 and July 2018 lenders have accordingly invoked shares equivalent to Rs. 23,942.13 million in KMPCL held by the Company.

   The Company continues to carry remaining investment, advances and amount receivable pursuant to the invocation at carrying value and no provision has been considered in this Ind AS Financial Statements by the management, as the impact if any is currently unascertainable.

c. Note no. 2.6 of the Standalone Ind AS Financial Statements stating that the Company has incurred net loss during the current year as well in the previous years with resultant defaults in payment of interest and instalment dues to banks and financial institutions, and accordingly lenders have classified company's account as Non-Performing Assets. Further as discussed at note 33 to the financial statements, the underlying power generation assets also continue to face significant headwinds with resultant losses and defaulted in payment of interest and instalments dues to banks and financial institutions, thereby materially affecting the downstream investments and recoveries thereto.

   These conditions along with matters set forth in clauses (a) and (b) above, indicate the existence of material uncertainties which may cast significant doubt on the company's ability to continue as going concern. However, the Standalone Ind AS Financial Statements has not been prepared with such adjustments and management continues to prepare the financial statements as going-concern.

Emphasis of Matter paragraph:

We draw your attention towards:

a. Note no. 34 of the Standalone Ind AS Financial Statements regarding invocation of the pledged shares of Sai Wardha Power Generation Limited("SWPGL") pledged by the Company with the lenders of SWPGL. Subsequent to invocation of the pledged shares, the lenders of SWPGL has filed the petition for a Corporate Insolvency Resolution Process ("CIRP'') under the Insolvency and Bankruptcy Code, 2016 at NCLT.

   Consequently the Company has impaired remaining amount receivable of Rs. 3,196.30 million and disclosed under exceptional item.

b. Note No. 35 of the Standalone Ind AS Financial Statements regarding filing of petition by financial creditor of the Sai Regency Power Corporation Private Limited ("SRPCPL") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Board, Chennai ("NCLT") and same has been admitted by NCLT on 27thMarch 2019. The Company has impaired remaining amount receivable of Rs. 261.62 million and disclosed under exceptional item.

c. Note No. 36 of the Standalone Ind AS Financial Statements stating that Pursuant to SRPCPL and SWPGL admitted to NCLT, KSK Electricity Financing India Private Limited (KEFIPL) has impaired its investment in SWPGL and SRPCPL, consequently Company has reassessed its investment in KEFIPL, and made provision for an amount of Rs. 3,763.83 million and disclosed under exceptional item.

Our opinion is not modified in respect of above matters.

Key Audit Matters:

Key Audit Matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key Audit Matter	How our audit addressed the Key audit matter
1.	**Investments& Receivables** The carrying amount of the investments made in "Subsidiaries" other than those stated in Basis for Qualified Opinion are held at Cost less impairment are amounting to Rs. 4,780.83 million as at 31st March 2019. Considering the deteriorated financial position of the "Subsidiaries", there are indicators of potential impairment of such investments in "Subsidiaries". We consider this as Key audit matter due to significant judgement involved in estimating future cash flows in the model prepared by	⊙ Comparing the carrying amount of investments with the relevant company's balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making; ⊙ For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a

S.No	Key Audit Matter	How our audit addressed the Key audit matter
	the management to support the carrying value of the above investments and determining significant assumptions of discount rate, terminal growth rate, etc., adopted in the model. Further due to their materiality in the context of total assets of the Company, this is considered to be significant to our overall audit strategy and planning.	suitable multiple of the subsidiaries earnings or discounted cash flow analysis; ⊙ Testing the assumptions and understanding the cash flows based on our knowledge of the Company and the markets in which the entity operate.

Information other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business responsibility report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fairview of the financial position, financial performance including other Comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Standalone Ind AS Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3

and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) Proper books of account and proper returns as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss including other Comprehensive income, the statement of Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.

d) Except for the effects of those matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards referred to in section 133 of Companies Act 2013, read with relevant Rules issued thereunder.

e) On the basis of written representations received from such directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of sub-section (2) of section 164of the Companies Act, 2013.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements - Refer to Note 27 to the Standalone Ind AS Financial Statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts - Refer to Note 17 to the Standalone Ind AS Financial Statements.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Jawahar and Associates.,**
Chartered Accountants
Firm Registration No: 001281S

Sd/-
M. Chandramouleswara Rao
Partner
Membership No: 024608

Place: Hyderabad
Date: 30th May, 2019.

Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements " in our report of even date:

i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.

ii. The Company is primarily engaged in the development of Private Sector Power Projects. The Company doesn't have any inventory and accordingly reporting under clause 3 (ii) of the order is not applicable.

iii. According to the information's and explanations provide to us, the Company has granted secured/unsecured loans to six Companies covered in the register maintained under section 189 of the Companies Act, 2013.

a. In our opinion, terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act, were not, prima facie, prejudicial to the interest of the Company.

b. The terms of arrangement do not stipulate any repayment schedule and loans are repayable on demand. Accordingly, paragraph-3(iii)(b)&(c) of the order is not applicable to the company in respect of repayment of the principal amount.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently the directives issued by Reserve Bank of India; the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under are not applicable.

vi. The maintenance of cost records under Section 148(1) of the Act has not been specified by the Central Government for the business activity carried out by the Company. Thus, reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii. According to the Information and explanations given to us and on the basis of examination of books of accounts

(a) The Company has been regular in depositing undisputed statutory dues, including provident fund, Employees' state Insurance, Income tax, Sales tax, Custom duty, cess, Goods and Services Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities but with delay.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, duty of customs, service tax, cess, Goods & Services Tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of duty of customs, Sales Tax,Goods and Services Tax and Income Tax which have not been deposited with the appropriate authorities on account of any dispute except as stated below.

S. No	Name of the Statute	Nature of dues	Amount (in Millions)	Period to which it relates	Forum where the dispute is pending
1.	Finance Act, 1994 - Service Tax	Availment of Cenvat Credit	505.6 *	April 2008- September 2010	CESTAT (Hyderabad)
2.	Finance Act, 1994 - Service Tax	Availment of Cenvat Credit	1.02	October 2010 - September 2011	CESTAT (Hyderabad)
3.	Finance Act, 1994 - Service Tax	Availment of Cenvat Credit	0.13	October 2011 - March 2012	CESTAT (Hyderabad)
4.	Finance Act, 1994 - Service Tax	Availment of Cenvat Credit	0.50	April 2012 - March 2013	CESTAT (Hyderabad)
5.	Finance Act, 1994 - Service Tax	Availment of Cenvat Credit	2.42	April 2013 - March 2014	CESTAT (Hyderabad)
6.	Finance Act, 1994 - Service Tax	Availment of Cenvat Credit	15.24	April 2014 - March 2015	CESTAT (Hyderabad)

*the company has paid an amount of Rs. 26 million under protest.

viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to financial institutions and banks as per the details given below:

Particulars	Amount of default in Principal (Rs in Millions)	Amount of default in Interest (Rs in Millions)	Period of default
IFCI	150.00	32.83	September 2017 to March 2019
LIC	1,300.36	1,366.61	October 2015 to March 2019
L&T	1,500.00	611.10	Oct 2017 to March 2019
Axis Bank	1705.10	125.22	March 2019
Andhra Bank	1535.91 *	-	Up to March 2019 *-(Principle + Interest)
Bank of India	515.83*	-	Up to March 2019 *-(Principle + Interest)
Total	**6707.20**	**2135.76**	

ix. According to the information and explanations given to us by the management of the Company, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or through term loans.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Jawahar and Associates.,**
Chartered Accountants
Firm Registration No: 001281S

Sd/-
M. Chandramouleswara Rao
Partner
Membership No: 024608

Place: Hyderabad
Date: 30th May, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (*"the Act"*):

We have audited the internal financial controls over financial reporting of **KSK Energy Ventures Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Jawahar and Associates.,**
Chartered Accountants
Firm Registration No: 001281S

Sd/-
M. Chandramouleswara Rao
Partner
Membership No: 024608

Place: Hyderabad
Date: 30th May, 2019.

BALANCE SHEET AS AT 31 MARCH 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
I ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	5	7.28	6.99
(b) Financial Assets			
(i) Investments	7	8,366.97	14,555.92
(ii) Loans	9	569.22	1,154.97
(iii) Other financial assets	10	-	4.98
(c) Other non-current assets	12	55.37	131.88
		8,998.84	**15,854.74**
2 Current assets			
(a) Financial Assets			
(i) Trade receivables	8	49.80	334.18
(ii) Cash and cash equivalents	13	6.65	12.55
(iii) Bank balances other than (ii) above	14	69.88	236.87
(iv) Loans	9	2,498.87	3,063.09
(v) Other financial assets	10	24,071.13	23,800.51
(b) Current tax assets (Net)		129.60	54.86
(c) Other current assets	12	863.04	649.47
		27,688.97	**28,151.53**
Total Assets		**36,687.81**	**44,006.27**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	4,239.86	4,239.86
(b) Other equity		15,798.60	23,117.73
		20,038.46	**27,357.59**
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	2,088.49	2,585.34
(b) Provisions	17	-	0.12
		2,088.49	**2,585.46**

Continued...

	Note	As at 31 March 2019	As at 31 March 2018
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	5,394.90	5,215.67
(ii) Trade payables			
- Dues to micro and small enterprises	18	1.35	1.77
- Dues to other than micro and small enterprises	18	1,550.69	2,043.06
(iii) Other financial liabilities	19	7,613.27	6,799.59
(b) Other current liabilities	20	0.65	3.13
		14,560.86	**14,063.22**
Total Equity and Liabilities		**36,687.81**	**44,006.27**

See accompanying notes to the financial statements

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
M Chandramouleswara Rao	**S. Kishore**	**K. Bapi Raju**	**Manjul Saha**	**Ranjith Kumara Shetty**
Partner	Whole-time Director	Director	Chief Financial Officer	Company Secretary
Membership No: 024608	DIN - 00006627	DIN - 00940849		

Place : Hyderabad
Date : 30 May 2019

PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

		Note	Year Ended	
			31 March 2019	31 March 2018
I	Revenue from operations	21	17.40	24.93
II	Other income	22	37.92	139.79
III	**Total revenue (I+II)**		**55.32**	**164.72**
IV	**Expenses**			
	Employee benefits expense	23	20.06	49.50
	Finance costs	24	76.76	1,380.60
	Other expenses	25	55.59	605.10
	Depreciation and amortisation expense	5	0.62	2.17
	Total expenses		**153.03**	**2,037.37**
V	**Profit /(loss) before exceptional items and tax (III-IV)**		**(97.71)**	**(1,872.65)**
VI	Exceptional items	34 to 36	7,221.75	1,888.84
VII	**Profit / (loss) before tax (V-VI)**		**(7,319.46)**	**(3,761.49)**
VIII	**Tax expense / (Income)**			
	Deferred tax	11	-	73.83
	Total tax expense / (Income)		**-**	**73.83**
IX	**Profit / (loss) for the year (VII-VIII)**		**(7,319.46)**	**(3,835.32)**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss	26	0.32	(1.32)
	Other Comprehensive Income/ (loss) for the year		**0.32**	**(1.32)**
XI	**Total Comprehensive Income / (loss) for the year (IX+X)**		**(7,319.14)**	**(3,836.64)**
XII	**Earnings / (loss) per share (EPS)**			
	Basic and Diluted- face value Rs.10 per share	28	(17.26)	(9.05)

See accompanying notes to the financial statements

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
M Chandramouleswara Rao	**S. Kishore**	**K. Bapi Raju**	**Manjul Saha**	**Ranjith Kumara Shetty**
Partner	Whole-time Director	Director	Chief Financial Officer	Company Secretary
Membership No: 024608	DIN - 00006627	DIN - 00940849		

Place : Hyderabad
Date : 30 May 2019

A Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at 1 April 2017	423,985,774	4,239.86
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2018	**423,985,774**	**4,239.86**
Balance as at 1 April 2018	423,985,774	4,239.86
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2019	**423,985,774**	**4,239.86**

B Other equity

	Surplus				Items of OCI- Actuarial gains / (losses)	Total
	Securities Premium	Capital Reserve	Capital Redemption reserve	Retained Earnings		
Balance as at 1 April 2017	**23,222.32**	**1,728.96**	**1,000.00**	**1,001.50**	**1.59**	**26,954.37**
Profit / (loss) for the year	-	-	-	(3,835.32)	-	(3,835.32)
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Actuarial gain / (loss)	-	-	-	-	(1.32)	(1.32)
Total comprehensive income	-	-	-	(3,835.32)	(1.32)	(3,836.64)
Balance as at 31 March 2018	**23,222.32**	**1,728.96**	**1,000.00**	**(2,833.82)**	**0.27**	**23,117.73**
Balance as at 1 April 2018	23,222.32	1,728.96	1,000.00	(2,833.82)	0.27	**23,117.73**
Profit / (loss) for the year	-	-	-	(7,319.46)	-	**(7,319.46)**

Continued...

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Surplus				Items of OCI- Actuarial gains / (losses)	Total
	Securities Premium	Capital Reserve	Capital Redemption reserve	Retained Earnings		
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Actuarial gain / (loss)	-	-	-	-	0.32	0.32
Total comprehensive income	-	-	-	(7,319.46)	0.32	(7,319.14)
Balance as at 31 March 2019	23,222.32	1,728.96	1,000.00	(10,153.28)	0.59	15,798.60

See accompanying notes to the financial statements

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

Sd/-
M Chandramouleswara Rao
Partner
Membership No: 024608

for and on behalf of the Board

Sd/-
S. Kishore
Whole-time Director
DIN - 00006627

Sd/-
K. Bapi Raju
Director
DIN - 00940849

Sd/-
Manjul Saha
Chief Financial Officer

Sd/-
Ranjith Kumara Shetty
Company Secretary

Place : Hyderabad
Date : 30 May 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	31 March 19	31 March 18
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(loss) before tax	(7,319.46)	(3,761.49)
Adjustment for		
Depreciation and amortisation expense	0.62	2.17
Finance costs	76.76	1,380.59
Interest income	(33.69)	(128.50)
Bad debt written off / Provision for doubtful debts	1.20	473.83
Profit/Loss on sale of assets, net	(0.56)	-
Profit/Loss on sale of investments, net	44.00	98.28
Impairment of investment, property, plant & equipment and other assets	7,221.75	1,888.84
Others, net	0.32	(1.32)
Operating profit before working capital changes	(9.07)	(47.60)
Adjustment for working capital		
Trade receivables	(8.07)	(24.66)
Financial assets	1.14	0.69
Other assets	(213.58)	(606.95)
Trade payables	(492.78)	712.35
Other liabilities and provisions	301.94	(173.12)
Cash generated from / (used in) operations	**(420.42)**	**(139.29)**
Income taxes (paid) / Refund	1.76	52.46
Net cash provided by / (used in) operating activities	**(418.65)**	**(86.83)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress and capital advance	(0.89)	(0.89)
Sale of fixed assets	0.56	9.12
Advance received / (refund) for sale of investment, net	-	(246.90)
Advance for investments, net	(23.00)	-
Inter corporate deposit (given) / refund, net	134.27	(2,063.07)
Sale of non current investments	1.39	79.60
(Investment)/redemption of bank deposit (held as margin money or security against guarantees or borrowings)"	171.72	63.28
Interest received	13.91	47.76
Net cash from / (used in) investing activities	**297.98**	**(2,111.10)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Particulars	31 March 19	31 March 18
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	-	(50.00)
Proceed/(repayment) of short term borrowings, net	179.24	2,614.08
Payment of finance costs	(64.46)	(377.85)
Net cash from financing activities	**114.78**	**2,186.23**
Net increase / (decrease) in cash and cash equivalents	(5.90)	(11.70)
Cash and cash equivalents at the beginning of the year	12.55	24.25
Cash and cash equivalents at the end of the year (Refer note. 13)	**6.65**	**12.55**

Changes in liabilities arising from financing activities on account of non-cash transactions

Particulars	31-Mar-18	Net Cash flows	Non Cash changes		31-Mar-19
			Finance cost charged	Unammortised processing charges	
Long term borrowings	5,532.31	-	-	3.39	5,535.70
Shorterm borrowings	5,215.67	179.24	-	-	5,394.91
Interest accrued	2,132.14	(64.46)	76.76	(3.39)	2,141.04

See accompanying notes to financial statements

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-
M Chandramouleswara Rao
Partner
Membership No: 024608

Sd/-
S. Kishore
Whole-time Director
DIN - 00006627

Sd/-
K. Bapi Raju
Director
DIN - 00940849

Sd/-
Manjul Saha
Chief Financial Officer

Sd/-
Ranjith Kumara Shetty
Company Secretary

Place : Hyderabad
Date : 30 May 2019

1 Corporate information

1.1 General information

KSK Energy Ventures Limited ('the Company'), is a Public Company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at Jubilee Hills, Hyderabad – 500 033, Telangana.

1.2 Nature of operations

KSK Energy Ventures Limited is primarily engaged in the development of private sector power projects

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on 30 May 2019.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, unless otherwise stated.

2.3 Basis of measurement

These financial statements have been prepared on historical cost basis except for the following items:

- Financial instruments that are designated as being at fair value through profit or loss account or through other comprehensive income upon initial recognition are measured at fair value;
- Net employee defined benefit (asset) / liability that is measured based on actuarial valuation.

2.4 Changes in accounting policy and disclosure

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards as of 1 April 2018, noted below.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2018.

IND AS 115 – Revenue from Contracts with Customers:

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The Company has assessed that the excising accounting policy for revenue recognition in all material aspects are consistent with Ind AS 115 and the implementation has therefore not had any impact on the retained earnings as of 1 April 2018."

Appendix B to IND AS 21 – Foreign currency transaction and advanced consideration: The Company does not expect any significant impact of the amendment on its financial statement. The Appendix B has been inserted to IND AS 21, The Effects of Changes in Foreign Exchange Rates, which addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

2.5 Standards and interpretations not yet applied

At the date of authorisation of the financial statement, the following Standards and relevant Interpretations, which have not been applied in the financial statement, were in issue but not yet effective

Standard	Description	Effective for in reporting years starting on or after
IND AS 12	*Income taxes*	*1 April 2019*
IND AS 19	*Plan Amendment, Curtailment or Settlement*	*1 April 2019*
IND AS 23	*Borrowing cost*	*1 April 2019*
IND AS 28	*Long-term Interests in Associates and Joint Ventures*	*1 April 2019*
IND AS 103	*Business Combinations and Ind AS 111 – Joint Arrangements*	*1 April 2019*
IND AS 109	*Prepayment Features with Negative Compensation*	*1 April 2019*
IND AS 116	*Leases*	*1 April 2019*

The Company is yet to assess the impact of above standards on the financial statement. However the management does not intend to apply any of these pronouncements early.

2.6 Going Concern

The Company has incurred net loss during the current year as well in the previous years with resultant defaults in payment of interest and instalment dues to banks and financial institutions. Further as discussed at notes 33 and 36 to the financial statements, the underlying power generation assets also continue to face significant headwinds with resultant losses and defaulted in payment of interest and instalments dues to banks and financial institutions, along with the wider energy sector projects across India, thereby materially affecting the downstream investments and recoveries thereto. However, the company has been making appropriate representation and is in discussion with the respective lenders to find an appropriate resolution plan at each of the assets. The company continues to prepare the financial statements as going-concern.

3 Significant accounting policies

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost includes expenditures that are directly attributable to property plant and equipment such as employee cost, borrowing costs for long-term construction projects etc., if recognition criteria are met. Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss.

Depreciation is computed, based on technical assessment made by technical expert and management estimate, on straight-line basis over the estimated useful life which are consistent with the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used as follows:

Nature of asset	Useful life (years)
Buildings	*5-10*
Electrical Works	*1-10*
Furniture & fixtures	*1-10*
Vehicles	*8-10*
Office equipment & computers	*3-6*

Assets in the course of construction are stated at cost and not depreciated until commissioned.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

3.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Nature of asset	Useful life (years)
Software	*3*

3.3 Non-current assets held-for-sale

Non-current assets and disposal groups classified as held-for-sale are measured at lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuous use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management is committed to the sale, which should be expected to qualify for recognition as a completed sale generally within one year from the date of classification.

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are re-measured in accordance with the Company's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

3.4 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.5 Financial assets

Initial recognition & Measurement

All regular way purchases or sales of financial assets are recognised/derecognised on a trade date basis

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI).
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)
- Debt instrument, derivatives and equity instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For the equity instruments Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

3.6 Financial liabilities

Initial recognition

Financial liabilities within the scope of Ind AS 109 are classified as

- Fair value through profit or loss
- Other financial liability at amortised cost

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if criteria of Ind AS 109 are satisfied.

Loans and borrowings at amortised cost

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the amortisation process.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the EIR.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the P&L.

3.7 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.8 Foreign currency translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

3.9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

Sale of electricity : Revenue from the sale of electricity is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and year end.

Rendering of services : The Company provides project development and corporate support. Revenue from rendering of services is recognised in statement of profit and loss in the period in which the services are rendered by reference to the stage of completion of the transaction at the reporting date. The stage of completion is assessed on the basis of the actual services provided as a proportion of the total service to be provided.

Interest and dividend income : Revenue from interest is recognised on an accrual basis (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

3.10 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities, relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3.11 Leases

Company as a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss on accrual basis.

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

All other borrowing costs including transaction costs are recognised in the statement of profit and loss in the year in which they are incurred, the amount being determined using the effective interest rate method.

3.13 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

3.14 Cash and short-term deposits

Cash and short-term deposits in the Balance Sheet comprise cash at banks and on hand and short-term deposits.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and readily convertible short-term deposits, net of restricted cash and outstanding bank overdrafts.

3.15 Earnings per share

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise the net profit or loss for the period attributable to equity holders. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders (after adjusting for effects of all dilutive potential equity shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into equity shares.

3.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.17 Employee benefits

Gratuity

In accordance with Gratuity laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund administered and managed by Life Insurance Corporation of India, a Government of India undertaking which is a qualified insurer.

The Company recognises the net obligation of a defined benefit plan in its Balance sheet as an asset or liability, respectively in accordance with Ind AS 19, Employee benefits. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss

Provident fund

Eligible employees of Company receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary and the employer contribution is charged to statement of profit and loss. The benefits are contributed to the government administered provident fund, which is paid directly to the concerned employee by the fund. The Company has no further obligation to the plan beyond its monthly contributions.

Employees State Insurance Scheme

In addition, some employees of the Company are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

Short- term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies required the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements.

The policies where significant estimates and judgments have been made are as follows:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Estimation of fair value of acquired financial assets and financial liabilities*: When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- *Taxes*: Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the

(All amounts in Indian Rupees million, except share data and where otherwise stated)

amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.

- *Gratuity benefits*: The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actual results can differ from estimates.

5 Property, plant and equipment

	Land-Freehold	Buildings	Furniture fixtures	Electrical works	Vehicles	Office equipment & Computers	Total	Capital work in progress
Deemed cost								
As at 1 April 2017	14.73	0.65	3.34	0.76	1.18	7.20	27.86	74.15
Additions	-	-	0.52	-	-	0.37	0.89	-
Disposals/transfers	(9.12)	-	-	-	-	-	(9.12)	-
As at 31 March 2018	**5.61**	**0.65**	**3.86**	**0.76**	**1.18**	**7.57**	**19.63**	**74.15**
As at 1 April 2018	5.61	0.65	3.86	0.76	1.18	7.57	19.63	74.15
Additions	-	-	-	-	0.89	-	0.89	-
Disposals/transfers	-	-	-	-	(0.52)	-	(0.52)	-
As at 31 March 2019	**5.61**	**0.65**	**3.86**	**0.76**	**1.54**	**7.57**	**19.99**	**74.15**
Depreciation								
As at 1 April 2017	-	0.64	2.86	0.45	0.57	5.95	10.47	-
Additions	-	0.01	0.66	0.14	0.21	1.15	2.17	-
Impairment	-	-	-	-	-	-	-	(74.15)
Disposals/transfers	-	-	-	-	-	-	-	-
As at 31 March 2018	**-**	**0.65**	**3.52**	**0.59**	**0.78**	**7.10**	**12.64**	**(74.15)**
As at 1 April 2018	-	0.65	3.52	0.59	0.78	7.10	12.64	-
Additions	-	-	0.11	0.09	0.15	0.27	0.62	-
Disposals/transfers	-	-	-	-	(0.52)	-	(0.52)	-
As at 31 March 2019	**-**	**0.65**	**3.62**	**0.68**	**0.40**	**7.37**	**12.73**	**-**
Net book value								
As at 31 March 2018	5.61	-	0.34	0.17	0.40	0.47	6.99	-
As at 31 March 2019	5.61	-	0.24	0.08	1.14	0.21	7.28	-

(i) Property, plant and equipment with a carrying amount of Rs. 7.28 (31 March 2018: 6.99) is subject to security restrictions (refer note 16)

6 Intangible assets

	Computer software	Total
Deemed cost		
As at 1 April 2017	0.79	0.79
Additions	-	-
As at 31 March 2018	**0.79**	**0.79**
As at 1 April 2018	0.79	0.79
Additions	-	-
As at 31 March 2019	**0.79**	**0.79**
Depreciation		
As at 1 April 2017	0.79	0.79
Additions	-	-
As at 31 March 2018	**0.79**	**0.79**
As at 1 April 2018	0.79	0.79
Additions	-	-
As at 31 March 2019	**0.79**	**0.79**
Net book value		
As at 31 March 2018	-	-
As at 31 March 2019	-	-

7 Investments

	As at	
	31 March 2019	**31 March 2018**
Non current investments		
Investments in equity instruments		
Fair value through other comprehensive income		
(unquoted, fully paid up)		
3,636,363 (31 March 2018: 3,636,363) Equity shares in Terra Energy Limited.	160.00	160.00
Investments in equity instruments		
(unquoted, fully paid up)		
Investment in subsidiary, at cost		
Nil (31 March 2018: 10,500;) Equity shares in KSK Narmada Power Company Private Limited.	-	0.11
499,990 (31 March 2018: 499,990) Equity shares in KSK Wind Energy Private Limited	5.00	5.00

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at	
	31 March 2019	31 March 2018
570,115,305 (31 March 2018: 570,115,305) Equity shares in KSK Electricity Financing India Private Limited.	7,527.58	7,527.58
Nil (31 March 2018: 150,000) Equity shares in KSK Wardha Infrastructure Private Limited.	-	1.50
Nil (31 March 2018: 10,500) Equity shares in KSK Vidarbha Power Company Private Limited.	-	0.11
65,180,000 (31 March 2018: 65,180,000) Equity shares in KSK Dibbin Hydro Power Private Limited.	651.80	651.80
50,000 (31 March 2018: 50,000) Equity shares in Kameng Dam Hydro Power Limited.	0.50	0.50
7,660,330 (31 March 2018: 7,660,330) Equity shares in JR Power Gen Private Limited.	76.60	76.60
50,000 (31 March 2018: 50,000) Equity shares in KSK Upper Subansiri Hydro Energy Limited.	0.50	0.50
1,000,000 (31 March 2018: 1,000,000) Equity shares in KSK Dinchang Power Company Private Limited.	10.00	10.00
1,000,000 (31 March 2018: 1,000,000) Equity shares in KSK Jameri Hydro Power Private Limited.	10.00	10.00
34,544,698 (31 March 2018: 34,544,718) Equity shares in KSK Surya Photovoltaic Venture Limited.	345.45	345.45
1,800,000 (31 March 2018: 1,800,000) Equity shares in KSK Wind Power Aminabhavi Chikodi Private Limited	180.00	180.00
1,059,280 (31 March 2018: 1,059,280) Equity shares in Tila Karnali Hydro Electric Company Private Limited.	66.21	66.21
98,077 (31 March 2018: 98,077) Equity shares in Bheri Hydro Power Company Private Limited.	6.13	6.13
Investments in equity instruments		
(unquoted, fully paid up)		
Investment in associates, at cost		
Nil (31 March 2018: 17,572,061) Class A Equity shares of Rs 10 each in Sai Wardha Power Generation Limited.	-	266.99
358,615,128 (31 March 2018: 411,218,783) Equity shares of Rs 10 each in KSK Mahanadi Power Company Limited.	3,586.15	4,112.19

	As at	
	31 March 2019	31 March 2018
Investments in equity instruments		
(unquoted, fully paid up)		
17,572,061 (31 March 2018: Nil) Class A Equity shares of Rs 10 each in Sai Wardha Power Generation Limited.	266.99	-
Investments in equity instruments		
(unquoted, fully paid up)		
Investment in subsidiary - equity portion of hybrid instrument		
KSK Wind Energy Private Limited.	125.77	125.77
Sai Regency Power Corporation Private Limited.	-	206.46
JR Power Gen Private Limited.	51.88	51.88
KSK Dibbin Hydro Power Private Limited.	11.31	11.31
Investments in equity instruments		
(unquoted, fully paid up)		
Investment in associates - equity portion of hybrid instrument		
Sai Wardha Power Generation Limited.	-	99.91
Investments in equity instruments		
(unquoted, fully paid up)		
Investment in others - equity portion of hybrid instrument		
Sai Regency Power Corporation Private Limited.	206.46	-
Sai Wardha Power Generation Limited.	99.91	-
Investments in preference shares		
(unquoted, fully paid up)		
Investment in subsidiary, at amortised cost		
4,410,000 (31 March 2018: 4,410,000) 16% optionally convertible cumulative redeemable preference shares in KSK Wind Energy Private Limited.	35.77	30.84
Nil (31 March 2018: 4,760,000) 6% convertible preference shares in Sai Regency Power Corporation Private Limited.	-	47.97
882,820 (31 March 2018: 882,820) 12% cumulative redeemable preference shares in Tila Karnali Hydro Electric Company Private Limited	55.18	55.18

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at	
	31 March 2019	31 March 2018
Investments in preference shares		
(unquoted, fully paid up)		
Investment in associates, at amortised cost		
Nil (31 March 2018: 14,850,769) 0.01% Class B cumulative redeemable preference in Sai Wardha Power Generation Limited.	-	73.91
Nil (31 March 2018: 18,522,399) 0.01% Class A redeemable preference shares in Sai Wardha Power Generation Limited.	-	185.22
Nil (31 March 2018: 129,000,000) 15% Cumulative redeemable preference shares in Sai Wardha Power Generation Limited.	-	1,290.00
Investments in preference shares		
(unquoted, fully paid up)		
Investment in others, at amortised cost		
4,760,000 (31 March 2018: Nil) 6% convertible preference shares in Sai Regency Power Corporation Private Limited.	55.16	-
14,850,769 (31 March 2018: Nil) 0.01% Class B cumulative redeemable preference in Sai Wardha Power Generation Limited.	84.99	-
18,522,399 (31 March 2018: Nil) 0.01% Class A redeemable preference shares in Sai Wardha Power Generation Limited.	185.22	-
129,000,000 (31 March 2018: Nil) 15% Cumulative redeemable preference shares in Sai Wardha Power Generation Limited.	1,290.00	-
Investments in Debentures		
(unquoted, fully paid up)		
Investment in subsidiary, at amortised cost		
7,350,000 (31 March 2018: 7,350,000) 0.01% Optionally convertible redeemable debentures in JR Power Gen Private Limited.	37.81	32.88
1,540,000 (31 March 2018: 1,540,000) 0.01% Optionally convertible redeemable debentures in KSK Dibbin Hydro Power Private Limited.	7.15	6.21

	As at	
	31 March 2019	31 March 2018
Investments in Warrants		
(unquoted, partly paid up)		
Investment in subsidiary, at cost		
123,000,000 (31 March 2018: 123,000,000) Warrants of Rs 10 each, partly paid up in KSK Surya Photovoltaic Venture Limited.	615.00	615.00
Less: Impairment of investments	(7,387.56)	(1,697.29)
	8,366.97	**14,555.92**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	15,754.53	16,253.21
Aggregate amount of impairment in the value of investments	7,387.56	1,697.29

8 Trade receivables

	As at	
	31 March 2019	31 March 2018
Current		
Unsecured, considered good	49.80	334.18
Unsecured, considered doubtful	292.45	-
Less: Impairment of unsecured, considered doubtful	(292.45)	-
	49.80	**334.18**

Trade receivable of Rs. 49.80 (31 March 2018: 334.18) for the Company have been pledged as security for borrowings (refer note 16).

9 Loans

	As at	
	31 March 2019	31 March 2018
Non-current		
Unsecured, considered good		
Security deposits	3.29	4.43
Advance for investments	-	79.61
Loans and advances	565.93	1,070.93
Unsecured, considered doubtful		
Advance for investments	104.69	2.08
Less: Impairment of advance for investment	(104.69)	(2.08)
	569.22	**1,154.97**

Continued...

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at	
	31 March 2019	**31 March 2018**
Current		
Unsecured, considered good		
Loans and advances	2,498.87	3,063.09
Unsecured, considered doubtful		
Loans and advances	1,204.44	131.58
Less: Impairment / provision of loans and advances	(1,204.44)	(131.58)
	2,498.87	**3,063.09**
	3,068.09	**4,218.06**

10 Other financial assets

	As at	
	31 March 2019	**31 March 2018**
Non-current		
Unsecured, considered good		
Deposits with bank	-	4.73
Interest accrued	-	0.25
Unsecured, considered doubtful		
Interest accrued	21.98	21.98
Less: Impairment of interest accured	(21.98)	(21.98)
	-	**4.98**
Current		
Unsecured, considered good		
Interest accrued	37.53	91.31
Other receivables	24,033.60	23,709.20
Unsecured, considered doubtful		
Interest accrued	49.68	0.02
Less: Impairment of interest accured	(49.68)	(0.02)
Other receivables	50.29	50.26
Less: Impairment of other receivables	(50.29)	(50.26)
	24,071.13	**23,800.51**
	24,071.13	**23,805.49**

The Company has pledged its deposit with banks amounting to Rs. Nil (31 March 2018: 4.73) in order to fulfill collateral requirements.

11 Deferred tax (liability) / assets

Deferred income tax at 31 March 2019 and 31 March 2018 relates to the following:

	1 April 2018	Recognised in the income statement	Recognised in OCI	31 March 2019
Deferred income tax assets				
Property, plant and equipment	-	-	-	-
Unused tax losses carried forward	-	-	-	-
	-	-	-	-
Deferred income tax liabilities				
Others	-	-	-	-
	-	-	-	-
Deferred income tax liability, net	-	-	-	-

	1 April 2017	Recognised in the income statement	Recognised in OCI	31 March 2018
Deferred income tax assets				
Property, plant and equipment	5.78	(5.78)	-	-
Unused tax losses carried forward	75.54	(75.54)	-	-
	81.32	**(81.32)**	**-**	**-**
Deferred income tax liabilities				
Others	7.49	(7.49)	-	-
	7.49	**(7.49)**	**-**	**-**
Deferred income tax liability, net	**73.83**	**73.83**	**-**	**-**

The Company has tax losses of Rs. 15,402.65 (31 March 2018: Rs. 2,678.99) that are available for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits . The Company evaluated and concluded that it is not probable that deferred tax assets on existing tax losses will be recovered fully. If the Company were able to recognise all unrecognised deferred tax assets, loss would decrease by Rs. 3,695.13 (31 March 2018: Rs. 919.73).Of the above, business losses & capital losses expire at various dates ranging from 2020 to 2027.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Tax Reconciliation statement

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 31 March 2018 is as follows:

	As at	
	31 March 2019	**31 March 2018**
Accounting Loss Before tax	(7,319.46)	(3,761.49)
Enacted tax rate	29.120%	34.608%
Tax on Loss at enacted rates	(2,131.43)	(1,301.78)
Unrecognised deferred tax assets	22.39	422.34
Expenditure / income not deductible for tax purpose	2,109.66	879.77
Non recognition of DT on depreciation	(0.62)	(0.33)
Reversal of previous years DT	-	73.83
Actual tax expenses	**-**	**73.83**

12 Other assets

	As at	
	31 March 2019	**31 March 2018**
Non-current		
Capital advances	20.50	20.50
Less: Impairment of capital advance	(20.50)	(20.50)
Advance tax	28.49	105.00
Balances with statutory authorities	26.88	26.88
	55.37	**131.88**
Current		
Prepaid expenses	0.42	0.94
Advances for goods and services	860.23	643.30
Balances with statutory authorities	2.39	5.23
Considered doubtful		
Advances for goods and services	3.98	3.98
Less: Impairment of advances for goods and services	(3.98)	(3.98)
	863.04	**649.47**
	918.41	**781.35**

13 Cash and cash equivalents

	As at	
	31 March 2019	**31 March 2018**
Cash on hand	0.05	0.09
Balances with banks		
On current accounts	6.60	12.46
	6.65	**12.55**

14 Other bank balances

	As at	
	31 March 2019	**31 March 2018**
Deposits with bank held as margin money or security against guarantee or borrowings	69.88	236.87
	69.88	**236.87**

15 Share capital

	As at	
	31 March 2019	**31 March 2018**
Authorised		
4,000,000,000 (31 March 2018: 4,000,000,000) equity shares of Rs.10/- each.	40,000.00	40,000.00
1,031,500,000 (31 March 2018: 1,031,500,000) preference shares of Rs.10/- each.	10,315.00	10,315.00
	50,315.00	**50,315.00**
Issued, subscribed and paid up		
Equity shares		
423,985,774 (31 March 2018: 423,985,774) equity shares of Rs.10/- each fully paid up.	4,239.86	4,239.86
	4,239.86	**4,239.86**

Note:

a The company has only one class of equity shares having a par value of Rs 10/- per share. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of the shareholders.

b Reconciliation of number of shares outstanding	As at	
	31 March 2019	**31 March 2018**
Equity shares		
Outstanding at the beginning of the year	423,985,774	423,985,774
Issued / Bought back during year	-	-
Outstanding at the end of the year	**423,985,774**	**423,985,774**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

c Equity shares held by holding company and its subsidiaries

Name of the share holder	As at 31 March 2019	As at 31 March 2018
Holding Company		
No of shares held	86,545,854	111,545,854
% of shares held	20.41%	26.31%
Subsidiaries of Holding Company		
No of shares held	38,916,229	38,916,229
% of shares held	9.18%	9.19%

d Particulars of shareholders holding more than 5% of the shares

Name of the share holder	As at 31 March 2019	As at 31 March 2018
a) Equity shares fully paid - up		
KSK Energy Limited		
No of shares held	86,545,854	111,545,854
% of shares held	20.41%	26.31%
HDFC Trustee Company Limited		
No of shares held	-	38,135,599
% of shares held	-	8.99%

16 Borrowings

	As at 31 March 2019	As at 31 March 2018
Non current		
Unsecured		
Rupee term loans from others (refer note i & ii)	2,088.49	2,585.34
	2,088.49	**2,585.34**
Current		
Secured		
Loans repayable on demand		
- from banks (refer note iii)	3,756.84	3,638.03
Unsecured		
Loan against deposits	52.50	52.50
Loans and advances	1,585.56	1,525.14
	5,394.90	**5,215.67**
	7,483.39	**7,801.01**

(i) The above rupee term loans from others are secured by first pari-passu charge by way of mortgage/hypothecation of all movable and immovable properties of Sai Lilagarh Power Limited and KSK Surya photovoltaic Venture Limited, Mortgage of 95.48 HA land of VS Lignite Power Private Limited. Further these loans are secured by pledge of certain equity shares of the Company held by KSK Energy Limited, the holding company and corporate gurantee given by KSK Energy Limited and VS Lignite Power Private Limited, hence the same has been clasified as unsecured.

(ii) The long term rupee term loans are repayable in quarterly instalments with the last instalment of respective loans are payable up to November 2024.

(iii) Loans repayable on demand are secured by first pari-passu charge on fixed assets, current assets of the Company and corporate guarantee of KSK Power Ventur plc.

(iv) Some of the lenders have recalled the loan given to the Company and has issued notice for possession of underlying securities on account of non-payment of overdue amount. The Company would seek to take appropriate steps, for addressing the same. Notwithstanding of above, pending resolution, classification of borrowings into Non current and current is done based on original terms of sanctions.

(v) The Company has not accrued interest on various credit facilities from Banks and Financial Institutions subsequent to account became NPA.

17 Provisions

	As at	
	31 March 2019	**31 March 2018**
Long-term provisions		
Employee benefits	-	0.12
	-	**0.12**

Note :

1. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

A. Net Benefit liability/(asset)

	As at	
	31 March 2019	**31 March 2018**
Defined benefit obligation	3.14	8.89
Fair value of plan assets	(3.23)	(8.77)
Benefit liability/(asset)	**(0.09)**	**0.12**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

B. Defined benefit obligation:

	As at	
	31 March 2019	**31 March 2018**
Defined benefit obligation as at the beginning of the year	**8.89**	**4.52**
Included in income statement		
Current service cost	0.10	0.09
Past Service Cost - vested benefits	-	3.90
Interest cost	0.69	0.33
	0.79	4.32
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	(0.45)	1.18
	(0.45)	1.18
Others		
Benefits paid	(6.09)	(1.13)
	(6.09)	(1.13)
Defined benefit obligation as at the end of the year	**3.14**	**8.89**

C. Fair value of Plan Assets

	As at	
	31 March 2019	**31 March 2018**
Fair Value of Plan Assets		
Fair value of plan assets beginning of the year	**8.77**	**9.38**
Included in income statement		
Interest income	0.68	0.70
	0.68	0.70
Included in other comprehensive income		
Remeasurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	(0.14)	(0.14)
	(0.14)	(0.14)
Others		
Contributions	0.01	(0.04)
Benefits Paid	(6.09)	(1.13)
	(6.08)	(1.17)
Fair value of plan assets end of the year	**3.23**	**8.77**

Net defined benefit liability (asset)

	As at	
	31 March 2019	**31 March 2018**
Balance	**0.12**	**(4.86)**
Included in income statement		
Current service cost	0.10	0.09
Past Service Cost - vested benefits	-	3.90
Interest cost / (income)	0.01	(0.37)
	0.11	3.62
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	(0.31)	1.32
	(0.31)	1.32
Others		
Contributions	(0.01)	0.04
Benefits paid	-	-
	(0.01)	0.04
Defined benefit obligation as at the end of the year	**(0.09)**	**0.12**

Asset information

Category of asset	As at	
	31 March 2019	**31 March 2018**
Insurer managed fund	100%	100%

The principal assumptions used in determining the obligation towards the Company's plan as shown below:

	As at	
	31 March 2019	**31 March 2018**
Discount rate	7.70%	7.80%
Salary escalation	10.00%	10.00%

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Sensitivity analysis

	31 March 2019		31 March 2018	
	Decrease	**Increase**	**Decrease**	**Increase**
Discount Rate (- / + 1% movement)	0.21	(0.19)	0.54	(0.48)
Salary Growth Rate (- / + 1% movement)	(0.08)	0.02	(0.11)	0.12

Discount rate: The discount rate is based on the prevailing market yields of indian government securities as at balance sheet date for the estimated term of the obligations.

18 Trade payables

	As at	
	31 March 2019	**31 March 2018**
Dues to micro and small enterprises*	1.35	1.77
Dues to other than micro and small enterprises	1,550.69	2,043.06
	1,552.04	**2,044.83**

* Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information available with the Company represents the prinicipal amount payable to these enterprises. Please refer note no. 37.

19 Other financial liabilitites

	As at	
	31 March 2019	**31 March 2018**
Current		
Current maturities of long-term debt	3,447.21	2,946.97
Interest accrued	2,141.04	2,132.14
Salaries and bonus payable	8.40	14.39
Other liabilites	2,016.62	1,706.09
	7,613.27	**6,799.59**

20 Other current liabilities

	As at	
	31 March 2019	**31 March 2018**
Statutory liabilities	0.65	3.13
	0.65	**3.13**

21 Revenue from operations

	Year ended	
	31 March 2019	**31 March 2018**
Corporate support services fees	17.40	24.93
	17.40	**24.93**

22 Other income

	Year ended	
	31 March 2019	**31 March 2018**
Interest on financial instruments	9.54	17.98
Interest income on preference shares	-	48.24
Other Interest	-	37.03
Unwinding of discount on preference shares	23.22	20.15
Unwinding of discount on debentures	0.93	5.10
Unwinding of discount on trade receivable	-	11.24
Profit on sale of fixed assets, net	0.56	-
Miscellaneous income	3.67	0.05
	37.92	**139.79**

23 Employee benefits expense

	Year ended	
	31 March 2019	**31 March 2018**
Salaries and wages	19.72	44.30
Contribution to provident and other funds (refer note 17)	0.18	4.00
Staff welfare expenses	0.16	1.20
	20.06	**49.50**

24 Finance cost

	Year ended	
	31 March 2019	**31 March 2018**
Interest expense	71.64	1,333.18
Other borrowing cost	5.11	36.18
Unwinding of discount	-	11.24
	76.76	**1,380.60**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

25 Other expenses

	Year ended	
	31 March 2019	**31 March 2018**
Rent	-	5.78
Rates and taxes	0.35	0.58
Printing and stationery	0.52	1.70
Communication expenses	1.91	2.78
Office expenses	0.35	3.97
Travel and conveyance	0.30	1.46
Insurance charges	1.25	0.05
Legal and professional charges	2.58	3.20
Auditors' remuneration		
audit fees	2.20	2.08
for certification	-	0.02
for tax related expenses	-	0.10
Repair and maintenance	0.40	6.99
Electricity expenses	0.14	2.11
Directors sitting fees	0.32	0.42
Advances/receivable written off	1.20	436.33
Provision for doubtful debts / receivables	-	37.50
Loss on sale of non current investment	44.00	98.28
Miscellaneous expenses	0.07	1.75
	55.59	**605.10**

26 Other comprehensive income

	Year ended	
	31 March 2019	**31 March 2018**
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans;	0.32	(1.32)
	0.32	**(1.32)**

27 Contingent liabilities :

		As at	
		31 March 2019	31 March 2018
i)	Bank guarantees and letter of credits outstanding	546.98	1,095.03
ii)	Corporate guarantees outstanding	41,106.34	56,579.54

iii) Service tax department has issued demand order to the Company for payment of service tax amounting to Rs 505.64 (31 March 2018: Rs.505.64) (including penalty) relating to the disagreement on availment of Cenvat Credit for the period April 2008 to September 2010 and non -payment of service tax. Further, an amount of Rs. 26.88 (31 March 2018: Rs.26.88) has been paid against the demand under protest and the balance demand is stayed. However, the Company believes that the claims raised by the department are not tenable and the Company has filed an appeal against the said order before the CESTAT.

28 Earnings/(loss) per share (EPS)

The Computation of EPS as per Ind AS 33 is set out below:

	Year ended	
	31 March 2019	31 March 2018
Net profit/(loss) after tax	(7,319.46)	(3,835.32)
Net profit/(loss) attributable to shareholders for basic / diluted EPS	(7,319.46)	(3,835.32)
Weighted average number of shares outstanding for the purpose of calculation of basic and diluted EPS (in million)	423.99	423.99
Earnings/(loss) per share – basic/diluted (in Rs.)	(17.26)	(9.05)

29 Related party Disclosures:

a) Parties where control exists

Name of the party	Relationship
K&S Consulting Group Private Limited	Ultimate holding company
KSK Power Venture plc	Step-up holding company
KSK Energy Limited	Holding company
KSK Electricity Financing India Private Limited	Subsidiary company
J R Power Gen Private Limited	Subsidiary company
KSK Dibbin Hydro Power Private Limited	Subsidiary company
Kameng Dam Hydro Power Limited	Subsidiary company
KSK Narmada Power Company Private Limited	Subsidiary company (Woundup w.e.f. 21 January 2019)
KSK Wind Energy Private Limited	Subsidiary company
KSK Vidarbha Power Company Private Limited	Subsidiary company (Woundup w.e.f. 21 January 2019)

Continued...

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Name of the party	Relationship
KSK Surya Photovoltaic Venture Limited	Subsidiary company
Sai Maithili Power Company Private Limited	Subsidiary company
KSK Wardha Infrastructure Private Limited	Subsidiary company
KSK Upper Subansiri Hydro Energy Limited	Subsidiary company
KSK Dinchang Power Company Private Limited	Subsidiary company
KSK Jameri Hydro Power Private Limited	Subsidiary company
Tila karnali Hydro Electric Power Company Limited	Subsidiary company
Bheri Hydro Power Company Private Limited	Subsidiary company
Sai Regency Power Corporation Private Limited	Subsidiary company (Ceased to be Subsidiary from 27 March 2019)
Sai Power pte Limited	Subsidiary company (Ceased to be Subsidiary from 26 March 2018)
KSK Water Infrastructures Private Limited	Subsidiary company (Ceased to be Subsidiary from 26 March 2018)
KSK Wind Power Aminabhavi Chikodi Private Limited	Subsidiary company
KSK Wind Energy Halagali Benchi Private Limited	Subsidiary company
KSK Wind Energy Mothalli Haveri Private Limited	Subsidiary company
KSK Wind Power Sankonahatti Athni Private Limited	Subsidiary company
Sai Lilagar Power Generation Limited	Subsidiary company

b) Parties where significant influence exists and where the transactions have taken place during the year

Name of the party	Relationship
KSK Mahanadi Power Company Limited	Associate (Subsidiary till 26 March 2018)
Raigarh Champa Rail Infrastructure Private Limited	Associate (Ceased to be Associate from 26 March 2018)
Sitapuram Power Limited	Joint operation (Ceased to be Joint operation from 25 December 2017)
SN Nirman Infra Projects Private Limited	Fellow subsidiary (Ceased to be Fellow subsidiary from 05 January 2018)
Sai Wardha Power Generation Limited	Associate (Ceased to be Associate from 09 November 2018)
VS Lignite Power Private Limited	Associate (Subsidiary till 29 August 2017)
KSK Mineral Resources Private Limited	Fellow subsidiary
KSK Wind Power Sankonahatti Athni Private Limited	Fellow subsidiary
KSK Wind Energy Madurai Ms Puram Private Limited	Fellow subsidiary
KSK Energy Company Private Limited	Fellow subsidiary

c) **Key Management personnel**

Name of the party	Relationship
Mr. S. Kishore	Whole-time Director
Mr. K. Bapi Raju	Director
Ms. Alankrita Soni	Director
Mr. K A Sastry	Whole-time Director (Ceased to be Director from 11 Aug 2018)
Mr. T L Sankar	Director (Ceased to be Director from 26 Dec 2018)
Mr. Abhay M Nalawade	Director (Ceased to be Director from 05 Mar 2019)
Mr. Girish N Kulkarni	Director (Ceased to be Director from 05 Feb 2018)
Mr. S. R. Iyer	Director (Ceased to be Director from 05 Feb 2018)
Mr. M S Phani Sekhar	Company Secretary (Resigned w.e.f. 30 May 2018)
Mr. V Sambasiva Rao	Chief Financial Officer (Resigned w.e.f. 30 May 2018)
Mr. Ranjith Kumara Shetty	Company Secretary (Appointed w.e.f. 30 May 2018)
Mr. Manjul Saha	Chief Financial Officer (Appointed w.e.f. 10 Nov 2018)

d) **Related party transactions**

31 March 2019				
Particulars	**Fellow subsidiaries**	**Subsidiaries**	**Associate/ Joint operation**	**KMP**
Transactions				
Corporate support services fees	-	17.40	-	-
Loans and advance given/(repaid) (including advance for investments)	-	108.29	330.08	-
Loans/security deposits taken/(repaid)	6.50	31.17	(0.05)	-
Managerial remuneration	-	-	-	15.16
Balances at the year end				
Amount receivable	-	1,747.23	1,415.22	-
Amount payable	614.34	101.01	1,648.08	-
Impairments of receivable	-	24.07	-	-
Managerial remuneration payable	-	-	-	0.51

(All amounts in Indian Rupees million, except share data and where otherwise stated)

31 March 2018

Particulars	Step up holding company	Fellow subsidiaries	Subsidiaries	Associate/ Joint operation	KMP
Transactions					
Corporate support services fees	-	-	21.70	3.23	-
Interest income	-	-	14.85	33.40	-
Interest expense	-	-	14.95	-	-
Sale of goods	-	-	-	35.23	-
Loans and advance given/(repaid) (including advance for investments)	(0.21)	(5.00)	634.07	992.43	-
Loans/security deposits taken/(repaid)	-	607.84	(263.32)	0.05	-
Managerial remuneration	-	-	-	-	27.02
Impairments of receivable	-	-	24.07	-	-
Balances at the year end					
Amount receivable	-	-	1,643.64	2,426.56	-
Amount payable	-	607.84	118.14	1,648.13	-
Impairments of receivable	-	-	24.07	-	-
Managerial remuneration payable	-	-	-	-	1.61

e) **Disclosure of loans and advances to subsidiaries pursuant to Schedule V of the Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Particulars	Amount outstanding as at		Maximum outstanding during the year
	31 March 2019	31 March 2018	31 March 2019
Loans and advances in the nature of loans given to subsidiaries and associates:			
Sai Lilagar Power Generation Limited	565.93	565.93	565.93
Sai Wardha Power Generation Limited	-	1,002.00	-
KSK Electricity Financing India Private Limited	1,126.93	1,018.64	1,126.93
KSK Mahanadi Power Company Limited	1,354.48	1,041.53	1,622.15
VS Lignite Power Private Limited	16.63	-	20.38

f) Equity held in subsidiaries and step down subsidiary have been disclosed under "Non current Investment", (see note no 7).

g) The holding company has pledged certain shares held in the Company as security towards the borrowings of the Company.

h) Corporate Guarantees of Rs. 55,243.30 (31 March 2018 Rs.74,336.26) and Bank guarantees of Rs. 2,194.56 (31 March 2018 Rs.2,743.12) has been given by the Company on behalf of subsidiaries, fellow subsidiaries and associates.

I) The Company has obtained corporate guarantees of Rs. 8,050.00 (31 March 2018: Rs. 9,039.00) from Step-up holding, Holding and Associates.

j) The above transactions do not include reimbursement of expenses.

k) The difference in the movement between the opening outstanding balances, transactions during the year and closing outstanding balances is on account of Impact of business combination, disposal of subsidiary, impairment and conversion into equity.

30 Financial risk management objectives and policies

The Company's principal financial liabilities comprises of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also hold investments designated at fair value through other comprehensive income, at amortised cost and at cost for investment in subsidiaries.

The Company's risk management activities are subject to the management direction. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Company is exposed to market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment at fair value through at other comprehensive income.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Consequent to the credit facilities from Banks and Financial Institutions became NPA the Company discontinued the assessment of impact of interest rate risk.

Equity price risk

The Company's investments in unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Board of Directors reviews and approves all equity investment decisions.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Credit risk analysis

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its investing activities, including short-term deposits with banks and financial institutions, and other financial assets.

The carrying value of financial assets represents the maximum exposure for credit risk. The maximum exposure to credit risk of each class of financial assets at the reporting date was as follows:

	Note	Carrying Value	
		31 March 2019	31 March 2018
Investments - at amortised cost	7	1,751.28	1,722.21
Trade receivables	8	49.80	334.18
Short term deposits with banks	14	69.88	236.87
Loans	9	3,068.09	4,218.06
Other financial asset	10	24,071.13	23,805.49
		29,010.19	**30,316.81**

The credit worthiness of customers / subsidiaries to which the Company grants credit in the normal course of the business is monitored regularly. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company's maximum exposure for financial guarantees are noted in note 27.

Liquidity risk analysis

The Company's main source of liquidity is its operating businesses. The treasury department uses regular forecasts of operational cash flow, investment and trading collateral requirements to ensure that sufficient liquid cash balances are available to service on-going business requirements. The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 90 day projection. Long-term liquidity needs for a 90 day and a 30 day lookout period are identified monthly.

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in construction projects for its power plants.

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2019:

	Current	Non-current		
	within 12 months	1-5 years	Later than 5 years	Total
Borrowings*	8,854.24	1,800.44	300.08	10,954.77
Trade and other payables	1,552.04	-	-	1,552.04
Other financial liabilities	4,166.06	-	-	4,166.06
Total	**14,572.34**	**1,800.44**	**300.08**	**16,672.87**

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2018:

	Current	Non-current		
	within 12 months	1-5 years	Later than 5 years	Total
Borrowings	8,687.29	2,712.50	778.21	12,178.00
Trade and other payables	2,044.83	-	-	2,044.83
Other financial liabilities	3,852.62	-	-	3,852.62
Total	**14,584.74**	**2,712.50**	**778.21**	**18,075.45**

*Consequent to the credit facilities from Banks and Financial Institutions became NPA future interest has not been considered in the above table.

Capital management

Capital includes equity attributable to the equity holders of the parent and debt.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value objectives include, among others:

- Ensure Company’s ability to meet both its long-term and short-term capital needs as a going concern;
- Constantly evolve multiple funding alternatives – equity and /or preference capital, senior and /or subordinated debt, corporate loan facilities to arrive at an optimal capital mix;

The Company maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Company has sufficient available funds for business requirements.

The Company net debt to equity ratio at the reporting date is as follows:

	As at	
	31 March 2019	31 March 2018
Total borrowing	10,930.60	10,747.97
Less : Cash and bank balances	(6.65)	(12.55)
less : Other bank balances	(69.88)	(236.87)
Net debt	**10,854.07**	**10,498.55**
Equity	20,038.46	27,357.59
Total equity	**20,038.46**	**27,357.59**
Net debt to equity ratio	**0.54**	**0.38**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

31 Financial Instruments

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position are as follows:

	Carrying amount	Fair value	Carrying amount	Fair value
	31 March 2019	**31 March 2019**	**31 March 2018**	**31 March 2018**
Non- current financial assets				
Loans	569.22	569.22	1,154.97	1,154.97
Other financial asset	-	-	4.98	4.98
Total non-current	**569.22**	**569.22**	**1,159.95**	**1,159.95**
Current financial assets				
Trade receivables	49.80	49.80	334.18	334.18
Cash and bank balances	6.65	6.65	12.55	12.55
Other bank balances	69.88	69.88	236.87	236.87
Loans	2,498.87	2,498.87	3,063.09	3,063.09
Other financial asset	24,071.13	24,071.13	23,800.51	23,800.51
Total current	**26,696.34**	**26,696.34**	**27,447.20**	**27,447.20**
Total	**27,265.56**	**27,265.56**	**28,607.15**	**28,607.15**
Non- current financial liabilities				
Borrowings	2,088.49	2,088.49	2,585.34	2,585.34
Total non-current	**2,088.50**	**2,088.50**	**2,585.34**	**2,585.34**
Current financial liabilities				
Borrowings	5,394.90	5,394.90	5,215.67	5,215.67
Trade payables	1,552.04	1,552.04	2,044.83	2,044.83
Other financial liabilities	7,613.27	7,613.27	6,799.59	6,799.59
Total current	**14,560.21**	**14,560.21**	**14,060.09**	**14,060.09**
Total	**16,648.71**	**16,648.71**	**16,645.43**	**16,645.43**

32 The company is primarily engaged in the business of providing project development and corporate support services. Accordingly there are no reportable segment as per Indian Accounting Standard -108 "Operating Segments".

33 The Company has made investment of Rs 28,882.76 million in KSK Mahanadi Power Company Limited ('KMPCL') in form of equity shares and advances . The Company has pledge certain shares with consortium lender as Security Trustee for the financial assistance granted by lenders to KMPCL. Pursuant to the RBI Circular dated 12th February, 2018, Lenders decision on 27th March, 2018 to consider the change in management outside NCLT, during May 2018 and July 2018 lenders have accordingly invoked shares equivalent to Rs. 23,942.13 million in KMPCL held by the Company. Consequent to the above, the Company has lost control over KMPCL with effect from 27 March 2018.

The Company continue to carry remaining Investment, advances and amount receivable pursuant to the invocation at carrying value and no provision has been considered in these financial statements by the management, as impact, if any, is currently unascertainable.

34 Subsequent to invocation of pledged shares, Financial creditors of Sai Wardha Power Generation Limited ("SWPGL") have filed the petition for a Corporate Insolvency Resolution process("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Tribunal, Hyderabad ("NCLT") and same has been admitted by NCLT on 9 November 2018. Consequently the Company has impaired remaining amount receivable of Rs. 3,196.30 million and disclosed under exceptional item.

35 Financial creditors of Sai Regency Power Corporation Private Limited ("SRPCPL") have filed the petition for a Corporate Insolvency Resolution process("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Tribunal, Chennai ("NCLT") and same has been admitted by NCLT on 27 March 2019. Consequently the Company has impaired investment of Rs. 261.62 million and disclosed under exceptional item.

36 Pursuant to SRPCPL and SWPGL admitted to NCLT, KSK Electricity Financing India Private Limited ("KEFIPL") has impaired it's investment in SWPGL and SRPCPL, consequently Company has reassessed its investment in KEFIPL, and made impairment for an amount of Rs. 3,763.83 million and disclosed under exceptional item.

37 Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act)

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material. The Company has not received any claim for interest from any supplier under the MSMED Act.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	1.35	1.77
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
M Chandramouleswara Rao	**S. Kishore**	**K. Bapi Raju**	**Manjul Saha**	**Ranjith Kumara Shetty**
Partner	Whole-time Director	Director	Chief Financial Officer	Company Secretary
Membership No: 024608	DIN - 00006627	DIN - 00940849		

Place : Hyderabad
Date : 30 May 2019

To

The Members of

KSK Energy Ventures Limited

Qualified Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **KSK Energy Ventures Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other Comprehensive income), the Consolidated statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries and associates referred to in the Other Matters section below, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated loss, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion:

We draw your attention towards

a. Note no.31(ii) of the Consolidated Ind AS Financial Statements regarding non-accrual of interest by the parent along with its subsidiaries on various credit facilities from bank & Financial Institutions subsequent to accounts becoming NPA which is not in accordance with generally accepted Accounting principles.

   The Estimated interest not provided for from 1st April, 2018 to 31st March,2019 worked out to an amount of Rs. 2,233.81 Million. Due to non-recognition of interest as expenditure, loss for the current financial year and the other current financial liabilities are understated by Rs Rs. 2,233.81 million.

b. Note no. 43 of the Consolidated Ind AS Financial Statements regarding invocation of the pledged shares of KSK Mahanadi Power Company Limited (KMPCL), an associate of the Parent, pledged by the Group with Consortium lenders as Security Trustee for the financial assistance granted by lenders to KMPCL.

   Consequent to the above, the Group has derecognised the related carrying values of assets and liabilities of KMPCL along with its subsidiaries i.e. KSK Water Infrastructures Private Limited ('KWIPL'), Sai Power Pte Ltd ('SPPL') and associate i.e. Raigarh Champa Rail Infrastructure Private Limited ('RCRIPL') with effect from 27th March 2018. Pursuant to this, the residual investments retained in KMPCL are recognised in accordance with IND AS 28 - Investments in Associates and Joint Ventures. The Group continue to carry remaining advances and amount receivable amounting to Rs. 26,881.65 million pursuant to the invocation at carrying value and no provision has been considered in these financial statements by the management, as impact, if any, is currently unascertainable.

c. Note no.45 of the Consolidated Ind AS Financial Statements regarding implementation of change in Management and restructure the debt under Outside Strategic Debt Restructuring Scheme ("OSDR") by lenders of VS Lignite Power Private Limited ('VSLPPL') as per the RBI guidelines. However, RBI notification dated 12th February, 2018 repealed all debt restructuring schemes (including OSDR) and directed lenders to implement any debt structuring as per the revised guidelines. VSLPPL is in active discussion with lenders to work out resolution plan by way of change of control.

   The Group continues to carry remaining Investment of Rs. 816 million and no provision has been considered in these financial statements by the management, as impact, if any, is currently unascertainable.

d. Note no. 2.4 of the Consolidated Ind AS Financial Statements wherein the Group has incurred net loss during the current year as well in the previous years with resultant defaults in payment of interest and instalment dues to banks and financial institutions. Further as discussed at notes no. 43 and 45 of the Statement, the Group has residual investments and receivables pursuant to invocation of shares. Further, the underlying power generation assets also continue to face significant headwinds with resultant losses and defaulted in payment of interest and instalments dues to banks and financial institutions, thereby materially affecting the downstream investments and recoveries thereto.

   These conditions along with matters set forth in clauses (a), (b) and (c) above, indicate the existence of material uncertainties which may cast significant doubt on the Parent's ability to continue as going concern. However, the statement has not been prepared with such adjustments and management continues to prepare the financial statements as going-concern.

Emphasis of Matter paragraph:

We draw your attention towards:

a. Note no. 44 of the Statement regarding invocation of the pledged shares of Sai Wardha Power Generation Limited ("SWPGL") pledged by the Group in favour of the lenders of SWPGL. Subsequent to invocation of pledged shares, financial creditor of SWPGL have filed the petition for a Corporate Insolvency Resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Tribunal, Hyderabad ("NCLT") and same has been admitted by NCLT on 9th November 2018.

   Pursuant to this Group has lost significant influence over SWPGL and consequently the Group has impaired remaining amount receivable of Rs. 2,163.72 million and disclosed under exceptional item.

b. Note no.8 of the Statement regarding filing of petition for a Corporate Insolvency Resolution Process ("CIRP") by the financial creditors of Sai Regency Power Corporation Private Limited ("SRPCPL") and the same has been admitted by NCLT on 27th March, 2019. Consequent to this, the Group has lost control over the subsidiary and has derecognised the related carrying values of assets and liabilities of SRPCPL, resulting in Group recording a net loss of Rs. 675.83 million, which has been included as an 'exceptional item' in the consolidated financial statements.

Our opinion is not modified in respect of above matters.

Key Audit Matters:

Key Audit Matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for those matters described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the consolidated Ind AS Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business responsibility report and Shareholder's Information, but does not include the consolidated financial statements, Standalone financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements:

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the audit of the Consolidated Ind AS Financial Statements:

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Ind As financial statement includes financial statement of 19 subsidiaries and financial information of 3 associates.

- We did not audit the financial statements of 16 subsidiaries whose financial statements reflect total assets of Rs. 14,310.13 million as at 31st March, 2019, total Net assets of Rs. (6,937.26) million as at 31st March 2019, total revenues of Rs.2,322.08 million and total net profit / (loss) after tax of Rs.(5,879.70) million, as considered in the statement. The statement also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs.(5,877.38) million for the year ended 31st March, 2019. Those financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the reports of the other auditors.
- The consolidated financial results includes the unaudited financial statements of 3 foreign subsidiaries whose financial statements reflect total assets of Rs. 1189.10 million as at 31st March, 2019, total net assets of Rs. (15.52) million as at 31st March 2019, total revenue of Rs. 3.8 million and total net profit/(loss) after tax of Rs.3.33 million for the year ended on that date and total comprehensive income of Rs.3.33 million, as considered in the consolidated financial results. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

a. Except for the matter described in the Basis for Qualified Opinion paragraph, we / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements.

b. Except for the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated Balance Sheet, consolidated Statement of Profit and Loss including other comprehensive Income, the consolidated statement of Cash Flow and the consolidated Statement of changes in equity dealt with by this Report are in agreement with the books of account.

d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

e. On the basis of written representations received from such directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in 'Other matters' paragraph:

   i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements - Refer note 34 to the consolidated Ind AS financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts. Refer to Note 24 to the Consolidated Ind AS financial statements

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Jawahar and Associates.,**
Chartered Accountants
Firm Registration No: 001281S

Sd/-
M. Chandramouleswara Rao
Partner
Membership No: 024608

Place: Hyderabad
Date: 30 May, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):

We have audited the internal financial controls over financial reporting of **KSK Energy Ventures Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our aforesaid report under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 16 subsidiary companies, 2 associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

For **Jawahar and Associates.,**
Chartered Accountants
Firm Registration No: 001281S

Sd/-
M. Chandramouleswara Rao
Partner
Membership No: 024608

Place: Hyderabad
Date: 30th May, 2019.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Note	As at	
		31 March 2019	31 March 2018
I ASSETS			
1 Non-current assets			
(a) Property plant and equipment	10	3,694.09	5,099.05
(b) Capital work in progress	10	1,914.28	1,908.91
(c) Other intangible assets	11	0.28	0.57
(d) Intangible assets under development	11	0.99	1.54
(e) Financial asset			
(i) Investments	12	2,412.52	2,943.46
(ii) Loans	14	19.47	25.29
(iii) Other financial asset	15	2.83	85.81
(f) Deferred tax assets (net)	26	44.33	274.79
(g) Other non-current assets	16	208.32	300.19
		8,297.11	**10,639.61**
2 Current assets			
(a) Inventories	17	57.74	367.34
(b) Financial asset			
(i) Investments	12	79.40	213.98
(ii) Trade receivables	13	55.52	312.97
(iii) Cash and bank balances	18	47.23	167.49
(iv) Other bank balances	19	76.87	326.40
(v) Loans	14	1,773.52	2,844.01
(vi) Other financial asset	15	24,042.79	27,888.24
(c) Current tax assets (Net)		129.63	56.01
(d) Other current assets	16	2,227.50	2,116.51
		28,490.20	**34,292.95**
		36,787.31	**44,932.56**
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	20	4,239.86	4,239.86
(b) Other equity		(145.12)	3,526.38
		4,094.74	7,766.24
(c) Non controlling interest		574.39	1,380.36
Total equity		**4,669.13**	**9,146.60**

Continued...

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
1 Non-current liabilities			
(a) Financial liability			
(i) Borrowings	21	6,381.59	10,447.11
(ii) Other financial liabilities	23	770.94	846.64
(b) Provisions	24	1.18	7.34
(c) Deferred tax liabilities (net)	26	54.44	39.49
(d) Other non current liabilities	25	12.93	15.56
		7,221.08	**11,356.14**
2 Current liabilities			
(a) Financial liability			
(i) Borrowings	21	10,348.01	9,358.98
(ii) Trade payables			
- Dues to micro and small enterprises	22	6.21	3.30
- Dues to other than micro and small enterprises	22	2,276.16	2,583.25
(iii) Other financial liabilities	23	12,231.54	12,244.64
(b) Other current liabilities	25	35.12	238.87
(c) Current Tax liability (Net)		0.06	0.78
		24,897.10	**24,429.82**
		36,787.31	**44,932.56**

See accompanying notes to Consolidated financial statements

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
M Chandramouleswara Rao	**S. Kishore**	**K. Bapi Raju**	**Manjul Saha**	**Ranjith Kumara Shetty**
Partner	Whole-time Director	Director	Chief Financial Officer	Company Secretary
Membership No: 024608	DIN - 00006627	DIN - 00940849		

Place : Hyderabad
Date : 30 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Note	Year ended	
		31 March 2019	**31 March 2018**
I Revenue from operations	27	2,073.51	31,490.17
II Other income	28	88.82	780.28
III Total revenue (I+II)		**2,162.33**	**32,270.45**
IV Expenses			
Cost of fuel consumed	29	996.72	19,014.67
Employee benefits expenses	30	69.43	836.06
Finance costs	31	1,176.13	21,842.80
Other expenses	32	292.70	5,397.18
Depreciation and amortisation expenses	10 & 11	346.41	5,997.75
Total expenses		**2,881.39**	**53,088.46**
V Profit / (loss) before exceptional items and tax (III - IV)		**(719.06)**	**(20,818.01)**
VI Exceptional items		(2,839.55)	2,200.37
VII Profit / (loss) before tax (V - VI)		**(3,558.61)**	**(18,617.64)**
VIII Tax expense / (income)			
Current tax			
For the year		9.44	2.94
In respect of earlier years		-	(50.44)
MAT credit entitlement	26	0.32	57.29
Deferred tax	26	34.62	(1,613.51)
Total tax expense / (income)		**44.38**	**(1,603.72)**
IX Profit / (loss) after tax (VII - VIII)		**(3,602.99)**	**(17,013.92)**
X Share of profit / (loss) of associate		(212.52)	(111.15)
XI Profit / (loss) for the year (IX + X)		**(3,815.51)**	**(17,125.07)**
Attributable to:			
Equity holders of the parent		(3,815.51)	(14,262.65)
Non-controlling interest		-	(2,862.42)
		(3,815.51)	**(17,125.07)**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Note	Year ended	
		31 March 2019	**31 March 2018**
XII Other comprehensive income	33		
(i) (a) Items that will not be reclassified to profit or loss		2.64	(12.45)
(b) Income tax relating to items that will not be reclassified to profit or loss		-	0.62
(ii) Items that will be reclassified to profit or loss		72.61	7.23
Other comprehensive income for the period, net of tax		**75.25**	**(4.60)**
Total comprehensive income (XI + XII)		**(3,740.26)**	**(17,129.67)**
Attributable to:			
Equity holders of the parent		(3,740.26)	(14,266.96)
Non - controlling interest		-	(2,862.71)
		(3,740.26)	**(17,129.67)**
XIII Earnings / (loss) per share:			
Basic and diluted - face value of Rs 10 per share (Rs.)	36	(9.00)	(33.64)

See accompanying notes to Consolidated financial statements

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
M Chandramouleswara Rao	**S. Kishore**	**K. Bapi Raju**	**Manjul Saha**	**Ranjith Kumara Shetty**
Partner	Whole-time Director	Director	Chief Financial Officer	Company Secretary
Membership No: 024608	DIN - 00006627	DIN - 00940849		

Place : Hyderabad
Date : 30 May 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

A Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at 1 April 2017	423,985,774	4,239.86
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2018	**423,985,774**	**4,239.86**
Balance as at 1 April 2018	423,985,774	4,239.86
Changes in equity share capital during the year :	-	-
Balance as at 31 March 2019	**423,985,774**	**4,239.86**

B Other equity

	Attributable to the equity holders of the parent								Total	Non-controlling interests	Total equity
	Reserves and Surplus					Items of OCI					
	Securities Premium Reserve	Capital reserve	Capital Redemption reserve	Other reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign exchange translation reserve	Actuarial gains / (losses)			
As at 1 April 2017	**23,222.32**	**1,728.96**	**1,000.00**	**109.96**	**(8,619.79)**	**(34.79)**	**(5.54)**	**(2.36)**	**17,398.76**	**6,563.45**	**23,962.21**
Profit / (loss) for the year	-	-	-	-	(14,262.64)	-	-	-	**(14,262.64)**	(2,862.42)	**(17,125.06)**
Other Comprehensive Income											
Items that will not be reclassified to profit or loss											
Gain / (loss) on financial instruments at fair value through OCI	-	-	-	-	-	(9.78)	-	-	**(9.78)**	-	**(9.78)**
Actuarial gain / (loss)	-	-	-	-	-	-	-	(2.28)	**(2.28)**	(0.39)	**(2.67)**
Tax impact	-	-	-	-	-	-	-	0.52	**0.52**	0.10	**0.62**

Continued...

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	Attributable to the equity holders of the parent								Total	Non-controlling interests	Total equity
	Reserves and Surplus					Items of OCI					
	Securities Premium Reserve	Capital reserve	Capital Redemption reserve	Other reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign exchange translation reserve	Actuarial gains / (losses)			
Items that will be reclassified to profit or loss											
Foreign currency translation reserve	-	-	-	-	-	-	7.23	-	**7.23**	-	**7.23**
Total comprehensive income	**-**	**-**	**-**	**-**	**(14,262.64)**	**(9.78)**	**7.23**	**(1.76)**	**(14,266.95)**	**(2,862.71)**	**(17,129.66)**
Transfer of economic interest to non-controlling interests	-	-	-	-	500.73	-	-	-	**500.73**	(500.73)	**-**
Disposal of subsidiary	-	-	-	(107.95)	-	-	1.73	0.06	**(106.16)**	(1,819.65)	**(1,925.81)**
Transaction with owner	**-**	**-**	**-**	**(107.95)**	**500.73**	**-**	**1.73**	**0.06**	**394.57**	**(2,320.38)**	**(1,925.81)**
As at 31 March 2018	**23,222.32**	**1,728.96**	**1,000.00**	**2.01**	**(22,381.70)**	**(44.57)**	**3.42**	**(4.06)**	**3,526.38**	**1,380.36**	**4,906.74**

	Reserves and Surplus					Items of OCI			Total	Non-controlling interests	Total equity
	Securities Premium Reserve	Capital reserve	Capital Redemption reserve	Other reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign exchange translation reserve	Actuarial gains / (losses)			
As at 1 April 2018	**23,222.32**	**1,728.96**	**1,000.00**	**2.01**	**(22,381.70)**	**(44.57)**	**3.42**	**(4.06)**	**3,526.38**	**1,380.36**	**4,906.74**
Profit / (loss) for the year	-	-	-	-	(3,815.51)	-	-	-	**(3,815.51)**	-	**(3,815.51)**
Other Comprehensive Income											
Items that will not be reclassified to profit or loss											
Gain / (loss) on financial instruments at fair value through OCI	-	-	-	-	-	(4.90)	-	-	**(4.90)**	-	**(4.90)**
Actuarial gain / (loss)	-	-	-	-	-	-	-	7.54	**7.54**	-	**7.54**

	Reserves and Surplus					Items of OCI			Total	Non-controlling interests	Total equity
	Securities Premium Reserve	Capital reserve	Capital Redemption reserve	Other reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign exchange translation reserve	Actuarial gains / (losses)			
Items that may be reclassified to profit or loss											
Foreign currency translation reserve	-	-	-	-	-	-	72.61	-	**72.61**	-	**72.61**
Total comprehensive income	**-**	**-**	**-**	**-**	**(3,815.51)**	**(4.90)**	**72.61**	**7.54**	**(3,740.26)**	**-**	**(3,740.26)**
Transfer of economic interest to non-controlling interests	-	-	-	-	68.81	-	-	-	**68.81**	(68.81)	**-**
Disposal of subsidiary (refer note 8)	-	-	-	(0.05)	-	-	-	-	**(0.05)**	(712.16)	**(712.21)**
Change in non-controlling interests without change in control	-	-	-	-	-	-	-	-	**-**	(25.00)	**(25.00)**
Transaction with owner	**-**	**-**	**-**	**(0.05)**	**68.81**	**-**	**-**	**-**	**68.76**	**(805.97)**	**(737.21)**
As at 31 March 2019	**23,222.32**	**1,728.96**	**1,000.00**	**1.96**	**(26,128.40)**	**(49.47)**	**76.03**	**3.48**	**(145.12)**	**574.39**	**429.27**

See accompanying notes to Consolidated financial statements

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-
M Chandramouleswara Rao
Partner
Membership No: 024608

Sd/-
S. Kishore
Whole-time Director
DIN - 00006627

Sd/-
K. Bapi Raju
Director
DIN - 00940849

Sd/-
Manjul Saha
Chief Financial Officer

Sd/-
Ranjith Kumara Shetty
Company Secretary

Place : Hyderabad
Date : 30 May 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	As at	
	31 March 2019	31 March 2018
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(3,558.61)	(18,617.64)
Adjustments for		
Depreciation and amortisation expenses	346.41	5,997.75
Finance cost	1,176.13	21,842.80
Interest income	(16.55)	(298.09)
Dividend income	(5.43)	(13.29)
(Profit) / loss on sale of assets, net	(0.89)	(2.64)
Profit on sale of investment	-	(7.95)
Gain on disposal of subsidiaries / Joint Operations	2,839.55	(8,386.52)
Bad debts / advances written off / provision for doubtful debts	-	2,152.97
Impairment of property, plant & equipment and others	-	6,205.85
Foreign exchange differences	-	15.79
Liability no longer required written back	(6.09)	(23.09)
Others, net	6.44	(99.24)
Operating profit before working capital changes	**780.96**	**8,766.70**
Adjustments for working capital		
Inventories	134.52	(218.40)
Trade receivables	(116.83)	(6,229.40)
Loans and advances	(13.91)	(128.70)
Other assets	(158.32)	(1,676.63)
Trade payables	(219.09)	2,028.74
Other liabilities and provisions	(46.79)	(133.71)
Cash generated from operations	**360.54**	**2,408.60**
Income tax (paid) / refund	10.10	119.72
Net cash (used in) / from investing activities	**370.64**	**2,528.32**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress and capital advances	(130.61)	(10,588.93)
Sale of fixed assets	0.88	21.02
Acquisition of minority interest / dilution of interest in subsidiaries, net	(25.00)	73.83
Disposal / Aquisition of subsidiaries/Joint operations	(18.47)	(590.21)
(Purchase) / sale of current investments, net	134.58	23.40
(Investment) / redemption of bank deposit (having original maturity more than three months)	2.63	(0.17)
(Investment) / redemption of bank deposit (held as margin money or security against guarantees or borrowings)	198.20	853.22

Particulars	As at 31 March 2019	As at 31 March 2018
Cash flow continued..		
Loans and advances (given) / repaid, net	(491.55)	(686.42)
Interest received	21.00	313.80
Dividend received	5.43	-
Net cash used in investing activities	**(302.91)**	**(10,580.46)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	397.86	26,312.34
Repayment of long term borrowings	(841.67)	(1,521.73)
Proceeds from short term borrowings, net	520.28	5,950.47
Proceed from / (repayment of) other liabilities	(13.34)	690.47
Payment of finance costs	(323.72)	(24,450.82)
Net cash from / (used in) financing activities	**(260.59)**	**6,980.73**
Net increase / (decrease) in cash and cash equivalents	(192.87)	(1,071.41)
Effect of exchange rate changes	72.61	8.96
Cash and cash equivalents at the beginning of the year	167.49	1,229.94
Cash and cash equivalents at the end of the year (refer note 18)	**47.23**	**167.49**

Changes in liabilities arising from financing activities on account of non-cash transactions

Particulars	31 March 2018	Net Cash flows	Non Cash changes: Disposal of subsi diaries	Finance cost charged	Fair value changes	Others	Unamm ortised processing charges	31 March 2019
Long term borrowings	14,335.45	(443.81)	(3,552.45)	-	59.19	-	19.84	10,418.22
Short term borrowings	9,358.98	520.28	468.75	-	-	-	-	10,348.01
Other liabilities	5,554.61	(13.34)	-	-	-	-	-	5,541.27
Finance costs / Derivatives	3,296.25	(323.72)	(632.28)	1,176.13	(75.46)	(201.98)	(19.84)	3,219.10

See accompanying notes to consolidated financial statements

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
M Chandramouleswara Rao	**S. Kishore**	**K. Bapi Raju**	**Manjul Saha**	**Ranjith Kumara Shetty**
Partner	Whole-time Director	Director	Chief Financial Officer	Company Secretary
Membership No: 024608	DIN - 00006627	DIN - 00940849		

Place : Hyderabad
Date : 30 May 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

1 Corporate Information

1.1 KSK Energy Ventures Limited ("KEVL" or the "Company"), is a Public Company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at Jubilee Hills, Hyderabad - 500033. Telangana.

1.2 Nature of operations

KSK Energy Ventures Limited, its subsidiaries, joint operations and associates (collectively referred to as 'the Group') are primarily engaged in the development, ownership, operation and maintenance of private sector power projects with multiple industrial consumers and utilities in India.

KSK focused its strategy on the private sector power development market, undertaking entire gamut of development, investment, construction (for its own use), operation and maintenance of power plant with supplies initially to heavy industrials operating in India and now branching out to cater to the needs of utilities and others in the wider Indian power sector.

The principal activities of the Group are described in note 37.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Board of Directors on 30 May 2019.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, unless otherwise stated.

2.3 Basis of measurement

These financial statements of the Group have been prepared on the historical cost convention, except for the following:

- Derivative financial instruments that are measured at fair value;
- Financial instruments that are designated as being at fair value through profit or loss account or through other comprehensive income upon initial recognition are measured at fair value;
- Net employee defined benefit (asset) / liability that is measured based on actuarial valuation.

2.4 Going Concern

The Group has incurred net loss during the current year as well in the previous years with resultant defaults in payment of interest and instalments dues to banks and financial institutions. Further as discussed at note no. 8, 31(ii) and 43 to 45 to the financial statements, the Group has residual investments and receivables pursuant to invocation of shares. However, the Group has been making appropriate representation and is in discussion with the respective lenders to find an appropriate resolution plan at each of the assets. The Group continues to prepare the financial statements as going-concern.

3 Basis of consolidation

3.1 The consolidated financial statements incorporate the consolidated financial statements of the Company and its subsidiaries and associates. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint operation.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

3.2 Particulars of Subsidiaries and Associates:

- Subsidiary Companies

Name of the Company	Principal activites	The Company's economic percentage		Principal place of business	Immediate parent	Immediate parent holding	
		31 March 2019	31 March 2018			31 March 2019	31 March 2018
KSK Vidarbha Power Company Private Limited, ('KVPCPL')*	Power generation	-	100.00	India	KEVL	-	100.00
KSK Narmada Power Company Private Limited ('KNPCPL')*	Power generation	-	100.00	India	KEVL	-	100.00
KSK Wind Energy Private Limited ('KWEPL')	Power generation	100.00	100.00	India	KEVL	100.00	100.00
KSK Surya Photovoltaic Venture Limited ('KSPVL')	Power generation	100.00	93.23	India	KEVL	93.23	93.23
KSK Wardha Infrastructure Private Limited ('KWAIPL')*	Exploration of natural / mineral resources.	-	100.00	India	KEVL	-	100.00
KSK Dibbin Hydro Power Private Limited ('KDHPPL')	Power generation	70.00	70.00	India	KEVL	70.00	70.00
Kameng Dam Hydro Power Limited ('KDHPL')	Power generation	100.00	100.00	India	KEVL	100.00	100.00
KSK Upper Subansiri Hydro Energy Limited ('KUSHEL')	Power generation	100.00	100.00	India	KEVL	100.00	100.00
KSK Jameri Hydro Power Private Limited ('KJHPPL')	Power generation	100.00	100.00	India	KEVL	100.00	100.00
KSK Dinchang Power Company Private Limited ('KDPCPL')	Power generation	100.00	100.00	India	KEVL	100.00	100.00
J R Power Gen Private Limited ('JRPGL')	Power generation	99.87	99.87	India	KEVL	99.87	99.87

Name of the Company	Principal activites	The Company's economic percentage		Principal place of business	Immediate parent	Immediate parent holding	
		31 March 2019	31 March 2018			31 March 2019	31 March 2018
KSK Wind Power Aminabhavi Chikodi Private Limited ('KWPACPL')	Power generation	100.00	100.00	India	KEVL	69.95	69.95
Tila Karnali Hydro Electric Company Private Limited ('TKHECPL')	Power generation	80.00	80.00	Nepal	KEVL	80.00	80.00
Bheri Hydro Power Company Private Limited ('BHPCPL')	Power generation	99.00	99.00	Nepal	KEVL	99.00	99.00
KSK Electricity Financing India Private Limited ('KEFIPL')	Investment / Financing company	100.00	100.00	India	KEVL	100.00	100.00
Sai Regency Power Corporation Private Limited ('SRPCPL') (refer note 8)	Power generation	-	73.92	India	KEFIPL	73.92	73.92
KSK Wind Energy Halagali Benchi Private Limited ('KWEHBPL')	Power generation	99.61	99.61	India	KEFIPL	99.61	99.61
KSK Wind Energy Mothalli Haveri Private Limited ('KWEMHPL')	Power generation	99.61	99.61	India	KEFIPL	99.61	99.61
KSK Wind Power Sankonahatti Athni Private Limited ('KWPSAPL')	Power generation	99.61	99.61	India	KEFIPL	99.61	99.61
Sai Lilagar Power Generation Limited ('SLPGL')	Power generation	100.00	100.00	India	KEFIPL	100.00	100.00
Global Coal Sourcing Plc (GCSP)	Coal sourcing company	100.00	100.00	Isle of Man	SLPGL	100.00	100.00
Sai Maithili Power Company Private Limited ('SMPCPL')	Power generation	48.00	48.00	India	VSLPPL	52.00	52.00

*Names of subsidiaries which have been Woundup during the year are: KSK Vidarbha Power Company Private Limited, KSK Narmada Power Company Private Limited, KSK Wardha Infrastructure Private Limited.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

- **Associates company**

Name of the Company	Venturer	Principal place of business	Percentage share holding	
			31 March 2019	31 March 2018
VS Lignite Power Private Limited ('VSLPPL')	KEFIPL	India	32.75	32.75
Sai Wardha Power Generation Limited ('SWPGL')#	KEFIPL	India	-	27.35
KSK Mahanadi Power Company Limited ('KMPCL')	KEVL	India	9.94	11.39

refer note 44

4 Changes in accounting policy and disclosure

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards as of 1 April 2018, noted below.

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2018.

- **ND AS 115 – Revenue from contracts with customers**: Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Ind AS 115 replaces Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations.

  The Group has assessed that the existing accounting policy for revenue recognition (sale of electricity) in all material aspects are consistent with Ind AS 115 and the implementation has therefore not had any impact on the retained earnings as of 1 April 2018.

- **Appendix B to IND AS 21 – Foreign currency transaction and advance consideration**: The Appendix B has been inserted to IND AS 21, The Effects of Changes in Foreign Exchange Rates, which addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

These amendments do not have any material impact on the Group.

5 Standards and interpretations not yet applied

At the date of authorisation of these standalone financial statements, the following Standards and relevant Interpretations, which have not been applied in these standalone financial statements, were in issue but not yet effective

Standard	Description	Effective for in reporting years starting on or after
IND AS 12	Income taxes	1 April 2019
IND AS 19	Plan Amendment, Curtailment or Settlement	1 April 2019
IND AS 23	Borrowing cost	1 April 2019
IND AS 28	Long-term Interests in Associates and Joint Ventures	1 April 2019
IND AS 103	Business Combinations and Ind AS 111 – Joint Arrangements	1 April 2019
IND AS 109	Prepayment Features with Negative Compensation	1 April 2019
IND AS 116	Leases	1 April 2019

The Group has yet to assess the impact of above standards on the Consolidated financial statements. However the management does not intend to apply any of these pronouncements early.

6 Significant Accounting Policies

6.1 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost includes expenditures that are directly attributable to property plant and equipment such as employee cost, borrowing costs for long-term construction projects etc., if recognition criteria are met. Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss.

Depreciation is computed, based on technical assessment made by technical expert and management estimate, on straight-line basis over the estimated useful life which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used as follows:

Nature of asset	Useful life (years)
Buildings	5-60
Plant and equipment	1-30
Furniture & fixtures	1-10
Vehicles	8-10
Office equipment	3-6
Computers	3-6

Assets in the course of construction are stated at cost and not depreciated until commissioned.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit and loss in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively if appropriate.

6.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Nature of asset	Useful life (years)
Software	3

6.3 Non-current assets held-for-sale

Non-current assets and disposal groups classified as held-for-sale are measured at lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuous use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management is committed to the sale, which should be expected to qualify for recognition as a completed sale generally within one year from the date of classification.

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are re-measured in accordance with the Company's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

6.4 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.5 Financial assets

Initial recognition & Measurement

All regular way purchases or sales of financial assets are recognised / derecognised on a trade date basis

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instrument at amortised cost
- Debt instrument at fair value through other comprehensive income (FVTOCI)
- Debt instrument, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For the equity instruments Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

6.6 Financial liabilities

Initial recognition

Financial liabilities within the scope of IND AS 109 are classified as

- Fair value through profit or loss
- Other financial liability at amortised cost

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts and other financial liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated at the initial date of recognition, and only if criteria of IND AS 109 are satisfied.

Loans and borrowings at amortised cost

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the amortisation process.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the bond. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit and loss.

6.7 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps future and options to hedge its foreign currency risks, interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

6.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Company. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company- uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's - accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

6.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials - purchase cost on Weighted average basis.
- Stores and spares - purchase cost on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

6.10 Foreign currency translation

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

6.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

Sale of electricity : Revenue from the sale of electricity is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and year end. Further, claim towards tariff adjustments and taxes are recognised in accordance with the specific provision of change in law specified under the power purchase agreement with respective customers.

Rendering of services : The Company provides project development, corporate support and fund management services. Revenue from rendering of services is recognised in statement of profit and loss in the period in which the services are rendered by reference to the stage of completion of the transaction at the reporting date. The stage of completion is assessed on the basis of the actual services provided as a proportion of the total service to be provided.

Deferred revenue : Non-refundable contributions received from the captive consumers of the Company are recognised as deferred revenue in the Balance sheet and transferred to statement of profit and loss on a systematic and rational basis over life of the term of the relevant agreement.

Interest and dividend income : Revenue from interest is recognised on an accrual basis (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

Insurance claim : Insurance claims are accounted based on certainty of realisation.

Sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) : Revenue from sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) is recognised on sale of eligible credits.

6.12 Taxes

Current income tax : Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income tax: Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit;

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint operations, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credit and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities, relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

6.13 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessor

Contracts to lease assets are classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Finance lease receivables are stated in the Balance sheet at the amount of the net investment in the lease being lower of their fair value and present value of the minimum lease payments and any unguaranteed residual value discounted at the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to give a constant periodic rate of return before tax on the net investment. Unguaranteed residual values are subject to regular review to identify potential impairment.

If there has been a reduction in the estimated unguaranteed residual value, the income allocation is revised and any reduction in respect of amounts accrued is recognised immediately.

Company as a lessee

Operating lease payments are recognised as an expense in the statement of profit and loss on accrual basis.

6.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

All other borrowing costs including transaction costs are recognised in the statement of profit and loss in the year in which they are incurred, the amount being determined using the effective interest rate method.

6.15 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

6.16 Cash and short-term deposits

Cash and short-term deposits in the Balance Sheet comprise cash at banks and on hand and short-term deposits.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and readily convertible short-term deposits, net of restricted cash and outstanding bank overdrafts.

6.17 Earnings per share

The earnings considered in ascertaining the Company's earnings per share (EPS) comprise the net profit or loss for the period attributable to equity holders. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to equity holders (after adjusting for effects of all dilutive potential equity shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into equity shares.

6.18 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

6.19 Employee benefits

Gratuity

In accordance with Gratuity laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund administered and managed by Life Insurance Corporation of India, a Government of India undertaking which is a qualified insurer.

The Company recognises the net obligation of a defined benefit plan in its Balance sheet as an asset or liability, respectively in accordance with IND AS 19, Employee benefits. Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Provident fund

Eligible employees of Company receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary and the employer contribution is charged to statement of profit and loss. The benefits are contributed to the government administered provident fund, which is paid directly to the concerned employee by the fund. The Company has no further obligation to the plan beyond its monthly contributions.

Employees State Insurance Scheme

Eligible employees of the Company are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India. The Company's contributions to these schemes are recognized as expense in statement of profit and loss or capitalised to Property, plant and equipment as the case may be during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

Short- term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

6.20 Business combinations - common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

7 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IND AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies required the Company to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements.

The policies where significant estimates and judgments have been made are as follows:

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Estimation of fair value of acquired financial assets and financial liabilities*: When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- *Un-collectability of trade receivables*: Analysis of historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Further recoverability of various claims as per power purchase agreement including change in law claim are subject to adjudicate at appropriate regulatory authorities.
- *Taxes*: Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.
- Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- *Gratuity benefits*: The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actual results can differ from estimates.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

- *Useful lives of depreciable assets*: Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

- *Provision*: The Company is currently defending certain lawsuits where the actual outcome may vary from the amount recognised in the financial statements. None of the provisions are discussed here in further details as that might seriously prejudice the Company's position in the related disputes.

8 Acquisition and Dilution - Change in control

Deconsolidation of Sai Regency Power Corporation Private Limited

Financial creditors of Sai Regency Power Corporation Private Limited ("SRPCPL") have filed the petition for a Corporate Insolvency Resolution process("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Tribunal, Chennai ("NCLT") and same has been admitted by NCLT on 27 March 2019. Consequent to this, the Group has lost control over the subsidiary and has derecognised the related carrying values of assets and liabilities of SRPCPL, resulting in Group recording a net loss of Rs. 675.83 million, which has been included as an 'exceptional item' in the consolidated financial statements.

9 Subsidiaries, Joint arrangement and Associate

- Material subsidiaries and non-controlling interest (NCI)

Name of subsidiary	Principal place of business	Non-controlling interest (%) 31 March 2019	Non-controlling interest (%) 31 March 2018
SWPGL	India	-	-
VSLPPL	India	-	-
SRPCPL	India	-	26.08
KMPCL	India	-	-
Profit / (loss) attributable to NCI		**31 March 2019**	**31 March 2018**
SWPGL		-	(92.44)
VSLPPL		-	(181.64)
SRPCPL		-	(117.28)
KMPCL		-	(2,751.67)
Equity attributable to NCI		**31 March 2019**	**31 March 2018**
SWPGL		-	-
VSLPPL		-	-
SRPCPL		-	780.98
KMPCL		-	-

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

31 March 2019	SRPCPL
Non-current assets	-
Current assets	-
Non-current liabilities	-
Current liabilities	-
Net assets	**-**
Carrying amount of NCI	-
Revenue	1,937.33
(Loss) / profit for the year	(165.61)
Other comprehensive income (OCI)	1.87
Total comprehensive income	**(163.74)**
(Loss) / profit attributable to NCI	-
OCI attributable to NCI	-
Cash flow from operating activities	616.39
Cash flow from investing activities	55.78
Cash flow from financing activities	(683.98)
Net Increase / (decrease) in cash and cash equivalents	**(11.81)**

31 March 2018	SRPCPL
Non-current assets	5,337.47
Current assets	2,813.35
Non-current liabilities	3,890.48
Current liabilities	1,265.77
Net assets	**2,994.57**
Carrying amount of NCI	780.98
Revenue	1,614.93
(Loss) / profit for the year	(449.69)
Other comprehensive (loss) / income	(0.62)
Total comprehensive (loss) / income	**(450.31)**
(Loss) / profit attributable to NCI	(117.28)
OCI attributable to NCI	(0.16)
Cash flow from operating activities	646.17
Cash flow from investing activities	209.47
Cash flow from financing activities	(836.29)
Net Increase / (decrease) in cash and cash equivalents	**19.35**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

- **Associates**

	KMPCL	
	31 March 2019	**31 March 2018**
Non-current assets	199,942.90	209,843.03
Current assets	60,030.00	47,593.60
Non-current liabilities	164,858.90	175,775.70
Current liabilities	76,068.10	63,140.60
Net assets	**19,045.90**	**18,520.33**
Revenue	37,308.10	-
(Loss) / profit for the year	537.80	-
Other comprehensive income (OCI)	(12.20)	-
Total comprehensive income	**525.60**	**-**
Cash flow from operating activities	(3,332.00)	-
Cash flow from investing activities	4,180.20	-
Cash flow from financing activities	(1,251.40)	-
Net Increase / (decrease) in cash and cash equivalents	**(403.20)**	**-**

Group share of losses in VS lignite exceeds the carrying value of investment, accordingly further losses have not been considered in the Consolidated financial statement.

10 Property plant and equipment

	Land-Freehold	Buildings	Plant & Equipment	Railway siding	Furniture & fixtures	Vehicles	Office equipment	Computer	Total	Capital work in progress
Gross carrying amount										
As at 1 April 2017	2,240.09	21,812.32	118,733.81	3,940.88	56.79	53.63	89.28	21.50	146,948.30	83,058.84
Additions	-	4,877.93	51,655.15	46.73	0.61	10.37	0.82	0.26	56,591.87	28,778.32
Deletions	(6.03)	(8.42)	(11.05)	-	-	(8.12)	-	-	(33.62)	(55,906.69)
Disposal of Subsidiaries/Joint operation	(2,202.13)	(25,943.46)	(165,089.24)	(3,987.93)	(44.17)	(40.66)	(71.25)	(16.31)	(197,395.15)	(48,826.86)
Adjustments *	-	2.93	39.32	0.32	-	0.01	-	-	42.58	-
As at 31 March 2018	**31.93**	**741.30**	**5,327.99**	**0.00**	**13.23**	**15.23**	**18.85**	**5.45**	**6,153.98**	**7,103.61**
As at 1 April 2018	31.93	741.30	5,327.99	0.00	13.23	15.23	18.85	5.45	6,153.98	7,103.61
Additions	-	-	1.39	-	-	2.95	0.03	0.24	4.61	5.37
Deletions	-	-	-	-	-	(0.52)	-	-	(0.52)	-
Disposal of Subsidiaries	(20.21)	(132.98)	(1,334.16)	-	(0.34)	(8.00)	(1.89)	(0.85)	(1,498.43)	-
As at 31 March 2019	**11.72**	**608.32**	**3,995.22**	**0.00**	**12.89**	**9.66**	**16.99**	**4.84**	**4,659.64**	**7,108.98**
Accumulated depreciation & impairment										
As at 1 April 2017	-	1,623.14	10,209.25	340.81	18.71	22.21	58.87	13.04	12,286.03	-
For the year	-	814.37	5,066.20	72.28	7.35	7.30	10.17	3.10	5,980.77	-
Disposal of Subsidiaries/Joint operation	-	(2,297.95)	(14,396.75)	(413.09)	(11.63)	(18.50)	(47.82)	(9.88)	(17,195.62)	-
Adjustments / Deletions	-	(1.41)	(2.63)	-	(5.19)	(5.11)	(3.33)	(1.20)	(18.87)	-
impairment loss	-	-	0.92	-	1.23	0.45	0.03	-	2.63	5,194.70
As at 31 March 2018	**-**	**138.15**	**876.99**	**0.00**	**10.47**	**6.35**	**17.92**	**5.06**	**1,054.94**	**5,194.70**
As at 1 April 2018	-	138.15	876.99	0.00	10.47	6.35	17.92	5.06	1,054.94	5,194.70
For the year	-	39.12	303.64	-	0.78	1.62	0.62	0.34	346.12	-
Disposal of Subsidiaries	-	(32.11)	(397.63)	-	(0.30)	(2.32)	(1.82)	(0.82)	(435.00)	-
Adjustments / Deletions	-	-	-	-	-	(0.52)	-	-	(0.52)	-
As at 31 March 2019	**-**	**145.16**	**783.00**	**0.00**	**10.95**	**5.13**	**16.72**	**4.58**	**965.54**	**5,194.70**
Net book value										
As at 31 March 2018	31.93	603.15	4,451.00	0.00	2.76	8.88	0.93	0.39	5,099.04	1,908.91
As at 31 March 2019	11.72	463.16	3,212.22	0.00	1.94	4.53	0.27	0.26	3,694.10	1,914.28

Property, plant and equipment with a carrying amount of Rs. 5,608.38 (31 March 2018: Rs 7,007.96) is subject to security restrictions (refer note 21)

** Adjustments figures represents changes on account of exchange rate and price variation.*

(All amounts in Indian Rupees million, except share data and where otherwise stated)

11 Goodwill and Intangible assets

	Goodwill	Computer software	Mining Asset	Total	Intangible assets under development
Gross carrying amount					
As at 1 April 2017	1,955.69	9.74	1,437.69	3,403.12	32.11
Additions	-	1.22	-	1.22	-
Disposal of Subsidiaries/ Joint operation	(1,595.11)	(8.63)	(1,437.69)	(3,041.43)	(30.57)
As at 31 March 2018	**360.58**	**2.33**	**-**	**362.91**	**1.54**
As at 1 April 2018	360.58	2.33	-	362.91	1.54
Additions	-	-	-	-	-
Disposal of Subsidiaries	(360.58)	(0.31)	-	(360.89)	-
As at 31 March 2019	**-**	**2.02**	**-**	**2.02**	**1.54**
Accumulated amortisation & impairment					
As at 1 April 2017	-	8.09	122.88	130.97	-
For the year	-	0.51	16.47	16.98	-
Disposal of Subsidiaries/ Joint operation	-	(6.84)	(139.35)	(146.19)	-
Impairment loss	360.58	-	-	360.58	-
As at 31 March 2018	**360.58**	**1.76**	**-**	**362.34**	**-**
As at 1 April 2018	360.58	1.76	-	362.34	-
For the year	-	0.29	-	0.29	-
Disposal of Subsidiaries	(360.58)	(0.31)	-	(360.89)	-
Adjustments / Deletions	-	-	-	-	-
Impairment loss	-	-	-	-	0.55
As at 31 March 2019	**-**	**1.74**	**-**	**1.74**	**0.55**
Net book value					
As at 31 March 2018	-	0.57	-	0.57	1.54
As at 31 March 2019	-	0.28	-	0.28	0.99

Intangible assets with a carrying amount of Rs. 1.27 (31 March 2018: Rs 2.11) is subject to security restrictions (refer note 21)

12 Investments

	As at	
	31 March 2019	31 March 2018
Non-current investments		
Investment in equity instruments		
At fair value through other comprehensive income		
(quoted, fully paid up)		
364,418 (31 March 2018: 364,418) Equity shares of Thiru Arooran Sugars Limited	6.34	11.24
(unquoted, fully paid up)		
3,636,363 (31 March 2018: 3,636,363) Equity shares of Terra Energy Limited	160.00	160.00
Less: Impairment in the value of investment	(160.00)	(160.00)
100,000 (31 March 2018: 100,000) Equity shares of KSK Green Energy Pte. Ltd	6.26	6.26
81,600,009 (31 March 2018: 81,600,009) Equity shares of VS Lignite Power Private Limited	816.00	816.00
Investment In Associates under equity method		
(unquoted, fully paid up)		
358,615,128 (31 March 2018: 411,218,789) Equity shares of KSK Mahanadi Power Company Limited	1,583.92	2,109.96
Investment In Associates under equity method		
(unquoted, fully paid up)		
Sai Wardha Power Generation Limited	-	3,958.55
VS Lignite Power Private Limited	985.00	985.00
Less: share in loss of associates	(985.00)	(4,943.55)
	2,412.52	**2,943.46**
Current investments		
At amortised cost		
(quoted, fully paid up)		
7,881,080.48 (31 March 2018: 21,150,083.92) units in IDFC Ultra Short Term Fund - Daily Dividend - (Direct Plan)	79.40	213.98
	79.40	**213.98**
	2,491.92	**3,157.44**
Aggregate amount of quoted investments	135.21	269.79
Aggregate market value of quoted investments	85.74	225.22
Aggregate amount of unquoted investments	2,406.18	2,932.22
Aggregate amount of impairment in the value of investments	160.00	160.00

(All amounts in Indian Rupees million, except share data and where otherwise stated)

13 Trade receivables

	As at	
	31 March 2019	31 March 2018
Current		
Secured, considered good	-	37.68
Unsecured, considered good	386.79	603.18
Less: Provision for doubtful receivbles / Share in loss of Associate	(331.27)	(327.89)
	55.52	**312.97**
	55.52	**312.97**

(i) Trade receivable are interest bearing and are generally due within 1-60 days terms.

(ii) Trade receivable of Rs. 55.52 (31 March 2018: Rs. 312.97) for the Group have been pledged as security for borrowings (refer note 21)

(iii) The Group is having majority of receivables from public sector undertaking that are well established in reputed industries engaged. Hence they are secured from credit losses in the future.

The movement in the allowance for impairment in respect of trade receivable during the year was as follows:

	As at	
	31 March 2019	31 March 2018
Opening balance	-	-
Impairment loss recognised	-	1,823.33
Amount written off	-	1,823.33
Closing balance	**-**	**-**

14 Loans

	As at	
	31 March 2019	31 March 2018
Non Current		
Unsecured, considered good		
Security deposits	19.47	25.29
	19.47	**25.29**
Current		
Unsecured, considered good		
Loans and advances	2,787.50	6,400.06
Less: Share in loss of associates	(1,056.65)	(3,602.89)
Security deposits	42.67	46.84
Unsecured, doubtful		
Loans and advances & security deposits	2,125.91	75.00
Less: Provision for doubtful advances/deposits	(2,125.91)	(75.00)
	1,773.52	**2,844.01**
	1,792.99	**2,869.30**

15 Other financial assets

	As at	
	31 March 2019	**31 March 2018**
Non Current		
Unsecured, considered good		
Advance for investment	102.61	79.61
Less: Impairment of advance for investment	(102.61)	-
Balances with banks	2.58	5.82
Interest accrued	0.25	0.38
	2.83	**85.81**
Current		
Unsecured, considered good		
Interest accrued	14.49	80.53
Less: Share in loss of associates	(5.30)	(58.94)
Other receivables (refer note 43)	24,033.60	27,866.65
Unsecured, Doubtful		
Interest and other receivables	2,131.40	20.62
Less: Provision for doubtful receivables	(2,131.40)	(20.62)
	24,042.79	**27,888.24**
	24,045.62	**27,974.05**

The Company has pledged its deposits with banks amounting to Rs. 2.58 (31 March 2018: Rs. 5.82) in order to fulfill collateral requirements.

16 Other assets

	As at	
	31 March 2019	**31 March 2018**
Non-current		
Capital advances	74.07	74.21
Advance tax	30.35	113.33
Prepaid expenses	5.04	12.47
Prepaid lease rentals	71.98	73.30
Balances with statutory authorities	26.88	26.88
	208.32	**300.19**
Current		
Advance for supplies / expenses	2,214.27	2,068.62
Balances with statutory authorities	3.49	6.24
Prepaid expenses	8.42	10.39
Prepaid lease rentals	1.32	1.32

Continued...

(All amounts in Indian Rupees million, except share data and where otherwise stated)

	As at	
	31 March 2019	31 March 2018
Unbilled revenue	-	20.97
Claims receivable	-	8.97
Unsecured, Doubtful		
Capital / other advances	298.01	298.01
Less: Provision for doubtful advances	(298.01)	(298.01)
	2,227.50	**2,116.51**
	2,435.82	**2,416.70**

17 Inventories

	As at	
	31 March 2019	31 March 2018
(At lower of cost or net realisable value)		
Fuel	3.01	151.27
Stores and spares	54.73	216.07
	57.74	**367.34**

Inventory of Rs. 57.74 (31 March 2018: Rs. 367.34) for the Group is subject to security restrictions (refer note 21)

18 Cash and cash equivalents

	As at	
	31 March 2019	31 March 2018
Cash on hand	0.27	0.66
Draft on hand	-	0.02
Balances with banks;		
On current account	46.29	166.81
On deposit account	0.67	-
	47.23	**167.49**

19 Other bank balances

	As at	
	31 March 2019	31 March 2018
Deposits with bank held as margin money or security against guarantees or borrowings	76.87	323.77
Deposit having maturity of more than three months	-	2.63
	76.87	**326.40**

20 Share capital

	As at	
	31 March 2019	31 March 2018
Issued, subscribed and paid up		
423,985,774 (31 March 2018: 423,985,774) equity shares of Rs.10/- each fully paid up.	4,239.86	4,239.86
	4,239.86	**4,239.86**

a The company has only one class of equity shares having a par value of Rs. 10/- per share. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.

b Reconciliation of number of shares outstanding

	As at	
	31 March 2019	31 March 2018
Equity shares		
Outstanding at the beginning of the year	423,985,774	423,985,774
Issued during the year	-	-
Outstanding at the end of the year	**423,985,774**	**423,985,774**

c Equity shares held by holding company and its subsidiaries

Particulars	As at	
	31 March 2019	31 March 2018
Holding company		
No of shares held	86,545,854	111,545,854
% of shares held	20.41%	26.31%
Subsidiaries of holding company		
No of shares held	38,916,229	38,916,229
% of shares held	9.19%	9.19%

d Particulars of the shareholders holding more than 5% of the shares

Name of the shareholder	As at	
	31 March 2019	31 March 2018
Equity shares fully paid up		
KSK Energy Limited		
No of shares held	86,545,854	111,545,854
% of shares held	20.41%	26.31%
HDFC Trustee Company Limited		
No of shares held	-	38,135,599
% of shares held	-	8.99%

(All amounts in Indian Rupees million, except share data and where otherwise stated)

21 Borrowings

	As at	
	31 March 2019	**31 March 2018**
Non Current		
Secured		
Debentures	2,055.71	1,999.50
Term loans		
Rupee loans from banks	1,184.43	4,388.37
Rupee loans from others	2,689.58	2,888.57
Hire purchase loan	0.89	3.09
Unsecured		
Debentures	450.98	1,167.58
	6,381.59	**10,447.11**
Current		
Secured		
Loans repayable on demand		
From banks	4,124.15	4,220.29
Loan against deposit	67.50	547.30
Unsecured		
Loans repayable on demand		
From related parties	2,211.59	876.73
From others	3,944.77	3,714.66
	10,348.01	**9,358.98**
	16,729.60	**19,806.09**

a Details of security provided for various credit facilities

KSK Energy Ventures Limited

Rupee term loans from others are secured by first pari-passu charge by way of mortgage/hypothecation of all movable and immovable properties of Sai Lilagar Power Generation Limited and KSK Surya photovoltaic Venture Limited, Mortgage of 95.48 HA land of VS Lignite Power Private Limited. Further these loans are secured by pledge of certain equity shares of the Company held by KSK Energy Limited, the holding company and corporate guarantee given by KSK Energy Limited and VS Lignite Power Private Limited.

Loans repayable on demand are secured by first pari-passu charge on fixed assets, current assets of the Company and corporate guarantee of KSK Power Ventur plc.

Some of the lenders have recalled the loan given to the Company and has issued notice for possession of underlying securities on account of non-payment of overdue amount. The Company would seek to take appropriate steps, for addressing the same. Notwithstanding of above, pending resolution, classification of borrowings into Non current and current is done based on original terms of sanctions.

Sai Lilagar Power Generation Limited

Rupee term loans from bank is secured by way second charge of mortgage of all movable and immovable assets. Pledge of certain equity shares of VS Lignite Power Private Limited, KSK Electricity Financing India Private Limited and Sai Regency Power Corporation Private Limited. Further, the loan is also secured by pledge of certain fully paid up class A shares of the Company and Corporate Guarantee of KSK Energy Ventures Limited.

Loans repayable on demand are secured by hypothecation of all present and future current assets including revenues, receivables, escrow account. Second charge on the fixed assets of the company created by way of Simple Mortgage Deed. Further, the loan is secured by pledge of certain shares of the Company and Corporate Guarantee of KSK Energy Ventures Limited.

Some of the lenders have recalled the loan given to the Company . The Company would seek to take appropriate steps, for addressing the same. Notwithstanding of above, pending resolution, classification of borrowings into Non current and current is done based on original terms of sanctions.

Sai Maithili Power Company Private Limited

Rupee term loan from others are secured by way of First ranking pari passu charge on Current Assets, Moveable Properties, Rights under Project Documents, Accounts, Receivables, Rights under Insurance Policies and Intellectual Properties of the Company

Hire purchase loan is secured by pledge of vehicle purchased.

KSK Electricity Financing India Private Limited

Debentures are secured by way of mortgage of land and pledge of certain equity shares of KSK Energy Ventures Limited.

b Loan against deposits are secured by pledge of deposits.

c Repayment terms of long-term borrowings

S No	Name of the Company	Amount outstanding included in		Repayment terms
		Long term borrowings	Other current liability	
Debentures				
1	KSK Electricity Financing India Private Limited	1,999.61	-	The debentures are repayable equally in Mar 2021 and Mar 2022. The debentures carry an internal rate of return of 17% p.a
2	KSK Electricity Financing India Private Limited	11.80	-	The debentures are optionally convertible into equity shares of Rs 10 /- each within ten years. The coupon rate of interest is 0.00% p.a.
3	Kameng Dam Hydro Power Private Limited	161.78	-	The debentures are optionally convertible into equity shares of Rs 10 /- each within ten years. The coupon rate of interest is 0.00% p.a.
4	JR Power Gen Private Limited	105.14	-	The debentures are optionally convertible into equity shares of Rs 10 /- each within ten years. The coupon rate of interest is 0.00% p.a.

Continued...

(All amounts in Indian Rupees million, except share data and where otherwise stated)

S No	Name of the Company	Amount outstanding included in		Repayment terms
		Long term borrowings	Other current liability	
5	KSK Upper Subansiri Hydro Energy Private Limited	67.75	-	The debentures are optionally convertible into equity shares of Rs 10 /- each within ten years. The coupon rate of interest is 0.00% p.a.
6	KSK Wind Energy Private Limited	104.51	-	The debentures are optionally convertible into equity shares of Rs 10 /- each after five years and redeemable at the end of ten years from the date of allotment. The coupon rate of interest is 0.01% p.a.
7	Sai Maithili Power Company Private Limited	56.10	-	The debentures are repayable in August 2033 . The debentures carry an internal rate of return of 12% p.a
Term loan				
1	KSK Energy Ventures Limited	2,088.49	3,447.21	The long term Rupee loans are repayable in quarterly yearly installments with the last installment of respective loans are payable upto to Nov 2024.
2	Sai Lilagar Power Generation Limited	1,184.43	555.18	The long term rupee loan is repayable in quarterly installments with the last installment payable in October 2025.
3	Sai Maithili Power Company Private Limited	601.08	33.68	The long term Rupee loan is repayable by August 2031, in monthly installments. These loans carries a weighted average rate of interest of 10.50% p.a.
Hire purchase loan				
1	Sai Maithili Power Company Private Limited	0.89	0.56	Hire purchase loan is repayable in monthly installment, with last installment due in August 2021. The loan carries weighted average interest rate of 9.4%.

22 Trade payable

	As at	
	31 March 2019	**31 March 2018**
Dues to micro and small enterprises	6.21	3.30
Dues to other than micro and small enterprises	2,276.16	2,583.25
	2,282.37	**2,586.55**

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information available with the Company represents the principal amount payable to these enterprises. Please refer note 46.

23 Other Financial liabilities

	As at	
	31 March 2019	**31 March 2018**
Non Current		
Interest accrued	770.94	846.64
	770.94	**846.64**
Current		
Current maturities of long-term debt	4,036.07	3,887.28
Current maturities of finance lease obligation	0.56	1.06
Interest accrued	2,448.16	2,449.61
Creditor for capital goods (including retention money)	182.19	305.12
Salary and bonus payable	23.29	46.96
Other liabilities	5,541.27	5,554.61
	12,231.54	**12,244.64**
	13,002.48	**13,091.28**

24 Provisions

	As at	
	31 March 2019	**31 March 2018**
Non Current		
For employee benefits (refer note a)	1.18	7.34
	1.18	**7.34**

a. **Employee benefit plans**: The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table sets out the status of the gratuity plan as required under IND AS 19

Net benefit liability

	As at	
	31 March 2019	**31 March 2018**
Defined benefit obligation	8.67	27.99
Fair value of plan assets	(14.93)	(24.73)
Net Asset / (Liability)*	**6.26**	**(3.26)**

*Represents net of benefit asset of Rs. 7.44 (31 March 2018: Rs. 4.08)

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Changes in the present value of the defined benefit obligation are as follows

	As at	
	31 March 2019	**31 March 2018**
Defined benefit obligation as at the beginning of the year	27.99	156.01
Included in Consolidated income statement		
Current service cost	1.27	14.34
Past service cost	-	25.40
Interest cost	2.11	8.08
	3.38	47.82
Included in Consolidated other comprehensive income		
Re-measurement loss / (gain)		
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in financial assumptions	0.15	(7.03)
experience variance (i.e. Actual experience vs assumptions)	(9.48)	6.14
	(9.33)	(0.89)
Others		
Acquisition of subsidiaries	-	-
Disposal of subsidiaries/Joint operation (refer note 8)	(5.84)	(154.28)
Benefits paid	(7.53)	(20.67)
	(13.37)	(174.95)
Defined benefit obligation as at the end of the year	**8.67**	**27.99**

Changes in the fair value of plan assets are as follows

	As at	
	31 March 2019	**31 March 2018**
Fair value of plan assets		
Fair value of plan assets beginning of the year	24.73	87.80
Included in Consolidated income statement		
Interest income	1.85	5.47
	1.85	5.47
Included in other comprehensive income		
Re-measurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	(0.81)	1.74
	(0.81)	1.74

Continued...

	As at	
	31 March 2019	**31 March 2018**
Others		
Acquisition of subsidiaries	-	-
Disposal of subsidiaries/Joint operation (refer note 8)	(5.55)	(74.29)
Contributions	2.24	24.68
Benefits paid	(7.53)	(20.67)
	(10.84)	(70.28)
Fair value of plan assets end of the year	**14.93**	**24.73**

Net defined benefit liability (asset)

	As at	
	31 March 2019	**31 March 2018**
Balance	3.26	68.21
Included in Consolidated income statement		
Current service cost	1.27	14.34
Past Service Cost - non vested benefits	-	25.40
Interest cost / (income)	0.26	2.61
Expenses Recognised in the Income Statement	1.53	42.35
Re-measurement loss / (gain)		
Actuarial (gains) on obligation		
change in financial assumptions	0.15	(7.03)
experience variance (i.e. Actual experience vs assumptions)	(9.48)	6.14
Return on plan asset (excluding amounts included in net interest expense)	0.81	(1.74)
	(8.52)	**(2.63)**
Others		
Acquisition of subsidiaries	-	-
Disposal of subsidiaries/Joint operation (refer note 8)	(0.29)	(79.99)
Contributions by employer	(2.24)	(24.68)
Benefits paid	-	-
	(2.53)	(104.67)
Defined benefit obligation as at the end of the year	**(6.26)**	**3.26**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Asset information

Category of Assets	As at	
	31 March 2019	31 March 2018
Insurer managed funds	100%	100%

The principal assumptions used in determining the obligation towards the Group's plan as shown below:

	As at	
	31 March 2019	31 March 2018
Discount rate	7.70%	7.80%
Rate of increase in compensation levels	10.00%	10.00%

Sensitivity analysis

	As at			
	31 March 2019		31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1% movement)	0.92	(0.78)	3.21	(2.70)
Salary growth Rate (-/+ 1% movement)	(0.57)	0.53	(2.14)	2.25

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

25. Other liabilities	As at	
	31 March 2019	31 March 2018
Non Current		
Other Liabilities	12.93	15.56
	12.93	**15.56**
Current		
Deferred revenue	-	4.00
Statutory Liabilities	35.12	234.87
	35.12	**238.87**
	48.05	**254.43**

26 Deferred tax (liability) / assets

Deferred income tax at 31 March 2019 and 31 March 2018 relates to the following:

	1 April 2018	Recognised in the income statement	Recognised in other comprehensive income	Others	31 March 2019
Deferred income tax assets					
Unused tax losses carried forward	341.14	155.00	-	-	496.14
MAT credit	583.49	(0.32)	-	(535.03)	48.14
	924.63	**154.68**	**-**	**(535.03)**	**544.28**
Deferred income tax liabilities					
Property, plant and equipment	685.14	190.27	-	(321.02)	554.39
Others	4.19	(0.65)	-	(3.53)	0.00
	689.33	**189.62**	**-**	**(324.55)**	**554.40**
Deferred income tax liability, net	**235.30**	**(34.94)**	**-**	**(210.48)**	**(10.11)**

	1 April 2017	Recognised in the income statement	Recognised in other comprehensive income	Others	31 March 2018
Deferred income tax assets					
Property, plant and equipment	5.78	(5.78)	-	-	-
Unused tax losses carried forward	19,667.70	3,016.64	-	(22,343.20)	341.14
MAT credit	699.29	(57.29)	-	(58.51)	583.49
Others	8.67	(0.62)	0.62	(8.67)	-
	20,381.44	**2,952.95**	**0.62**	**(22,410.38)**	**924.63**
Deferred income tax liabilities					
Property, plant and equipment	8,908.04	1,417.84	-	(9,640.74)	685.14
Others	313.88	(21.11)	-	(288.58)	4.19
	9,221.92	**1,396.73**	**-**	**(9,929.32)**	**689.33**
Deferred income tax asset, net	**11,159.52**	**1,556.22**	**0.62**	**(12,481.06)**	**235.30**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Certain group companies are entitled to avail exemption under section 80IA of the Income Tax Act, 1961 from income tax on profits of business. Based on the assessment of the Company, deferred tax as on 31 March 2019 has been recognized only to the extent the timing differences arising in the current period which does not get reversed within the tax holiday period.

In assessing the realisability of the deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realize the benefits of those recognised deductible differences and tax loss carry forwards. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

The Group has tax losses in certain entities which arose in India of Rs. 19,839.76 (31 March 2018: Rs. 7,677.78) that are available for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that have been loss-making for some time. The Group evaluated and concluded that it is not probable that deferred tax assets on existing tax losses will be recovered. The subsidiaries have no taxable temporary differences available that could partly support the recognition of these losses as deferred tax assets. If the Group were able to recognise all unrecognised deferred tax assets, loss would decrease by Rs. 4,479.01 (31 March 2018: Rs. 2,638.36).

As at 31 March 2019 and 31 March 2018, there was no recognised deferred tax liability that would be payable on the unremitted earnings of certain of the Group's subsidiaries

i the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future; and

The temporary differences associated with investments in subsidiaries and associates, for which deferred tax liability has not been recognised aggregate to Rs. Nil (31 March 2018: Rs. 2,850.65)

Tax Reconciliation

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 31 March 2018 is as follows:

Particulars	As at	
	31 March 2019	**31 March 2018**
Accounting profit / (loss) before tax	**(3,558.61)**	**(18,617.64)**
Enacted tax rates	29.12%	34.608%
Tax on Profit at enacted rates	(1,036.27)	(6,443.19)
Expenditure not deductible for tax purpose	179.10	138.85
Income exempted or taxed at lower rates	(2,888.20)	(125.48)
Unrecognised deferred tax assets, net	3,812.67	4,634.01
Change in unrecognised temporary differences	-	317.90
Others	(22.92)	(125.81)
Actual tax expense	**44.38**	**(1,603.72)**

27 Revenue from operations

	Year ended	
	31 March 2019	**31 March 2018**
Sale of electricity	2,073.51	31,455.95
Corporate support service fees	-	1.64
Other operating income	-	32.58
	2,073.51	**31,490.17**

28 Other income

	Year ended	
	31 March 2019	**31 March 2018**
Interest income		
on financial instruments	16.55	259.50
on others	-	38.59
Dividend income from investment measured at amortised cost	5.43	13.29
Profit on sale of fixed assets, net	0.89	2.64
Gain on derivatives instruments - FVTPL	-	2.53
Foreign exchange gain, net	-	330.78
Deferred revenue amortisation	-	5.67
Unwinding of discount on deposits and receivables	1.10	90.90
Miscellaneous income	64.85	28.43
Net gain on disposal of investments through profit and loss account	-	7.95
	88.82	**780.28**

29 Cost of fuel consumed

	Year ended	
	31 March 2019	**31 March 2018**
Coal	-	17,967.95
Lignite	-	9.84
Natural gas	996.72	780.44
Others	-	256.44
	996.72	**19,014.67**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

30 Employee benefit expenses

	Year ended	
	31 March 2019	31 March 2018
Salaries, wages and bonus	63.94	740.56
Contribution to provident and other funds (refer note 24(a))	3.18	58.86
Staff welfare expenses	2.31	36.64
	69.43	**836.06**

31 Finance costs

	Year ended	
	31 March 2019	31 March 2018
Interest expense	1,157.28	21,155.21
Other borrowing cost	2.58	575.46
Unwinding of Discount	16.27	112.13
	1,176.13	**21,842.80**

(i) The borrowing cost attributable to the acquisition or construction of fixed assets amounting to Rs. Nil (31 March 2018: Rs. 11,678.99) has been capitalised.

(ii) The Company along with it's subsidiaries Sai Lilagar Power Generation Limited and KSK Electricity Financing (India) Private Limited has not accrued interest on various credit facilities from Banks and Financial Institution subsequent to account became NPA.

32 Other expenses

	Year ended	
	31 March 2019	31 March 2018
Consumption of stores and spares	3.64	268.77
Operation and maintenance expenses	92.16	1,546.21
Cost of import power	12.34	45.56
Raw water charges	31.76	187.20
Rent	13.66	94.11
Rates and taxes	8.06	25.33
Travel and conveyance	3.68	80.04
Insurance charges	6.35	187.26
Legal and professional charges	18.05	87.43
Generation, transmission and selling expenses	5.65	95.22
Remuneration to auditors	3.71	9.92

	Year ended	
	31 March 2019	31 March 2018
Repairs and maintenance		
plant and equipment	2.94	55.55
building	-	9.73
others	7.27	154.58
Bad debts / receivables written off	-	2,115.47
Provision for doubtful debts / receivables	-	37.50
Corporate social responsibility	0.21	10.54
Freight outward	0.05	246.98
Foreign exchange loss, net	0.42	-
Miscellaneous expenses	82.75	139.78
	292.70	**5,397.18**

33 Other Comprehensive Income

	Year ended	
	31 March 2019	31 March 2018
Items that will not be reclassified to profit or loss		
Gain / loss on financial instruments at fair value through OCI	(4.90)	(9.78)
Remeasurements of the defined benefit plans	7.54	(2.67)
Income tax relating to above	-	0.62
	2.64	**(11.83)**
Items that may be reclassified to profit or loss		
Foreign currency translation differences	72.61	7.23
	72.61	**7.23**
	75.25	**(4.60)**

34 Contingent liabilities and Commitments

a Contingent liabilities

		As at	
		31 March 2019	31 March 2018
(i)	Bank guarantees outstanding	536.98	2,733.10
(ii)	Corporate guarantees outstanding	37,899.09	51,777.71

(iii) Service tax department has issued demand order to the Company for payment of service tax amounting to Rs. 505.64 (31 March 2018: Rs. 505.64) (including penalty) relating to the disagreement on availment of Cenvat Credit for the period April 2008 to September 2010 and non payment of service tax. Further, an amount of Rs. 26.88 (31 March 2018: Rs 26.88) has been paid against the demand and the balance demand is stayed. However, the Company believes that the claims raised by the department are not tenable and the Company has filed an appeal against the said order before the CESTAT.

(iv) The Group has received claims for Rs. 3.13 (31 March 2018: 6.57) from Joint Director General of Foreign Trade (JDGFT) towards the recovery of the duty drawbacks, earlier refunded. The Group had earlier made claims for the refund of the duties paid on the machinery and other items purchased for the construction of the power projects under the scheme of deemed export benefit, which were accepted and refunds were granted. The communication from the JDGFT regarding the recovery of the duties paid are based on the interpretations by the Policy Interpretation Committee held on 15 March 2011.The Group contends that the above change in interpretation requires an amendment to the foreign trade policy to be legally enforceable in law. The relevant amendments has now been incorporated in the policy. Since the amendments made shall have prospective effect only, the Group believes that outcome of the above dispute should be in its favour and there should be no material impact on the financial statements.

b Estimated amount of contracts remaining to be executed on capital account and not provided for in the Company, its Subsidiaries:

	As at	
	31 March 2019	**31 March 2018**
Estimated value of contracts remaining to be executed on capital account not provided for	742.85	747.87

35 Operating Leases

The Consolidated entities have entered in to certain operating lease agreements. An amount of Rs. 13.79 (31 March 2018: Rs. 94.86) paid under such agreements has been disclosed as "Rent" under other expenses in the Consolidated Profit and Loss statement and expenditure during construction period, pending allocation.

36 Earnings/(loss) per Share (EPS)

The computation of EPS as per Ind AS 33 is set out below

	Year ended	
	31 March 2019	**31 March 2018**
Net profit / (loss) after tax and minority interest	(3,815.51)	(14,262.65)
Net profit / (loss) attributable to shareholders - for basic / diluted EPS	(3,815.51)	(14,262.65)
Weighted average number of shares outstanding for the purpose of calculation of basic and diluted EPS (in million)	423.99	423.99
Earnings per share – basic / diluted (in Rs.)	(9.00)	(33.64)

37 Segment Reporting

The Segment report of the Group has been prepared in accordance with the Indian Accounting Standard 108 "Operating Segment". There is only one reportable geographical segment as per Indian Accounting Standard 108. For the purpose of reporting business segments, the Group is engaged in two segments, viz., Project development and power generation.

31 March 2019	Project development activities	Power generating activities	Reconciling/ Elimination activities	Total
Revenue	17.40	2,073.51	(17.40)	2,073.51
Segment Result	(70.64)	438.90	-	368.26
Unallocated income (net)				(2,750.73)
Finance costs				(1,176.14)
Loss before tax				**(3,558.61)**
Tax expense				(44.39)
Loss for the year				**(3,603.00)**
Segment assets	493.99	5,191.49	(0.43)	5,685.05
Unallocated assets				31,102.26
Total assets				**36,787.31**
Segment liabilities	45.27	2,859.56	(0.43)	2,904.40
Unallocated liabilites				29,213.78
Total liabilites				**32,118.18**
Other segment information				
Depreciation / amortisation	2.13	344.28	-	346.41
Capital expenditure	0.89	8.11	-	9.00

31 March 2018	Project development activities	Power generating activities	Reconciling/ Elimination activities	Total
Revenue	24.93	31,488.52	(23.28)	31,490.17
Segment Result	(317.55)	562.07	-	244.52
Unallocated income (net)				2,980.65
Finance costs				(21,842.80)
Loss before tax				**(18,617.63)**
Tax income				1,603.72
Loss for the year				**(17,013.91)**
Segment assets	515.09	15,782.35	(5.13)	16,292.31
Unallocated assets				28,640.24
Total assets				**44,932.55**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

31 March 2018	Project development activities	Power generating activities	Reconciling/ Elimination activities	Total
Segment liabilities	61.69	3,726.11	(5.13)	3,782.67
Unallocated liabilites				32,003.28
Total liabilites				**35,785.95**
Other segment information				
Depreciation / amortisation	4.46	5,993.29	-	5,997.75
Capital expenditure	0.89	22,856.01	-	22,856.90

Six customers in the power generating segment contributing revenues of Rs. 1,516.89 accounted for 73.16% (31 March 2018: Three customers in the power generating segment contributing revenues of Rs. 27,461.31 accounted for 87.30%) of the total segment revenue.

38 Related party disclosure

a Parties where control exists

S No.	Name of the party	Relationship
1	K&S Consulting Group Private Limited	Ultimate holding company
2	KSK Power Ventur plc	Step up holding company
3	KSK Energy Limited	Holding company

(For detail list of subsidiaries see note 3.2)

b Parties where significant influence exists and where the transactions have taken place during the year

S No.	Name of the party	Relationship
1	KSK Energy Company Private Limited	Fellow subsidiary
2	KSK Mineral Resources Private Limited	Fellow subsidiary
3	KSK Wind Energy Nandgaon Athni Private Limited	Fellow subsidiary
4	KSK Wind Energy Madurai Ms Puram Private Limited	Fellow subsidiary
5	KSK Wind Energy Tirupur Elayamuthur Private Limited	Fellow subsidiary
6	KSK Wind Energy Tuticorin Rajapudukudi Private Limited	Fellow subsidiary
7	Marudhar Mining Private Limited	Fellow subsidiary
8	SN Nirman Infra Projects Private Limited*	Fellow subsidiary
9	KSK Investment Advisor Private Limited	Fellow subsidiary
10	KSK Energy Resources Private Limited	Fellow subsidiary
11	KSK Green Energy pte Ltd	Fellow subsidiary
12	Raigarh Champa Rail Infrastructure Private Limited (refer note 43)	Associate

S No.	Name of the party	Relationship
13	VS Lignite Power Private Limited (refer note 45)	Associate
14	Sai Wardha Power Generation Limited***	Associate
15	KSK Mahanadi Power Company Limited (refer note 43)	Associate
16	Sitapuram Power Limited**	Joint Venture

* Ceased to be Fellow subsidiary w.e.f. 05 January 2018

** Ceased to be Joint Venture w.e.f. 25 December 2017

*** Ceased to be Associate w.e.f. 9 November 2018 (refer note 44)

c Key Management Personnel and relatives

S No.	Name of the party	Relationship
1	S Kishore	Whole-time Director
2	K A Sastry	Whole-time Director (Ceased to be Whole-time Director from 11 August 2018)
3	K Bapi Raju	Director
4	Alankrita Soni	Director
5	T L Sankar	Director (Ceased to be Director from 26 December 2018)
6	Abhaya Nalawade	Director (Ceased to be Director from 05 March 2019)
7	Girish N Kulkarni	Director (Ceased to be Director from 05 February 2018)
8	S R Iyer	Director (Ceased to be Director from 05 February 2018)
9	M S Phani Sekhar	Company Secretary (Resigned w.e.f. 30 May 2018)
10	V Sambasiva Rao	Chief Financial Officer (Resigned w.e.f. 30 May 2018)
11	Manjul Saha	Chief Financial officer (Appointed w.e.f. 10 November 2018)
12	Ranjith Kumara Shetty	Company Secretary (Appointed w.e.f. 30 May 2018)

(All amounts in Indian Rupees million, except share data and where otherwise stated)

d Related party transactions

31 March 2019

Particulars	Joint venture	Associate	Fellow subsidiaries	Holding Company / Step up holding company	KMP
Transactions					
Loans accepted / (repaid)	-	504.78	149.83	0.05	-
Loans and advances given / (repaid)	-	297.72	(90.27)	8.15	-
Managerial remuneration	-	-	-	-	15.16
Balances at the year end					
Amount receivable	-	1,355.61	277.07	120.26	-
Amount payable	-	2,220.40	1,023.88	0.95	-
Debentures outstanding	-	-	11.80	-	-
Managerial remuneration payable	-	-	-	-	0.52

31 March 2018

Particulars	Joint venture	Associate	Fellow subsidiaries	Holding Company / Step up holding company	KMP
Transactions					
Corporate support fees	1.64	-	-	-	-
Interest income	4.39	112.72	-	-	-
Fuel and water charges	-	35.23	-	-	-
Loans accepted / (repaid)	-	-	933.42	(26.42)	-
Loans and advances given / (repaid)	-	1,157.77	(1,166.92)	-	-
Managerial remuneration	-	-	-	-	27.02
Balances at the year end					
Amount receivable	-	1,057.59	1,709.11	112.11	-
Amount payable	-	1,715.62	801.31	0.90	-
Debentures outstanding	-	-	10.26	-	-
Managerial remuneration payable	-	-	-	-	1.61

e The Group has given corporate guarantees of Rs. 51,493.30 (31 March 2018: Rs. 68,956.26) and bank guarantees of Rs. 2,184.50(31 March 2018: Rs. 2,733.10) on behalf of fellow subsidiaries and associates.

f The Group has obtained corporate guarantees of Rs. 8,050.00 (31 March 2018: Rs. 9,039.00) from step-up holding, holding and Associate company.

The above transactions do not include reimbursement of expenses.

The difference in the movement between the opening outstanding balances, transactions during the year and closing outstanding balances is on account of Impact of business combination, disposal of subsidiary, impairment and conversion into equity.

39 Financial risk managament objectives and policies

The Group's principal financial liabilities, comprises of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also hold investments designated at fair value through OCI and at amortised cost.

The Group’s risk management activities are subject to the management direction. The Management ensures appropriate risk governance framework for the Group through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group’s policies and risk objectives.

In the ordinary course of business, the Group is exposed to market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investment at fair value through profit or loss and OCI.

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss statement item is the effect of the assumed changes in respective market risk. This is based on the financial asset and financial liabilities held at 31 March 2019 and 31 March 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Consequent to the credit facilities from Banks and Financial Institutions became NPA the Company discontinued the assessment of impact of interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The majority of our assets are located in India where the Indian rupee is the functional currency. Currency exposures also exist in the nature of capital expenditure and services denominated in currencies other than the Indian Rupee.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Group borrowings are denominated in Indian Rupees and large portion of cash and liquid investments are held in Indian rupee. Some financial assets and liabilities are not held in the functional currency of the respective subsidiary.

The carrying amount of the Group's financial assets and liabilities in different currencies are as follows:

Particulars of Unhedged foreign Currency Exposure

	As at	
	31 March 2019	**31 March 2018**
Import creditors (including retention money)	Rs. 67.62	Rs. 63.25
	US $ 0.97	US $ 0.97

The Group's exposure to foreign currency arises where a Group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity with United States Dollar being the major foreign currency exposure of the Group's main operating subsidiaries. Set out below is the impact of a 5% change in the United States Dollar on profit and equity arising as a result of the revaluation of the Group's foreign currency financial instruments:

31 March 2019	Closing exchange rate	Effect of 5% strengthening of US $ on net earnings	Effect of 5% strengthening of US $ on total equity
United States Dollar	69.57	(3.24)	(3.24)

31 March 2018	Closing exchange rate	Effect of 5% strengthening of US $ on net earnings	Effect of 5% strengthening of US $ on total equity
United States Dollar	65.07	(2.98)	(2.98)

Equity price risk

The Group's investments in listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Group's exposure to unlisted equity securities was Rs. 2,406.18 (31 March 2018: Rs. 2,932.22) and the exposure to listed equity securities at fair value was Rs. 6.34 (31 March 2018: Rs. 11.24).

A decrease of 10% on the Indian market index would have an after tax impact of Rs. 0.63 (31 March 2018: Rs. 1.04) on the income or equity attributable to the Group, depending on whether or not the decline is significant and prolonged. An increase of 10% in the value of the Indian market index would impact income or equity by similar amounts.

Credit risk analysis

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its investing activities, including short-term deposits with banks and financial institutions, and other financial assets.

The carrying value of financial assets represents the maximum exposure for credit risk. The maximum exposure to credit risk of each class of financial assets at the reporting date was as follows:

		As at	
		31 March 2019	31 March 2018
Investments - At amortised cost	12	79.40	213.98
Trade receivables	13	55.52	312.97
Short term deposits with banks	19	76.87	326.40
Loans	14	1,792.99	2,869.30
Other financial asset	15	24,045.62	27,974.05
		26,050.40	**31,696.70**

The Group has exposure to credit risk from a limited customer group on account of supply of power. However, the Group ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business and are public sector undertaking. The credit worthiness of customers to which the Group grants credit in the normal course of the business is monitored regularly. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group's/ Company's maximum exposure for financial guarantees are noted in note 34.

Liquidity risk analysis

The Group's main source of liquidity is its operating businesses. The treasury department uses regular forecasts of operational cash flow, investment and trading collateral requirements to ensure that sufficient liquid cash balances are available to service on-going business requirements. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 31 March 2019:

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings*	14,519.20	5,287.19	2,404.95	22,211.34
Trade payables	2,282.37	-	-	2,282.37
Other financial liabilities	8,194.91	767.10	3.84	8,965.85
Total	**24,996.48**	**6,054.29**	**2,408.79**	**33,459.56**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 31 March 2018:

	Current		Non-current	Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	14,780.59	12,479.63	3,308.72	30,568.94
Trade payables	2,586.54	-	-	2,586.54
Other financial liabilities	8,356.30	846.64	-	9,202.94
Total	**25,723.43**	**13,326.27**	**3,308.72**	**42,358.42**

*Consequent to the credit facilities from Banks and Financial Institutions became NPA future interest of Company, Sai Lilagar Power Generation Limited and KSK Electricity Financing (India) Private Limited has not been considered in the above table.

Capital management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Group maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Group has sufficient available funds for business requirements.

The Group net debt to equity ratio at the reporting date is as follows:

	As at	
	31 March 2019	31 March 2018
Total borrowing	20,766.23	23,694.43
Less : Cash and bank balances	(47.23)	(167.49)
Less : Other bank balances	(76.87)	(326.40)
Net debt	**20,642.13**	**23,200.54**
Equity	4,669.13	9,146.60
Total equity	**4,669.13**	**9,146.60**
Net debt to equity ratio	**4.42**	**2.54**

40 Financial Instruments

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities, together with the carrying amounts in the Consolidated statement of financial position are as follows:

	Carrying amount 31 March 2019	Fair value 31 March 2019	Carrying amount 31 March 2018	Fair value 31 March 2018
Non- current financial assets				
Investments - At fair value through other comprehensive income	12.60	12.60	17.50	17.50
Loans	19.47	19.47	25.29	25.29
Other financial asset	2.83	2.83	85.81	85.81
Total non-current	**34.90**	**34.90**	**128.60**	**128.60**
Current financial assets				
Investments - At amortised cost	79.40	79.40	213.98	213.98
Trade receivables	55.52	55.52	312.97	312.97
Cash and bank balances	47.23	47.23	167.49	167.49
Other bank balances	76.87	76.87	326.40	326.40
Loans	1,773.52	1,773.52	2,844.01	2,844.01
Other financial asset	24,042.79	24,042.79	27,888.24	27,888.24
Total current	**26,075.33**	**26,075.33**	**31,753.09**	**31,753.09**
Total	**26,110.23**	**26,110.23**	**31,881.69**	**31,881.69**
Non- current financial liabilities				
Borrowings	6,381.59	6,381.59	10,447.11	10,447.11
Other financial liabilities	770.94	770.94	846.64	846.64
Total non-current	**7,152.53**	**7,152.53**	**11,293.75**	**11,293.75**
Current financial liabilities				
Borrowings	10,348.01	10,348.01	9,358.98	9,358.98
Trade payables	2,282.37	2,282.37	2,586.54	2,586.54
Other financial liabilities	12,231.54	12,231.54	12,244.64	12,244.64
Total current	**24,861.92**	**24,861.92**	**24,190.16**	**24,190.16**
Total	**32,014.45**	**32,014.45**	**35,483.91**	**35,483.91**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

41 Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised in to different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that is observable for the asset or liability, either directly or indirectly.
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	6.34	-	6.26	12.60
Total	**6.34**	**-**	**6.26**	**12.60**

Reconciliation of Level 3 fair value measurements of financial assets:

31 March 2019	FVTOCI Unquoted Equities	Total
Opening balance	6.26	6.26
Total gains or losses:		
- in income statement	-	-
- in other comprehensive income		
change in fair value financial assets	-	-
Settlements	-	-
Transfers into level 3	-	-
Closing balance	6.26	6.26

31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	11.24	-	6.26	17.50
Total	**11.24**	**-**	**6.26**	**17.50**

Reconciliation of Level 3 fair value measurements of financial assets:

31 March 2018	FVTOCI Unquoted Equities	Total
Opening balance	166.26	166.26
Total gains or losses:		
- in income statement	(160.00)	(160.00)
- in other comprehensive income		
change in fair value financial assets	-	-
Settlements	-	-
Transfers into level 3	-	-
Closing balance	**6.26**	**6.26**

Valuation techniques

Level 3 fair values for equity securities at FVTOCI has been determined by using Comparable Company Analyses. This is a relative valuation technique which involves comparing that company's valuation multiples to those of its peers. The multiples consider for the valuation is price to book value which is then adjusted for differences that are directly related to the characteristics of equity instruments being valued such as discounting factor for size and liquidity etc.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

42 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

31 March 2019	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent	152.12 %	20,038.47	55.47 %	(7,319.44)	12.12 %	0.32	55.48 %	(7,319.12)
Subsidiaries								
Indian								
Sai Maithili Power Company Private Limited	2.29 %	302.27	0.29 %	(37.86)	9.47 %	0.25	0.29 %	(37.61)
Sai Lilagar Power Generation Limited	(3.40)%	(448.19)	1.63 %	(214.99)	193.18 %	5.10	1.59 %	(209.89)
KSK Electricity Financing India Private Limited	(45.21)%	(5,955.30)	38.78 %	(5,117.89)	0.00 %	-	38.79 %	(5,117.89)
Sai Regency Power Corporation Private Limited	0.00 %	-	1.26 %	(165.61)	70.83 %	1.87	1.24 %	(163.74)
KSK Wind Energy Halagali Benchi Private Limited	1.02 %	134.96	(0.09)%	12.03	0.00 %	-	(0.09)%	12.03
KSK Wind Energy Mothalli Haveri Private Limited	0.57 %	75.16	(0.13)%	17.78	0.00 %	-	(0.13)%	17.78
KSK Wind Power Sankonahatti Athni Private Limited	0.83 %	109.89	(0.11)%	14.33	0.00 %	-	(0.11)%	14.33
KSK Wind Energy Private Limited	(1.67)%	(219.65)	0.00 %	(0.20)	(185.61)%	(4.90)	0.04 %	(5.10)
Kameng Dam Hydro Power Limited	(4.97)%	(654.56)	0.64 %	(84.54)	0.00 %	-	0.64 %	(84.54)
KSK Dibbin Hydro Power Private Limited	8.18 %	1,077.69	(0.03)%	3.33	0.00 %	-	(0.03)%	3.33

Continued...

(All amounts in Indian Rupees million, except share data and where otherwise stated)

31 March 2019	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
J R Power Gen Private Limited	(7.25)%	(955.58)	0.88 %	(115.53)	0.00 %	-	0.88 %	(115.53)
KSK Upper Subansiri Hydro Energy Limited	(0.01)%	(1.55)	1.11 %	(146.11)	0.00 %	-	1.11 %	(146.11)
KSK Jameri Hydro Power Private Limited	(1.22)%	(160.25)	0.03 %	(4.41)	0.00 %	-	0.03 %	(4.41)
KSK Dinchang Power Company Private Limited	(2.35)%	(309.96)	0.05 %	(6.43)	0.00 %	-	0.05 %	(6.43)
KSK Surya Photovoltaic Venture Limited	0.53 %	69.97	0.38 %	(50.61)	0.00 %	-	0.38 %	(50.61)
KSK Wind Power Aminabhavi Chikodi Private Limited	0.64 %	84.83	(0.13)%	17.00	0.00 %	-	(0.13)%	17.00
Foreign								
Tila Karnali Hydro Electric Company Private Limited	(0.58)%	(76.82)	0.00 %	-	0.00 %	-	0.00 %	-
Bheri Hydro Power Company Private Limited	0.01 %	1.87	0.00 %	-	0.00 %	-	0.00 %	-
Global Coal Sourcing Plc	0.45 %	59.42	(0.03)%	3.33	0.00 %	-	(0.03)%	3.33
	100%	**13,172.67**	**100%**	**(13,195.82)**	**100%**	**2.64**	**100%**	**(13,193.18)**
Non-controlling interest in all subsidiaries	-	574.39	-	-	-	-	-	-
Adjustments arising out of consolidation	-	(9,077.93)	-	9,380.31	-	72.61	-	9,452.92
Consolidated net assets / Share in total comprehensive income	**-**	**4,669.13**	**-**	**(3,815.51)**	**-**	**75.25**	**-**	**(3,740.26)**

(All amounts in Indian Rupees million, except share data and where otherwise stated)

31 March 2018	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent	93.53 %	27,357.58	11.38 %	(3,835.34)	11.54 %	(1.32)	11.38 %	(3,836.66)
Subsidiaries (Group's share)								
Indian								
Sai Wardha Power Generation Limited	0.00 %	-	1.42 %	(478.21)	0.00 %	-	1.42 %	(478.21)
Field Mining and Ispats Limited	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
VS Lignite Power Private Limited	0.00 %	-	3.32 %	(1,117.82)	0.00 %	-	3.32 %	(1,117.82)
Sai Maithili Power Company Private Limited	1.16 %	339.89	0.07 %	(24.90)	(0.26)%	0.03	0.07 %	(24.87)
Sai Lilagar Power Generation Limited	(0.81)%	(238.30)	(0.72)%	243.08	(21.42)%	2.45	(0.73)%	245.53
KSK Electricity Financing India Private Limited	(2.86)%	(837.37)	16.74 %	(5,643.98)	11.63 %	(1.33)	16.74 %	(5,645.31)
Sai Regency Power Corporation Private Limited	9.33 %	2,730.09	2.12 %	(714.17)	5.42 %	(0.62)	2.12 %	(714.79)
KSK Wind Energy Halagali Benchi Private Limited	0.42 %	122.93	(0.03)%	10.50	0.00 %	-	(0.03)%	10.50
KSK Wind Energy Mothalli Haveri Private Limited	0.20 %	57.38	(0.05)%	15.50	0.00 %	-	(0.05)%	15.50
KSK Wind Power Sankonahatti Athni Private Limited	0.33 %	95.56	(0.04)%	12.50	0.00 %	-	(0.04)%	12.50
KSK Mahanadi Power Company Limited	0.00 %	-	46.32 %	(15,611.27)	9.88 %	(1.13)	46.30 %	(15,612.40)
KSK Water Infrastructures Private Limited	0.00 %	-	0.60 %	(201.90)	(0.09)%	0.01	0.60 %	(201.89)

Continued...

(All amounts in Indian Rupees million, except share data and where otherwise stated)

31 March 2018	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
KSK Wind Energy Private Limited	(0.73)%	(214.55)	0.07 %	(22.50)	85.49 %	(9.78)	0.10 %	(32.28)
Kameng Dam Hydro Power Limited	(0.81)%	(235.48)	3.48 %	(1,172.06)	0.00 %	-	3.48 %	(1,172.06)
KSK Dibbin Hydro Power Private Limited	3.67 %	1,074.36	(0.02)%	6.65	0.00 %	-	(0.02)%	6.65
KSK Narmada Power Company Private Limited	(0.06)%	(16.55)	0.05 %	(16.61)	0.00 %	-	0.05 %	(16.61)
KSK Wardha Infrastructure Private Limited	0.01 %	1.88	(0.00)%	0.12	0.00 %	-	(0.00)%	0.12
KSK Vidarbha Power Company Private Limited	(0.01)%	(2.10)	0.00 %	(0.03)	0.00 %	-	0.00 %	(0.03)
J R Power Gen Private Limited	(2.87)%	(840.01)	6.40 %	(2,158.79)	0.00 %	-	6.40 %	(2,158.79)
KSK Upper Subansiri Hydro Energy Limited	0.49 %	144.56	3.97 %	(1,338.05)	0.00 %	-	3.97 %	(1,338.05)
KSK Jameri Hydro Power Private Limited	(0.53)%	(155.84)	0.61 %	(206.45)	0.00 %	-	0.61 %	(206.45)
KSK Dinchang Power Company Private Limited	(1.04)%	(303.54)	1.10 %	(372.26)	0.00 %	-	1.10 %	(372.26)
KSK Surya Photovoltaic Venture Limited	0.41 %	120.59	2.73 %	(919.48)	(3.41)%	0.39	2.73 %	(919.09)
KSK Wind Power Aminabhavi Chikodi Private Limited	0.23 %	67.83	(0.04)%	14.83	0.00 %	-	(0.04)%	14.83

Continued...

(All amounts in Indian Rupees million, except share data and where otherwise stated)

31 March 2018	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Foreign								
Tila Karnali Hydro Electric Company Private Limited	(0.26)%	(76.82)	0.45 %	(150.39)	0.00 %	-	0.45 %	(150.39)
Bheri Hydro Power Company Private Limited	0.01 %	1.87	0.02 %	(5.46)	0.00 %	-	0.02 %	(5.46)
Sai Power Pte LTD	0.00 %	-	0.08 %	(27.24)	0.00 %	-	0.08 %	(27.24)
Global Coal Sourcing Plc	0.19 %	56.19	0.15 %	(50.56)	0.00 %	-	0.15 %	(50.56)
Associates								
Indian								
Raigarh Champa Rail Infrastructure Private Limited	0.00 %	-	0.33 %	(111.15)	0.00 %	-	0.33 %	(111.15)
Joint Ventures								
Indian								
Sitapuram Power Limited	0.00 %	-	(0.50)%	168.79	1.22 %	(0.14)	(0.50)%	168.65
	100%	**29,250.15**	**100%**	**(33,706.65)**	**100%**	**(11.44)**	**100%**	**(33,718.09)**
Non-controlling interest in all subsidiaries	-	1,380.36	-	2,862.42	-	0.29	-	2,862.71
Adjustments arising out of consolidation	-	(21,483.91)	-	16,581.58	-	6.84	-	16,588.42
Consolidated net assets / Share in total comprehensive income	**-**	**9,146.60**	**-**	**(14,262.65)**	**-**	**(4.31)**	**-**	**(14,266.96)**

43 The Group has made investment of Rs. 26,881.65 million in KSK Mahanadi Power Company Limited ('KMPCL') in the form of equity shares and advances. The Group has pledge certain shares with consortium lender as Security Trustee for the financial assistance granted by lenders to KMPCL. Pursuant to the RBI Circular dated 12th February, 2018 and lenders decision on 27th March, 2018 to consider the change in management outside NCLT, during May 2018 and July 2018 lenders have accordingly invoked shares equivalent to Rs. 23,942.13 million in KMPCL held by the Group.

Consequent to the above, the Group has derecognised the related carrying values of assets and liabilities of KMPCL along with its subsidiaries i.e. KSK Water Infrastructures Private Limited ('KWIPL'), Sai Power Pte Ltd ('SPPL') and associate i.e. Raigarh Champa Rail Infrastructure Private Limited ('RCRIPL') with effect from 27th March 2018. Pursuant to this, the residual investment retained in KMPCL is recognised in accordance with IND AS 28 - Investments in Associates and Joint Ventures. The Group continue to carry remaining advances and amount receivable pursuant to the invocation at carrying value and no provision has been considered in these financial statements by the management, as impact, if any, is currently unascertainable.

44 Subsequent to invocation of pledged shares, Financial creditors of Sai Wardha Power Generation Limited ('SWPGL') have filed the petition for a Corporate Insolvency Resolution process("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Tribunal, Hyderabad ("NCLT") and same has been admitted by NCLT on 9 November 2018. Pursuant to this Group has lost significant influence over SWPGL and consequently the Group has impaired remaining amount receivable of Rs. 2,163.72 million and disclosed under exceptional item.

45 VS Lignite Power Private Limited ('VSLPPL') Lenders on 29th August, 2017 have decided to implement change in Management and restructure the debt under "Outside Strategic Debt Restructuring Scheme ('OSDR') as per the Reserve Bank of India (RBI) guidelines. However, RBI notification dated 12th February, 2018 repealed all debt restructuring schemes (including OSDR) and directed lenders to implement any debt structuring as per the revised guidelines. VSLPPL is in active discussion with lenders to work out resolution plan by way of change of control. The Group is of the opinion that even though the actual invocation of pledge shares did not took place, the Group is holding these shares on temporary basis and in fact has lost control on 29th August, 2017 itself where in lenders have decided to implement change in management. Accordingly, the Group has deconsolidated VSLPPL and concluded that VSLPPL cease to be subsidiary of the Group w.e.f. 29th August 2017. Pursuant to this, the Group has derecognised the related carrying values of assets and liabilities of VSLPPL and recognised investments retained in VSLPPL in accordance with IND AS 28 - Investments in Associates and Joint Ventures. The Group continue to carry remaining Investment of Rs. 816 million and no provision has been considered in these financial statements by the management, as impact, if any, is currently unascertainable.

46 **Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act)**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the aforesaid Act is not expected to be material. The Company has not received any claim for interest from any supplier under the MSMED Act.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	31 March 2019	31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	6.21	3.30
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

As per our report of even date
For **Jawahar and Associates.**
Chartered Accountants
Firm registration No: 001281S

for and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
M Chandramouleswara Rao	**S. Kishore**	**K. Bapi Raju**	**Manjul Saha**	**Ranjith Kumara Shetty**
Partner	Whole-time Director	Director	Chief Financial Officer	Company Secretary
Membership No: 024608	DIN - 00006627	DIN - 00940849		

Place : Hyderabad
Date : 30 May 2019

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Operations

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) in the prescribed Form AOC-1 relating to subsidiary companies)

Part "A": Subsidiaries

Sl. No	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate as at 31 March 2019	Share capital	Other equity	Total assets	Total Liabilities (Excluding share capital and reserves)	Invest- -ments	Turn over	Profit / (loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding	Date of acqui- -sition
1	Sai Maithili Power Company Private Limited	31-Mar-19	Indian Rupee	1	43.30	258.97	1,082.95	780.68	-	136.18	(22.87)	15.00	(37.86)	-	48.00	31-Jul-06
2	Global Coal Sourcing Plc	31-Mar-19	GBP	1	1.92	(1.27)	12.77	12.13	0.06	-	0.04	-	0.04	-	100.00	1-Jun-15
3	Global Coal Sourcing Plc	31-Mar-19	Indian Rupee	91.06	177.42	(118.09)	1,163.56	1,104.23	6.26	-	3.33	-	3.33	-	100.00	1-Jun-15
4	Sai Lilagar Power Generation Limited	31-Mar-19	Indian Rupee	1	755.00	(1,203.19)	4,490.36	4,938.56	172.75	-	(214.99)	-	(214.99)	-	100.00	1-Jun-07
5	KSK Electricity Financing India Private Limited	31-Mar-19	Indian Rupee	1	5,701.15	(11,656.45)	5,715.83	11,671.13	6,241.52	-	(5,117.95)	-	(5,117.89)	-	100.00	24-Jan-08
6	Sai Regency Power Corporation Private Limited	31-Mar-19	Indian Rupee	1	-	-	-	-	-	1,937.33	(136.58)	29.04	(165.61)	-	-	-
7	KSK Wind Energy Halagali Benchi Private Limited	31-Mar-19	Indian Rupee	1	25.73	109.22	135.52	0.57	92.65	-	12.03	-	12.03	-	99.61	20-Jan-17
8	KSK Wind Energy Mothalli Haveri Private Limited	31-Mar-19	Indian Rupee	1	25.54	49.61	75.23	0.08	136.70	-	17.78	-	17.78	-	99.61	20-Jan-17
9	KSK Wind Power Sankonahatti Athni Private Limited	31-Mar-19	Indian Rupee	1	25.54	84.35	109.97	0.08	110.29	-	14.33	-	14.33	-	99.61	20-Jan-17
10	KSK Wind Energy Private Limited	31-Mar-19	Indian Rupee	1	5.00	(224.65)	189.70	409.35	174.78	-	0.14	0.35	(0.20)	-	100.00	31-Jul-06
11	Kameng Dam Hydro Power Limited	31-Mar-19	Indian Rupee	1	0.50	(655.06)	0.33	654.89	-	-	(84.54)	-	(84.54)	-	100.00	27-Dec-07
12	KSK Dibbin Hydro Power Private Limited	31-Mar-19	Indian Rupee	1	931.10	146.59	1,186.84	109.15	79.40	-	3.33	-	3.33	-	70.00	27-Dec-07
13	J R Power Gen Private Limited	31-Mar-19	Indian Rupee	1	76.70	(1,032.28)	5.08	960.65	-	-	(115.53)	-	(115.53)	-	99.87	14-Jan-08
14	KSK Upper Subansiri Hydro Energy Limited	31-Mar-19	Indian Rupee	1	0.50	(2.05)	1,156.94	1,158.49	-	-	(146.11)	-	(146.11)	-	100.00	14-Jun-10
15	KSK Jameri Hydro Power Private Limited	31-Mar-19	Indian Rupee	1	10.00	(170.25)	1.02	161.27	-	-	(4.41)	-	(4.41)	-	100.00	20-Dec-10
16	KSK Dinchang Power Company Private Limited	31-Mar-19	Indian Rupee	1	10.00	(319.96)	0.17	310.13	-	-	(6.43)	-	(6.43)	-	100.00	22-Dec-10

Continued...

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Sl. No	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate as at 31 March 2019	Share capital	Other equity	Total assets	Total Liabilities (Excluding share capital and reserves)	Invest-ments	Turn over	Profit / (loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share holding	Date of acqui-sition
17	Bheri Hydro Power Company Private Limited (NR) 5	31-Mar-19	Nepallie Rupee	1	9.95	(6.92)	3.05	0.02	-	-	-	-	-	-	99.00	10-Feb-12
18	Bheri Hydro Power Company Private Limited (INR) 5	31-Mar-19	Indian Rupee	0.62	6.09	(4.22)	1.88	0.01	-	-	-	-	-	-	99.00	10-Feb-12
19	Tila Karnali Hydro Electric Company Private Limited (NR) 5	31-Mar-19	Nepallie Rupee	1	132.41	(257.50)	41.33	166.42	-	-	-	-	-	-	80.00	17-Sep-10
20	Tila Karnali Hydro Electric Company Private Limited (INR) 5	31-Mar-19	Indian Rupee	0.62	81.45	(158.26)	25.53	102.35	-	-	-	-	-	-	80.00	17-Sep-10
21	KSK Surya Photovoltaic Venture Limited	31-Mar-19	Indian Rupee	1	370.55	(300.57)	496.84	426.87	145.49	-	(50.60)	0.01	(50.61)	-	100.00	23-Feb-08
22	KSK Wind Power Aminabhavi Chikodi Private Limited	31-Mar-19	Indian Rupee	1	25.73	59.10	84.91	0.08	130.78	-	17.00	-	17.00	-	100.00	23-Jan-16

1 Names of subsidiaries which are yet to commence operations : Kameng Dam Hydro Power Limited, KSK Dibbin Hydro Power Private Limited, J R Power Gen Private Limited, KSK Upper Subansiri Hydro Energy Limited, KSK Jameri Hydro Power Private Limited, KSK Dinchang Power Company Private Limited, Bheri Hydro Power Company Private Limited, Tila Karnali Hydro Electric Company Private Limited, KSK Surya Photovoltaic Venture Limited, KSK Wind Power Aminabhavi Chikodi Private Limited, KSK Wind Energy Halagali Benchi Private Limited, KSK Wind Energy Mothalli Haveri Private Limited and KSK Wind Power Sankonahatti Athni Private Limited.

2 Names of subsidiaries which have been sold/ceased to be subsidiary during the year are: KSK Vidarbha Power Company Private Limited, KSK Narmada Power Company Private Limited, KSK Wardha Infrastructure Private Limited, Sai Regency Power Corporation Private Limited

3 Sai Lilagar Power Generation Limited, KSK Wind Energy Halagali Benchi Private Limited, KSK Wind Energy Mothalli Haveri Private Limited and KSK Wind Power Sankonahatti Athni Private Limited are subsidiaries of KSK Electricity Financing India Private Limited, which is 100% subsidiary of the Company.

4 Global Coal Sourcing Plc is a subsidiary of Sai Lilagar Power Generation Limited.

5 The financial year of the subsidiary ends on 15 July every year, however for the purpose of consolidation the accounts of the subsidiary is being prepared and considered upto 31 March 2019.

(All amounts in Indian Rupees million, except share data and where otherwise stated)

Part "B": Associates and Joint Operations

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Operations

Sl. No	Name of Associate/Joint Operation	Latest audited Balance Sheet Date	Shares of Associate/ Joint Operation held by the company on the year end			Description of how there is significant influence	Reason why the Associate/ Joint operation is not consoli-dated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year		Date of acqui-sition
			No.	Amount of Investment in Associate/ Joint Operation	Extend of Holding %				Consid-ered in Consoli-dation	Not Consid-ered in Consoli-dation	
1	VS Lignite Power Private Limited (refer note 45)	31-Mar-19	52,399,991	524.00	32.75	There is significant influence due to shareholding	NA	-	-	-	29-Aug-17
2	KSK Mahanadi Power Company Limited (refer note 43)	31-Mar-19	358,615,128	3,586.15	9.94	There is significant influence due to shareholding & representation on board	NA	1,583.92	-	-	27-Mar-18

1 Names of associates or joint ventures which are yet to commence operations: None

2 Names of associates or joint ventures which have been sold during the year / ceased to be associates : Sai Wardha Power Generation Limited

3 Group share of losses in VS lignite Power Private Limited exceeds the carrying value of investment, accordingly further losses have not been considered in the Consolidated financial statement.

for and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-
S. Kishore	**K. Bapi Raju**	**Manjul Saha**	**Ranjith Kumara Shetty**
Whole-time Director	Director	Chief Financial officer	Company Secretary
DIN - 00006627	DIN - 00940849		

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held on Monday, 30 September 2019 at 10.00 A.M. at Mini Conference Hall, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad - 500045, Telangana, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including consolidated financial statements) of the Company for the financial year ended 31 March 2019 and the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. K. Bapi Raju (DIN: 00940849), Director who retires by rotation and who being eligible, offers himself for reappointment as a Director.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N.S. Ramachandran (DIN: 00089348), who was appointed as an Additional Director of the Company with effect from 30th May 2019 and who holds office up to the date of this Annual General Meeting, in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 30th May 2019, not liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things for giving effect to this resolution."

By order of the Board of Directors

Sd/-
Ranjith Kumara Shetty
Company Secretary

Place: Hyderabad
Date: 14.08.2019
CIN: L45204TG2001PLC057199
Regd. Off: 8-2-293/82/A/431/A,
Road No.22, Jubilee Hills,
Hyderabad - 500 033.
Ph: 040-23559922; Fax: 040-23559930

NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.

2. A member entitled to attend and vote at the AGM, is entitled to appoint a proxy to attend and vote at the AGM instead of himself / herself and the proxy so appointed need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM.

   A person can act as a proxy on behalf of a maximum of fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Details as required in sub-regulation (3) of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 in respect of the Director seeking reappointment at the AGM, forms integral part of the notice.

4. Members are requested to bring their attendance slip along with their copy of Annual Report to the AGM.

5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the AGM.

7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the AGM on their behalf.

8. M/s. Karvy Fintech Private Limited, Hyderabad acts as the Company's Registrar and Share Transfer Agent for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in Electronic form, shareholders may send requests or correspond through their respective Depository Participants.

9. The Register of Directors and Key Managerial Personnel and Register of Contracts or Arrangements maintained under Section 170 and Section 189 of the Companies Act 2013 respectively will be available for inspection to the members at the AGM.

10. The route map to the venue of AGM is furnished herewith and forms part of the Notice.

11. The Register of Members and Share Transfer books will remain closed from 23 September 2019 to 30 September 2019 (both days inclusive) in connection with the AGM to be held on 30 September 2019.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar.

13. The annual report for the financial year 2018-19 including notice of the Nineteenth AGM of the Company is being sent through electronic mode only to those shareholders, whose e-mail addresses are registered with the Company /depository participants. The annual report is also available on the Company's website, i.e. www.ksk.co.in. The physical copy of the annual report is being sent to those members who have not registered their e-mail addresses with the Company/depository participant in permitted mode. The members will be entitled to a physical copy of the annual report for the financial year 2018-19 upon sending a request to the Company.

Members, who have not registered their e-mail addresses so far or who would like to update their e-mail addresses which are already registered, are requested to register/update their e-mail addresses to receive all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic mode in lieu of physical copy (in order to save usage of paper)

- in respect of electronic shareholding - through their respective Depository Participants;
- in respect of physical shareholding - by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.ksk.co.in (under 'Investor Relations' section). Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Karvy in case the shares are held by them in physical form.

Updation of Members details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is available on the Company's website under the section 'Investor Relations' and also attached as part of this Report. Members holding shares in physical form are requested to submit the filled in form to the Company or Karvy in physical mode or in electronic mode, as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or Karvy.

SEBI had vide Notification Nos. SEBI/LAD-NRO/ GN/2018/24 dated 8th June 2018 and SEBI/LAD-NRO/ GN/2018/49 dated 30th November 2018 read with BSE circular no. LIST/COMP/15/2018-19 dated 5th July 2018 and NSE circular no. NSE/CML/2018/26 dated 9th July 2018 directed that transfer of securities would be carried out in dematerialised form only with effect from 1st April 2019, except in case of transmission or transposition of securities. Accordingly, Members holding securities in physical form were separately communicated by Karvy at their registered address. In view of the above and to avail the benefits of dematerialisation, Members are requested to consider dematerialising shares held by them in physical form. However, the transfer deed(s) lodged prior to the 1st April 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of 1st April 2019 with the office of Karvy at Hyderabad or at their Branch Offices or at the Registered Office of the Company.

14. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 3:00 p.m. on any working day till the date of AGM.

15. Remote e-voting:

    In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, members are provided with the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through remote e-voting services provided by Karvy Fintech Private Limited.

a) The facility for voting through poll will also be made available at the AGM and the members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their right at the AGM through poll. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not entitle to cast their votes again. The instruction for remote e-voting is annexed to the Notice.

b) The Board of Directors of the Company has appointed Mr. Srikanth Sangai, Practicing Company Secretary as Scrutinizer to scrutinise the poll and remote e-voting process in a fair and transparent manner.

c) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 23 September 2019.

d) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 23 September 2019, shall be entitled to avail the facility of remote e-voting / Poll.

e) The remote e-voting facility will be available during the following period and shall be disabled by Karvy upon expiry of period:

Commencement of remote e-voting: From 9.00 a.m. (IST) on 26 September 2019 End of remote e-voting : Up to 5.00 p.m. (IST) on 29 September 2019.

f) The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through remote e-voting, will, not later than two days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.ksk.co.in and on the website of Karvy https://evoting.karvy.com. The results shall simultaneously be communicated to the Stock Exchanges.

g) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30 September 2019.

16. Process for remote e-voting:

A. The Company has made arrangements with Karvy Fintech Private Limited for facilitating remote e-voting to enable the Shareholders to cast their vote electronically. [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

a. Launch internet browser by typing the URL: https://evoting.karvy.com

b. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

c. After entering these details appropriately, click on "LOGIN".

d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

e. You need to login again with the new credentials.

f. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company"

g. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

h. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

i. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

j. You may then cast your vote by selecting an appropriate option and click on "Submit".

k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

l. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email: sangaisri@yahoo.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format " Corporate Name_Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/ Depository Participants (s)]:

i. E-Voting Event Number - XXXX (EVEN), User ID and Password are provided in the AGM Notice form.

ii. Please follow all steps from Sl. No. 16. A (a) to 16. A (l) above to cast your vote by electronic means.

Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. Anandan. K, Manager, Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 1591 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. The remote e-voting period commences on 26 September 2019 (9.00 A.M. IST) and ends on 29 September 2019 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23 September 2019, may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 23 September 2019.

e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 23 September 2019, he/she may obtain the User ID and Password in the manner as mentioned below :

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

   Example for NSDL:

   MYEPWD <SPACE> In12345612345678

   Example for CDSL:

   MYEPWD <SPACE> 1402345612345678

   Example for Physical:

   MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

Item No. 3: Appointment of Mr. N.S. Ramachandran as an Independent Director

Mr. N.S. Ramachandran was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30 May 2019 under Section 161 of the Act. Mr. N.S. Ramachandran shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

The Company has received a declaration of independence from Mr. N.S. Ramachandran that he met with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. N.S. Ramachandran is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a notice in writing under the provisions of Section 160 of the Act, from a member proposing the candidature of Mr. N.S. Ramachandran for the office of Director.

A brief profile of Mr. N.S. Ramachandran, as required pursuant to the Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2, is annexed to this notice.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. N.S. Ramachandran is concerned or interested in this Resolution. The Board commends the ordinary resolution set out at item No. 3 of the accompanying notice for approval of members.

By order of the Board of Directors

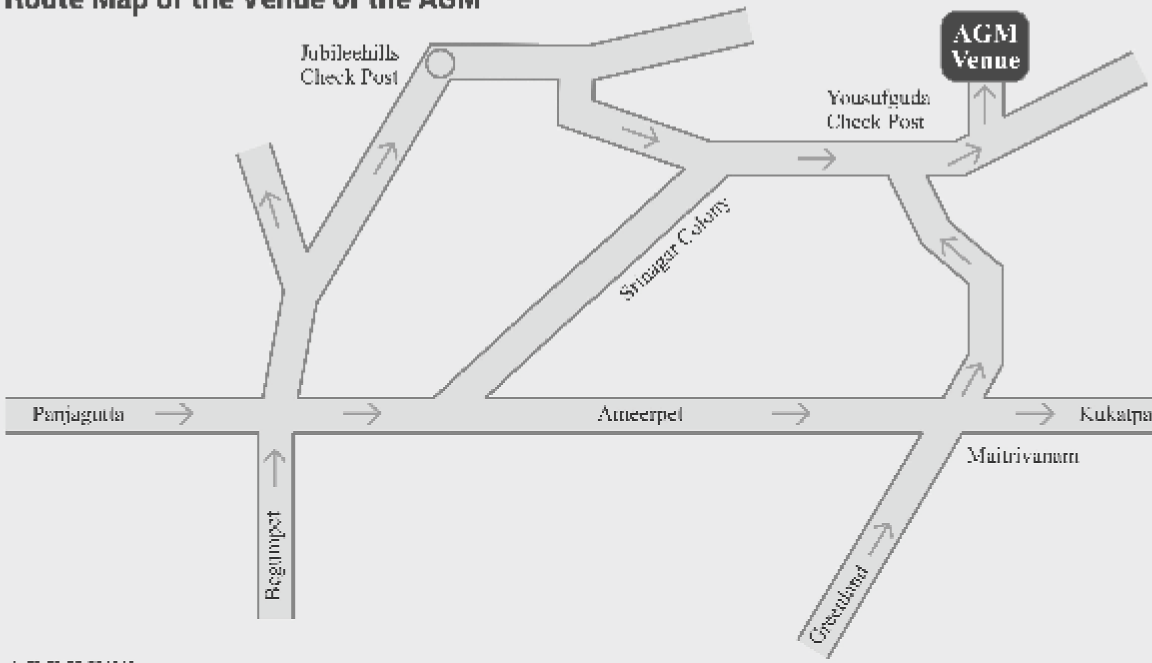
Sd/-
Ranjith Kumara Shetty
Company Secretary

Place: Hyderabad
Date: 14.08.2019
CIN: L45204TG2001PLC057199
Regd. Off: 8-2-293/82/A/431/A,
Road No.22, Jubilee Hills,
Hyderabad - 500 033.
Ph: 040-23559922; Fax: 040-23559930

Item Nos. 2 & 3

Name of the Director	**Mr. K. Bapi Raju**	**Mr. N.S. Ramachandran**
Date of Birth	2 March, 1964	14 April 1951
Qualification	Bachelor of Science degree in Electronics and Communications from Andhra University	Bachelor's degree in Science from Madurai University and is a Chartered Accountant
Expertise	Mr K. Bapi Raju has more than two decades of experience in the information technology industry. He leads the corporate affairs function of the Group and is also actively involved in formulating its corporate strategy.	Mr. Ramachandran has approximately 42 years of experience in the field of finance. He worked with Indian Oil Corporation, General Electric Company Limited, IBP Company Limited, Hindustan Zinc Limited, Andhra Pradesh Gas Power Corporation Limited and PT Ispat Indo, Indonesia.
Relationship with other directors and KMP	Not related to any other director or Key Managerial personnel	Not related to any other Director or Key Managerial personnel
Name(s) of Companies in which Directorship held	⦿ KSK Energy Ventures Limited ⦿ Sai Regency Power Corporation Private Limited ⦿ VS Lignite Power Private Limited ⦿ KSK Electricity Financing India Private Limited ⦿ Sai Maithili Power Company Private Limited ⦿ KSK Wind Energy Private Limited ⦿ J R Power Gen Private Limited	⦿ KSK Energy Ventures Limited ⦿ Restile Ceramics Limited ⦿ Bell Granito Ceramica Limited
Committee membership / Chairmanship held	⦿ Member of Finance & Authorisation and Share transfer Committees and Chairman of Stakeholders Relationship Committees of KSK Energy Ventures Limited. ⦿ Member of Finance & Authorisation, Audit Committee and CSR Committee of VS Lignite Power Private Limited	⦿ Chairman of Audit Committee, member of Nomination and Remuneration Committee and member of CSR Committee of KSK Energy Ventures Limited ⦿ Chairman of Audit Committee and Stakeholder Grievance Committee and member of Nomination and Remuneration Committee of Restile Ceramics Limited ⦿ Chairman of Audit Committee and member of Nomination and Remuneration Committee of Bell Granito Ceramica Limited
Total shares held by him in the Company	Nil	Nil

Route Map of the Venue of the AGM



ADDRESS

Mini Conference Hall, National Institute for Micro, Small and Medium Enterprises,
Yousufguda, Hyderabad - 500045.
Telangana, India

ATTENDANCE SLIP

I/we, hereby record my/our presence at the 19th Annual General Meeting of the Company held on Monday, 30 September 2019, at 10.00 a.m. at Mini Conference Hall, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad - 500045, Telangana, India and at every adjournment thereof.

<table>
<tr><td>DP ID:</td><td colspan="2">Regd. Folio/
Client ID No.:</td></tr>
<tr><td colspan="3">No. of Shares held:</td></tr>
<tr><td>Name and Address of the Shareholder(s):</td><td colspan="2"></td></tr>
<tr><td>If Shareholder(s), please sign here</td><td colspan="2">If Proxy, please mention name and sign here</td></tr>
<tr><td rowspan="2"></td><td>Name of Proxy</td><td>Signature</td></tr>
<tr><td></td><td></td></tr>
</table>

Notes :

1. Shareholder / Proxy-holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
2. Members are requested to advise the change of their address, if any, to Karvy Fintech Pvt. Ltd.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name and Address of the Member(s) ....

E-mail id: ....

Folio No./Client ID: .... DP ID: ....

No. of Shares held: ....

I/We, being the member(s) of KSK Energy Ventures Limited, hereby appoint:

1. Name: ....
   Address: ....
   E-mail Id: .... Signature: ...., or failing him
2. Name: ....
   Address: ....
   E-mail Id: .... Signature: ...., or failing him
3. Name: ....
   Address: ....
   E-mail Id: .... Signature: ....

as my/our proxy to attend and vote (on a poll/e-voting) for me/us and on my/our behalf at the nineteenth Annual General Meeting of KSK Energy Ventures Limited to be held on Monday, 30 September 2019, at 10.00 a.m. at Mini Conference Hall, National Institute for Micro, Small and Medium Enterprises, Yousufguda, Hyderabad - 500045, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against	Abstain
1	Adoption of a) audited financial statements of the Company b) audited consolidated financial statements for the Financial Year ended 31 March, 2019 and the Reports of the Directors and Auditors thereon			
2	Re-appointment of Mr.K. Bapi Raju, Director who retires by rotation			
3	Appointment of Mr. N.S. Ramachandran as an Independent Director			

Signed this ______________________________ day of ______________ 2019

Signature of Shareholder ______________________________

Signature of Proxy holder(s) ______________________________

Affix Revenue Stamp

Please put a 'ü' in the appropriate column against the resolutions indicated in the Box.

Note: The proxy form to be effective, should be duly stamped, completed, signed and must be returned so as to reach the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a Member of the Company.

KSK ENERGY VENTURES LIMITED
8-2-293/82/A/431/A, Road No. 22, Jubilee Hills, Hyderabad - 500 033, Telangana, India.
Ph: +91 40 2355 9922 - 25, Fax: +91 40 2355 9930
www.ksk.co.in