



## KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

### Registered Office

8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.  
Tel: +91-40-23559922-25,  
Tel: +91-40-23558701  
Fax: +91-40-23559930

Dated 30<sup>th</sup> May 2019

**The Secretary**  
**National Stock Exchange of India Limited**  
**Exchange Plaza, Bandra Kurla Complex**  
**Bandra-East**  
**Mumbai - 400 051**

**The Secretary**  
**BSE Limited (DCS- CRD)**  
**Phiroze Jeejeebhoy Towers**  
**Dalal Street**  
**Mumbai - 400 001**

**Security Symbol: KSK**

**Scrip Code: 532997**

Dear Sir/Madam,

### **Sub: Outcome of the Board Meeting**

Pursuant to Regulation 33 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company, in its meeting held today has approved the Audited Financial Results (Consolidated and Standalone) for the year ended March 31, 2019. A copy of the said results, notes thereto and the Auditor's Report is enclosed for your records.

Further, the Board has appointed Mr. N.S. Ramachandran as Additional Director in the category of Independent Director for a period of 5 years with effect from 30<sup>th</sup> May, 2019, subject to approval of members at the ensuing Annual General Meeting. Brief profile of Mr. N.S. Ramachandran is provided below:

*Mr. Ramachandran, 67, has a Bachelor's degree in Science from Madurai University and is a Chartered Accountant and 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.*

We would like to state that Auditors of the Company, M/s. Jawahar and Associates, Chartered Accountants, Hyderabad have issued audit report with modified opinion on the Financials Statements. We submit herewith the Annexure- I, in the prescribed format thereby furnishing "Statement on impact of Audit Qualification" (for audit report with modified opinion).



The above information is also available on the website of the Company:  
[www.ksk.co.in](http://www.ksk.co.in)

The Board Meeting started at 1200 Hours and ended at 1920 hours. Kindly take the above information on record.

Thanking You,

Yours faithfully  
for KSK Energy Ventures Limited

A handwritten signature in black ink, appearing to read 'Ranjith', is written over a horizontal line.

Ranjith Kumara Shetty  
Company Secretary



# KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

Registered Office  
8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.  
Tel: +91-40-23559922-25,  
Tel: +91-40-23558701  
Fax: +91-40-23559930

Email: comp.sect@ksk.co.in  
Website: www.ksk.co.in

**KSK Energy Ventures Limited**  
**Audited Standalone Financial Results for the year ended 31 March 2019**  
(All amount in Indian Rupees million, except share data and where otherwise stated)

Particulars	3 months ended	3 months ended	3 months ended	Year ended	Year ended
	31-Mar-19 Audited*	31-Dec-18 Unaudited	31-Mar-18 Audited*	31-Mar-19 Audited	31-Mar-18 Audited
<b>I Revenue from operations</b>	8.70	-	4.35	17.40	24.93
<b>II Other income</b>	7.11	11.81	(55.04)	37.92	139.79
<b>III Total revenue (I+II)</b>	<b>15.81</b>	<b>11.81</b>	<b>(50.69)</b>	<b>55.32</b>	<b>164.72</b>
<b>IV Expenses</b>					
Employee benefits expense	1.40	1.69	19.16	20.06	49.50
Finance costs	(1,283.97)	482.45	349.25	76.76	1,380.60
Other expenses	1.81	2.99	139.27	55.59	605.11
Depreciation and amortisation expense	0.16	0.14	0.47	0.62	2.16
<b>Total expenses</b>	<b>(1,280.60)</b>	<b>487.27</b>	<b>508.15</b>	<b>153.03</b>	<b>2,037.37</b>
<b>V Profit /(loss) before exceptional items and tax (III-IV)</b>	<b>1,296.41</b>	<b>(475.46)</b>	<b>(558.84)</b>	<b>(97.71)</b>	<b>(1,872.65)</b>
<b>VI Exceptional items</b>	<b>7,221.75</b>	<b>-</b>	<b>1,888.84</b>	<b>7,221.75</b>	<b>1,888.84</b>
<b>VII Profit / (loss) before tax (V-VI)</b>	<b>(5,925.34)</b>	<b>(475.46)</b>	<b>(2,447.68)</b>	<b>(7,319.46)</b>	<b>(3,761.49)</b>
<b>VIII Tax expense / (Income)</b>					
Current tax	-	-	-	-	-
Deferred tax	-	-	73.83	-	73.83
<b>Total tax expense / (Income)</b>	<b>-</b>	<b>-</b>	<b>73.83</b>	<b>-</b>	<b>73.83</b>
<b>IX Profit / (loss) for the period (VII-VIII)</b>	<b>(5,925.34)</b>	<b>(475.46)</b>	<b>(2,521.51)</b>	<b>(7,319.46)</b>	<b>(3,835.32)</b>
<b>X Other Comprehensive Income</b>					
(a) (i) Items that will not be reclassified to profit or loss	0.32	-	0.19	0.32	(1.32)
<b>Total Other Comprehensive Income</b>	<b>0.32</b>	<b>-</b>	<b>0.19</b>	<b>0.32</b>	<b>(1.32)</b>
<b>XI Total Comprehensive loss for the period (IX+X)</b>	<b>(5,925.02)</b>	<b>(475.46)</b>	<b>(2,521.32)</b>	<b>(7,319.14)</b>	<b>(3,836.64)</b>
<b>XII Earnings / (loss) per share :</b>					
Basic and Diluted- face value Rs.10 per share	(13.98)	(1.12)	(5.95)	(17.26)	(9.05)

\*Refer note 3





# KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

Email: comp.sect@ksk.co.in

Website: www.ksk.co.in

Registered Office

8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.

Tel: +91-40-23559922-25,

Tel: +91-40-23558701

Fax: +91-40-23559930

## KSK Energy Ventures Limited

### Audited Standalone Statement of Assets and Liabilities

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

Particulars	As at	As at
	31-Mar-19	31-Mar-18
	Audited	Audited
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, Plant and Equipment	7.28	7.00
(b) Financial Assets		
(i) Investments	8,366.97	14,555.91
(ii) Loans	569.22	1,154.97
(iii) Other financial assets	-	4.98
(c) Other non-current assets	55.37	131.89
	<b>8,998.84</b>	<b>15,854.75</b>
<b>2 Current assets</b>		
(a) Financial Assets		
(i) Trade receivables	49.80	334.18
(ii) Cash and cash equivalents	6.65	12.55
(iii) Bank balances other than (ii) above	69.88	236.87
(iv) Loans	2,498.87	3,063.08
(v) Other financial assets	24,071.13	23,800.51
(b) Current tax assets (Net)	129.60	54.86
(c) Other current assets	863.04	649.47
	<b>27,688.97</b>	<b>28,151.52</b>
<b>TOTAL</b>	<b>36,687.81</b>	<b>44,006.27</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	4,239.86	4,239.86
(b) Other equity	15,798.60	23,117.72
	<b>20,038.46</b>	<b>27,357.58</b>
<b>Liabilities</b>		
<b>1 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	2,088.49	2,585.34
(b) Provisions	-	0.12
	<b>2,088.49</b>	<b>2,585.46</b>
<b>2 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	5,394.90	5,215.67
(ii) Trade payables	1,552.04	2,044.84
(iii) Other financial liabilities	7,613.27	6,799.59
(b) Other current liabilities	0.65	3.13
	<b>14,560.86</b>	<b>14,063.23</b>
<b>TOTAL</b>	<b>36,687.81</b>	<b>44,006.27</b>







## KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

### Registered Office

8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.  
Tel: +91-40-23559922-25,  
Tel: +91-40-23558701  
Fax: +91-40-23559930

Email: comp.sect@ksk.co.in

Website: www.ksk.co.in

### Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30 May 2019.
- 2 The above results for the quarter and year ended 31 March 2019 have been audited by the statutory auditors of the Company, as per listing agreement entered in to with the stock exchanges in India.
- 3 The figures for the quarter ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year.
- 4 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".
- 5 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.

- 6 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.
- 7 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 remaining amount receivable of Rs. 261.62 million and disclosed under exceptional item.
- 8 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 provision for an amount of Rs. 3,763.83 million and disclosed under exceptional item.
- 9 The Company has not accrued interest on various credit facilities from Banks and Financial Institutions subsequent to account became NPA. Further during the quarter, company has reversed interest accounted from 1 April 2018 to 31 December 2018. The matter has been qualified by the auditors in their audit report
- 10 The Company has incurred net loss during the current period as well in the previous years with resultant defaults in payment of interest and instalment dues to banks and financial institutions, and accordingly lender have classified company's account as Non-Performing Assets. Further as discussed at note 5 to above, 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. The company continues to prepare the financial statements as going-concern.
- 11 The figures for the previous quarter/period have been regrouped wherever necessary, to make them comparable.

Place: Hyderabad

Date: 30 May 2019

For KSK Energy Ventures Limited

S. Kishore

S. Kishore

Whole-time Director

DIN - 00006627



**Independent Auditor's Report on the annual financial results of the Company with the last  
quarter financial results being balancing figures Pursuant to the Regulation 33 of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

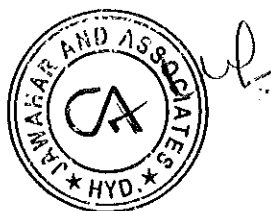
To,  
The Board of Directors of  
KSK Energy Ventures Limited

1. We have audited the accompanying Statement of Standalone Financial Results of KSK ENERGY VENTURES LIMITED ("the Company"), for the quarter and year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been compiled from the related standalone financial statements which has been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.



**Branches:**

- **VISAKHAPATNAM** : Flat no :1, First Floor, AVR Enclave, Dondaparthi T.S.N. colony, Visakhapatnam -530 016.  
Ph: 0891-256 5094,256 4423, E-mail: dsvgopikrishna@yahoo.co.in
- **ANAKAPALLI** : Door No, 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli -531 001  
Ph : 08924-224 082 E-mail : paritipcr Rao@yahoo.com

**4. Basis of Qualified Opinion**

We here by draw your attention towards:

- a) Note No. 9 of the Statement regarding non-accrual of interest by the company on various credit facilities from Banks & Financial Institutions subsequent to accounts becoming NPA, which is not in accordance with the generally accepted Accounting principles.

The estimated interest not provided from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 worked out to an amount of Rs. 1,737.56 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. 1,737.56 Million.

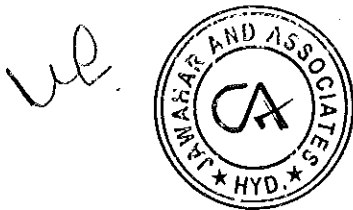
- b) Note no. 5 of the Statement regarding invocation of the shares of KSK Mahanadi Power Company Limited pledged with consortium lender as Security Trustee for the financial assistance granted by lenders to KMPCL. The company holds an investment of Rs. 3,586.15 million and an amount of Rs. 25,296.61 million shown as advances and receivable consequent to invocation of pledge referred above in the financial statements.

Pursuant to the RBI Circular dated 12<sup>th</sup> February, 2018, Lenders decision on 27<sup>th</sup> 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 these financial statements by the management, as impact, if any, is currently unascertainable.

- c) Note no. 9 of the statement 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 no. 5 to the financial results, 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) to (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 statement has not been prepared with such adjustments and management continues to prepare the financial statements as going-concern.



**Branches:**

- **VISAKHAPATNAM** : Flat no :1, First Floor, AVR Enclave, Dondaparthi T.S.N. colony, Visakhapatnam -530 016.  
Ph: 0891-256 5094,256 4423, E-mail: dsvgopikrishna@yahoo.co.in
- **ANAKAPALLI** : Door No, 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli -531 001  
Ph : 08924-224 082 E-mail : paritipcr Rao@yahoo.com

**5. Qualified opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in "Basis of Qualified Opinion" paragraph, the Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- (ii) Gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the Loss, total comprehensive income and other financial information of the Company for the quarter and year ended 31<sup>st</sup> March, 2019.

**6. Emphasis of matter**

We here by draw your attention towards:

- a) Note no. 6 of the Statement 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.

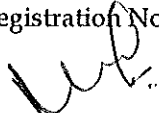
- b) Note No. 7 of the accompanying financial result regarding filing of petition by financial creditor of the Sai Regency Power Corporation Private Limited ("SRPCPL") under the Insolvency and Bankruptcy Code, 2016 at National Company Law Tribunal, Chennai ("NCLT") and same has been admitted by NCLT on 27<sup>th</sup> March 2019. The Company has impaired remaining amount receivable of Rs. 261.62 million and disclosed under exceptional item.

- c) Note No. 8 of the accompanying financial result 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 these matters.

- 7. The Statement includes the results for the quarter ended 31<sup>st</sup> March, 2019, being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



M. Chandramouleswara Rao  
Partner  
Membership No: 024608  
Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019



**Branches:**

- **VISAKHAPATNAM** : Flat no :1, First Floor, AVR Enclave, Dondaparthi T.S.N. colony, Visakhapatnam -530 016.  
Ph: 0891-256 5094, 256 4423, E-mail: dsvgopikrishna@yahoo.co.in
- **ANAKAPALLI** : Door No, 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli -531 001  
Ph : 08924-224 082 E-mail : paritipcr Rao@yahoo.com



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

**Statement on Impact of Audit Qualifications on financial results  
for the Financial Year ended March 31, 2019  
[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In million)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In million)
1.	Turnover / Total income	55.32	55.32
2.	Total Expenditure	7,374.78	9,112.34
3.	Net Profit/(Loss)	(7,319.14)	(9,056.70)
4.	Earnings Per Share	(17.26)	(21.36)
5.	Total Assets	36,687.81	36,687.81
6.	Total Liabilities	16,649.35	18,386.91
7.	Net Worth	20,038.46	18,300.89
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

**Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification:**

- i. We draw your attention to Note No. 9 of the Statement regarding non-accrual of interest by the company on various credit facilities from Banks & Financial Institutions subsequent to accounts becoming 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 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. 1,737.56 Million.

- ii. We draw your attention to note no. 5 of the Statement regarding invocation of the shares of KSK Mahanadi Power Company Limited 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. 25,296.61 million shown as advances and receivable consequent to invocation of pledge referred above in the financial statements.

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.

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 these financial statements by the management, as impact, if any, is currently unascertainable.

- iii. We draw your attention to note no. 9 of the statement 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 no. 5 to the financial results, 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) to (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 statement has not been prepared with such adjustments and management continues to prepare the financial statements as going-concern.

**b. Type of Audit Qualification : Qualified Opinion**

- c. **Frequency of qualification:** Point no. (i) & (iii) appeared first time in the current financial year ended 31 March 2019 and point no (ii) has appeared first time in in the financial year ended 31 March 2018.

- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Agree with estimated amount for point no i

- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

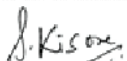
- (i) **Management's estimation on the impact of audit qualification:** Unable to estimate for point no ii and iii

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

- i. For point no (ii) - Pending disposal/transfer of shares by the Lenders, no provision has been considered in these financial statements by the management, as impact, if any is currently unascertainable.
- ii. For Point no (iii) - Group has been making appropriate representation and is in discussion with respective lenders of various SPVs to find an appropriate resolution plan at each of the SPVs.

(ii) **Auditors' Comments on (i) or (ii) above:** Since management could not ascertain the consequential impact, the auditor has given qualification in their standalone audit report.

For KSK Energy Ventures Limited



S. Kishore  
Whole-time Director  
(DIN: 00006627)



N S Ramachandran  
Audit Committee Chairman  
(DIN: 00089348)

For Jawahar and Associates

FRN 001281S

Chartered Accountants



M. Chandramouleswar Rao  
Partner  
ICAI MRN 024608



Date: 30/05/2019  
Place: Hyderabad



# KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

Email : comp.sect@ksk.co.in

Website : www.ksk.co.in

Registered Office

8-2-293/82/A/431/A,

Road No. 22, Jubilee Hills,

Hyderabad - 500033.

Tel: +91-40-23559922-25,

Tel: +91-40-23558701

Fax: +91-40-23559930

## KSK Energy Ventures Limited

### Audited Consolidated Financial Results for the Year ended 31 March 2019

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

Particulars	Year ended	Year ended
	31-Mar-19	31-Mar-18
	Audited	Audited
I Revenue from operations	2,073.51	31,490.17
II Other income	88.82	780.28
III Total revenue (I+II)	2,162.33	32,270.45
IV Expenses		
Cost of fuel consumed	996.72	19,014.67
Employee benefits expenses	69.43	836.06
Finance costs	1,176.13	21,842.80
Other expenses	292.70	5,397.17
Depreciation and amortisation expenses	346.41	5,997.75
Total expenses	2,881.39	53,088.45
V Profit / (loss) before exceptional items and tax (III - IV)	(719.06)	(20,818.00)
VI Exceptional items	(2,839.55)	2,200.37
VII Profit / (loss) before tax (V - VI)	(3,558.61)	(18,617.63)
VIII Tax expense / (income)		
Current tax		
For the year	9.44	2.94
In respect of earlier years	-	(50.44)
MAT credit entitlement	0.32	57.29
Deferred tax	34.62	(1,613.51)
Total tax expense / (income)	44.38	(1,603.72)
IX Profit / (loss) after tax (VII - VIII)	(3,602.99)	(17,013.91)
X Share of profit/(loss) of associate	(212.52)	(111.15)
XI Profit / (loss) for the period (IX + X)	(3,815.51)	(17,125.06)
Attributable to:		
Equity holders of the parent	(3,815.51)	(14,262.64)
Non-controlling interest	-	(2,862.42)
	(3,815.51)	(17,125.06)
XII Other comprehensive income		
Items that will not be reclassified to profit or loss	2.64	(12.45)
Income tax relating to items that will not be reclassified to profit or loss	-	0.62
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	(3,740.26)	(17,129.66)
Attributable to:		
Equity holders of the parent	(3,740.26)	(14,266.95)
Non-controlling interest	-	(2,862.71)
	(3,740.26)	(17,129.66)
XIII Earnings / (loss) per share:		
Basic and diluted - face value of Rs. 10 per share (Rs.)	(9.00)	(33.64)

S. K. S. Energy Ventures Limited





# KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

## Registered Office

8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.  
Tel: +91-40-23559922-25,  
Tel: +91-40-23558701  
Fax: +91-40-23559930

Email : comp.sect@ksk.co.in  
Website : www.ksk.co.in

## Audited Consolidated Statement of Assets and Liabilities (All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	As at 31-Mar-19	As at 31-Mar-18
	Audited	Audited
<b>I ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property plant and equipment	3,694.09	5,099.05
(b) Capital work in progress	1,914.28	1,908.91
(c) Other intangible assets	0.28	0.57
(d) Intangible assets under development	0.99	1.54
(e) Financial asset		
(i) Investments	2,412.52	2,943.46
(ii) Loans	19.47	25.29
(iii) Other financial asset	2.83	85.81
(f) Deferred tax assets (net)	44.33	274.79
(g) Other non-current assets	208.32	300.19
	<b>8,297.11</b>	<b>10,639.61</b>
<b>2 Current assets</b>		
(a) Inventories	57.74	367.34
(b) Financial asset		
(i) Investments	79.40	213.98
(ii) Trade receivables	55.52	312.97
(iii) Cash and bank balances	47.23	167.49
(iv) Other bank balances	76.87	326.40
(v) Loans	1,773.52	2,844.01
(vi) Other financial asset	24,042.79	27,888.24
(c) Current tax assets (Net)	129.63	56.01
(d) Other current assets	2,227.50	2,116.51
	<b>28,490.20</b>	<b>34,292.95</b>
	<b>36,787.31</b>	<b>44,932.56</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity share capital	4,239.86	4,239.86
(b) Other equity	(145.12)	3,526.38
	<b>4,094.74</b>	<b>7,766.24</b>
(c) Non controlling interest	574.39	1,380.36
<b>Total equity</b>	<b>4,669.13</b>	<b>9,146.60</b>







# KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

Email : comp.sect@ksk.co.in  
Website : www.ksk.co.in

**Registered Office**  
8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.  
Tel: +91-40-23559922-25,  
Tel: +91-40-23558701  
Fax: +91-40-23559930

## Audited Consolidated Statement of Assets and Liabilities (All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	As at 31-Mar-19	As at 31-Mar-18
	Audited	Audited
<b>1 Non-current liabilities</b>		
(a) Financial liability		
(i) Borrowings	6,381.59	10,447.11
(ii) Other financial liabilities	770.94	846.64
(b) Provisions	1.18	7.34
(c) Deferred tax liabilities (net)	54.44	39.49
(d) Other non current liabilities	12.93	15.56
	<b>7,221.08</b>	<b>11,356.14</b>
<b>2 Current liabilities</b>		
(a) Financial liability		
(i) Borrowings	10,348.01	9,358.98
(ii) Trade payables	2,282.37	2,586.55
(iii) Other financial liabilities	12,231.54	12,244.64
(b) Other current liabilities	35.12	238.87
(c) Current Tax liability (Net)	0.06	0.78
	<b>24,897.10</b>	<b>24,429.82</b>
	<b>36,787.31</b>	<b>44,932.56</b>





# KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

## Registered Office

8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.  
Tel: +91-40-23559922-25,  
Tel: +91-40-23558701  
Fax: +91-40-23559930

Email : comp.sect@ksk.co.in

Website : www.ksk.co.in

## Segment wise revenue, results and capital employed

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

Particulars	Year ended	Year ended
	31-Mar-19	31-Mar-18
1 Segment revenue		
(a) Project development	17.40	24.93
(b) Power generation	2,073.51	31,488.52
(c) Unallocated	-	-
Total	2,090.91	31,513.45
Less: Inter segment revenue	17.40	23.28
Net sales / income from operations	2,073.51	31,490.17
2 Segment results profit / (loss) before tax and interest		
(a) Project development	(70.64)	(317.55)
(b) Power generation	438.90	562.07
(c) Unallocated	-	-
Total	368.26	244.52
Less: i) Finance costs	1,176.14	21,842.80
Add: i) Other un-allocable income net off un-allocable expenditure	(2,750.73)	2,980.65
Total profit / (loss) before tax	(3,558.61)	(18,617.63)
3 Capital employed		
Segment assets		
(a) Project development	493.56	509.96
(b) Power generation	5,191.49	15,782.35
(c) Unallocated	31,102.26	28,640.24
Total	36,787.31	44,932.55
Segment liabilities		
(a) Project development	45.27	61.69
(b) Power generation	2,491.82	3,138.69
(c) Unallocated	8,814.86	8,891.13
Total	11,351.95	12,091.51

## Stand-alone information

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

Particulars	Year ended	Year ended
	31-Mar-19	31-Mar-18
Turnover	17.40	24.93
Profit / (loss) before tax	(7,319.46)	(3,761.49)
Total comprehensive income/(loss) (after tax)	(7,319.14)	(3,836.64)





## KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

### Registered Office

8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.  
Tel: +91-40-23559922-25,  
Tel: +91-40-23558701  
Fax: +91-40-23559930

Email : comp.sect@ksk.co.in

Website : www.ksk.co.in

### Notes:

- 1 The above results have been reviewed by the Audit Committee. The Board of Directors approved the results at its meeting held on 30 May 2019.
- 2 The above results for the year ended 31 March 2019 have been audited by the statutory auditors of the Company, as per listing agreement entered in to with the stock exchanges in India.
- 3 The segment report of KSK Energy Ventures Limited, its subsidiaries and joint operations has been prepared in accordance with the Indian Accounting Standard - 108 "Operating Segments".
- 4 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 Power Finance Corporation Limited ('PFC') as Security Trustee for the financial assistance granted by lenders to KMPCL. Pursuant to the RBI Circular dated 12<sup>th</sup> February, 2018 and lenders decision on 27<sup>th</sup> March, 2018 to consider the change in management outside NCLT, during May 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 ('KWIPPL'), Sai Power Pte Ltd ('SPPL') and associate i.e. Raigarh Champa Rail Infrastructure Private Limited ('RCRIPL') with effect from 27<sup>th</sup> 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.

- 5 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.
- 6 VS Lignite Power Private Limited ('VSLPPL') Lenders on 29<sup>th</sup> 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 12<sup>th</sup> 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 29<sup>th</sup> 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. 29<sup>th</sup> 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.
- 7 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.
- 8 KSK Energy Ventures Limited ("KSKEVL"), 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. The matter has been qualified by the auditors in their audit report





## KSK Energy Ventures Limited

CIN No : L45204TG2001PLC057199

### Registered Office

8-2-293/82/A/431/A,  
Road No. 22, Jubilee Hills,  
Hyderabad - 500033.  
Tel: +91-40-23559922-25,  
Tel: +91-40-23558701  
Fax: +91-40-23559930

- 9 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 notes no. 4 and 6 to above, 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.
- 10 Standalone financial results of the Company for the quarter and year ended 31 March 2019, are available on the Company's website [www.ksk.co.in](http://www.ksk.co.in) and website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- 11 The figures for the previous year have been regrouped wherever necessary, to make them comparable.

For KSK Energy Ventures Limited

*S. Kishore*

S. Kishore  
Whole-time Director  
DIN - 00006627

Place: Hyderabad  
Date: 30 May 2019





**Independent Auditor's Report On Annual Financial Results of Consolidated Financial statements**  
**of the Company Pursuant to the**  
**Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Board of Directors of  
KSK Energy Ventures Limited

1. We have audited the accompanying Statement of Consolidated Financial Results of KSK ENERGY VENTURES LIMITED ("the Parent"), its subsidiaries and associates (the Parent its subsidiaries and associates together referred to as "the Group") for the year ended March 31, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Parent's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

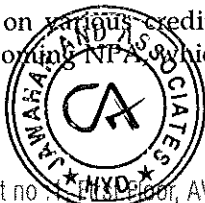
**4. Basis of Qualified Opinion**

We here by draw your attention towards

- a) Note No. 8 of the Statement regarding non-accrual of interest by the parent along with its subsidiaries on various credit facilities from Banks & Financial Institutions subsequent to accounts becoming NPAs, which is not in accordance with the generally accepted Accounting principles.

Branches:

- **VISAKHAPATNAM** : Flat no. 1, 1st floor, AVR Enclave, Dondaparthi T.S.N. colony, Visakhapatnam -530 016.  
Ph: 0891-256 5094, 256 4423, E-mail: dsvgopikrishna@yahoo.co.in
- **ANAKAPALLI** : Door No. 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli -531 001  
Ph : 08924-224 082 E-mail : paritipcr Rao@yahoo.com





The estimated interest not provided for from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> 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. 2,233.81 million.

- b) Note no. 4 of the Statement regarding invocation of the pledged shares of KSK Mahanadi Power Company Limited (KMPCL), an associate of the Parent, pledged by the Group with Power Finance Corporation Limited ("PFC") as Security Trustee for the financial assistance granted by lenders to KMPCL.

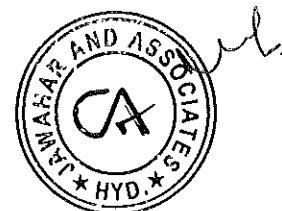
Consequent to the above, the Group has derecognised the related carrying values of assets and liabilities of KMPCL along with its subsidiaries i.e. KSK Water Infrastructures Private Limited ('KWIPL'), Sai Power Pte Ltd ('SPPL') and associate i.e. Raigarh Champa Rail Infrastructure Private Limited ('RCRIPL') with effect from 27<sup>th</sup> 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. 6 of the Statement 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 12<sup>th</sup> 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 9 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. 4 and 6 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.



*Branches:*

- **VISAKHAPATNAM** : Flat no :1, First Floor, AVR Enclave, Dondaparthi T.S.N. colony, Visakhapatnam -530 016.  
Ph: 0891-256 5094, 256 4423, E-mail: dsvgoipkrishna@yahoo.co.in
- **ANAKAPALLI** : Door No, 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli -531 001  
Ph : 08924-224 082 E-mail : paritipcr Rao@yahoo.com

**5. Qualified opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in Basis of Qualified Opinion paragraph, the Statement:

- a) includes the results of the subsidiaries and associates as given in the Annexure to this report;
- b) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the Loss, total comprehensive income and other financial information of the Parent for year ended March 31, 2019.

**6. Emphasis of Matter**

We draw attention to:

- a) Note no. 5 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 9<sup>th</sup> November 2018.

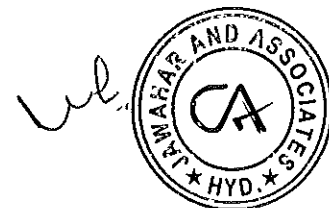
Pursuant to this Group has lost significant influence over SWPGL and consequently the Group has impaired remaining amount receivable of Rs. 2,163.72 million and disclosed under exceptional item.

- b) Note no. 7 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 27<sup>th</sup> 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.

**Other Matters**

7. The consolidated 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 31<sup>st</sup> March, 2019, total Net assets of Rs. (6,937.26) million as at 31<sup>st</sup> 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 31<sup>st</sup> March, 2019. These financial information 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 and the procedures performed by us as stated in paragraph 3 above.

Our opinion on the Statement is not modified in respect of the above matters.



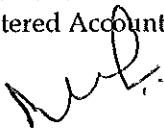
**Branches:**

- **VISAKHAPATNAM** : Flat no :1, First Floor, AVR Enclave, Dondaparthi T.S.N. colony, Visakhapatnam -530 016.  
Ph: 0891-256 5094, 256 4423, E-mail: dsvgopikrishna@yahoo.co.in
- **ANAKAPALLI** : Door No, 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli -531 001  
Ph : 08924-224 082 E-mail : paritipcras@yahoo.com

8. The consolidated financial results includes the unaudited financial statements of 3 foreign subsidiaries whose financial statements reflect total assets of Rs. 1,189.10 million as at 31<sup>st</sup> March, 2019, total net assets of Rs. (15.52) million as at 31<sup>st</sup> 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, 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 Statement is not modified in respect of the above matter.

For Jawahar and Associates,  
Chartered Accountants



M. Chandramouleswara Rao  
Partner  
Membership No: 024608  
Place: Hyderabad  
Date: 30<sup>th</sup> May, 2019

*Branches:*

- **VISAKHAPATNAM** : Flat no :1, First Floor, AVR Enclave, Dondaparthi T.S.N. colony, Visakhapatnam -530 016.  
Ph: 0891-256 5094,256 4423, E-mail: dsvgopikrishna@yahoo.co.in
- **ANAKAPALLI** : Door No, 1-3-34/1,Old Current Office Street, Gandhinagar, Anakapalli -531 001  
Ph : 08924-224 082 E-mail : paritipcr Rao@yahoo.com

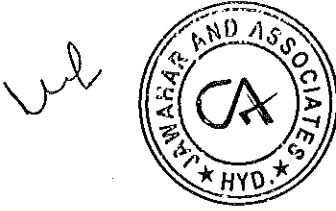
**Annexure to Auditors' Report**

**List of Subsidiaries:**

1. Bheri Hydro Power Company Private Limited
2. Global Coal Sourcing PLC
3. J R Power Gen Private Limited
4. Kameng Dam Hydro Power Limited
5. KSK Dibbin Hydro Power Private Limited
6. KSK Dinchang Power Company Private Limited
7. KSK Electricity Financing India Private Limited
8. KSK Jameri Hydro Power Private Limited
9. KSK Surya Photovoltaic Venture Limited
10. KSK Upper Subansiri Hydro Energy Limited
11. KSK Wind Energy Halagali Benchi Private Limited
12. KSK Wind Energy Mothalli Haveri Private Limited
13. KSK Wind Energy Private Limited
14. KSK Wind Power Aminabhavi Chikodi Private Limited
15. KSK Wind Power Sankonahatti Athni Private Limited
16. Sai Lilagar Power Generation Limited
17. Sai Maithili Power Company Private Limited
18. Sai Regency Power Corporation Private Limited (ceased to be subsidiary from March 27, 2019)
19. Tila Karnali Hydro Electric Company Private Limited

**List of Associates:**

1. KSK Mahanadi Power Company Limited
2. VS Lignite Power Private Limited
3. Sai Wardha Power Generation Limited (ceased to be associate from November 9, 2018)



**Branches:**

- **VISAKHAPATNAM** : Flat no :1, First Floor, AVR Enclave, Dondaparthi T.S.N. colony, Visakhapatnam -530 016.  
Ph: 0891-256 5094, 256 4423, E-mail: dsvgopikrishna@yahoo.co.in
- **ANAKAPALLI** : Door No, 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli -531 001  
Ph : 08924-224 082 E-mail : paritipcr Rao@yahoo.com

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

**Statement on Impact of Audit Qualifications on financial results**

**for the Financial Year ended March 31, 2019**

**[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]**

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In million)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In million)
1.	Turnover / Total income	2,162.33	2,162.33
2.	Total Expenditure	5,720.94	7,954.75
3.	Net Profit/(Loss)	(3,740.26)	(5,974.07)
4.	Earnings Per Share	(9.00)	(14.27)
5.	Total Assets	36,787.31	36,787.31
6.	Total Liabilities	32,118.18	34,351.99
7.	Net Worth	4,669.13	2,435.32
8.	Any other financial item(s) (as felt appropriate by the management)	Not applicable	Not applicable

**Audit Qualification (each audit qualification separately):**

**a. Details of Audit Qualification:**

- i. We draw your attention to note no. 8 of the Statement regarding non-accrual of interest by the parent along with its subsidiaries on various credit facilities from Banks & Financial Institutions subsequent to accounts becoming NPA, which is not in accordance with the generally accepted Accounting principles.

The estimated interest not provided for from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> 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. 2,233.81 million.



- ii. We draw your attention to note no. 4 of the Statement regarding invocation of the pledged shares of KSK Mahanadi Power Company Limited (KMPCL), an associate of the Parent, pledged by the Group with Power Finance Corporation Limited ("PFC") 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 27<sup>th</sup> 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.

- iii. We draw your attention to note no. 6 of the Statement 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 12<sup>th</sup> 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.

- iv. We draw your attention to note no. 9 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. 4 and 6 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.

**b. Type of Audit Qualification : Qualified Opinion**

c. **Frequency of qualification:**

Point no. (i) & (iv) appeared first time in the current financial year ended 31 March 2019 and point no (ii) & (iii) has appeared first time in the financial year ended 31 March 2018.

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Agree with estimated amount for point no i

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

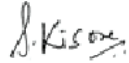
Unable to estimate for point no (ii) to (iv)

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

- i. For point no (ii) - Pending disposal/transfer of shares by the Lenders, no provision has been considered in these financial statements by the management, as impact, if any is currently unascertainable.
- ii. For point no (iii) - Pending resolution by the Lenders, no provision has been considered in these financial statements by the management, as impact, if any is currently unascertainable.
- iii. For point no (iv) - Group has been making appropriate representation and is in discussion with respective lenders of various SPVs to find an appropriate resolution plan at each of the SPVs.

(iii) Auditors' Comments on (i) or (ii) above: Since management could not ascertain the consequential impact, the auditor have given qualification in their consolidated audit report.

For KSK Energy Ventures Limited



S. Kishore  
Whole-time Director  
(DIN:00006627)



N S Ramachandran  
Audit Committee Chairman  
(DIN: 00089348)

For Jawahar and Associates  
FRN 001281S  
Chartered Accountants



M. Chandramouleswara Rao  
Partner  
ICAI MRN 024608

Date: 30/05/2019  
Place: Hyderabad