



## 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

Date: 14<sup>th</sup> February, 2020

**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,

**Sub: Financial Results (standalone& consolidated) for the quarter and nine months ended 31<sup>st</sup> December, 2019 & Limited Review Report**


Please find enclosed herewith unaudited financial results (standalone & consolidated) along with the Limited Review Report for the quarter and nine months ended 31<sup>st</sup> December, 2019 for your reference and records.

Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide order dated 04<sup>th</sup> September 2019 has initiated Corporate Insolvency Resolution Process (CIRP) in the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), based on the application filed a Financial Creditor of the Company. Mr. Kanuparthi Sai Ramesh (IP Registration No. IBBI Reg. No. IBBI/IPA-001/IP-P00910/2017-18/11510) was appointed as Interim Resolution Professional (IRP) with effect from September 04, 2019 under the provisions of IBC and was later appointed as Resolution Professional (RP) by the Committee of Creditors on 11<sup>th</sup> October, 2019.

The Powers of Board of Directors was suspended by virtue of NCLT order in accordance with Section 17(1)(b) of the IBC and to be exercised by the RP. As per Regulation 15(2A) and 15(2B) of SEBI(LODR) Regulations, 2015 the role and responsibilities of the Board of Directors and its committees as specified under regulation 17, 18, 19, 20 and 21 shall be fulfilled by the IRP or RP in accordance with sections 17 and 23 of the IBC. Accordingly, the above results have been approved by RP based on the information prepared and furnished by the management of the Company.

Thanking you.

Yours faithfully,  
For KSK Energy Ventures Limited

  
Ranjith Kumara Shetty  
Company Secretary



Encl : a/a

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

Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Year ended
	31-Dec-19 Unaudited	30-Sep-19 Unaudited	31-Dec-18 Unaudited	31-Dec-19 Unaudited	31-Dec-18 Unaudited	31-Mar-19 Audited
<b>I Revenue from operations</b>	-	-	-	-	8.70	17.40
<b>II Other income</b>	4.24	3.16	11.81	36.51	30.81	37.92
<b>III Total revenue (I+II)</b>	<b>4.24</b>	<b>3.16</b>	<b>11.81</b>	<b>36.51</b>	<b>39.51</b>	<b>55.32</b>
<b>IV Expenses</b>						
Employee benefits expense	2.52	3.22	1.69	8.96	18.66	20.06
Finance costs	0.82	1.75	482.45	4.67	1,360.74	76.76
Other expenses	2.56	12.59	2.99	16.98	53.77	55.59
Depreciation and amortisation expense	0.10	0.12	0.14	0.33	0.46	0.62
<b>Total expenses</b>	<b>6.00</b>	<b>17.68</b>	<b>487.27</b>	<b>30.94</b>	<b>1,433.63</b>	<b>153.03</b>
<b>V Profit / (loss) before exceptional items and tax (III-IV)</b>	<b>(1.76)</b>	<b>(14.52)</b>	<b>(475.46)</b>	<b>5.57</b>	<b>(1,394.12)</b>	<b>(97.71)</b>
<b>VI Exceptional items</b>	-	28,185.25	-	28,185.25	-	7,221.75
<b>VII Profit / (loss) before tax (V-VI)</b>	<b>(1.76)</b>	<b>(28,199.77)</b>	<b>(475.46)</b>	<b>(28,179.68)</b>	<b>(1,394.12)</b>	<b>(7,319.46)</b>
<b>VIII Tax expense / (Income)</b>						
Current tax	-	-	-	-	-	-
<b>Total tax expense / (Income)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IX Profit / (loss) for the period (VII-VIII)</b>	<b>(1.76)</b>	<b>(28,199.77)</b>	<b>(475.46)</b>	<b>(28,179.68)</b>	<b>(1,394.12)</b>	<b>(7,319.46)</b>
<b>X Other Comprehensive Income</b>						
(a) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	0.32
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.32</b>
<b>XI Total Comprehensive Income / (loss) for the period (IX+X)</b>	<b>(1.76)</b>	<b>(28,199.77)</b>	<b>(475.46)</b>	<b>(28,179.68)</b>	<b>(1,394.12)</b>	<b>(7,319.14)</b>
<b>XII Earnings / (loss) per share :</b>						
Basic and Diluted- face value Rs.10 per share	(0.00)	(66.51)	(1.12)	(66.46)	(3.29)	(17.26)

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**Registered Office**

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Fax: +91-40-23559930

Email: comp.sect@ksk.co.in

Website: www.ksk.co.in

**Notes:**

- 1 Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide order dated 04th September 2019 has initiated Corporate Insolvency Resolution Process (CIRP) in the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), based on the application filed by a Financial Creditor of the Company. Mr. Kanuparthi Sai Ramesh (IP Registration No. IBBI Reg. No. IBBI/PA-001/IP-P00910/2017-18/11510) was appointed as Interim Resolution Professional (IRP) with effect from September 04, 2019 under the provisions of IBC and was later appointed as Resolution Professional (RP) by the Committee of Creditors on 11 October 2019. The Powers of Board of Directors was suspended by virtue of NCLT order in accordance with Section 17(1)(b) of the IBC and mandated to be exercised by the RP. As per Regulation 15(2A) and 15(2B) of SEBI(LODR) Regulations, 2015 the role and responsibilities of the Board of Directors and its committees as specified under regulation 17, 18, 19, 20 and 21 shall be fulfilled by the IRP or RP in accordance with sections 17 and 23 of the IBC. Accordingly, the above results have been approved by RP based on the information prepared and furnished by the management of the Company.
- 2 The above results for the quarter and nine months ended 31 December 2019 have been subjected to "limited review" by the statutory auditors of the Company, as per provisions of SEBI(LODR) Regulations, 2015
- 3 The company is primarily engaged in the business of providing Power Project development and corporate support services. Accordingly there are no reportable segment as per Indian Accounting Standard -108 "Operating Segments".
- 4 Financial creditors of Sai Lilagar Power Generation Limited ("SLPGL"), VS Lignite Power Private Limited ("VSLPPL") and KSK Mahanadi Power Company Limited ("KMPCL") 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 during quarter ending September 2019 except for KMPCL which was admitted on 3rd October, 2019. Consequently the Company has impaired Investment and receivables of Rs. 28,185.25 million and disclosed as an exceptional item during the nine months ended 31 December 2019.
- 5 During the quarter ended 31 December 2019, Honourable NCLT, Hyderabad vide order dated 17th October, 2019 has approved the Resolution Plan submitted by resolution applicant relating to Sai Wardha Power Generation Limited (SWPGL). Pursuant to the order, Company has lost entire equity interest in SWPGL and Company has received an amount of Rs. 1.31 million against the total claim lodged and admitted as Operational Creditor of Rs. 29.25 Crores lodged with the Resolution professional of SWPGL. As Financial Creditor claim of Rs. 114.09 Crores was lodged with the Resolution Professional of SWPGL against which only Rs.42.89 Crores was admitted and claim received was Nil. However, the said order has no impact on financial statement of the current quarter as Company has already impaired the total investments and receivables from SWPGL in earlier periods.
- 6 The Company has not accounted for the accrued interest due on various credit facilities from Banks and Financial Institutions subsequent to account becoming NPA. The matter has been qualified by the auditors in their review report
- 7 Further the Company continues to carry remaining investment and receivables from KSK Electricity Financing India Private Limited (KEFIPL) a wholly owned subsidiary of company, pending outcome of resolution plan of downstream Investment and receivables.
- 8 The Company has not received any expression of interest (EOI) from any prospective resolution applicant till date (even after seeking EOI twice). In light of the above, the Committee of Creditors (CoC) are expected to meet very soon to decide on further course of action. Pending final outcome of CoC decisions, as required under the provisions of Insolvency and Bankruptcy Code, 2016, the company continues to prepare the financial statements on a going concern basis even though the auditors have already qualified their report about the company's ability to continue as going concern.
- 9 Classification of borrowings into non-current and current borrowings is done based on original terms of sanction and continues to prepare the financial statement on a going concern basis.
- 10 The figures for the previous quarter/period have been regrouped wherever necessary, to make them comparable.

For KSK Energy Ventures Limited

*Kanuparthi Sai Ramesh*  
Kanuparthi Sai Ramesh  
Resolution Professional

Place: Hyderabad  
Date: 14.02.2020

**CA. K.S.RAMESH**  
**FCA FCS**  
**INSOLVENCY RESOLUTION PROFESSIONAL**  
**(IBBI/PA-001/IP-P00910/2017-2018/11510)**  
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**Independent Auditor's Report on Quarter and Nine months ended Unaudited Standalone Financial Results of KSK Energy Ventured Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

The Resolution Professional (RP) of

KSK Energy Ventures Limited

1. We have reviewed the accompanying statement of unaudited financial results of **KSK Energy Ventures Limited** for the quarter and nine months ended 31<sup>st</sup> December 2019 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulations, 2015, as modified by Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019, including relevant circulars issued by the SEBI from time to time.
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review in accordance with the Standard on review Engagement (SRE)2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the review to obtain reasonable assurance about whether the Statement is free from material misstatement(s). A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. **Basis of Qualified conclusion**  
We draw your attention to:
  - a) Note No.6 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 for 3 months i.e., from 1<sup>st</sup> Oct, 2019 to 31<sup>st</sup> December, 2019 worked out to an amount of Rs. 551.95 Million. Due to non-recognition of interest as

**Branches :**

- |                          |  |
|--------------------------|--|
| <b>* VISAKAHPATNAM :</b> | Flat No. 1, First Floor, AVR Enclave, Dondaparthi T.S.N. Colony, Visakhapatnam – 530 016<br>Ph. : 0891 – 256 5094, 256 4423, E-mail : <a href="mailto:dsvgopikrishna@yahoo.co.in">dsvgopikrishna@yahoo.co.in</a> |
| <b>* ANAKAPALLI :</b>    | Door No. 1-3-34/1, Old Current Office Street, Gandhinagar, Anakapalli – 531 001.<br>Ph. : 08924 – 224 082, E-mail : <a href="mailto:paritipcras@yahoo.com">paritipcras@yahoo.com</a>                             |

expenditure, loss for the current period is understated by Rs. 551.95 Million, loss pertaining to nine months ending 31<sup>st</sup> December, 2019 understated by Rs. 1,599.15 Million, loss pertaining to earlier year is understated by Rs. 1,737.56 Million and the other current financial liabilities are understated by Rs. 3,336.71 Million as on 31<sup>st</sup> December, 2019.

- b) Note No. 7 of the standalone financial results, where in the company carries an investment in KSK Electricity Financing India Private Limited ('KSK EFIPL') amounting to Rs. 3,763.79 Million and receivable amounting to Rs. 1,110.65 Million. Pending outcome of resolution plan of downward investments and receivables, the adequacy of provision made in the books of account is not ascertainable.
- c) Note No. 1 of the statement regarding where in the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide order dated 04<sup>th</sup> September 2019 has initiated Corporate Insolvency and Bankruptcy Code, 2016(IBC), based on the application filed a Financial Creditor of the Company. The Power of Board of Directors was suspended by virtue of NCLT order in accordance with Section 17(1)(b) of the IBC and mandated to be exercised by the RP. 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 statement has not been prepared with such adjustments and management continues to prepare the financial statements as going-concern.

**5. Qualified Conclusion**

Based on our review conducted and procedures performed as stated in paragraph 3 above and except for the possible **effects of the matters described in Basic of Qualified Conclusion paragraph**, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**6. Emphasis of Matter**

We draw your attention towards Note no. 4 of the Statement where in based on petition filed by financial creditors, of subsidiaries viz., Sai Lilagar Power Generation Limited ("SLPGL"), VS Lignite Power Private Limited ("VSLPPL") and KSK Mahanadi Power Company Limited ("KMPCL") have filed the petition for a Corporate Insolvency Resolution Process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company law Tribunal ("NCLT") and the same has been admitted by NCLT during quarter ending September 2019. Consequently, the Company has impaired

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**JAWAHAR AND ASSOCIATES**  
CHARTERED ACCOUNTANTS

HEAD OFFICE: C-5, Skylark Apartments  
3-6-309, Basheer Bagh, Hyderabad – 500 029.  
Ph: 2322 5734, 2322 1497, 2322 6965, 2322 2280  
E-mail: jawaharandassociates@gmail.com

Investment and receivable of Rs. 28,185.25 Million and disclosed the same under exceptional item during the 9 months ended 31<sup>st</sup> December 2019.  
Our conclusion is not modified in respect of this matter.

For Jawahar and Associates.,  
Chartered Accountants

Firm Registration No: 0012815



M. Chandramouleswara Rao

Partner

Membership No: 024608

Date: 14<sup>th</sup> February, 2020

UDIN : 20024608AAAAAE1528

**Branches :**

\* **VISAKAHPATNAM :**

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**KSK Energy Ventures Limited**  
**Unaudited Consolidated Financial Results for the period ended 31 December 2019**  
(All amounts in Indian Rupees million, except share data and where otherwise stated)

Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Year ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I Revenue from operations	27.99	33.47	549.39	99.32	1,586.36	2,073.51
II Other income	4.26	6.74	35.79	41.49	83.08	88.82
III Total revenue (I+II)	<b>32.25</b>	<b>40.21</b>	<b>585.18</b>	<b>140.81</b>	<b>1,669.44</b>	<b>2,162.33</b>
IV Expenses						
Cost of fuel consumed	-	-	309.85	-	754.07	996.72
Employee benefits expenses	4.89	6.35	6.61	19.10	55.98	69.43
Finance costs	37.33	38.22	651.43	115.65	2,170.40	1,176.13
Other expenses	8.71	19.24	17.07	39.14	241.23	292.70
Depreciation and amortisation expenses	10.52	16.07	87.23	82.93	261.14	346.41
Total expenses	<b>61.45</b>	<b>79.88</b>	<b>1,072.19</b>	<b>256.82</b>	<b>3,482.82</b>	<b>2,881.39</b>
V Profit / (loss) before exceptional items and tax (III - IV)	<b>(29.20)</b>	<b>(39.67)</b>	<b>(487.01)</b>	<b>(116.01)</b>	<b>(1,813.38)</b>	<b>(719.06)</b>
VI Exceptional items	-	(26,427.62)	-	(26,427.62)	-	(2,839.55)
VII Profit / (loss) before tax (V - VI)	<b>(29.20)</b>	<b>(26,467.29)</b>	<b>(487.01)</b>	<b>(26,543.63)</b>	<b>(1,813.38)</b>	<b>(3,558.61)</b>
VIII Tax expense / (income)						
Current tax						
For the year	-	-	(0.01)	-	0.05	9.44
MAT credit entitlement	-	-	-	-	0.32	0.32
Deferred tax	-	-	(11.06)	0.28	11.74	34.62
Total tax expense / (income)	-	-	<b>(11.07)</b>	<b>0.28</b>	<b>12.11</b>	<b>44.38</b>
IX Profit / (loss) after tax (VII - VIII)	<b>(29.20)</b>	<b>(26,467.29)</b>	<b>(475.94)</b>	<b>(26,543.91)</b>	<b>(1,825.49)</b>	<b>(3,602.99)</b>
X Share of profit/(loss) of associate	-	-	(5.80)	-	(60.49)	(212.52)
XI Profit / (loss) for the period (IX + X)	<b>(29.20)</b>	<b>(26,467.29)</b>	<b>(481.74)</b>	<b>(26,543.91)</b>	<b>(1,885.98)</b>	<b>(3,815.51)</b>
Attributable to:						
Equity holders of the parent	(29.20)	(26,467.76)	(481.74)	(26,553.52)	(1,885.98)	(3,815.51)
Non-controlling interest	-	0.47	-	9.61	-	-
	<b>(29.20)</b>	<b>(26,467.29)</b>	<b>(481.74)</b>	<b>(26,543.91)</b>	<b>(1,885.98)</b>	<b>(3,815.51)</b>
XII Other comprehensive income						
Items that will not be reclassified to profit or loss	(0.53)	(0.99)	(1.45)	(5.31)	(2.93)	2.64
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
Items that will be reclassified to profit or loss	-	-	38.44	-	101.89	72.61
Other comprehensive income for the period, net of tax	<b>(0.53)</b>	<b>(0.99)</b>	<b>36.99</b>	<b>(5.31)</b>	<b>98.96</b>	<b>75.25</b>
Total comprehensive income	<b>(29.73)</b>	<b>(26,468.28)</b>	<b>(444.75)</b>	<b>(26,549.22)</b>	<b>(1,787.02)</b>	<b>(3,740.26)</b>
Attributable to:						
Equity holders of the parent	(29.73)	(26,468.75)	(444.75)	(26,558.83)	(1,787.02)	(3,740.26)
Non-controlling interest	-	0.47	-	9.61	-	-
	<b>(29.73)</b>	<b>(26,468.28)</b>	<b>(444.75)</b>	<b>(26,549.22)</b>	<b>(1,787.02)</b>	<b>(3,740.26)</b>
XIII Earnings / (loss) per share:						
Basic and diluted - face value of Rs. 10 per share (Rs.)	(0.07)	(62.43)	(1.14)	(62.63)	(4.45)	(9.00)

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**Segment wise revenue, results and capital employed**

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

Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Year ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
1 Segment revenue						
(a) Project development	-	-	-	-	8.70	17.40
(b) Power generation	27.99	33.47	549.39	99.32	1,586.36	2,073.51
(c) Unallocated	-	-	-	-	-	-
Total	27.99	33.47	549.39	99.32	1,595.06	2,090.91
Less: Inter segment revenue	-	-	-	-	8.70	17.40
Net sales / income from operations	27.99	33.47	549.39	99.32	1,586.36	2,073.51
2 Segment results profit / (loss) before tax and interest						
(a) Project development	(6.57)	(17.65)	(7.53)	(31.18)	(73.36)	(70.64)
(b) Power generation	10.44	9.46	136.16	(10.67)	347.30	438.90
(c) Unallocated	-	-	-	-	-	-
Total	3.87	(8.19)	128.63	(41.85)	273.94	368.26
Less: i) Finance costs	37.33	38.22	651.43	115.65	2,170.40	1,176.14
Add: i) Other un-allocable income net off un-allocable expenditure	4.26	(26,420.88)	35.79	(26,386.13)	83.08	(2,750.73)
Total profit / (loss) before tax	(29.20)	(26,467.29)	(487.01)	(26,543.63)	(1,813.38)	(3,558.61)
3 Capital employed						
Segment assets						
(a) Project development	108.09	344.49	611.83	108.09	611.83	493.56
(b) Power generation	3,484.84	3,491.84	8,893.53	3,484.84	8,893.53	5,191.49
(c) Unallocated	1,935.58	1,923.76	34,901.13	1,935.58	34,901.13	31,102.26
Total	5,528.51	5,760.09	44,406.49	5,528.51	44,406.49	36,787.31
Segment liabilities						
(a) Project development	46.39	48.49	25.81	46.39	25.81	45.27
(b) Power generation	1,419.22	1,486.18	2,887.77	1,419.22	2,887.77	2,491.82
(c) Unallocated	8,402.14	8,469.33	9,969.51	8,402.14	9,969.51	8,814.86
Total	9,867.75	10,004.00	12,883.09	9,867.75	12,883.09	11,351.95

**Stand-alone information**

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

Particulars	3 months ended	3 months ended	3 months ended	9 months ended	9 months ended	Year ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
Turnover	-	-	-	-	8.70	17.40
Profit / (loss) before tax	(1.76)	(28,199.77)	(475.46)	(28,179.68)	(1,394.12)	(7,319.46)
Total comprehensive income/(loss) (after tax)	(1.76)	(28,199.77)	(475.46)	(28,179.68)	(1,394.12)	(7,319.14)



**Notes:**

1. Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide order dated 04th September 2019 has initiated Corporate Insolvency Resolution Process (CIRP) in the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), based on the application filed a Financial Creditor of the Company. Mr. Kanuparthi Sai Ramesh (IP Registration No. IBB/PA-001/IP-P00910/2017-18/11510) was appointed as Interim Resolution Professional (IRP) with effect from September 04, 2019 under the provisions of IBC and was later appointed as Resolution Professional (RP) by the Committee of Creditors on 11 October 2019.  
The Powers of Board of Directors was suspended by virtue of NCLT order in accordance with Section 17(1)(b) of the IBC and mandated to be exercised by the RP. As per Regulation 15(2A) and 15(2B) of SEBI(LODR) Regulations, 2015 the role and responsibilities of the Board of Directors and its committees as specified under regulation 17, 18, 19, 20 and 21 shall be fulfilled by the IRP or RP in accordance with sections 17 and 23 of the IBC. Accordingly, the above results have been approved by RP based on the information prepared and furnished by the management of the Company.
2. The above results for the quarter and nine months ended 31 December 2019 have been subjected to "limited review" by the statutory auditors of the Company, as per provisions of SEBI(LODR) Regulations, 2015.
3. The segment report of KSK Energy Ventures Limited, its subsidiaries and associates has been prepared in accordance with the Indian Accounting Standard - 108 "Operating Segments".
4. Financial creditors of VS Lignite Power Private Limited ("VSLPPL") and KSK Mahanadi Power Company Limited ("KMPCL") 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 during quarter ending September 2019. Consequently the Company has impaired remaining Investment and receivable of Rs. 26,342.05 million and disclosed under exceptional item during the nine months ended 31 December 2019.
5. Financial creditors of a subsidiary Sai Lilagar Power Generation Limited ("SLPGL") 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 during quarter ending September 2019. Pursuant to same, group has lost control over the subsidiary accordingly group has deconsolidated SLPGL and recognised a loss of Rs. 85.57 million and disclosed as an exceptional item during the nine months ended 31 December 2019.
6. During the quarter ended 31 December 2019, Honourable NCLT, Hyderabad vide order dated 17th October, 2019 has approved the Resolution Plan submitted by resolution applicant relating to Sai Wardha Power Generation Limited ('SWPGL'). Pursuant to the order, Company has lost entire equity interest in SWPGL and Company has received an amount of Rs. 1.31 million against the total claim lodged and admitted as Operational Creditor of Rs. 29.25 Crores lodged with the Resolution professional of SWPGL. As Financial Creditor claim of Rs. 114.09 Crores was lodged with the Resolution Professional of SWPGL against which only Rs.42.89 Crores was admitted and claim received was Nil. However, the said order has no impact on financial statement of the current quarter as Company has already impaired the total investments and receivables from SWPGL in earlier periods.
7. Company along with its subsidiary KSK Electricity Financing India Private Limited ("KEFIPL") have not accounted accrued interest due on various credit facilities from Banks and Financial Institution subsequent to the account becoming NPA. The matter has been qualified by the auditors in their review report.
8. Further the Company continues to carry remaining investment and receivable from KSK Electricity Financing India Private Limited (KEFIPL) a wholly owned subsidiary of company, pending outcome of resolution plan of downstream Investment and receivables.
9. The Company has not received any expression of interest (EOI) from any prospective resolution applicant till date (even after seeking EOI twice). In light of the above, the Committee of Creditors (CoC) are expected to meet very soon to decide on further course of action. Pending final outcome of CoC decisions, as required under the provisions of Insolvency and Bankruptcy Code, 2016, the company continues to prepare the financial statements on a going concern basis even though the auditors have already qualified their report about the company's ability to continue as going concern.
10. Classification of borrowings into non-current and current borrowings is done based on original terms of sanction and continues to prepare the financial statement on a going concern basis.
11. Standalone financial results of the Company for the quarter and nine months ended 31 December 2019, are available on the Company's website www.ksk.co.in and website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
12. The figures for the previous period / year have been regrouped wherever necessary, to make them comparable.

**CA. K.S.RAMESH**

**FCA FCS**

**INSOLVENCY RESOLUTION PROFESSIONAL**  
(IBBI/PA-001/IP-P00910/2017-2018/11510)

9849039674

info@kskrfms.com

For KSK Energy Ventures Limited

*Kanuparthi Sai Ramesh*

**Kanuparthi Sai Ramesh**  
Resolution Professional

Place: Hyderabad  
Date: 14.02.2020

**Independent Auditor's Report on Quarter and Nine months ended consolidated unaudited Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

The Resolution Professional (RP) of

KSK Energy Ventures Limited

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial results ("the Statement") of **KSK Energy Ventures Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 31<sup>st</sup> December 2019, and the consolidated year to date results for the period being submitted by the Company pursuant to the requirements of Regulations, 01<sup>st</sup> April 2019 to 31<sup>st</sup> December 2019, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019, including relevant circulars issued by the SEBI from time to time.
2. This statement which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review in accordance with the Standard on review Engagement (SRE)2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulations, 2015, as amended, to the extent applicable

**Branches :**

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4. The Statement included the results of the subsidiaries and associates as given in the Annexure to this report.

**5. Basis of Qualified conclusion**

We draw your attention to:

- a) Note No. 7 of the Statement regarding non-accrual of interest by the parent along with its subsidiary 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> October, 2019 to 31<sup>st</sup> December, 2019 worked out to an amount of Rs. 692.75 Million. Due to non-recognition of interest as expenditure, loss for the current period is understated by Rs. 692.75, loss pertaining to Nine months ending 31<sup>st</sup> December, 2019 understated by Rs. 1,957.72 Million, loss pertaining to earlier year is understated by Rs. 2,028.19 Million and the other current financial liabilities are understated by Rs. 3,985.91 Million as on 31<sup>st</sup> December, 2019.

- b) Note e No.1 of the statement regarding where in the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide order dated 04<sup>th</sup> September 2019 has initiated Corporate Insolvency and Bankruptcy Code, 2016(IBC), based on the application filed a Financial Creditor of the Company. The Power of Board of Directors was suspended by virtue of NCLT order in accordance with Section 17(1)(b) of the IBC and mandated to be exercised by the RP.

However, the group has prepared the statements as Going-concern despite incurring 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. The net worth of the company is fully eroded and 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 the matter set forth in clause (a) above, indicated 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.

**6. Qualified Conclusion**

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below and **except for the possible effects of the matters described in Basic of Qualified Conclusion paragraph, nothing has come to our attention** that causes us to believe that the accompanying Statement, prepared in accordance with the recognition

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and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**7. Emphasis of Matter**

We draw your attention towards Note no.4 and 5 of the Statement where in based on petition filed by financial creditors, of subsidiaries viz., Sai Lilagar Power Generation Limited ("SLPGL"), VS Lignite Power Private Limited ("VSLPPL") and KSK Mahanadi Power Company Limited ("KMPCL") have filed the petition for a Corporate Insolvency Resolution Process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 at National Company law Tribunal ("NCLT") and the same has been admitted by NCLT during quarter ending September 2019. Consequently, the Company has impaired Investment and receivable of Rs. 26,427.62 Million and disclosed the same under exceptional item.

Our conclusion is not modified in respect of this matter.

**8. Other Matters**

- (a) We did not review the interim financial results of 5 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 118.66 Million, total net loss after tax of Rs. 111.37 Million and total comprehensive loss of Rs. 111.37 Million, for the nine months ended 31<sup>st</sup> December 2019, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
- (b) The consolidated unaudited financial results include the interim financial results of 14 subsidiaries which have not been reviewed/audited by their auditors, whose interim financial results reflect total revenue of Rs. 123.49 Million, total net loss after tax of Rs. 4,015.82 Million and total comprehensive loss of Rs. 4,021.13 Million for the quarter ended 31<sup>st</sup> December, 2019. According to the information and explanations given to us by the Management, these interim financial statements / financial information / financial results are not material to the Group.

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**JAWAHAR AND ASSOCIATES**  
CHARTERED ACCOUNTANTS

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3-6-309, Basheer Bagh, Hyderabad – 500 029.  
Ph: 2322 5734, 2322 1497, 2322 6965, 2322 2280  
E-mail: jawaharandassociates@gmail.com

Our conclusion on the statement is not modified in respect of the above matter.

For Jawahar and Associates.,  
Chartered Accountants  
Firm Registration No: 0012815



**M. Chandramouleswara Rao**  
Partner  
Membership No: 024608  
Date: 14<sup>th</sup> February, 2020  
UDIN : 20024608AAAAAF5911

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**Annexure to Auditor's Report:**

**List of Subsidiaries:**

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

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