



ANNUAL REPORT 2015-16

BOARD OF DIRECTORS



Mr. T.L. Sankar
Chairman



Mr. S.R. Iyer
Independent Director



Mr. Girish Kulkarni
Independent Director



Ms. Savita Jyoti
Non-Executive Director



Mr. Anil Kumar Kutty
Non-Executive Director



Mr. K. Bapi Raju
Non-Executive Director



Mr. Tanmay Das
Non-Executive Director



Mr. K.A. Sastry
Whole-time Director



Mr. S. Kishore
Whole-time Director



Sai Regency, Tamilnadu



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Sai Wardha, Maharashtra

CORPORATE INFORMATION

Board of Directors	<p>Mr. T.L. Sankar Mr. S.R. Iyer Mr. Girish Nilkanth Kulkarni Mr. K.A. Sastry Mr. S. Kishore Ms. Savita Jyoti Mr. K. Bapi Raju Mr. Anil Kumar Kutty Mr. Tanmay Das</p>
Chief Financial Officer	Mr. V. Sambasiva Rao
Company Secretary	Mr. M.S. Phani Sekhar
Registered Office	<p>8-2-293/82/A/431/A, Road No.22, Jubilee Hills Hyderabad - 500 033, Telangana, India Ph: 040-23559922-25 Fax: 040-23559930 E-mail:investors@ksk.co.in CIN:L45204AP2001PLC057199</p>
Statutory Auditors	<p>M/s. Umamaheswara Rao & Co., Chartered Accountants Flat No.5-H, Krishna Apartments, Ameerpet X Roads Hyderabad - 500 073 Telangana, India</p>
Bankers	<p>Andhra Bank Bank of India Axis Bank</p>
Registrar & Share Transfer Agent	<p>Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Ph: 040-67162222 Fax: 040-23001153 E-mail: einward.ris@karvy.com</p>
Shares Listed at	<p>National Stock Exchange of India Limited BSE Limited</p>
Website	www.ksk.co.in

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Economy Outlook

Indian economy performed comparatively better in FY 2015-16 due to robust growth witnessed in the trying circumstances including uncertain external environment and truant monsoon. The much needed macro-economic stability was progressively attained due to low inflation, reduced current account and fiscal deficits and interest rate fall. Gross Domestic Product (GDP) growth rate increased from 7.2% in FY 2014-15 to 7.6% in FY 2015-16.

Achievement of increased growth along with reduced inflation was indeed remarkable given the fact that there generally remains a conflict between inflation and growth. The effective monetary policy, weakening global commodity prices particularly oil prices as well as astute food supply management helped in maintaining the moderate inflation. With the inflation rate staying benign, RBI cut its policy rates to more than 5 year low which ensured enough liquidity in the market. While inflation concerns have eased, worries remain on whether growth in the economy has stabilized.

For India's improved economic outlook, stable macro-economic conditions and key sectoral reforms are fundamental.

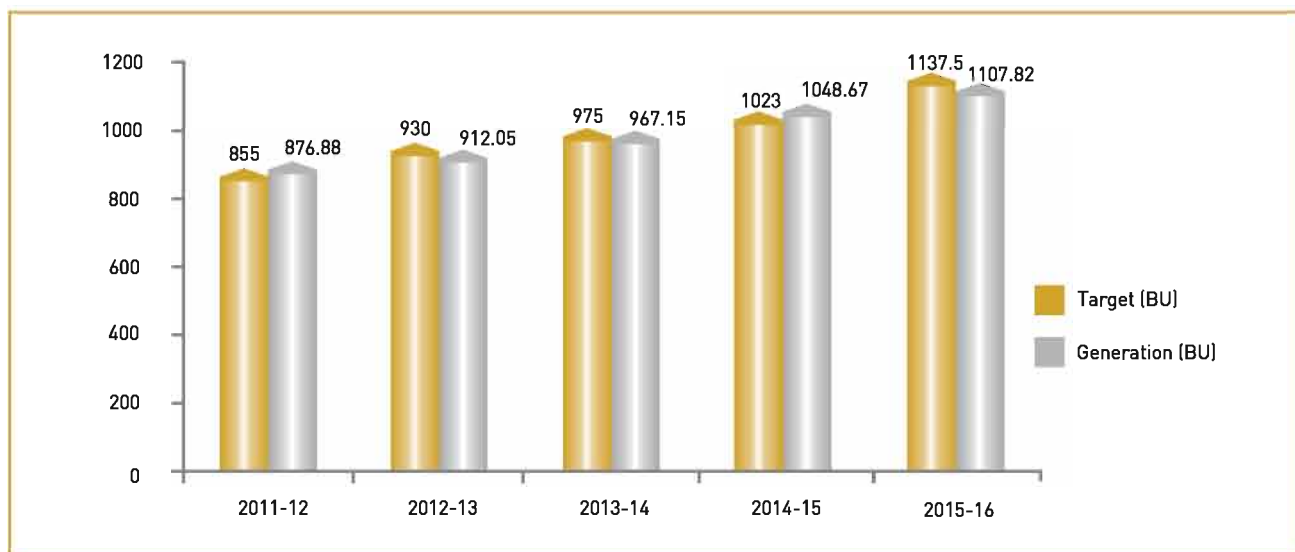
Power Sector:

The power sector is a major consumer of energy and it has a significant impact on economic developments and social welfare. Per-capita electricity consumption of the country has now crossed 1,000 kilowatt-hour (kWh), but still, it is far below the average global consumption.

In the recent past, policy makers have initiated multiple steps towards improving the power sector output and benefit consumers. These include the proposed amendment to the Electricity Act, round-the-clock power supply, the Coal Mines Special Provision Ordinance, coal auction and allocation, auction of natural gas, Integrated Power Development Scheme, Deendayal Upadhyaya Gram Jyoti Yojana, Ujwal Discom Assurance Yojana (UDAY), aggressive renewable energy generation targets and massive transmission connectivity plans. Proposed provisions and interventions will modify the energy sourcing mix, secure fuel for power generation, bring efficiency and competition in the sector, enhance clean energy generation, increase power supply to households, strengthen the grid, generate business and employment opportunities, etc. This will impact electricity tariffs, operations of utility, environmental conditions, increase accountability of stakeholders and consumers.

Generation

The electricity generation target for the year 2016-17 has been fixed as 1178 Billion Unit (BU). i.e. growth of around 6.38% over actual generation of 1107.822 BU for the previous year (2015-16). The generation during 2015-16 was 1107.822 BU as compared to 1048.67 BU generated during April- March 2015, representing a growth of about 5.64%.



The electricity generation target for the year 2016-17 was fixed at 1178 BU comprising of 999 BU thermal; 134 BU hydro; 40 nuclear; and 5 BU import from Bhutan.

Power Supply Position

The power supply position in the country during 2011-12 to 2015-16

YEAR	ENERGY (MU)		SURPLUS (+)/DEFICIT (-)		DEMAND (MW)		SURPLUS (+)/DEFICIT (-)	
	REQUIRE MENT	AVAILABI LITY			PEAK DEMAND	PEAK MET		
2011-12	9,37,199	8,57,886	-79,313	-8.5	1,30,006	1,16,191	-13,815	-10.6
2012-13	9,95,557	9,08,652	-86,905	-8.7	1,35,453	1,23,294	-12,159	-9
2013-14	10,02,257	9,59,829	-42,428	-4.2	1,35,918	1,29,815	-6,103	-4.5
2014-15	10,68,923	10,30,785	-38,138	-3.6	1,48,166	1,41,160	-7,006	-4.7
2015-16	11,14,408	10,90,850	-23,558	-2.1	1,53,366	1,48,463	-4,903	-3.2

Transmission

POWERGRID is strengthening its transmission network to establish inter-State and inter-regional links for enhancing the capacity of National Grid in a time bound manner to ensure optimal utilization of uneven distribution of energy resources. In FY 2015-16, 12,400 MW of Inter-regional transmission capacity has been commissioned by POWERGRID and it is expected to implement 12,300 MW in FY 2016-17.

The transmission segment, though has not been able to keep pace with the increasing generation capacity, saw an addition of 84,070 ckm transmission lines and 2,49,398 MVA of transformer capacity till FY 2015-16 out of 1,07,440 ckm of transmission lines and 2,70,000 MVA of transformer capacity planned for 12 Five Year Plan. As on 31 March 2016, total length of transmission lines and transformer capacity stood at 3,41,551 ckm and 6,58,949 MVA respectively.

The country's first 800 kV HVDC line - Bishwanath Chariyali to Agra - which will carry 6,000 MW of power, was operationalised during the year. The announcement of additional depreciation at the rate of 20% in budget FY 2016-17 is expected to incentives additions to transmission capacity.

Distribution

Distribution segment continues to be plagued by financial distress and high Aggregate Technical & Commercial (AT&C) losses. Continued inadequate tariff hikes have led to a surge in the debts of discoms to Rs.4.43 trillion and accumulated losses to Rs.3.8 trillion, while power theft, poorly maintained distribution network and ineffective metering have kept the AT&C losses at a high level of 27%.

A comprehensive package - UDAY, has been launched by the Government for financial and operational turnaround of discoms. Despite, being an optional scheme, total of 15 out of 29 states and Union Territories have voluntarily joined UDAY, covering 90% of the total debt of discoms.

The amended Tariff Policy stipulating for tariff revision on a quarterly / monthly basis, enabling early recovery of the extra costs for electricity supplied, providing for faster installation of smart meters, revision in cross subsidy formula, etc. is likely to improve the financial health of discoms, thereby aiding accomplishment of '24x7 power for all'.

The AT&C losses are expected to reduce gradually with the ongoing Deen Dayal Upadhyaya Gram Jyoti Yojana in rural areas and Integrated Power Development Scheme in urban areas.

Renewable Energy

Encouraged by the progressive policies and action oriented plans, renewable energy segment has perhaps seen the most phenomenal growth during FY 2015-16. With an addition of 7 GW during the year, the total installed capacity reached to 43 GW as on 31 March 2016. Wind energy continues to hold the majority share at 27 GW followed by solar energy at 7 GW. Despite low share, solar energy installation is increasingly outpacing wind energy which is evident from the fact that during FY 2015-16, when addition in wind installations at 3.3 GW surpassed the target by 38%, additions in solar installations at 3 GW did so by 116%.

The country has an ambitious target of achieving 175 GW of renewable capacity addition by the year 2022 comprising mainly of 100 GW solar and 60 GW wind. As a part of the implementation of Jawaharlal Nehru National Solar Mission, Solar Energy Corporation and NTPC are playing an important role by inviting bids for establishment of solar projects. However, recently many players in the market have been quoting unviable tariffs in the said bids which would lead to delay / abandonment of bid projects thus impeding the growth of solar projects.

OPPORTUNITIES AND OUTLOOK

The Electricity Amendment Bill, 2014, proposes significant reorganisation of the distribution and supply framework. For a long time, distribution companies have been responsible for power distribution as well as power supply to the end consumer. The proposed amendment envisages separation of power distribution from supply. This will, in a way, provide the consumer with more options in terms of choosing a supplier, as more than one supply licensee can share space within a particular distribution area. The clause for separation of carriage and content in distribution segments will result in a separate distribution licensee and multiple supply licensees in an area. This will help the company to reach out to the end consumer and providing multiple buyer options for the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

The Tariff Policy was notified by the Central Government under Section 3 of the Electricity Act, 2003 on 6 January 2006 and the same was amended on 31 March 2008, 20 January 2011 and 8 July 2011. The objective of the amendments is to ensure the 4 Es of Electricity for all, Efficiency to ensure affordable tariffs, Environment for a sustainable future, Ease of doing business to attract investments and ensure financial viability.

The main features of the amended Tariff Policy:

- Promote optimum utilization of land and other resources by increasing procurement of power from expansion of existing private power plants on regulated tariff from 50% to 100% of existing capacity. This will result in reduction in overall cost of power to the consumers.
- Allow utilization of surplus assets in order to decrease overall power cost. Create a win-win situation between Generator, utilities and consumers by allowing benefit from sale of un-requisitioned power to be shared on 50:50 basis between parties to the PPA, if not already provided for in the PPA.
- Intra-State Transmission projects shall be developed by State Government through competitive bidding process for projects costing above a threshold limit, which shall be decided by the State Regulator. Inter-State transmission projects to be developed through competitive bidding with flexibility to meet exigencies.
- Developer shall have the option to indicate the rate of depreciation subject to upper ceiling decided by the Appropriate Commission.
- Remove taxation ambiguity by allowing cost pass through of change in domestic duties, levies, cess and taxes in competitive bid projects.
- Clarity on tariff setting authority for multi-State sales. Central Regulator to determine tariff for composite scheme where more than 10% power is sold outside the State.
- Costs pass through for imported coal/e-auction coal for competitively bid power projects, as per advisory issued by Ministry of Power on 31 July 2013.

RISKS AND CONCERNS

The business of the group is subject to variety of risks and uncertainties which, if they occur may have a materially adverse effect on the group's business or financial condition, results or future operations. The risks and uncertainties set out in this document are not exhaustive and there may be risks of which the Board is not aware or believes to be immaterial, which may, in the future, adversely affect the group's business. The risks and uncertainties faced by the group and the industry as a whole have been previously provided in detail in the annual reports of the Company and interim statements. The majority of the risks previously identified have not significantly changed. While the Company attempts to address the same, the key risks and uncertainties continued to be faced by the Group are as follows:

- Macro-economic risks such as growth slowdown & uncertainty in demand may impact the performance of the Company.
- The Company is facing problems of inferior quality of coal and shortages in coal receipt from South Eastern Coalfields Limited. Also, partial dependency on imported coal exposes the Company to price volatility and sourcing risks.
- Public Policy interventions could impact the traditional ways of doing business and may lead to changes in supply & demand sources.
- Non-availability of skilled manpower may result in disruptions in business operations or incorrect / delayed decision making.
- Delays in Government decisions or implementation of earlier Government decisions along with continual inconsistencies in Government policies across departments and retrospective amendments to the existing policies or introduction of new policies.
- Delays in providing necessary regulatory support and / or dispensation as may be required for timely implementation of the financing plans.
- Liquidity risk and project financing.

The past few years were extremely challenging for the power sector in India in general and the company in specific, as well. Nevertheless, the current year has witnessed resolution of a number of issues relating to various projects on account of the continued efforts of the Company's Management and active engagement with Government and various authorities thereto.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The internal control systems are implemented

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

OPERATIONAL PERFORMANCE

During the twelve month period, operating assets generated 9,987 GWh with an average portfolio plant load factor of 55% against 6,158 GWh with an average plant load factor of 34% for the previous year of FY 2015 and 5,757 GWh with PLF 32% during FY 2014.

The individual power plant wise PLFs comparison is detailed below:

	31 March 2016		31 March 2015		31 March 2014	
	GWh	PLF	GWh	PLF	GWh	PLF
KSK Mahanadi (1200 MW)	6,368	61%*	3,203	30% *	1,088	10%*
Sai Wardha (540 MW)	1856	39%	1,174	25%	2,586	55%
VS Lignite (135 MW)	792	67%	851	72%	902	76%
Sai Regency (58 MW)	459	90%	423	83%	445	88%
Sai Lilagar (86 MW)	172	23%	148	20%	341	45%
Sitapuram Power (43 MW)	324	86%	343	91%	342	91%
Sai Maithili (10 MW)	17	19%	16	18%	19	21%
Wind Project	-	-	-	-	33	20%
TOTAL	9,987	55%	6,158	34%	5,757	32%

*KSK Mahanadi's PLF is calculated across the periods on the installed capacity base of 1200 MW although actual operations of this capacity only commenced substantially during the second half of FY 2016 (upon grant of the necessary transmission corridor access for supplying through the National Grid).

3,600 MW KSK MAHANADI POWER COMPANY LIMITED:

Construction of KSK Mahanadi, a large single location greenfield private power plant, has continued. There have been notable achievements during the year: the initial 1200 MW unit under operation generated 6,368 GWh during the year; construction of the next two 600 MW units was made possible by debt funding provided by the project lenders; and progress on the remaining two 600 MW units is contingent upon equity funding.

The 3,600 MW plant is supported by robust infrastructure developed by the group companies viz., Raigarh Champa Rail Infrastructure and KSK Water Infrastructures. These companies are in the process of being merged into KSK Mahanadi.

540 MW SAI WARDHA POWER LIMITED :

The total gross power generated during the review period was 1,856 GWh with an average Plant Load Factor ("PLF") of 39%. This reflected the challenging local operating environment, the fuel and the off take constraints experienced by Sai Wardha Power.

Regarding long term power sale arrangements to commence supplies for half of the capacity of the Sai Wardha project, the Appellate Tribunal for Electricity ("APTEL") ruled in favour of Sai Wardha in February 2015 and PPA execution is expected.

The Company continues to make every effort to pursue the coal price reduction and implementation of the APTEL direction, which will ultimately lead to the enhanced utilisation and profitability of the Sai Wardha plant.

135 MW VS LIGNITE POWER PRIVATE LIMITED :

Total gross power generated during the year was 792 GWh, with an average PLF of 67% reflecting the transition from Captive Power Plant to Independent Power Producer, as mandated by the Government. The Company has been supplying power to the local grid and is continuing its efforts to secure necessary long term PPAs from the local grid and anticipates achieving this during the current year.

86 MW SAI LILAGAR POWER LIMITED :

Total gross power generated during the year was 172 GWh, with an average PLF of 23%, primarily reflecting the transition from Captive Power Plant to Independent Power Producer.

With the new PPA arrangements addressed, asset utilisation is expected to significantly improve and reach low to mid 80% PLF levels over the next few quarters. As a result, the Company anticipates increased generation, revenue and profitability from the Sai Lilagar Power plant.

MANAGEMENT DISCUSSION AND ANALYSIS

58 MW SAI REGENCY POWER CORPORATION PRIVATE LIMITED :

Total gross power generated in the combined cycle gas fired power plant during the year was 459 GWh, with an average PLF of 90%. With the continuous supply of gas and an efficient operation, the plant has produced an exceptional operational and financial performance, which is expected to continue.

43 MW SITAPURAM POWER LIMITED :

Total gross power generated during the year was 324 GWh, with an average PLF of 86%. The fuel cost for the period under review has increased due to an increase in coal prices from the Singareni Collieries Company Limited, as well as from open market purchases. The energy generated in the period has been supplied to the captive consumers in accordance with the provisions of the PPA, and the balance of power generated has been sold to local utility companies.

10 MW SAI MAITHILI POWER COMPANY PRIVATE LIMITED (SOLAR POWER PROJECT):

Total gross power generated during the year was 17 GWh, with an average PLF of 19%. The 10 MW PV solar power generation plant is located in the state of Rajasthan, operating under the Jawaharlal Nehru National Solar Mission.

FINANCIAL REVIEW

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

Financial Highlights:

Particulars	March 2016	March 2015	% variance
Revenue from operations	43,603	23,804	83
Gross profit	19,224	8,962	115
EBITDA	15,920	4,894	225
Loss after tax	[4,939]	[3,695]	34

With the commencement of operation at second unit of KSK Mahanadi, though partial, the underlying revenue, gross profit, EBITDA growth compared to the previous year shows a significant increase. Loss after tax has also increased due to the higher deferred tax assets recognised on investment allowance in previous year. It is anticipated that during the current year revenue and gross profit and EBITDA could further enhance as a result of improved operating performance on the same installed generation capacity base.

Notwithstanding the challenges across the sector that could create distortions to the Company's performance, the combination of our underlying assets, our risk mitigation strategies and certain recent positive developments should, in the long term, assist in moving the Company back towards meeting market expectations. However, in the short term the Board expects revenues and underlying profit to remain below the Board's initial expectations, but gradually improving over longer term.

Principal activity and overview

KSK Group is primarily engaged in the development, ownership, operation and maintenance of power generation assets in India with next level of growth coming through large base load thermal power plants, hydro power opportunities and solar power generation with supplies predominantly to utilities. KSK focused its strategy on the private sector power development market, undertaking entire gamut of development, investment, construction, operation and maintenance of power plant with supplies initially to industrial consumers operating in India and now branching out to cater to the needs of utilities and others in the wider Indian power sector.

Income Statement Operating Results:

Particulars	March 2016	March 2015	Variance	% variance
Revenue	43,603	23,804	19,799	83%
Cost of revenue	[20,862]	[12,931]	[7,931]	61%
Manufacturing expenses	[3,517]	[1,911]	[1,606]	84%
Gross Profit	19,224	8,962	10,262	115%

Generation, revenues and cost of revenue

The total revenue from operation of the Group have increased by Rs. 19,799 million reflecting a year on year increase of 83% mainly on account of increase in 3,541 mn units sold taking into account a partial year of operation of the entire 1,200 MW at KSK Mahanadi and moderate increase in PLF at Sai Wardha. Revenues also include revenue of Rs. 6,359 million at KSK Mahanadi under change in law provision of the Power Purchase Agreements with State Utilities and Government of India directive but requiring determination by the Electricity Regulatory Commission before receipt of payment.

Cost of revenue also increased by Rs. 7,931 million reflecting a year on year increase of 61%. The increase is mainly on account of second unit operation of KSK Mahanadi for part of the year and increased PLF in Sai Wardha. However, cost of revenue continued to remain at higher levels as compared to the management expectation largely on account of non materialisation of efforts to reduce coal cost in Sai Wardha.

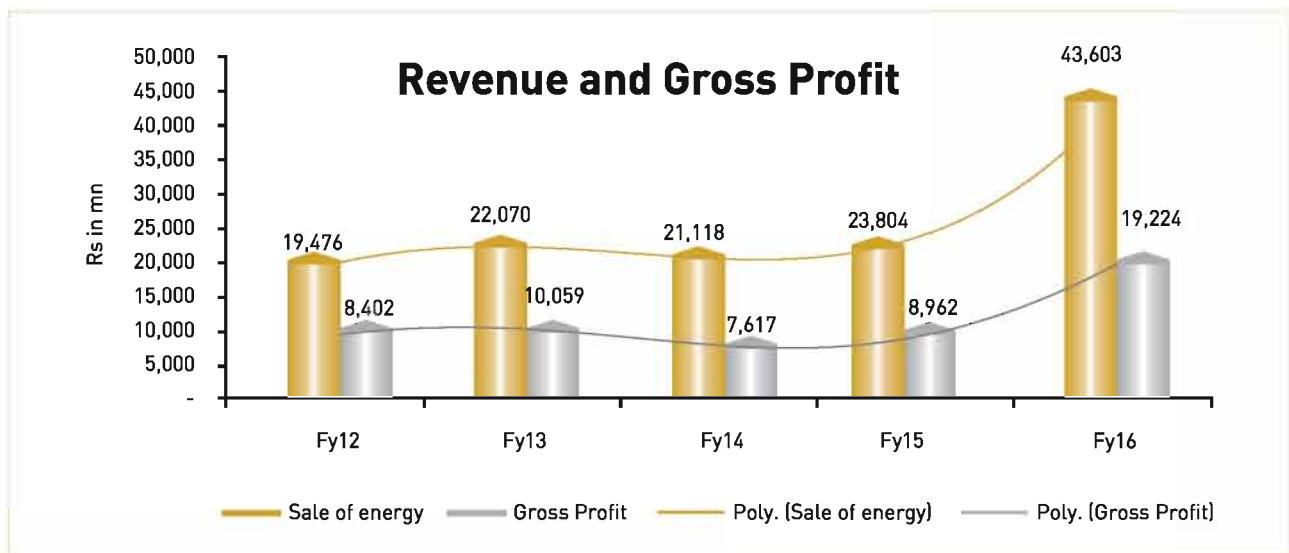
Despite favourable ruling by the Competition Commission of India ("CCI") in favour of Sai Wardha in October 2014, the vital amendment to the pricing aspect of the FSA, which would have facilitated lower power generation costs, has not yet been implemented. Western Coal Fields appealed at the Competition Appellate Tribunal ("COMPAT"). A favourable final ruling would not only enable a price reduction but substantial claims of damages for the prior period being determined by the COMPAT.

Also due to the presidential directive, KSK Mahanadi received only certain percentage of linkage coal instead of full contractual quantity and was forced to procure coal from market resulting higher fuel cost which is also reflected in change in law claim as supra. However it is anticipated that during the current year, the Government of India will use an auction process for coal linkages wherein coal linkage requirements of all Independent Power Producers (IPPs), with PPA commitments to DISCOMS already made, will be subject to auctions, resulting in a correction in fuel linkages for the sector as a whole. KSK Mahanadi with existing PPAs to multiple DISCOMS is well positioned to take advantage of the new policy and will be able to satisfy KSK's coal requirements.

Gross Profit

Gross profit of the Group increased from Rs 8,962 million to Rs 19,224 million, reflecting a year on year increase of 115%. Increase as explained above is mainly on account of increased operation at KSK Mahanadi and Sai Wardha. However, increase is offset to some extent by lower utilisation at VSLP and Sai Lilagar primarily reflecting the transition from captive power plant to independent power producer.

The following table and charts shows year on year trend in revenue and gross profit

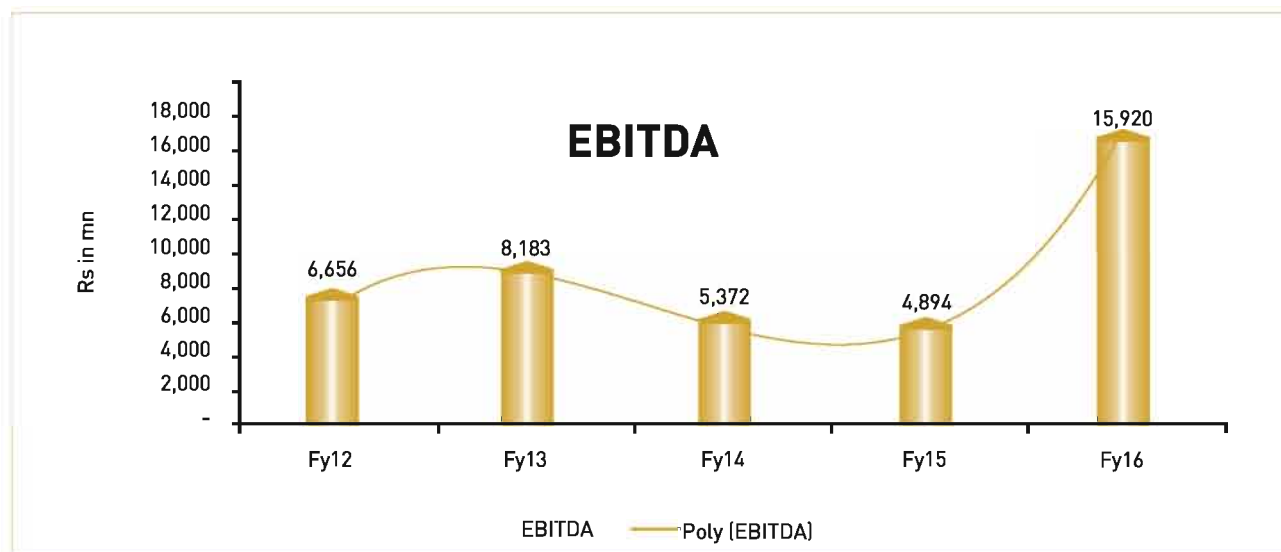


Earnings before Interest, depreciation and tax (EBITDA)

Particulars	March 2016	March 2015	Variance	% variance
Gross Profit	19,224	8,962	10,262	115%
Employee benefit expenses	(876)	(619)	(257)	42%
Other general & administrative expenses	(2,428)	(3,449)	1,021	(30%)
EBITDA	15,920	4,894	11,026	225%

EBITDA of the Group have increased by 225% from Rs 4,894 million in FY 2015 to Rs15,920 million in FY 2016 mainly due to significant improvement in gross profit along with decrease in general and administrative expense by 30% due to impairment of coal recompense at Sai Wardha of Rs 1,505 million in previous year.

The following chart shows the year on year trend in EBITDA of the Group

**Profit / (loss) for the year**

Particulars	March 2016	March 2015	Variance	% variance
EBITDA	15,920	4,894	11,026	225%
Finance costs	(17,495)	(10,450)	(7,045)	67%
Depreciation and amortisation	(5,368)	(3,183)	(2,185)	69%
Other income and exception items	588	420	168	40%
Loss before tax	(6,355)	(8,319)	1,964	(24%)
Tax income	1,416	4,624	(3,208)	(69%)
Loss for the year	(4,939)	(3,695)	(1,244)	34%

Movement in loss for the year from Rs 3,695 million to Rs 4,939 million is mainly because of the following:

- Increase in finance costs by Rs 7,045 million from Rs 10,450 million to Rs 17,495 million reflecting year on year increase of 67%. The Increase is on account of increased borrowing levels with respect to operational power plants, wherein Rs. 6,087 million increase at KSK Mahanadi on a year on year basis was mainly on account of second unit operations.
- Increase in Depreciation and amortization expenses from Rs. 3,183 million in FY 2015 to Rs. 5,368 million in FY 2016 is mainly on account of second unit operation of the KSK Mahanadi.
- Increase in other income (including exceptional item for previous year) from Rs 420 million to Rs 588 million mainly on account of increase in interest income from bank and other deposits of Rs 173 million.
- Significant decrease in tax income from Rs 4,624 million to Rs 1,416 million reflects recognition of deferred tax asset at KSK Mahanadi on carry forward of losses on account of investment allowance available as per income tax provisions in the previous year.

Segmental analysis

The Group is currently engaged in two business segments, namely, power generation and power development. Net revenues from its power generation segment have increased from Rs. 23,735 million in FY 2015 to Rs. 43,601 million in FY 2016. Net revenues from its project development segment have decreased from Rs. 70 million in FY 2015 to Rs. 2 million in FY 2016. The power generation segment contributed to 99% revenue of the Group's total revenue in both financial years 2016 and 2015.

Financial position and cash flows

The capital employed of the Group was Rs. 232,918 million as at 31 March 2016 and increased by Rs. 14,992 million as compared to 31 March 2015. The Group incurred Rs. 10,871 million towards capital expenditure during FY 2016. The major expenditure was incurred on continuous construction and development activities at 6 x 600 MW Mahanadi power plant.

The loan portfolio of the Group comprises a combination of domestic and foreign currency loans. The aggregate outstanding indebtedness as at 31 March 2016 stood at Rs. 197,490 million and increased by Rs. 18,535 million compared to FY 2015. The increase is mainly on account of disbursement of term loans and working capital loans in the KSK Mahanadi and KSK Energy Ventures Limited for ongoing construction activities and working capital requirements.

Net customer receivables as at 31 March 2016 stood at Rs. 23,328 million as compared to Rs. 9,227 million as at previous year. Higher trade receivables are mainly attributable to increase in operation on account of commencement of second unit of KSK Mahanadi and receivable pertaining to change in law pending adjudication by appropriate authority.

Cash accruals from operations before working capital changes are higher in FY 2016 by Rs. 9,854 million as compared to FY 2015 mainly due to second unit operation of KSK Mahanadi. Proceeds from sale of surplus lands, dividend and interest income aided cash generation during FY 2016. Apart from deployment of cash for capital expenditure, the Group repaid some of its long term loans amounting to Rs. 3,156 million and availed fresh disbursement of borrowings amounting to Rs. 20,163 million and raised fresh equity (net) amounting to Rs. 251 million. Consequently, there is net cash outflow of Rs. 1,680 million for the FY 2016.

Equity and financing arrangements

The Company's financing plans include pursuing a number of initiatives including a secondary sale of project interests and refinancing opportunities on more favourable terms to provide the necessary liquidity to retire part of the existing high cost debt.

Due to the extended implementation time line and the impact of the INR/\$ exchange rate dropping from INR 48/\$ originally envisaged at the project's conception to the current INR 68/\$, KSK Mahanadi, along with the Rail and water infrastructure integrated, is now estimated to require a total capital expenditure at completion of Rs. 284,300 million.

The revised total capital expenditure consists of a phased investment plan wherein, at the first level, the existing investment of Rs 161,900 million (approx.) is expected to increase to Rs. 239,610 million for completion of the 2,400 MW (including the integration of the railway and water infrastructure assets as well expenditure already incurred on the last 1,200 MW unit) and progress further to Rs. 284,300 million for the completed 3,600 MW operations.

Therefore, the incremental capital expenditure programme consists of estimated additional expenditure for the 2,400 MW completion and further an additional expenditure of Rs 44,690 million to complete the final 1,200 MW. Consequently, the Company is holding discussions and evaluating proposals for further strategic funding and equity collaboration at the asset level with various potential participants.

HUMAN RESOURCES

Human Resources Department in the organization is a strategic partner for realizing the mission and vision of the organization. It functions with the objective of developing the Human Resources, who ultimately support the Company philosophy "Power from Knowledge".

During the year HR Policies are reviewed and employee centric policies were launched to cater to the needs of the work force. Assessment Centre approach has been initiated for Competency assessment for effective Talent Management.

Based on the Business model of the Company HR has created mechanisms for collaborative working with the Contractor HR teams for ensuring capability, skill enhancement and in turn improving productivity at the ground level.

Total manpower of the group at the end of the financial year is 1327.

SUSTAINABILITY INITIATIVES

Sustainability initiatives taken up by KSK reflect the core values of its business. Sustainability initiatives continue to be essential ingredient of KSK's Business policy and the Group embraces this responsibility that comes along with the opportunity of operating across various locations in multiple Indian states. Our approach and commitment towards the community moves beyond the requirement of social license to operate and to a far noble theme of "Bringing Dignity to Life..." as part of 'giving back to society' to support and initiate projects that provide sustainable solutions to the most pressing social challenges for the affected communities.

KSK is committed to ensure that healthcare is more easily available to all. We believe that as a corporate, our responsibilities towards the society are significant and it reflects in our initiative in tertiary healthcare with cardiac facility at Raipur, where services are offered free of charge to all stakeholders. The facility has achieved various milestones as summarised below and has endeavoured to serve more and more children with heart ailments.

- Over thousands of outpatient cardiac consultations with 2270 state of art cardiac surgeries performed free of cost by June 2016.
- The hospital has taken forward the initiative of exclusive paediatric cardiac services totally free of cost to all irrespective of caste, creed, colour, religion and nation. KSK Mahanadi and the support infrastructure projects in the state of Chhattisgarh continue to be involved with the above Sanjeevani Hospital project and look forward to the active support of the local communities. Further, more importantly endeavour to facilitate and strengthen the existing setup of multiple primary medical care facilities across locations in the state of Chhattisgarh to create public goodwill for a harmonious construct and delivery of comprehensive medical care for the surrounding communities.
- The group's sustainability initiatives towards community are essentially focused on five thrust areas; Education, Health, Socio- economic empowerment, infrastructure development and cultural and social contribution.

CAUTIONARY STATEMENT

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

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a synonym for sound management, transparency and disclosure. Corporate governance encompasses not only the way in which the Company is managed and deals with its shareholders but also addresses all aspects of its relationship with society.

Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability in all facets of its operations and in its interactions with its stake holders, including shareholders, employees, the government and the lenders. The Company's objective remains to create long term value for shareholders.

The Company is committed to maintaining high standards of corporate governance. KSK believes that maintaining highest standards of Corporate Governance is the key to achieve long term success and enhancement of stakeholders' value. At KSK it is believed that governance is not only about following the rules, but also about doing things in the right way and establish a strong moral and ethical culture within an organisation.

The Company's Governance structures and processes are aligned with the requirements of the business and that good governance is embedded by management throughout the work processes. The Company supports the highest standards of Corporate Governance and is committed to ensuring that the highest level of governance is achieved. Hence, it has always been an integral part of KSK's philosophy.

Your Company has complied with the requirements of Corporate Governance as required under Chapter IV of Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015 (Listing Regulations) and the disclosure requirements of which are given below:

BOARD OF DIRECTORS

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

Composition and Category of Directors

As on date of this report, the Board of Directors of the Company consists of 9 (Nine) Directors comprising of one Non-Executive Independent Chairman, two Independent Directors, Four Non-Executive Directors and two Executive / Whole-time Directors. The number of Independent Directors is one-third of the total number of Directors and hence the composition of the Board is in conformity with Listing Regulations. None of the Directors are related to each other.

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

Name of the Director & Category	No. of other Directorships as on 31 March 2016	No. of other Committee positions held as on 31 March 2016	
		Chairman	Member
Mr. T. L. Sankar Chairman / Independent Director	1	0	1
Mr. S. R. Iyer Independent Director	5	4	0
Mr. Girish N Kulkarni Independent Director	6	2	3
Ms. Shubhalakshmi Panse* Independent Director	6	0	4
Mr. Anil Kumar Kutty Non-Executive Director	3	0	2
Mr. Tanmay Das Non-Executive Director	1	0	0
Mr. K. Bapi Raju Non-Executive Director	9	0	1
Ms. Savita Jyoti** Non-Executive Director	4	0	2
Mr. K.A. Sastry Whole-time Director / Promoter Director	6	1	0
Mr. S. Kishore Whole-time Director / Promoter Director	6	0	2

*Resigned w.e.f 30 May 2016

** Appointed w.e.f 27 August 2016

Board Meetings and Procedures

During the year ended 31 March 2016, the Board of KSK Energy Ventures Limited met six times on the following dates: 30 May 2015, 20 July 2015, 14 August 2015, 7 November 2015, 9 February 2016 and 26 March 2016.

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

Details of equity shares of the Company held by the Directors as on 31 March 2016 are given below:

Name	Category	Number of equity shares
Mr. Anil Kumar Kutty	Non-Executive Director	375
Mr. Girish N Kulkarni	Independent Director	100

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

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

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

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

Details of Directors attendance at Board Meetings and at the last Annual General Meeting held on 26 August 2015 are given in the following table:

Name of the Director	No. of Board Meetings attended during the year	Attendance at the Annual General Meeting
Mr. T. L. Sankar	6	Yes
Mr. S. R. Iyer	5	Yes
Mr. Girish N Kulkarni	2	No
Ms. Shubhalakshmi Panse*	3	No
Mr. Anil Kumar Kutty	6	Yes
Mr. Tanmay Das	6	Yes
Mr. K. Bapi Raju	2	No
Ms. Savita Jyoti**	0	NA
Mr. K.A. Sastry	5	Yes
Mr. S. Kishore	5	No

*Resigned w.e.f 30 May 2016

** Appointed w.e.f 27 August 2016

Committees of the Board:

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

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

In addition to the functional Committees, your Board has constituted the following mandatory committees.

AUDIT COMMITTEE

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

Apart from the matters provided in Regulation 18 of Listing Regulations read with Section 177(4) of the Companies Act, 2013, the Committee reviews Internal Audit Report, Secretarial Audit Report and the report of Statutory Auditors. The Committee also discusses with the Internal, Secretarial and Statutory Auditors their scope of audit, adequacy of internal control systems, findings and observations / suggestions.

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

The Audit Committee met four times during the year on: 30 May 2015, 14 August 2015, 7 November 2015 and 9 February 2016

Sl. No	Name of the Director	Category	No. of Meetings attended
1	Mr. S.R. Iyer	Chairman	4
2	Mr. T.L. Sankar	Member	4
3	Mr. Girish N Kulkarni	Member	2
4	Ms. Shubhalakshmi Panse*	Member	3
5	Mr. S Kishore**	Member	0

*Resigned w.e.f 30 May 2016

** Appointed w.e.f 30 May 2016

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

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

The terms of reference of the Audit Committee are:

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

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

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee consists of Non-Executive Independent Directors viz. Mr. Girish N. Kulkarni (Chairman), Mr. T. L. Sankar (Member) and Mr. S. R. Iyer (Member).

Terms of reference:

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

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

Attendance during the year:

During the year, the committee met on 9 February 2016.

Sl. No	Name of the Director	Category	No. of Meetings attended
1	Mr. Girish N Kulkarni	Chairman	0
2	Mr. T.L. Sankar	Member	1
3	Mr. S.R. Iyer	Member	1

Performance evaluation criteria for Independent Directors:

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

Remuneration Policy:

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

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

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

Details of Remuneration paid to Directors for the year ended 31 March 2016:

₹ in million

Name of the Director	Sitting Fees	Salary	Perquisites	Commission	Total
Mr. T. L. Sankar	0.2	-	-	-	0.2
Mr. S. R. Iyer	0.18	-	-	-	0.18
Mr. Girish N Kulkarni	0.08	-	-	-	0.08
Ms. Shubhalakshmi Panse	0.12	-	-	-	0.12
Mr. Anil Kumar Kutty	-	-	-	-	-
Mr. Tanmay Das	-	-	-	-	-
Mr. K. Bapiraju	-	-	-	-	-
Mr. K.A. Sastry	-	9.0	-	-	9.0
Mr. S. Kishore	-	9.0	-	-	9.0

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee met four times during the year on: 30 May 2015, 14 August 2015, 7 November 2015 and 9 February 2016.

The Company Secretary, Mr. M.S. Phani Sekhar has been designated as Compliance Officer of the Company in compliance with Listing Regulations for resolution of shareholder / investor complaints.

Composition of the Stakeholders Relationship Committee and attendance recorded during the year 2015-16 is as follows:

Name of the Director	Category	No. of Meetings attended
Mr. Tanmay Das	Chairman	4
Mr. K.A. Sastry	Member	4
Mr. S. Kishore	Member	4

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

GENERAL BODY MEETINGS

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

Financial Year	Date and time of AGM	Location	Details of Special Resolutions Passed
2012-13	21 September 2013 11.00 AM	Bhaskara Auditorium, B M Birla Marg, Adarsh Nagar, Hyderabad - 500 063	No Special Resolution was passed
2013-14	27 September 2014 11.00 AM	Plot No. 694, Road No. 33, Jubilee Hills, Hyderabad - 500 033	Alteration of Articles of Association of the Company, Approval for Borrowing Powers of the Company, Creation of Charge for Borrowings / Financial Assistance availed by the Company, Power to give loans / make investments
2014-15	26 August 2015 11.00 AM	Plot No. 694, Road No. 33, Jubilee Hills, Hyderabad - 500 033	Conversion of loan into equity share capital

Postal Ballot

No resolution was passed through Postal Ballot during the financial year 2015-16.

A postal ballot is proposed to be conducted for the following special resolutions:

- (i) Increasing Borrowing Powers
- (ii) Creation of Charge for Borrowings / Financial assistance availed
- (iii) Power to give Loans / Guarantees / Provide Security / Make Investment

Procedure for postal ballot:

- (i) The Board at its meeting approves the items to be passed through postal ballot and authorizes Directors and the Company Secretary to be responsible for the entire process of postal ballot.
- (ii) A professional such as a Chartered Accountant/ Company Secretary, who is not in employment of the Company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of postal ballot along with the ballot papers are sent to the shareholders along with a self-addressed envelope addressed to the Scrutinizer. E-voting facility is also offered to eligible shareholders to enable them to cast their votes electronically.
- (iv) An advertisement is published in a National newspaper and a vernacular newspaper about the dispatch of ballot papers and notice of postal ballot.
- (v) The duly completed postal ballot papers are received by the Scrutinizer.
- (vi) Scrutinizer gives his/her report to the Chairman.
- (vii) The Chairman announces the results of the postal ballot in a meeting convened for the same.
- (viii) Results are intimated to the Stock Exchange and are put up on the Notice Board of the Company as well as on the Company's Website.

OTHER DISCLOSURES:

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

Suitable disclosure as required for related parties by the Accounting Standard-18 (AS-18) has been made in the notes to the financial statements.

- **Management Discussion and Analysis**

The report on Management Discussion Analysis is provided else where and form part of this Annual Report.

The Company has followed the Accounting Standards in preparation of its Financial Statements.

- There was no incidence of non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchange, SEBI or any statutory authority.
- The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The policy has been posted on the Company's website at <http://www.ksk.co.in/ourpolicies.php>. The Company affirms that no person has been denied access to the Audit Committee.
- The policy for determining 'material' subsidiaries is available on the website of the Company at <http://www.ksk.co.in/ourpolicies.php>
- The policy on dealing with related party transactions is available on the website of the Company: <http://www.ksk.co.in/ourpolicies.php>

CEO and CFO Certification

The CEO and CFO of the Company have certified to the Board in relation to reviewing financial statements and other information as mentioned in Part B Schedule II of Listing Regulations and the required certificate is appended.

● **Code of Conduct:**

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

- A declaration to this effect signed by the Whole-time Director is attached as an Annexure.
- The Company has complied with all the mandatory requirements of corporate governance as per Listing Regulations. Certificate from Statutory Auditor confirming compliance with the conditions of Corporate Governance as stipulated under Listing Regulations is annexed.

- The Status of Compliance with non-mandatory requirements is as under:

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

The Chairman of the Board is a Non-executive Director and his position is separate from that of the Whole-time Director.

The Internal Auditor reports to the Audit Committee.

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

The Company Complied with the requirements of Schedule V Corporate Governance report sub-paras (2) to (10) of the Listing Regulations.

MEANS OF COMMUNICATION

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

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

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

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

GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting

Day, Date and time: Saturday 24 September 2016, 11:00 hours

Venue: Plot No.694, Road No.33, Jubilee Hills, Hyderabad - 500 033.

(b) Financial Year: 1 April to 31 March

(c) Dividend payment date: Nil

(d) Listing on Stock Exchanges with Stock Code

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

Listing fee for the year 2015-16 has been paid to the above Stock Exchanges.

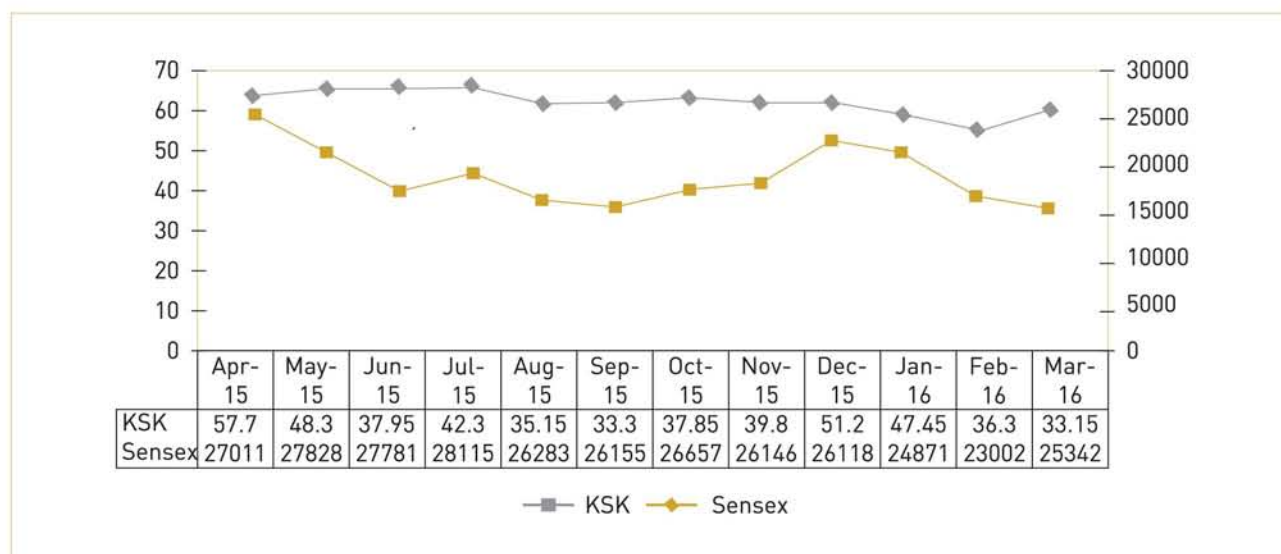
ISIN Code for Demat: The ISIN allotted to the Company is INE143H01015

(e) Market Information:

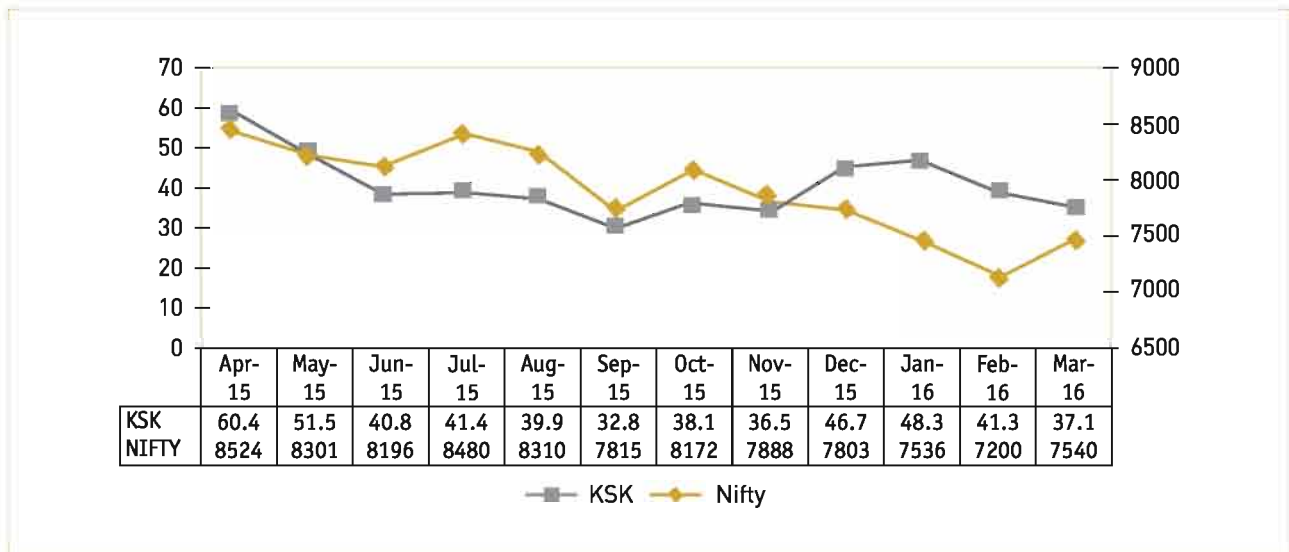
(i) Market Price Data: High, low during each month and trading volumes of the Company's Equity shares during the last financial year at NSE and BSE are given below.

MONTH	NSE			BSE		
	High	Low	Volume	High	Low	Volume
April, 2015	68.9	56.1	2666895	69	56.7	485924
May, 2015	61.45	47.25	1650008	60.8	47	1365248
June, 2015	48.7	35.55	1812475	48.75	35.75	726922
July, 2015	50.4	37.5	14814064	50.35	37.55	4315914
August, 2015	48.9	31.6	5014494	48.7	32	1483304
September, 2015	36.05	29	2156994	36.15	29.2	678012
October, 2015	43.5	33.4	3249525	43.7	33.35	1412622
November, 2015	41.05	33	1961423	41	32.95	488985
December, 2015	55.3	38.75	9787640	55.4	38.85	2616807
January, 2016	54.7	41	2833409	54.75	40.3	971510
February, 2016	51.2	34.25	3187034	51.3	36.1	806833
March, 2016	43.8	32.65	4973318	43.5	33	2044496

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



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



(f) There was no suspension of trading in Securities of the Company during the year under review.

(g) Registrar and Transfer Agents

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

(h) Share Transfer System :

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

(i) Distribution of Shareholding

(i) Distribution of Shares as on 31 March 2016

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	14798	85.52	1826706	18267060	0.43
5001- 10000	1120	6.47	917787	9177870	0.21
10001- 20000	587	3.39	907598	9075980	0.21
20001- 30000	247	1.42	622139	6221390	0.14
30001- 40000	123	0.71	441177	4411770	0.10
40001- 50000	90	0.52	421834	4218340	0.09
50001- 100000	125	0.72	953256	9532560	0.22
100001& Above	213	1.23	417895277	4178952770	98.56
TOTAL	17303	100.00	423985774	4239857740	100.00

(ii) Shareholding Pattern as on 31 March 2016

Category	No of Shares	%
A. Promoters Holding		
Promoters	289024524	68.16
Sub -Total: A	289024524	68.16
B. Public Shareholding		
Mutual Funds /UTI	48999809	11.56
Financial Institutions /Banks	12010212	2.83
Foreign Institutional Investors	13436438	3.16
Bodies Corporate	19944846	4.70
Non Resident Indians	403044	0.09
Foreign Bodies	26374531	6.22
Indian Public	13792370	3.25
Sub -Total: B	134961250	31.84
GRAND TOTAL (A+B)	423985774	100

(j) Dematerialisation of Shares and Liquidity:

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

(k) On account of non-exercise of option for conversion by KSK Power Holdings Limited, the amount received as upfront fee in connection with 6,98,56,800 warrants of the Company was forfeited.

(l) Address for investor's correspondence**(i) Registrar and Transfer Agents:****Karvy Computershare Private Limited**

Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032.

Ph: 040-67162222

Fax: 040-23001153

E-mail: einward.ris@karvy.com

(ii) Any Query on Annual Report:**Corporate Affairs Department****KSK Energy Ventures Limited**

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

Ph: 040-23559922-25, Fax: 040-23559930

E-mail: investors@ksk.co.in

CIN: L45204AP2001PLC057199

Plant locations - Not applicable as the Company operates through its subsidiaries

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

To
The Members of
KSK Energy Ventures Limited

We have examined the compliance of conditions of Corporate Governance by KSK Energy Ventures Limited, for the year ended on 31 March 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Umamaheswara Rao & Co.,**
Chartered Accountants

Sd/-

S. Venugopal

Partner

ICAI MRN 205565

FRN 004453S

Place: Hyderabad
Date: 5 July 2016

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

- a) We have reviewed financial statements and the cash flow statement for the year ended 31 March 2016 and:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design and operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad

Date: 30 May 2016

Sd/-	Sd/-
V. Sambasiva Rao	S. Kishore
Chief Financial Officer	Whole-Time Director

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management of the Company in respect of Financial Year 2015-16.

Place : Hyderabad

Date: 30 May 2016

Sd/-
S. Kishore
Whole-Time Director

Dear Shareholders,

Your Directors have the pleasure in presenting the Sixteenth Annual Report together with the audited statements of accounts for the year ended 31 March 2016.

Performance Highlights

The financial performance of your Company for the year ended 31 March 2016 is summarized below:

Particulars	₹ in million			
	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Income	217.89	435.26	43,603.09	23,804.34
Operating Expenditure	(170.20)	(163.24)	(27,682.82)	(18,910.13)
Operating Profit	47.69	272.02	15,920.27	4,894.21
Add: Other Income	8.34	0.97	587.45	423.70
Less: Finance Cost	(601.19)	(379.21)	(17,494.94)	(10,449.73)
Less: Depreciation	(7.28)	(26.97)	(5,367.56)	(3,183.26)
Less: Exceptional items	-	-	-	(3.67)
Profit / (loss) before tax (PBT)	(552.44)	(133.19)	(6,354.78)	(8,318.75)
Tax expense income	4.03	(74.52)	(1,416.07)	(4,623.50)
Net Profit/(Loss) after Tax	(556.47)	(58.67)	(4,938.71)	(3,695.25)
Earnings per Share (EPS) (Rs.)				
Basic and Diluted	(1.35)	(0.26)	(10.80)	(8.01)

Standalone

During the year under review, the Company's income stood at Rs. 217.89 million. Further, there is an increase in the operating expenditure. As a result, operating profit for the year decreased from Rs. 272.02 million to Rs. 47.69 million. With increase in finance cost, the Company reported a loss of Rs. 552.44 million.

Consolidated

During the year under review, the consolidated income of the Group has significantly increased from Rs. 23,804.34 million to Rs. 43,603.09 million due to commencement of supplies from second 600 MW unit of KSK Mahanadi to State Discoms pursuant to the resolution of transmission corridor constraint. As a result operating profit also has significantly increased from Rs. 4,894.21 million to Rs. 15,920.27 million. However, Loss before tax for the year stood at Rs. 6,354.78 million mainly because efforts to resolve high fuel pricing with Western Coal Fields Limited and execution of PPA with Maharashtra State Electricity Distribution Company Limited in Sai Wardha could not materialise as at the end of the year.

Review of Operations

KSK Energy Ventures Limited (KSK) is a power project development Company. The Company carries out development, operations and maintenance of power projects in India. The Company operates power plants which include four coal based plants, one lignite-based power plant, one natural gas based power plant and a solar based power project, having a combined operating capacity of 2072 MW.

Principal Power Assets

KSK's principal power projects are as follows:-

Operational power plants

- Sai Lilagar (formerly Arasmeta), a 86 MW coal based power plant in Chhattisgarh;
- Sai Regency, a 58 MW natural gas based power plant in Tamilnadu;
- Sitapuram, a 43 MW coal based power plant in Telangana;
- VS Lignite, a 135 MW lignite based power plant in Rajasthan;
- Sai Wardha Power, a 540 MW coal based power plant in Maharashtra;
- Sai Maithili Power, a 10 MW Solar power plant in Rajasthan; and
- KSK Mahanadi Power, a 3,600 MW coal based power plant in Chhattisgarh - two units of 600 MW each have been commissioned.

Power projects under active construction stage

KSK Mahanadi, a 3,600 MW coal based power plant in Chhattisgarh - remaining 4 units of 600 MW each.

Review of Business

Further, the operational and financial performance of each of the power plants for the financial year 2015-16 has been outlined in the "Management Discussion and Analysis Report" section.

Share Capital

During the year under review 17,36,580 share warrants have been converted into 17,36,580 equity shares. Further, the Company has redeemed final tranche of preference shares aggregating to Rs. 340.00 million.

Subsidiaries / Joint Ventures / Associates

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

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

The consolidated financial statements of the Company which includes the results of its subsidiaries are included in this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements including consolidated financial statements are being made available on the website of the Company www.ksk.co.in.

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

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

During the year, KSK Wind Power Aminabhavi Chikodi Private Limited and Global Coal Sourcing Plc have become subsidiaries of the Company and KSK Water Infrastructures Private Limited & Raigarh Champa Rail Infrastructure Private Limited have become associate companies.

Corporate Governance

Pursuant to Listing Regulations a Management Discussion and Analysis Report, Report on Corporate Governance and Auditors' Certificate are included in the Annual Report.

Directors and Key Managerial Personnel**Independent Directors & Non-Executive Directors**

Pursuant to the provisions of Section 149 of the Act, Mrs. Shubhalakshmi Panse was appointed as Independent Director at the Annual General Meeting held on 26 August 2015. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act.

However, as on the date of this report, Mrs. Shubhalakshmi Panse has resigned from the Board effective 30 May, 2016.

In accordance with the provisions of the Act, Mr. Anil Kumar Kutty, Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

Ms. Savita Jyoti has been appointed as an Additional Director of the Company with effect from 27 August 2016. Ms. Savita Jyoti is proposed to be appointed as director under the provision of section 160 of the Act at the ensuing Annual General Meeting.

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

Pursuant to the provisions of Listing Regulations brief particulars of the directors who are proposed to be appointed/re-appointed are provided as an annexure to the notice convening the Annual General Meeting.

Key Managerial Personnel

There is no change in the Key Managerial Personnel.

Meetings of the Board

The Board met six (6) times during the year. The details are given in Corporate Governance report that forms part of this Annual report.

Independent Directors Declaration

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

Performance Evaluation

As per the provisions of Companies Act, 2013 and Listing Regulations the Board carried out annual evaluation of the Board's performance, its

Committees and individual Directors.

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

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

Remuneration Policy

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

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

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

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

Particulars of Employees

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

Directors' Responsibility Statement

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

- in the preparation of annual accounts, the applicable accounting standards have been followed and there are no material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

The Audit Committee of the Company constituted in terms of Section 177(1) of the Act and Regulation 18 of the Listing Regulations comprises of- Mr. S.R. Iyer (Chairman & Independent Director), Mr. T.L. Sankar (Member & Independent Director), Mr. Girish N. Kulkarni (Member & Independent Director) and Mr. S. Kishore (Member & Whole-Time Director).

Corporate Social Responsibility Committee

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

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

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee,

contents of CSR Policy and report on CSR activities carried out during the financial year ended 31 March, 2016 in the format prescribed under Rule 9 of the Companies [Corporate Social Responsibility Policy] Rules, 2014 is annexed herewith as Annexure IV.

Statutory Auditors

M/s. Umamaheswara Rao & Co, Statutory Auditors of the Company, hold office until the conclusion of the 17th Annual General Meeting to be held in the calendar year 2017 (subject to ratification by the shareholders at each Annual General Meeting). The Members year on year will be requested to ratify their appointment as Statutory Auditors and to authorise the Board of Directors to fix their remuneration. M/s. Umamaheswara Rao & Co has confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report and hence no explanation or comments of the Board is required in this matter.

Secretarial Audit Report

In accordance with Section 204 of the Act and rules made thereunder, the Board has appointed Ms. Savita Jyoti, Practising Company Secretary to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31 March, 2016 is annexed herewith and marked as Annexure V to this Report.

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

Vigil Mechanism

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

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://ksk.co.in/pdfs/Whistle-Blower-Policy.pdf>.

Dividend

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

As per the terms of issue, the Company had paid dividend on 8% Cumulative Redeemable Preference Shares of Rs. 10/- each issued to L&T Infrastructure Finance Company Limited. Further, the Company has also redeemed 34,000,000 8% Cumulative Redeemable Preference Shares of Rs. 10/- each issued to L&T Infrastructure Finance Company Limited.

Transfer of amount to Reserves

The net movement in the reserves of the Company for the current and previous financial year are as follows:

₹ in million

Particulars	31.03.2016	31.03.2015
Securities Premium Account	46.36	4246.6
Capital Redemption reserve	340.00	330.00

Deposits from Public

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

Material changes and commitments

There are no material changes and commitments that affect the financial position of the Company from the financial year ended 31 March, 2016 to the date of signing of the Directors' Report. Further, there is no change in the nature of business of the Company.

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

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company's and its future operations.

Internal Control Systems

The Company's internal financial controls with reference to financial statements were adequate and effective during the financial year 2015-16.

Loans, Guarantees or Investments under Section 186 of the Act

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

Contracts and arrangements with Related Parties

The details of contracts/arrangements or transactions entered into with related parties under section 188 of the Companies Act, 2013 read with rules framed thereunder annexed herewith as Annexure VI.

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 31st March, 2016. Suitable disclosure as required by the Accounting Standard-18 (AS-18) has been made in the notes to the financial statements.

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

Risk Management Policy

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

Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure VII in the prescribed Form MGT-9, which forms part of this report.

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

There were no complaints filed pursuant to the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013 for the year ended 31 March, 2016.

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

A. Conservation of Energy:

- 1) Steps taken or impact on conservation of energy: -N.A.-
- 2) Steps taken by the Company for utilizing alternate sources of energy: -N.A.-
- 3) The Capital investment on energy conservation equipment's: -N.A.-

B. Technology Absorption:

- i. The Efforts made towards technology absorption: NIL
- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- iii. Details of technology imported during the past 3 years:

No technology has been imported during the past 3 years.

- a. The details of technology import: -NIL
- b. The year of import: -NIL
- c. Whether the technology has been fully absorbed: -NIL
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: - NIL

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

C. Foreign Exchange Earnings and Outgo:

₹ in million

Particulars	2015-16	2014-15
Exchange Earnings	-	-
Foreign Exchange Outgo	2.009	0.76

Acknowledgements

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

On behalf of the Board

Hyderabad
Date: 27 August 2016

T.L. Sankar
Chairman

ANNEXURE-I

REMUNERATION POLICY

Preamble

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

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

Purpose

This Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") has been formulated in terms of the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of Clause 49 of the Listing Agreement.

Objectives of the Policy

The objectives of this policy are as detailed below:

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

Definitions

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

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

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

Independent Director means a director referred to in Section 149(6) of the Act and the Clause 49, as amended from time to time.

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

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company,

constituted in accordance with the provisions of Section 178 of the Act and the Clause 49.

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

Constitution of Nomination and Remuneration Committee

A Nomination and Remuneration Committee of the Board has been constituted in line with the requirements of Companies Act, 2013.

Role of the Committee:

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

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

The remuneration / compensation / commission, etc., to the Managing / Whole-time Director will be determined by the Committee and recommended to the Board for approval and shall be in accordance with the provisions of Companies Act, 2013 and rules made thereunder and subject to the approval of the shareholders of the Company.

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

Remuneration to Non-executive / Independent Director

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

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

On behalf of the Board

Hyderabad
Date: 27 August 2016

T.L. Sankar
Chairman

ANNEXURE-II TO DIRECTORS' REPORT

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

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2015-16 and the comparison of the each remuneration of the Key Managerial Personnel against the performance of the company are as below:

S. No.	Name of the Director/ KMP	Designation	Remuneration of Director/Key Managerial Personnel for the financial year (Rs. Million)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year
1	Mr. T.L. Sankar ¹	Non-Executive Chairman and Independent Director	Nil	Nil	Nil
2	Mr. S.R. Iyer ¹	Independent Director	Nil	Nil	Nil
3	Mr. Girish Kulkarni ¹	Independent Director	Nil	Nil	Nil
4	Mrs. Shubhalakshmi Panse ¹	Independent Director	Nil	Nil	Nil
5	Mr. K. A. Sastry	Whole-time Director	9	1:0.2164	Nil
6	Mr. S. Kishore	Whole-time Director	9	1:0.2164	Nil
7	Mr. K. Bapi Raju ²	Non-Executive Director	Nil	Nil	Nil
8	Mr. Anil Kumar Kutty ²	Non-Executive Director	Nil	Nil	Nil
9	Mr. Tanmay Das ²	Non-Executive Director	Nil	Nil	Nil
10	Mr. V. Sambasiva Rao	Chief Financial Officer	3.61	Not Applicable	Nil
11	Mr. M.S. PhaniSekhar	Company Secretary	2.4	Not Applicable	Nil

(1) Mr. T.L. Sankar, Mr. S.R. Iyer, Mr. Girish Kulkarni & Mrs. Shubhalakshmi Panse were paid sitting fees for attending the Meetings.

(2) Mr. K. Bapi Raju, Mr. Anil Kumar Kutty and Mr. Tanmay Das were not paid any remuneration.

(iii) The Company experienced an average increase of 11.55% in the median remuneration of employees in the financial year.

(iii) The Company has 17 permanent employees on the rolls of company as on 31 March 2016.

(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was NIL.

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

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

On behalf of the Board

Hyderabad
Date: 27 August 2016

T.L. Sankar
Chairman

ANNEXURE-III TO DIRECTORS' REPORT

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

Details of top ten employees of the Company in terms of remuneration drawn as on 31 March 2016.

S. No	Employee Name	Age (yrs)	Qualifications	Designation	Date of commencement of employment	Remuneration Rs. million	Nature of employment	Related to Director or Manager of the Company	Experience (Years)	Last Employment
1	K A Sastry	57	B.Com, FCA	Whole-Time Director	1 April 2004	9.00	Contractual	No	28	Director, K&S Consulting Group Private Limited
2	Kishore S	54	B.Com, FCA	Whole-Time Director	1 April 2004	9.00	Contractual	No	29	Director, K&S Consulting Group Private Limited
3	Prakash B N	61	M. Tech	General Manager - Finance	1 September 2008	5.01	Permanent	No	39	Global Trust Bank
4	Krishna Murthy K V	39	MBA	Deputy Chief Financial Officer	8 June 2004	5.01	Permanent	No	17	Vxceed
5	Shanker Narayan C	55	B.Com, PGDMSM	Head-HR	21 August 2006	4.21	Permanent	No	30	Aris Global Software Private Limited
6	Sambasiva Rao V	67	ACA	Chief Financial Officer	3 October 2006	3.61	Permanent	No	41	Bambino Agro Industries Limited
7	Raj Kamal Bajaj	64	B.Com	Head - Administration	25 January 2010	2.71	Permanent	No	35	Pidilite Industries Limited
8	Phani Sekhar M S	36	ACS, M.Com, LL.B	Company Secretary	1 May 2014	2.40	Permanent	No	10	NA
9	Narasimha Reddy G	41	B.Com	Senior Manager - Accounts	10 June 1997	1.94	Permanent	No	22	Sumangala Seeds Private Limited
10	Latha Parikh	50	B.Com	Personal Secretary	9 January 1993	1.80	Permanent	No	32	Super Inducto Costings Private Limited

On behalf of the Board

Hyderabad
Date: 27 August 2016

T.L.Sankar
Chairman

ANNEXURE-IV TO DIRECTORS' REPORT

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

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

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

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

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

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

2. The CSR committee comprises of Mr. T.L. Sankar - Chairman, Mr. Anil Kumar Kutty - Member and Mr. Tanmay Das - Member
3. Average net profit of the Company for last three financial years is Rs. 51.56 million
4. Prescribed CSR expenditure is Rs. 1.03 million
5. Details of CSR spend for the financial year:
 - a. Total amount spent for the financial year: Rs.10 million
 - b. Amount unspent, if any: Nil
 - c. Manner in which the amount spent during the financial year:

Manner in which amount spent during the financial year is detailed below:

₹ in million

CSR Project or activity projects identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1)Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting the period	Amount spent : Direct or through implementing agency
Public Health	Promoting health care	Chhattisgarh	10.0	10.0	10.0	Implementing Agency
Total			10.0	10.0	10.0	

6. The Company has spent two percent of average net profits of the last three financial years.

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

For and on behalf of Corporate Social Responsibility Committee

Hyderabad
Date: 27 August 2016

Mr. S. Kishore
Whole-time Director

Mr. T.L. Sankar
Chairman of CSR Committee

ANNEXURE-V TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 March, 2016

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

To,

The Members,

KSK Energy Ventures Limited

CIN: L45204AP2001PLC057199

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

Hyderabad - 500 033.

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KSK Energy Ventures Limited ("the Company") for the financial year ended on 31 March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including any amendments thereto;
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the Audit Period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period

- 1) The company has redeemed final tranche of Preference Shares aggregating to Rs.34,00,00,000.
- 2) The Company has converted 17,36,580 share warrants into 17,36,580 equity shares during the year.

Signature:

Savita Jyoti Associates

Practicing Company Secretary

FCS No.3738

CP No.:1796

Date: 4 July, 2016

Place: Hyderabad

ANNEXURE VI - FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

a. Details of contracts or arrangements or transactions not at Arm's length basis : NA

b. Details of contracts or arrangements or transactions at Arm's length basis:

(i)

SL. No.	Particulars	Details
1.	Name(s) of the related party & nature of relationship	Sai Wardha Power Limited, a subsidiary company
2.	Nature of contracts/arrangements/transaction	Sale of spares
3.	Duration of the contracts/ arrangements /transaction	Not applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of spares of Rs. 239.04 million

(ii)

SL. No.	Particulars	Details
1.	Name(s) of the related party & nature of relationship	KSK Mahanadi Power Company Limited, a subsidiary company
2.	Nature of contracts/arrangements/transaction	Sale of coal
3.	Duration of the contracts/ arrangements /transaction	Not applicable
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of coal of Rs. 548.75 million

On behalf of the Board

Hyderabad

Date: 27 August 2016

T.L.Sankar

Chairman

ANNEXURE-VII TO DIRECTORS' REPORT

FORM NO. MGT9

EXTRACT OF ANNUAL RETURN

(As on financial year ended on 31 March 2016)

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

I. REGISTRATION & OTHER DETAILS:

1. CIN	L45204AP2001PLC057199
2. Registration Date	14 February, 2001
3. Name of the Company	KSK ENERGY VENTURES LIMITED
4. Category/Sub-category of the Company	Public Company limited by shares
5. Address of the Registered Office & contact details	8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad 500 033. 040-23559922-25
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. Tel: 040-67162222 E-mail : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

[All the business activities contributing 10% or more of the total turnover of the company]

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name & address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	KSK Energy Limited St. James Court, St. Denis strt., Port Louis, Mauritius	NA	Holding	45.03	2 (46)
2	KSK Narmada Power Company Private Limited*	U40109TG2005PTC047719	Subsidiary	100	2 (87)
3	KSK Wind Energy Private Limited*	U40109TG2005PTC047721	Subsidiary	100	2 (87)
4	KSK Vidarbha Power Company Private Limited*	U40109TG2005PTC047720	Subsidiary	100	2 (87)
5	KSK Wardha Infrastructure Private Limited**	U45400TN1998PTC040606	Subsidiary	100	2 (87)
6	Sai Maithili Power Company Private Limited*	U40101TG2002PTC039426	Subsidiary	76	2 (87)
7	KSK Dibbin Hydro Power Private Limited*	U40108TG2007PTC053501	Subsidiary	70	2 (87)
8	Kameng Dam Hydro Power Limited*	U40108TG2007PLC053499	Subsidiary	100	2 (87)
9	Sai Lilagar Power Limited (formerly Arasmeta Captive Power Company Limited)*	U40101TG2004PLC061239	Subsidiary	100	2 (87)

Continued

S. No.	Name of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
10	KSK Electricity Financing India Private Limited*	U40109TG2005PTC047594	Subsidiary	100	2(87)
11	VS Lignite Power Private Limited*	U40104AP2001PTC045088	Subsidiary	83.75	2(87)
12	Sai Regency Power Corporation Private Limited**	U40105TN2002PTC055046	Subsidiary	73.92	2(87)
13	Sai Wardha Power Limited*	U40109TG2005PLC047917	Subsidiary	83.69	2(87)
14	KSK Mahanadi Power Company Limited*	U40300TG2009PLC064062	Subsidiary	84.83	2(87)
15	J R Power Gen Private Limited	U31200TN2007PTC062021	Subsidiary	99.87	2(87)
16	KSK Upper Subansiri Hydro Energy Limited*	U40108TG2010PLC068931	Subsidiary	100	2(87)
17	KSK Jameri Hydro Power Private Limited*	U40108TG2010PTC071752	Subsidiary	100	2(87)
18	KSK Dinchang Power Company Private Limited*	U40108TG2010PTC071808	Subsidiary	100	2(87)
19	Field Mining and Ispats Limited 2nd floor, Bhaskar, Besides MLA Hostel Civil Lines, Nagpur, Maharashtra-440001	U13100MH2001PLC131680	Subsidiary	84.98	2(87)
20	KSK Surya Photovoltaic Venture Limited*	U74999TG2008PLC057567	Subsidiary	93.23	2(87)
21	Tila Karnali Hydro Electric Company Private Limited Kathmandu Municipality - 3, Baluwatar, Kathmandu, Nepal	NA	Subsidiary	80	2(87)
22	Bheri Hydro Power Company Private Limited Kathmandu Municipality - 2, Saraswattithan Marg, Gairithara, Kathmandu, Nepal	NA	Subsidiary	99	2(87)
23	Sai Power Pte Ltd 79, Robinson Road, # 16-01 CPF Bldg., Singapore 068897	NA	Subsidiary	100	2(87)
24	Sitapuram Power Limited Sitapuram, Dondapadu, Post-Melacheruvu (M), Nalgonda, Telangana-508246	U40109TG2005PLC046893	Associate	49	2(6)
25	KSK Wind Power Aminabhavi Chikodi Private Limited*	U40108TG2011PTC072003	Subsidiary	69.95	2(87)
26	KSK Water Infrastructures Private Limited*	U41000TG2009PTC062890	Associate	35.90	2(6)
27	Raigarh Champa Rail Infrastructure Private Limited*	U60300TG2009PTC063665	Associate	49.00	2(6)
28	Global Coal Sourcing Plc Fort Anne, Douglas, Isle of Man, IM1 5 PD	NA	Subsidiary	100	2(87)

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

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

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

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
PROMOTER AND PROMOTER GROUP									
INDIAN									
Individual /HUF	-	-	-	-	-	-	-	-	-
Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	79345007	-	79345007	18.79	78469263	-	78469263	18.51	(0.28)
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	79345007		79345007	18.79	78469263	-	78469263	18.51	(0.28)
FOREIGN									
Individuals (NRIs Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	209030448		209030448	49.5	210555261		210555261	49.66	0.16
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2) :	209030448		209030448	49.50	210555261		210555261	49.66	0.16
Total A=A(1)+A(2)	288375455		288375455	68.29	289024524	-	289024524	68.17	(0.12)
PUBLIC SHAREHOLDING INSTITUTIONS									
Mutual Funds /UTI	45227457		45227457	10.71	48999809	-	48999809	11.56	0.85
Financial Institutions /Banks	11969861		11969861	2.83	12010212		12010212	2.83	0
Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	25752501		25752501	6.10	17567719	-	17567719	4.14	(1.96)
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1) :	82949819		82949819	19.64	78577740		78577740	18.53	(1.11)
NON-INSTITUTIONS									
Bodies Corporate	19874596		19874596	4.71	19944846		19944846	4.70	[0.01]
Individuals	-	-	-	-	-	-	-	-	-
(i) Individuals holding nominal share capital upto Rs.1 lakh	3055356	13	3055369	0.72	6042962	13	6042975	1.43	0.71
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	1394821		1394821	0.33	3398916	-	3398916	0.80	[0.47]
Others	26599134		26599134	6.30	26996773	-	26996773	6.36	0.06
Sub-Total (B)(2)	50923907	13	50923920	12.06	56383497	13	56383510	13.29	1.26
Total Public Shareholding (B)= (B) (1)+(B)(2)	133873726	13	133873739	31.70	134961237	13	134961250	31.83	0.13
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	413034481	13	422249194	100	423985761	13	423985774	100	

ii) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year *
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered shares	
to total								
1	KSK Energy Limited	191150109	45.27	99.81	190938342	45.03	99.15	[0.24]
2	KSK Energy Company Limited	79345007	18.79	99.99	78469263	18.51	99.99	[0.28]
3	KSK Power Holdings Limited	17880339	4.23	0	19616919	4.63	0	0.40

* Change is due to the allotment of equity shares consequent to the conversion of warrants allotted to KSK Power Holdings Limited

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

S. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	KSK Energy Limited	191150109	45.27	01.04.2015 03.07.2015 31.03.2016	(211767)	Sale	190938342 190938342	45.03 45.03
2	KSK Energy Company Private Limited	79345007	18.79	01.04.2015 31.03.2016	(386322) (430000) (59422)	Sale	78958685 78528685 78469263 78469263	 18.51
3	KSK Power Holdings Limited	17880339	4.23	01.04.2015 21.04.2015 31.03.2016	1736580	Allotment of equity shares consequent upon conversion of warrants	19616919 19616919	4.63 4.63

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

S. No	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HDFC Trustee Company Limited – HDFC Equity Fund	21253116	5.03	22288116	5.25
2	HDFC Trustee Company Limited – HDFC Prudence Fund	6751111	1.60	6751111	1.59
3	HDFC Trustee Company Limited – HDFC Infrastructure Fund	6409752	1.52	6409752	1.51
4	LB Mauritius IV Limited	18500000	4.38	18500000	4.36
5	Tree Line Asia Master Fund (Singapore) PTE Ltd	9008000	2.13	9008000	2.12
6	Hasham Investment and Trading Company Private Limited	0	0	11403648	2.68
7	LB Mauritius III Limited	7874531	1.86	7874531	1.85
8	Life Insurance Corporation of India	4001256	0.94	4001256	0.94
9	ICICI Prudential Midcap Fund	0	0	3872814	0.91
10	ICICI Prudential Infrastructure Fund	0	0	3215168	0.75

- Note :
1. The Share Capital of the Company as on 01 April 2015 is 413034494. 17,36,580 Equity shares were allotted consequent to the conversion of share warrants into equity shares on 21 April 2015
 2. The Shares of the Company are traded on a daily basis on the stock exchanges and hence date wise increase/decrease in shareholding is not provided.
 3. The details of the date wise increase/decrease will be provided at the request of shareholder.

v) Shareholding of Directors and Key Managerial Personnel:

S.No	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1	Mr. T.L. Sankar				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
2	Mr. S.R. Iyer				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
3	Mr. Girish Kulkarni				
	At the beginning of the year	100	0	100	0
	At the end of the year	100	0	100	0
4	Mrs. Shubhalakshmi Panse				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
5	Mr. Anil Kumar Kutty				
	At the beginning of the year	375	0	375	0
	At the end of the year	375	0	375	0
6	Mr. Tanmay Das				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
7	Mr. K. Bapi Raju				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
8	Mr. K.A. Sastry				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
9	Mr. S. Kishore				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
	Key Managerial Personnel				
1	Mr. V. Sambasiva Rao				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
2	Mr. M.S. Phani Sekhar				
	At the beginning of the year	2000	0	2000	0
	At the end of the year	2000	0	2000	0

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

₹ in million

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,005.52	4,648		6,653.52
ii) Interest due but not paid		105.48		105.48
iii) Interest accrued but not due				
Total (i+ii+iii)	2,005.52	4,753.48		6,758.99
Change in Indebtedness during the financial year				
* Addition		1,932.81		1,932.81
* Reduction	(746.84)			(746.84)
Net Change				1,185.98
Indebtedness at the end of the financial year				
i) Principal Amount	1,258.68	6,370.42		7,629.10
ii) Interest due but not paid	278.20			278.20
iii) Interest accrued but not due	129.16			129.16
Total (i+ii+iii)	1,258.68	6,777.79		8,036.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ in million

S.No.	Particulars of Remuneration	Name of WTD		Total Amount
1	Gross salary	K. A. Sastry	S. Kishore	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.0	9.0	18.0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify			
	Total (A)	9.0	9.0	18.0
	Ceiling as per the Act	10% of the net profits of the Company as calculated under Section 198 of Companies Act, 2013		

B. Remuneration to other directors

₹ in million

S.No.	Particulars of Remuneration	Name of Director				Total Amount
		T. L. Sankar	S.R. Iyer	Girish N Kulkarni	Shubhalakshmi Panse*	
1	Independent Directors					
	Fee for attending board committee meetings Commission	0.20	0.18	0.08	0.12	0.58
	Others, please specify	-	-	-	-	-
	Total (1)	0.20	0.18	0.08	0.12	0.58
2	Other Non-Executive Directors					
	Fee for attending board committee meetings Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.20	0.18	0.08	0.12	0.58
	Ceiling as per the Act	1% of the net profits of the Company as calculated under Section 198 of Companies Act, 2013				
	Total Managerial Remuneration	18.58				
	Overall Ceiling as per the Act	11% of the net profits of the Company as calculated under Section 198 of Companies Act, 2013				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

₹ in million

S.No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total (Rs.)
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	2.4	3.6	6.0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify...	-	-	-
5	Others, please specify	-	-	-
	Total	2.4	3.6	6.0

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Hyderabad

Date: 27 August 2016

On behalf of the Board

T.L. Sankar

Chairman

To

The Members of KSK Energy Ventures Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of KSK Energy Ventures Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the Companies Act, 2013 under section 143(3)(l) and in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting the "Guidance Note" and the Standards on Auditing, issued by ICAI, we give in the Annexure - B Audit Report of Internal Financial Controls over Financial Reporting.
3. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of companies act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub-section (2) of section 164(2) of the Companies Act, 2013.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Umamaheswara Rao & Co.,**
Chartered Accountants

Sd/-

S. Venugopal

Partner

ICAI MRN: 205565

FRN 004453S

Hyderabad

Date: May 30, 2016

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

According to the information and explanations given to us:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a fixed programme of Physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Management has physically verified the fixed assets during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- ii. The Clause relating to Inventories is not applicable to the company, as the Company has not carried out any manufacturing activity.
- iii. The Company has granted unsecured loans from time to time to nineteen companies covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the Loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) The terms of arrangement do not stipulate any repayment schedule and loans are repayable on demand. Accordingly, paragraph-3(iii)(b) & (c) of the order is not applicable to the company in respect of repayment of the principal amount.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public and consequently the directives issued by Reserve Bank of India; the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under are not applicable.
- vi. The central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the Information and explanations given to us and on the basis of examination of books of accounts of the Company, amounts deducted/ accrued in the books of the account in respect of undisputed statutory dues including provident fund, Income tax, Sales tax, Value added tax, service tax, Custom duty, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and Excise duty.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of duty of customs, Sales Tax, Income Tax, Service Tax, duty of excise and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the books of account and other relevant records of the Company examined by us and the information and explanations given to us, the Company has not paid principal and interest of Rs. 10 Crores and 23.66 Crores respectively to banks and financial institutions as at the balance sheet date.
- ix. The amount received from term loans availed during the year has been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has issued 1,736,580 Equity Shares of Rs.10 each to KSK Power Holdings at a premium of Rs. 89 against share warrants. The amounts so raised have been applied for the purpose for which they were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

We have audited the internal financial controls over financial reporting of KSK Energy Ventures Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **UmamaheswaraRao & Co.,**

Chartered Accountants

Sd/-

S. Venugopal

Partner

ICAI MRN: 205565

FRN 004453S

Hyderabad

Date: May 30, 2016

BALANCE SHEET AS AT 31 MARCH 2016

[All amounts in Indian Rupees million, except share data and where otherwise stated]

	Note	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	4,239.86	4,562.49
(b) Reserves and surplus	4	25,871.23	26,397.66
(c) Money received against share warrants	5	1,728.95	1,776.60
		31,840.04	32,736.75
2 Non-current liabilities			
(a) Long-term borrowings	6	5,330.86	3,608.78
(b) Other long term liabilities	7	91.49	-
		5,422.35	3,608.78
3 Current liabilities			
(a) Short-term borrowings	6	1,798.10	1,188.09
(b) Trade payables	8	2,715.62	1,908.85
(c) Other current liabilities	10	1,042.45	2,068.84
(d) Short-term provisions	9	12.98	6.79
		5,569.15	5,172.57
TOTAL		42,831.54	41,518.10
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	167.91	174.36
(ii) Intangible assets	11	0.16	0.79
(iii) Capital work in progress	11	74.18	8.30
(b) Non-current investments	12	39,124.47	36,410.83
(c) Deferred tax assets (net)	13	73.83	73.83
(d) Long-term loans and advances	14	1,075.79	2,916.50
(e) Other non-current assets	15	256.43	250.54
		40,772.77	39,835.15
2 Current assets			
(a) Trade receivables	16	930.22	110.29
(b) Cash and bank balance	17	337.55	816.22
(c) Short-term loans and advances	14	565.61	739.42
(d) Other current assets	15	225.39	17.02
		2,058.77	1,682.95
TOTAL		42,831.54	41,518.10

See accompanying notes to the financial statements

As per our report of even date

For **Umamaheswara Rao & Co.,**

Chartered Accountants

Firm Registration No: 004453S

for and on behalf of the Board

Sd/-

S. Venugopal

Partner

Membership No: 205565

Sd/-

S. Kishore

Whole-time Director

DIN - 00006627

Sd/-

K. A. Sastry

Whole-time Director

DIN - 00006566

Sd/-

V. Sambasiva Rao

Chief Financial officer

Sd/-

M. S. Phani Sekhar

Company Secretary

Place: Hyderabad

Date: 30 May 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

[All amounts in Indian Rupees million, except share data and where otherwise stated]

	Note	Year ended 31 March 2016	Year ended 31 March 2015
I	Revenue from operations	217.89	435.26
II	Other income	8.34	0.97
III	Total revenue (I+II)	226.23	436.23
IV	Expenses		
	Employee benefits expense	52.55	56.85
	Other expenses	117.65	106.39
	Finance costs	601.19	379.21
	Depreciation and amortisation expense	7.28	26.97
	Total expenses	778.67	569.42
V	Profit / (loss) before tax (III-IV)	(552.44)	(133.19)
VI	Tax expense / (Income)		
	Current tax		
	For the year	-	-
	In respect of earlier years	4.03	-
	Deferred tax	-	(74.52)
	Total tax expense / (Income)	4.03	(74.52)
VII	Profit / (loss) for the year (V-VI)	(556.47)	(58.67)
VIII	Earnings / (loss) per share :		
	Basic and Diluted- face value Rs.10 per share	(1.35)	(0.26)

See accompanying notes to the financial statements

As per our report of even date

For Umamaheswara Rao & Co.,

Chartered Accountants

Firm Registration No: 004453S

for and on behalf of the Board

Sd/-

S. Venugopal

Partner

Membership No: 205565

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Whole-time Director

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Sd/-

V. Sambasiva Rao

Chief Financial officer

Sd/-

M. S. Phani Sekhar

Company Secretary

Place: Hyderabad

Date: 30 May 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

[All amounts in Indian Rupees million, except share data and where otherwise stated]

	31 March 2016	31 March 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(loss) before tax	(552.44)	(133.19)
Adjustment for		
Depreciation and amortisation expense	7.28	26.97
Finance costs	958.89	506.06
Interest income	(357.70)	(126.85)
Bad debt written off / Provision for doubtful debts	59.24	47.51
Profit/Loss on sale of assets, net	(0.01)	(0.28)
Others, net	0.06	-
Operating profit before working capital changes	115.32	320.22
Adjustment for working capital		
Trade receivables	(819.93)	107.31
Loans and advances	115.12	322.37
Other assets	(37.38)	(1.02)
Trade payables	810.32	(71.94)
Other liabilities and provisions	(29.73)	(23.17)
Cash generated from / (used in) operations	153.72	653.77
Income taxes (paid) / refund	59.09	(56.79)
Net cash provided by / (used in) operating activities	212.81	596.98
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress and capital advance	9.10	(26.65)
Sale of fixed assets	0.01	1.58
Advance received for sale of asset	150.00	-
Advance for investments, net	(20.00)	957.55
Inter corporate deposit given / refund, net	1,728.02	(2,685.21)
Sale of non current investments	68.99	-
Purchase of non current investments	(2,776.43)	(6,553.90)
(Investment)/redemption of bank deposit (held as margin money or security against guarantees or borrowings)	(168.83)	51.78
(Investment)/redemption of bank deposit (having original maturity more than three months)	-	0.14
Interest received	188.20	369.97
Net cash provided by / (used in) investing activities	(820.94)	(7,884.74)

Continued

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016 (continued..)

[All amounts in Indian Rupees million, except share data and where otherwise stated]

	31 March 2016	31 March 2015
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from share issue, net of share issue expenses	124.28	4,824.05
Redemption of preference share capital	(448.17)	(411.26)
Money received against share warrants	-	1,776.60
Payment of dividend and dividend tax	(26.69)	(57.73)
Proceed of long term borrowings	2,000.00	3,601.00
Proceed/(repayment) of short term borrowings, net	(1,024.42)	(1,295.17)
Payment of finance costs	(661.72)	(501.57)
Net cash provided by / (used in) financing activities	(36.72)	7,935.92
Net income / (decrease) in cash and cash equivalents	(644.85)	648.16
Cash and cash equivalents at the beginning of the year	698.69	50.53
Cash and cash equivalents at the end of the year	53.84	698.69

Notes:

	31 March 2016	31 March 2015
1 Cash and cash equivalents includes:		
Cash in hand	0.26	0.17
Balances with banks		
On current account	53.58	698.52
	53.84	698.69

2 Previous year figures have been regrouped / reclassified to conform to the classification of the current year.

As per our report of even date

For Umamaheswara Rao & Co.,

Chartered Accountants

Firm Registration No: 004453S

for and on behalf of the Board

Sd/-

S. Venugopal

Partner

Membership No: 205565

Sd/-

S. Kishore

Whole-time Director

DIN - 00006627

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K. A. Sastry

Whole-time Director

DIN - 00006566

Sd/-

V. Sambasiva Rao

Chief Financial officer

Sd/-

M. S. Phani Sekhar

Company Secretary

Place: Hyderabad

Date: 30 May 2016

1 Corporate Information

KSK Energy Ventures Limited ("KSKEVL" or the "Company"), was incorporated on February 14, 2001 and is primarily engaged in the development of private sector power projects. KSKEVL focused its strategy on the private sector power development market, undertaking entire gamut of development, investment, construction of power plant with supplies initially to heavy industrials operating in India and now branching out to cater to the needs of utilities and others in the wider Indian power sector.

2 Significant Accounting Policies

2.1 Accounting convention

The Financial Statements of KSK Energy Ventures Limited have been prepared and presented under the historical cost convention on the accrual basis in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India.

2.2 Use of estimates

The Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure relating to contingent assets and contingent liabilities as on date of financial statements and the reported amounts of income and expenses during the period. Actual results could differ from the estimates. Examples of such estimates include provision for doubtful debt, future obligation under employee retirement benefit plan, income taxes, useful life of fixed assets, etc. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Cash flow statement

Cash flows are reported using the indirect method, where by the net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated and presented separately.

2.4 Revenue recognition

Revenue in the form of project development fees for services rendered in relation to development work of potential power projects is recognised when such fees is assured and determinable under the terms of the respective contract.

Corporate support service income is recognised when such income is assured and determinable under the terms of the respective contract.

Consultancy income is recognised proportionately with the degree of completion of contract.

Dividend income is recognised when the right to receive the same is established.

Interest is recognized using the time proportionate method, based on the underlying interest rates.

Sale of energy is recognised on accrual basis in accordance with the relevant agreements.

2.5 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition. Cost of acquisition is inclusive of freight, duties, levies and all incidentals directly or indirectly attributable to bringing the asset to its working condition for its intended use. The cost of fixed assets includes cost of initial warranty/ insurance spares purchased along with the capital asset, which are grouped as single item under respective assets.

Depreciation is computed based on the useful life of the assets as prescribed in schedule II of the Companies Act 2013. Depreciation is calculated using straight line method. Depreciation is calculated on a pro-rata basis from the date of installation / capitalization till the date the assets are sold or disposed. Assets costing up to Rs.10,000/- are fully depreciated in the year of capitalisation / acquisition.

Depreciation on initial/warranty spares are provided on the same rates applicable for that Asset group, irrespective of its actual usage.

Intangible assets, viz., computer software is recognized as per the criteria specified in the Accounting Standard (AS) 26 "Intangible Assets" notified by the Central Government of India under Section 133 of the Companies Act, 2013 and is amortized over a period of three years.

Leasehold improvements are amortised over the period of lease.

2.6 Foreign currency transactions

Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

At the Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

All exchange differences are recognised as income or expense in the period in which they arise.

2.7 Investments

Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

2.8 Retirement benefits**Provident fund**

Eligible employees receive benefits from a provident fund, which is a defined contribution scheme. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee salary. The contribution made by the Company is charged to the Statement of Profit and Loss.

Gratuity

"In accordance to the Payment of Gratuity Act, 1972, the Company provides for the gratuity, a defined benefit retirement plan ("the gratuity plan") covering the eligible employees. The gratuity plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation or termination of the employment, of an amount based on the respective employee salary and the tenure of the employment with the Company.

Liabilities with regard to the gratuity plan are determined by independent actuary.

The company makes annual contribution to employee's group gratuity scheme administered by trustees and managed by Life Insurance Corporation of India. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits".

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss."

2.9 Borrowing cost

"Borrowing costs include interest on borrowings and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

All other borrowing costs are recognised as an expense in the year in which they are incurred."

2.10 Leases

Lease that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense as and when the payments are made over the lease term.

2.11 Earnings per share

Basic earnings per share are computed by dividing the net profit or loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss after tax attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.12 Taxes on income

Income tax expense / (income) comprises of current tax, deferred tax and Minimum Alternative Tax (MAT) credit.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have

been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

The break-up of the deferred tax assets and liabilities as at the Balance Sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

MAT Credit

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

2.13 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.14 Provisions and contingencies

Provisions and contingencies

"The Company recognises a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Onerous contract

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation."

3 Share Capital

	As at 31 March 2016	As at 31 March 2015
Authorised		
4,000,000,000 (31 March 2015: 4,000,000,000) equity shares of Rs.10/- each.	40,000.00	40,000.00
1,031,500,000 (31 March 2015: 1,031,500,000) preference shares of Rs.10/- each.	10,315.00	10,315.00
Issued, subscribed and paid up		
423,985,774 (31 March 2015: 422,249,194) equity shares of Rs.10/- each fully paid up.	4,239.86	4,222.49
Nil (31 March 2015: 34,000,000) 8% Compulsorily redeemable preference shares of Rs.10/- each fully paid up.	-	340.00
	4,239.86	4,562.49

Note:

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

b Reconciliation of number of shares outstanding

	As at 31 March 2016	As at 31 March 2015
Equity shares		
Outstanding at the beginning of the year	422,249,194	372,630,454
Issued during year to qualified institutional buyers	-	40,404,040
Conversion of warrants issued to promotor group [Refer note 5]	1,736,580	9,214,700
Outstanding at the end of the year	423,985,774	422,249,194
8% Compulsorily redeemable preference shares		
Outstanding at the beginning of the year	34,000,000	67,000,000
Redeemed during the year	34,000,000	33,000,000
Outstanding at the end of the year	-	34,000,000

c Equity shares held by holding company and its subsidiaries

Particulars	As at 31 March 2016	As at 31 March 2015
Holding Company		
No of shares held	190,938,342	191,150,109
% of shares held	45.03%	45.27%
Subsidiaries of Holding Company		
No of shares held	98,086,182	97,225,346
% of shares held	23.13%	23.02%

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

Name of the share holder	As at 31 March 2016	As at 31 March 2015
Equity shares fully paid up		
KSK Energy Limited		
No of shares held	190,938,342	191,150,109
% of shares held	45.03%	45.27%
KSK Energy Company Private Limited		
No of shares held	78,469,263	79,345,007
% of shares held	18.51%	18.79%
HDFC Trustee Company Limited		
No of shares held	38,145,028	21,253,116
% of shares held	9.00%	5.03%
8% Compulsorily redeemable preference shares fully paid up		
L & T Infrastructure Finance Company Limited		
No of shares held	-	34,000,000
% of shares held	-	100.00%

4 Reserves and surplus

	As at 31 March 2016	As at 31 March 2015
Capital Redemption Reserve		
Opening balance	660.00	330.00
Transfer from surplus	340.00	330.00
	1,000.00	660.00
Securities premium		
Balance	22,928.64	18,682.04
Add: On allotment of shares	154.56	4,416.07
Less: Premium on redemption of preference shares	108.17	81.26
Less: Share issue expenses	-	88.21
	22,975.03	22,928.64
Surplus		
Opening balance	2,809.02	3,242.97
Add: profit / (loss) for the year	(556.47)	(58.67)
	2,252.55	3,184.31
Appropriations		
Transfer to capital redemption reserve	340.00	330.00
Preference dividend	13.57	38.13
Dividend distribution tax	2.78	7.16
	356.35	375.29
Balance	1,896.20	2,809.02
	25,871.23	26,397.66

5 Money received against share warrants

During the previous year, the Company has issued 80,808,080 Warrants of face value of Rs. 10 each to KSK Power Holdings Limited ("KPHL") with an option to apply for and be allotted equivalent number of equity shares of the face value of Rs 10/- each at a premium of Rs 89/- each on a preferential basis. Pursuant to the same, during September 2014, Company has received an amount of Rs 2,006.97 from KPHL towards initial subscription amount (being 25% of total amount). During March 2015 and April 2015, pursuant to the exercise of option attached to these warrants, the company has received an aggregate amount of Rs. 806.16 as consideration towards issue and allotment of 10,951,280 equity shares of face value of Rs 10/- each (being balance 75% of the issue price of Re.99 per equity share). The Company has utilized the entire proceeds of the preferential issue towards meeting its capital expenditure / working capital requirements in accordance with the objects of the said issue.

Subsequent event:

KPHL has not exercised the right of conversion of balance 6,98,56,800 share warrants within stipulated time i.e. 17th April 2016. Accordingly, as per the terms of issue, the warrants has lapsed and Rs. 1,728.96 received as subscriber's money towards the 6,98,56,800 share warrants will stand forfeited and will be accounted in financial year 2016-17.

6 Borrowings

	As at 31 March 2016	As at 31 March 2015
Long-term borrowings		
Unsecured		
Rupee term loans from others (refer note 1 & 2)	5,100.86	3,378.78
Deferred payment liabilities (refer note 3)	230.00	230.00
	5,330.86	3,608.78
Short-term borrowings		
Secured		
Loans repayable on demand from banks (refer note 4)	765.05	-
Loan against letter of credits (refer note 5)	493.63	371.09
Unsecured		
Loan against deposits	161.50	817.00
Loans repayable on demand		
From related parties	47.92	-
From others	330.00	-
	1,798.10	1,188.09
	7,128.96	4,796.87

Note

- The above rupee term loans from others are secured by first pari-passu charge by way of mortgage/hypothecation of all movable and immovable properties of Sai Lilagar Power Limited and KSK Surya photovoltaic Venture Limited, Mortgage of 95.48 HA land of VS Lignite Power Private Limited. Further these loans are secured by pledge of certain equity shares of the Company held by KSK Energy Limited, the holding company and corporate guarantee given by KSK Energy Limited and VS Lignite Power Private Limited, hence the same has been classified as unsecured.
- The long term rupee term loans are repayable in quarterly instalments with the last instalment of respective loans are payable up to November 2024. The long term borrowings carries an weightage average rate of interest of 13.59% p.a.
- Deferred payment liability is repayable in March 2023.
- Loans repayable on demand are secured by first pari-passu charge on fixed assets, current assets of the Company and corporate guarantee of KSK Power Ventur plc and KSK Wind Energy Private Limited.
- Loans against letter of credit are secured by first pari-passu charge on all assets of the Company.

7 Other long term liabilities

	As at 31 March 2016	As at 31 March 2015
Interest accrued but not due on borrowings	91.49	-
	91.49	-

8 Trade payables

	As at 31 March 2016	As at 31 March 2015
Dues to other than micro and small enterprises	2,715.62	1,908.85
	2,715.62	1,908.85

The Company has not received any information from suppliers or service providers, whether they are covered under the "The Micro Small and Medium Enterprises Development Act, 2006". Disclosure relating to amount unpaid at the year end together with interest payable, if any, as required under the said Act are not ascertainable.

9 Provisions

	As at 31 March 2016	As at 31 March 2015
Short-term provisions		
For dividend and tax thereon	-	6.79
For taxation (net of advance tax)	12.98	-
	12.98	6.79

10 Other current liabilities

	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term debt	500.14	1,856.65
Interest accrued but not due on borrowings	37.67	-
Interest accrued and due on borrowings	278.20	105.48
Salaries and bonus payable	7.99	2.53
Advance received against sale of asset	150.00	-
Other liabilities	58.01	91.47
Statutory liabilities	10.43	12.15
Creditors for capital goods (including retention money)	0.01	0.56
	1,042.45	2,068.84

NOTES TO FINANCIAL STATEMENTS (CONTINUED.)

[All amounts in Indian Rupees million, except share data and where otherwise stated]

11 Fixed Assets

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	As at 1 April 2015	Additions	Deletions / Adjustments	As at 31 March 2016	As at 1 April 2015	For the year	Deletions / Adjustments	As at 31 March 2016	As at 31 March 2015
Tangible assets									
Land and site development	158.71	-	-	158.71	-	-	-	-	158.71
Buildings									
Free hold	3.17	-	-	3.17	0.36	0.11	-	0.47	2.81
Lease hold improvements	10.32	-	-	10.32	9.67	0.49	-	10.16	0.65
Electrical works	2.61	-	-	2.61	1.85	0.29	-	2.14	0.76
Furniture and fixtures	9.81	0.07	-	9.88	6.54	1.45	-	7.99	3.27
Vehicles	5.15	-	-	5.15	3.98	0.29	-	4.27	1.17
Computer	36.90	0.18	-	37.08	33.40	1.37	-	34.77	3.50
Office equipment	24.12	0.04	1.35	22.81	20.63	2.68	1.29	22.02	3.49
Total Tangible assets	250.79	0.29	1.35	249.73	76.43	6.68	1.29	81.82	174.36
Intangible assets									
Computer software	23.90	-	-	23.90	23.11	0.63	-	23.74	0.79
Total Intangible assets	23.90	-	-	23.90	23.11	0.63	-	23.74	0.79
Capital work in progress									
As at 31 March 2015									
Tangible assets	254.25	2.31	5.77	250.79	56.14	24.77	4.68	76.43	174.36
Intangible assets	23.60	0.30	-	23.90	20.90	2.21	-	23.11	0.79
Capital work in progress									8.30

12 Non current investments

	As at 31 March 2016	As at 31 March 2015
Trade investments		
Investments in equity instruments		
(unquoted, fully paid up)		
3,636,363 (31 March 2015: 3,636,363) Equity shares of Rs.10 each in Terra Energy Limited.	160.00	160.00
Other investments		
Investments in equity instruments		
(unquoted, fully paid up)		
Investment in subsidiary		
10,500 (31 March 2015: 10,500) Equity shares of Rs 10 each in KSK Narmada Power Company Private Limited.	0.11	0.11
499,990 (31 March 2015: 499,990) Equity shares of Rs 10 each in KSK Wind Energy Private Limited	5.00	5.00
570,115,305 (31 March 2015: 570,115,305) Equity shares of Rs.10 each in KSK Electricity Financing India Private Limited.	7,527.58	7,527.58
150,000 (31 March 2015: 150,000) Equity shares of Rs.10 each in KSK Wardha Infrastructure Private Limited .	1.50	1.50
10,500 (31 March 2015: 10,500) Equity shares of Rs 10 each in KSK Vidarbha Power Company Private Limited .	0.11	0.11
65,180,000 (31 March 2015: 65,180,000) Equity shares of Rs 10 each in KSK Dibbin Hydro Power Private Limited.	651.80	651.80
50,000 (31 March 2015: 50,000) Equity shares of Rs 10 each in Kameng Dam Hydro Power Limited.	0.50	0.50
7,660,330 (31 March 2015: 7,660,330) Equity shares of Rs 10 each in JR Power Gen Private Limited.	76.60	76.60
2,675,212,937 (31 March 2015: 2,425,549,994) Equity shares of Rs 10 each in KSK Mahanadi Power Company Limited.	26,752.13	24,255.50
39,153,495 (31 March 2015: 36,500,028) Class A Equity shares of Rs 10 each in Sai Wardha Power Limited.	581.08	554.55
50,000 (31 March 2015: 50,000) Equity shares of Rs 10 each in KSK Upper Subansiri Hydro Energy Limited.	0.50	0.50
1,000,000 (31 March 2015: 1,000,000) Equity shares of Rs 10 each in KSK Dinchang Power Company Private Limited.	10.00	10.00
1,000,000 (31 March 2015: 1,000,000) Equity shares of Rs 10 each in KSK Jameri Hydro Power Private Limited.	10.00	10.00
34,544,718 (31 March 2015: 34,544,718) Equity shares of Rs 10 each in KSK Surya Photovoltaic Venture Limited.	345.45	345.45
1,800,000 (31 March 2015: Nil) Equity shares of Rs 10 each in KSK Wind Power Aminabhavi Chikodi Private Limited	180.00	-

Continued

	As at 31 March 2016	As at 31 March 2015
1,059,280 [31 March 2015: 1,059,280] Equity shares of NRs 100 (Rs.62.50) each in Tila Karnali Hydro Electric Company Private Limited.	66.20	66.20
98,077 [31 March 2015: 13,077] Equity shares of NRs 100 (Rs.62.50) each in Bheri Hydro Power Company Private Limited.	6.13	0.82
Investments in preference shares (unquoted, fully paid up)		
Investment in subsidiary		
4,410,000 [31 March 2015: 4,410,000] 16% optionally convertible cumulative redeemable preference shares of Rs.10 each in KSK Wind Energy Private Limited.	145.53	145.53
4,760,000 [31 March 2015: 4,760,000] 6% convertible preference shares of Rs 10 each in Sai Regency Power Corporation Private Limited.	238.00	238.00
844,320 [31 March 2015: 761,600] 12% cumulative redeemable preference shares of NRs 100 (Rs 62.50) each in Tila Karnali Hydro Electric Company Private Limited	52.77	47.60
14,850,769 [31 March 2015: 14,850,769] 0.01% Class B cumulative redeemable preference shares of Rs 10 each in Sai Wardha Power Limited.	148.51	148.51
17,107,223 [31 March 2015: 17,107,223] 0.01% Class A redeemable preference shares of Rs 10 each in Sai Wardha Power Limited.	171.07	171.07
129,000,000 [31 March 2015: 129,000,000] 15% Cumulative redeemable preference shares of Rs 10 each in Sai Wardha Power Limited.	1,290.00	1,290.00
Investments in Debentures (unquoted, fully paid up)		
Investment in subsidiary		
7,350,000 [31 March 2015: 7,350,000] 0.01% Optionally convertible redeemable debentures of Rs 10 each in JR Power Gen Private Limited.	73.50	73.50
1,540,000 [31 March 2015: 1,540,000] 0.01% Optionally convertible redeemable debentures of Rs 10 each in KSK Dibbin Hydro Power Private Limited.	15.40	15.40
Investments in Warrants (unquoted, partly paid up)		
Investment in subsidiary		
123,000,000 [31 March 2015: 123,000,000] Warrants of Rs 10 each, partly paid up in KSK Surya Photovoltaic Venture Limited.	615.00	615.00
	39,124.47	36,410.83

Aggregate value of unquoted investment as at 31 March 2016: Rs. 39,124.47 (31 March 2015: Rs. 36,410.83)

13 Deferred tax - net

	As at 31 March 2016	As at 31 March 2015
on carry forward of losses	75.54	75.54
expenses allowed / disallowed	(7.49)	(7.49)
on depreciation	5.78	5.78
Deferred tax- net	73.83	73.83

14 Loans and advances

	As at 31 March 2016	As at 31 March 2015
Long-term loans and advances		
Unsecured, considered good		
Capital advances	20.50	96.30
Prepaid expenses	0.17	0.10
Advance for investments	101.70	87.89
Loans and advances	719.56	2,448.20
Advance tax and TDS receivable (net of provision for tax)	233.86	284.01
	1,075.79	2,916.50
Short-term loans and advances		
Unsecured, considered good		
Loans and advances	279.79	279.17
Advances for supplies / expenses	2.16	1.30
Prepaid expenses	6.18	7.99
Other receivables	201.46	431.18
Security deposits	19.77	19.78
Unsecured, considered doubtful		
Other receivables	115.49	-
Less: Provision for doubtful debts	(59.24)	-
	565.61	739.42
	1,641.40	3,655.92

Note :

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

The following table sets out the status of the gratuity plan as required under AS 15 (Revised)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	As at 31 March 2016	As at 31 March 2015
Present value of obligation at the beginning of the year	5.22	5.25
Interest cost	0.41	0.46
Current service cost	0.10	0.27
Actuarial loss/(gain) on obligation	(1.48)	(0.76)
Present value of obligation at the end of the year	4.25	5.22

Change in fair value of assets

	As at 31 March 2016	As at 31 March 2015
Fair value of plan assets at the beginning of the year	8.12	7.29
Expected return on plan assets	0.73	0.66
Contributions	0.02	0.17
Actuarial gain/(loss) on plan assets	(0.05)	-
Fair value of plan assets at the end of the year	8.82	8.12

Experience history

	Year ended				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Actuarial (gain) / losses	(1.43)	(0.77)	(0.37)	(0.17)	(5.03)
Experience adjustment					
On account of change in assumption	(0.01)	0.34	(0.47)	(0.02)	0.07
On account of change in experience	(1.47)	(1.11)	0.07	(0.15)	(5.10)
On plan assets	0.05	-	0.03	-	-

Amounts recognised in the balance sheet

	As at 31 March 2016	As at 31 March 2015
Present value of obligation as at the end of the year	4.25	5.22
Fair value of plan assets at the end of the year	8.82	8.12
Net asset/(liability) recognised in the balance sheet	4.57	2.90

Amounts recognised in statement of profit and loss

	Year ended 31 March 2016	Year ended 31 March 2015
Current service cost	0.10	0.27
Interest cost	0.41	0.46
Expected return on plan assets	(0.73)	(0.66)
Net actuarial (gain) / loss recognised for the period	(1.43)	(0.76)
Expenses/(benefits) recognised in the statement of profit and loss	(1.65)	(0.69)

Asset information

Category of Assets	As at 31 March 2016	As at 31 March 2015
Insurer managed funds	100%	100%

Summary of actuarial assumptions

	As at 31 March 2016	As at 31 March 2015
Discount rate	7.80%	7.77%
Salary escalation	10.00%	10.00%
Expected return on plan asset	8.35%	9.00%
Attrition rate	15.00%	15.00%

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

Expected rate of return on planned assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

15 Other assets

	As at 31 March 2016	As at 31 March 2015
Other non-current assets		
Unsecured, considered good		
Long term trade receivables	230.00	230.00
Unamortised portion of ancillary cost of arranging the borrowings	22.60	19.28
Interest accrued on deposits and advances	0.23	0.31
Balances with banks		
Deposits with bank held as margin money or security against guarantee or borrowings	3.60	0.95
	256.43	250.54
Other current assets		
Unsecured, considered good		
Interest accrued on deposits and advances	176.00	6.41
Unamortised portion of ancillary cost of arranging the borrowings	3.77	2.37
Balances with statutory authorities	45.62	8.24
	225.39	17.02
	481.82	267.56

16 Trade receivables

	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Other debts	930.22	110.29
	930.22	110.29

NOTES TO FINANCIAL STATEMENTS (CONTINUED.)

[All amounts in Indian Rupees million, except share data and where otherwise stated]

17 Cash and bank balances

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash on hand	0.26	0.17
Balances with banks		
On current accounts	53.58	698.52
	53.84	698.69
Other bank balances		
Deposits with bank held as margin money or security against guarantee or borrowings	283.71	117.53
	283.71	117.53
	337.55	816.22

18 Revenue from operations

	Year ended 31 March 2016	Year ended 31 March 2015
Project development fees	-	67.46
Corporate support services fees	217.89	367.80
	217.89	435.26

19 Other income

	Year ended 31 March 2016	Year ended 31 March 2015
Miscellaneous income	8.34	0.97
	8.34	0.97

20 Employee benefits expense

	Year ended 31 March 2016	Year ended 31 March 2015
Salaries and wages	48.74	53.24
Contribution to provident and other funds	0.36	0.30
Staff welfare expenses	3.45	3.31
	52.55	56.85

21 Other expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Rent	7.51	7.01
Rates and taxes	0.87	1.14
Printing and stationery	1.54	3.60
Communication expenses	3.60	3.81
Office expenses	5.22	7.95
Travel and conveyance	4.13	1.82
Insurance charges	0.36	1.58
Legal and professional charges	9.46	14.29
Auditors' remuneration		
audit fees	2.00	2.00
for certification	0.05	0.05
for tax related matters	-	0.07
Repair and maintenance		
building	0.06	0.15
others	6.05	4.47
Electricity expenses	2.20	1.94
Directors sitting fees	0.62	0.44
Advances/receivable written off	-	47.52
Provision for doubtful receivables	59.24	-
Foreign exchange fluctuations	1.85	0.01
Corporate social responsibility	10.00	5.00
Miscellaneous expenses	2.89	3.54
	117.65	106.39

22 Finance cost (net):

	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense	927.38	490.18
Other borrowing cost	31.51	15.88
	958.89	506.06
Less: Interest income	357.70	126.85
	601.19	379.21

23 Contingent liabilities:

	As at 31 March 2016	As at 31 March 2015
i) Bank guarantees and letter of credits outstanding	3,000.87	3,732.36
ii) Corporate guarantees outstanding	32,457.51	32,882.93

iii) Service tax department has issued demand order to the Company for payment of service tax amounting to Rs 505.64 (including penalty) relating to the disagreement on availment of Cenvat Credit for the period April 2008 to September 2010 and non-payment of service tax. Further, an amount of Rs. 26.88 (31 Mar 2015: Rs.26.88) has been paid against the demand under protest and the balance demand is stayed. However, the Company believes that the claims raised by the department are not tenable and the Company has filed an appeal against the said order before the CESTAT.

iv) The Company has received a net demand of Rs. 280.26 (31 March 2015 :Rs 280.26) (including interest) from income tax department for Assessment Year 2010-11 pursuant to disallowance of certain claims / expenses against which an amount of Rs. 114.85 (31 March 2015: Rs. 114.85) has been paid under protest. Challenging the order, Company filed an appeal before CIT (appeals) who allowed the appeal on majority of the issues and consequently the assessing officer refunded the above amount paid under protest. The Company as well as the Department are in further appeal before the ITAT.

24 Expenditure in foreign currency on accrual basis

	Year ended 31 March 2016	Year ended 31 March 2015
Foreign travel	0.16	0.75
	0.16	0.75

25 Unhedged foreign currency exposure :

Particulars of unhedged foreign currency exposure:

	As at 31 March 2016	As at 31 March 2015
Payable	241.30	-
	US \$ 3.64	-
Receivable	246.13	-
	US \$ 3.71	-

26 Earnings/(loss) per share (EPS)

The Computation of EPS as per AS 20 is set out below:

	Year ended 31 March 2016	Year ended 31 March 2015
Net profit/(loss) after tax	(556.47)	(58.67)
Less : Preference dividend and tax thereon	(16.35)	(45.29)
Net profit/(loss) attributable to shareholders for basic / diluted EPS	(572.82)	(103.96)
Weighted average number of shares outstanding for the purpose of calculation of basic and diluted EPS	423.89	405.42
Earnings/(loss) per share – basic/diluted (in Rs.)	(1.35)	(0.26)

27 Related party Disclosures:

a) Parties where control exists

Name of the party	Relationship
K&S Consulting Group Private Limited	Ultimate holding company
KSK Power Venture plc	Step-up holding company
KSK Energy Limited	Holding company
KSK Electricity Financing India Private Limited	Subsidiary company
J R Power Gen Private Limited	Subsidiary company
KSK Dibbin Hydro Power Private Limited	Subsidiary company
Kameng Dam Hydro Power Limited	Subsidiary company
KSK Narmada Power Company Private Limited	Subsidiary company
KSK Wind Energy Private Limited	Subsidiary company
KSK Vidarbha Power Company Private Limited	Subsidiary company
KSK Surya Photovoltaic Venture Limited	Subsidiary company
Sai Maithili Power Company Private Limited	Subsidiary company
KSK Wardha Infrastructure Private Limited	Subsidiary company
KSK Mahanadi Power Company Limited	Subsidiary company
KSK Upper Subansiri Hydro Energy Limited	Subsidiary company
KSK Dinchang Power Company Private Limited	Subsidiary company
KSK Jameri Hydro Power Private Limited	Subsidiary company
Tila karnali Hydro Electric Power Company Limited	Subsidiary company
Bheri Hydro Power Company Private Limited	Subsidiary company
Sai Regency Power Corporation Private Limited	Subsidiary company
VS Lignite Power Private Limited	Subsidiary company
Sai Wardha Power Limited	Subsidiary company
Sai Power pte Limited	Subsidiary company
KSK Wind Power Aminabhavi Chikodi Private Limited	Subsidiary company
Sai Lilagar Power Limited (Arasmeta Captive Power Company Limited)	Subsidiary company
Global Coal Sourcing Plc	Subsidiary company
Field Mining and Ispats Limited	Subsidiary company

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

Name of the party	Relationship
Sitapuram Power Limited	Joint venture
KSK Mineral Resources Private Limited	Fellow subsidiary
KSK Energy Company Private Limited	Fellow subsidiary
KSK Green Energy pte Ltd	Fellow subsidiary
KSK Water Infrastructures Private Limited*	Associate
Raigarh Champa Rail Infrastructure Private Limited*	Associate
KSK Energy Resources Private Limited	Fellow subsidiary

* Fellow subsidiary upto 29 March 2016

c) Key Management personnel

Name of the party	Relationship
Mr. S. Kishore	Whole-time Director
Mr. K. A. Sastry	Whole-time Director

d. Particulars of related party transactions

S.No	Particulars	31 March 2016				
		Holding company/ Ultimate holding company	Subsidiaries	Joint venture	Fellow subsidiaries	KMP
I. Transactions						
1	Project development and corporate support fees	-	213.59	4.30	-	-
2	Interest Income	-	276.42	-	2.55	-
3	Interest expense	-	6.62	-	-	-
4	Sale of goods	-	239.04	-	-	-
5	Loans and advance given/(repaid) (including advance for investments)	1,376.63	(306.82)	-	(1.40)	-
6	Loans/security deposits taken/(repaid)	26.42	77.91	-	-	-
7	Managerial remuneration	-	-	-	-	18.00
II. Balances						
1	Amount receivable	-	1,540.37	1.12	-	-
2	Amount Payable	26.42	1,909.44	230.00	-	-
3	Managerial remuneration payable	-	-	-	-	1.06

S.No	Particulars	31 March 2015				
		Holding company/ Ultimate holding company	Subsidiaries	Joint venture	Fellow subsidiaries	KMP
I. Transactions						
1	Project development and corporate support fees	-	430.96	4.30	-	-
2	Interest Income	-	106.83	1.07	5.85	-
3	Sale of fixed assets	-	-	-	0.43	-
4	Loans and advance given / (repaid) (including advance for investments)	-	1,737.76	-	(10.10)	-
5	Loans/security deposits taken / (repaid)	-	-	230.00	(590.41)	-
6	Managerial remuneration	-	-	-	-	16.80
II. Balances						
1	Amount receivable	-	2,844.64	3.16	1.40	-
2	Amount Payable	-	1,825.58	230.00	-	-
3	Managerial remuneration payable	-	-	-	-	0.28

e) Disclosure of loans and advances to subsidiaries pursuant to Clause 32 of the listing agreement:

Particulars	Amount outstanding as at		Maximum outstanding during the year 31 March 2016
	31 March 2016	31 March 2015	
I Loans and advances in the nature of loans given to subsidiaries			
KSK Dibbin Hydro Power Private Limited	-	2.80	2.80
KSK Narmada Power Company Private Limited	16.65	16.65	16.65
KSK Vidarbha Power Company Private Limited	2.05	2.02	2.05
KSK Dinchang Power Company Private Limited	-	13.90	18.10
KSK Jameri Hydro Power Private Limited	-	8.40	12.30
Sai Lilagar Power Limited	751.08	2,513.20	2,532.10
Sai Wardha Power Limited	-	169.00	887.11
KSK Electricity Financing India Private Limited	1.37	-	515.88
KSK Mahanadi Power Company Limited	226.57	-	227.10
Sai Regency Power Corporation Private Limited	1.63	-	1.63
Total	999.35	2,725.97	
II Loans and advances in the nature of loans where interest is not charged or charged below bank rate			
KSK Dibbin Hydro Power Private Limited	-	2.80	2.80
KSK Narmada Power Company Private Limited	16.65	16.65	16.65
KSK Vidarbha Power Company Private Limited	2.05	2.02	2.05
KSK Dinchang Power Company Private Limited	-	13.90	18.10
KSK Jameri Hydro Power Private Limited	-	8.40	12.30
KSK Electricity Financing India Private Limited	1.37	-	515.88
KSK Mahanadi Power Company Limited	226.57	-	227.10
Sai Regency Power Corporation Private Limited	1.63	-	1.63
Total	248.27	43.77	

III Loans to employees as per Company's policy are not considered.

* The above loans & advances to subsidiary fall under the category of loans & advances in the nature of loans where there is no repayment schedule and are repayable on demand.

^ Excludes interest accrued.

f) Equity held in subsidiaries and step down subsidiary have been disclosed under "Non current Investment", (see note no 12).

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

h) Corporate Guarantees of Rs. 40,930.97 [31 March 2015 Rs.44,195.06], Bank guarantees of Rs. 3,386.60 [31 March 2015 Rs.3,783.75] and Letter of credit limits of Rs. 1,444.20 [31 March 2015 Rs.1,766.66] has been given by the Company on behalf of subsidiaries and fellow subsidiaries.

i) Corporate Guarantees of Rs. 9,039.00 [31 March 2015 Rs.10,300.00] has been given by step-up holding and holding Company on behalf of the Company.

- 28 The company is primarily engaged in the business of providing project development and corporate support services. Accordingly there are no reportable segment as per accounting standard 17 notified under the Companies Act, 2013.
- 29 Expenditure incurred on Corporate Social Responsibility (CSR)
 As per Section 135 of the Companies Act, 2013 the Company is required to spend a minimum amount of Rs 1.03 towards CSR activities for the year ended 31 March 2016 and an amount of Rs 10.00 was spent during the year.
- 30 In the opinion of board, any of the assets other than fixed assets and non-current investment have a value on realization in the ordinary course of business at least equal to the amount at which they are stated on the Balance Sheet.
- 31 Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

As per our report of even date
For Umamaheswara Rao & Co.,
 Chartered Accountants
 Firm Registration No: 004453S

for and on behalf of the Board

Sd/-
S. Venugopal
 Partner
 Membership No: 205565

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

Sd/-
K. A. Sastry
 Whole-time Director
 DIN - 00006566

Sd/-
V. Sambasiva Rao
 Chief Financial officer

Sd/-
M. S. Phani Sekhar
 Company Secretary

Place: Hyderabad
 Date: 30 May 2016

To,

The Members of KSK Energy Ventures Limited,

Report on the Consolidated Financial Statements.

We have audited the accompanying Consolidated financial statements of KSK Energy Ventures Limited ('the Company') and its Subsidiaries and Jointly controlled entity (collectively referred as 'the Group') comprising of the Consolidated Balance Sheet as at 31st March 2016, the consolidated statement of Profit and Loss, the Consolidated Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, hereinafter referred to as "the consolidated Financial Statements".

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Other Matters:

1. We did not audit the financial statements / financial information of eighteen subsidiaries, one jointly controlled entities whose financial statements /financial information reflect total assets of Rs. 18,487 million as at 31st March, 2016, total revenue of Rs. 2,833 million and net cash out flows amounting to Rs. 128 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 503 million for the year ended 31st March, 2016, as considered in the consolidated financial statements, whose financial statements/financial information have not been audited by us.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity, associates and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled entity incorporated in India, none of the directors of the subsidiary companies and jointly controlled entity incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with the generally accepted accounting practice - Refer Note 28 to the Financial Statements.
 - (ii) The Group have made provision, as required under the applicable law or accounting standards, for foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 12, 28 & 32 to the financial statements
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **Umamaheswara Rao & Co.,**
Chartered Accountants

Sd/-

S. Venugopal

Partner

ICAI MRN: 205565

FRN 004453S

Hyderabad

Date: May 30, 2016

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of KSK Energy Ventures Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **UmamaheswaraRao & Co.,**
Chartered Accountants

Sd/-

S. Venugopal

Partner

ICAI MRN: 205565

FRN 004453S

Hyderabad

Date: May 30, 2016

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016

[All amounts in Indian Rupees million, except share data and where otherwise stated]

	Note	As at 31 March 2016	As at 31 March 2015
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	4	4,239.86	4,562.49
(b) Reserves and surplus	5	21,975.49	26,507.36
(c) Money received against share warrants	6	1,728.96	1,776.60
		27,944.31	32,846.45
2 Minority interest	7	7,451.11	6,091.64
3 Non-current liabilities			
(a) Long-term borrowings	8	169,202.91	158,492.30
(b) Deferred tax liabilities (net)	9	136.30	107.24
(c) Other long term liabilities	10	1,824.83	2,000.92
(d) Long-term provisions	12	471.05	36.88
		171,635.09	160,637.34
4 Current liabilities			
(a) Short-term borrowings	8	23,943.04	15,900.77
(b) Trade payables	11	9,542.13	5,077.19
(c) Other current liabilities	13	29,158.04	23,698.09
(d) Short-term provisions	12	78.91	360.63
		62,722.12	45,036.68
		269,752.63	244,612.11
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	14		
(i) Tangible assets		137,726.61	137,354.08
(ii) Intangible assets		3,262.86	1,963.54
(iii) Capital work in progress		57,382.65	52,840.76
(iv) Intangible assets under development		33.31	33.31
(b) Non-current investments	15	1,275.03	215.81
(c) Deferred tax assets (net)	9	9,466.23	8,015.70
(d) Long-term loans and advances	16	8,644.65	6,606.54
(e) Other non-current assets	17	5,873.56	3,388.41
		223,664.90	210,418.15
2 Current assets			
(a) Current investments	15	335.41	152.33
(b) Inventories	18	2,543.72	1,750.69
(c) Trade receivables	19	23,327.82	9,226.69
(d) Cash and bank balances	20	7,526.31	9,696.70
(e) Short-term loans and advances	16	9,323.10	9,088.71
(f) Other current assets	17	3,031.37	4,278.84
		46,087.73	34,193.96
		269,752.63	244,612.11

See accompanying notes to Consolidated financial statements

As per our report of even date

For **Umamaheswara Rao & Co.,**

Chartered Accountants

Firm Registration No: 004453S

for and on behalf of the Board

Sd/-

S. Venugopal

Partner

Membership No: 205565

Sd/-

S. Kishore

Whole-time Director

DIN - 00006627

Sd/-

K. A. Sastry

Whole-time Director

DIN - 00006566

Sd/-

V. Sambasiva Rao

Chief Financial officer

Sd/-

M. S. Phani Sekhar

Company Secretary

Place: Hyderabad

Date: 30 May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

[All amounts in Indian Rupees million, except share data and where otherwise stated]

	Note	Year ended 31 March 2016	Year ended 31 March 2015
I Revenue from operations	21	43,603.09	23,804.34
II Other income	22	587.45	423.70
III Total revenue (I+II)		44,190.54	24,228.04
IV Expenses			
Cost of fuel consumed	23	20,862.44	12,930.53
Manufacturing expenses	24	3,516.59	1,911.26
Employee benefits expenses	25	876.16	618.87
Other expenses	26	2,427.63	3,449.47
Finance costs	27	17,494.94	10,449.73
Depreciation and amortisation expenses	14	5,367.56	3,183.26
Total expenses		50,545.32	32,543.12
V Profit / (loss) before exceptional items and tax (III - IV)		(6,354.78)	[8,315.08]
VI Exceptional items		-	[3.67]
VII Profit / (loss) before tax (V - VI)		(6,354.78)	(8,318.75)
VIII Tax expense / (income)			
Current tax			
For the year		69.06	49.54
In respect of earlier years		5.21	4.07
Less : MAT credit entitlement		(68.86)	(23.50)
Deferred tax		[1,421.48]	[4,653.61]
Total tax expense / (income)		(1,416.07)	(4,623.50)
IX Profit / (loss) for the year before minority interest (VII - VIII)		(4,938.71)	(3,695.25)
Minority interest		[376.59]	[493.45]
Profit / (loss) for the year after minority interest		(4,562.12)	(3,201.80)
X Earnings / (loss) per share:			
Basic and diluted -face value of Rs 10 per share (Rs.)		(10.80)	(8.01)

See accompanying notes to Consolidated financial statements

As per our report of even date
For **Umamaheswara Rao & Co.,**
Chartered Accountants
Firm Registration No: 004453S

for and on behalf of the Board

Sd/-
S. Venugopal
Partner
Membership No: 205565

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

Sd/-
K. A. Sastry
Whole-time Director
DIN - 00006566

Sd/-
V. Sambasiva Rao
Chief Financial officer

Sd/-
M. S. Phani Sekhar
Company Secretary

Place: Hyderabad
Date: 30 May 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

[All amounts in Indian Rupees million, except share data and where otherwise stated]

	31 March 2016	31 March 2015
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before tax	(6,354.78)	(8,318.75)
Adjustments for		
Depreciation and amortisation expenses	5,367.56	3,183.26
Finance cost	17,494.94	10,449.73
Interest income	(505.59)	(332.80)
Dividend income	(17.67)	(4.52)
(Profit) / loss on sale of assets, net	0.50	367.70
Bad debts / advances written off / provision for doubtful debts	495.46	1,694.37
Impairment of goodwill and fixed assets	-	148.01
Foreign exchange differences	19.64	20.41
Liability no longer required written back	(4.62)	(564.23)
Others, net	1.50	-
Operating profit before working capital changes	16,496.94	6,643.18
Adjustments for working capital		
Inventories	(793.03)	(257.17)
Trade receivables	(14,450.53)	(278.16)
Loan and advances	(1,171.27)	(502.69)
Other assets	49.81	(158.47)
Trade payables	4,461.56	87.77
Other liabilities and provisions	196.78	(264.31)
Cash generated from operations	4,790.26	5,270.15
Income tax (paid) / refunded	(31.15)	(216.78)
Net cash from operating activities	4,759.11	5,053.37
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress and capital advances	(1,907.79)	(13,673.42)
Sale of fixed assets	10.16	51.80
Refund/ advance received against sale of assets, net	150.00	(708.00)
Acquisition of minority interest / dilution of interest in subsidiaries, net	(1,307.64)	(369.95)
Acquisition of subsidiaries	(182.99)	(344.86)
(Purchase) / sale of current investments, net	(176.99)	(152.33)
(Investment) / redemption of bank deposit (having original maturity more than three months)	(0.89)	111.46
(Investment) / redemption of bank deposit (held as margin money or security against guarantees or borrowings)	667.86	(476.93)
Loans and advances to related party - given / repaid, net	(307.29)	(52.76)
Inter corporate deposit - given / repaid, net	-	20.00
Interest received	740.97	836.78
Dividend received	15.99	18.04
Net cash used in investing activity	(2,298.61)	(14,740.17)

Continued

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016 (continued..)

[All amounts in Indian Rupees million, except share data and where otherwise stated]

	31 March 2016	31 March 2015
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue, net of share issue expenses	124.29	4,824.05
Redemption of preference share capital	(448.17)	(411.26)
Money received against share warrants	-	1,776.60
Proceeds from share issue and application money in subsidiary	126.75	153.14
Repayment of share application money in subsidiary	-	(877.40)
Payment of dividend and dividend tax	(26.69)	(57.72)
Proceeds from long term borrowings	12,981.54	45,637.24
Repayment of long term borrowings	(3,156.18)	(16,915.50)
Proceeds / (repayment) from short term borrowings, net	7,181.87	(2,662.50)
Proceed from / (repayment of) other liabilities	1,165.04	692.31
Payment of finance costs	(22,089.39)	(21,980.28)
Net cash from / (used in) financing activities	(4,140.94)	10,178.68
Net increase / (decrease) in cash and cash equivalents	(1,680.44)	491.88
Effect of exchange rate changes	0.14	(3.74)
Cash and cash equivalents at the beginning of the year	2,217.93	1,729.79
Cash and cash equivalents at the end of the year	537.63	2,217.93

Notes

	As at 31 March 2016	As at 31 March 2015
1 Cash and cash equivalents includes:		
Cash in hand	2.37	3.47
Draft on hand	4.00	-
Balances with banks:		
On current account	531.26	2,214.46
	537.63	2,217.93

2 Previous year figures have been regrouped / reclassified to conform to the classification of the current year.

As per our report of even date
For **Umamaheswara Rao & Co.,**
Chartered Accountants
Firm Registration No: 004453S

for and on behalf of the Board

Sd/-
S. Venugopal
Partner
Membership No: 205565

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

Sd/-
K. A. Sastry
Whole-time Director
DIN - 00006566

Sd/-
V. Sambasiva Rao
Chief Financial officer

Sd/-
M. S. Phani Sekhar
Company Secretary

Place: Hyderabad
Date: 30 May 2016

1 Corporate Information

KSK Energy Ventures Limited ("KSKEVL" or the "Company"), its subsidiaries and joint ventures [collectively referred to as 'the Group'] are primarily engaged in the development, operation and maintenance of private sector power projects.

KSKEVL focused its strategy on the private sector power development market, undertaking entire gamut of development, investment construction, operation and maintenance of power plant with supplies initially to heavy industrials operating in India and now branching out to cater to the needs of utilities and others in the wider Indian power sector

2 Significant Accounting Policies

2.1 Accounting convention

The Consolidated Financial Statements of KSK Energy Ventures Limited and its Subsidiaries and Joint Ventures ("the Group" or "the Company") have been prepared and presented under the historical cost convention on the accrual basis in accordance with Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises accounting standards notified by the Central Government of India under Section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India.

2.2 Use of estimates

The preparation of the Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure relating to contingent liabilities on the date of Consolidated Financial Statements and reported amounts of income and expenditure for the period. Actual results could differ from these estimates. Examples of such estimates include provision for doubtful debt, future obligation under employee retirement benefit plan, income taxes, useful life of fixed assets, etc. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.3 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The method of determining the costs of various categories of inventories are as follows:

Fuel	Weighted average
Stores, spares and consumables	First-in-first-out

2.4 Cash flow statement

Cash flow statement is reported using the indirect method, where by the net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated and presented separately.

2.5 Revenue recognition

Revenue in the form of project development fees for services rendered in relation to development work of potential power projects is recognized when such fees is assured and determinable under the terms of the respective contract.

Corporate Support Service income is recognized when such income is assured and determinable under the terms of the respective contract.

Consultancy income is recognized in proportion with the degree of completion of contract.

Dividend income is recognized when the unconditional right to receive the income is established.

Interest is recognized using the time proportionate method, based on the underlying interest rates.

Sale of energy is recognized on accrual basis in accordance with the relevant agreements.

Insurance claims are accounted based on certainty of realization.

Revenue from sale of scrap and fly ash is accounted for as and when sold.

2.6 Fixed assets and depreciation

Fixed assets are stated at cost of acquisition. Cost of acquisition is inclusive of freight, duties, levies and all incidentals directly or indirectly attributable to bringing the asset to its working condition for its intended use. Cost of fixed assets includes cost of initial warranty/insurance spares purchased along with the capital asset, which are grouped as single item under respective assets.

Machinery spares of the nature of capital spares are capitalized at the time of their purchase whether procured at the time of purchase of the fixed asset concerned or subsequently. Where such spares are replaced, the carrying cost of the worn out spares are written off. The total cost of such capital spares is allocated on a systematic basis over a period not exceeding the useful life of the principal item.

Depreciation is computed based on the useful life of the assets as prescribed in schedule II of the Companies Act 2013, except for plant and machinery and building used in generation and distribution of power where the useful life is determined based on assessment made by internal technical team. Further, useful life of major component of assets is assessed separately for the purpose of computation of depreciation. Depreciation is calculated using straight line method. Depreciation is calculated on a pro-rata basis from the date of installation / capitalization till the date the assets are sold or disposed. Assets costing up to Rs. 10,000/- are fully depreciated in the year of capitalization / acquisition

Depreciation on initial / warranty spares are provided on the same rates applicable for that asset group, irrespective of its actual usage.

Intangible assets, viz., computer software is recognized as per the criteria specified in the Accounting Standard (AS) 26 "Intangible Assets" notified by the Central Government of India under Section 133 of the Companies Act, 2013 and is amortized over a period of three years.

Leasehold improvements are amortized over the lease period.

2.7 Mining assets

Development expenditure incurred by the Company is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure. Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the development expenditure and classified under capital work in progress. A development of mineral assets under capital work in progress is reclassified as a "mining asset" at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management. No depreciation is recognised in respect of capital work in progress until they are reclassified as "mining asset".

When further development expenditure is incurred in respect of a mining property after the commencement of production, such expenditure is carried forward as part of the mining property when it is probable that additional future economic benefits associated with the expenditure will flow to the consolidated entity. Otherwise such expenditure is classified as a cost of production. Amortisation is charged using the units-of production method. The units -of- production basis results in a depreciation charge proportional to the depletion of proved and probable reserves.

2.8 Stripping costs

Stripping costs incurred during the production stage of a mine are deferred when this is considered the most appropriate basis for matching the costs against the related economic benefits. The amount deferred is based on the waste-to-ore ratio ('stripping ratio'), which is calculated by dividing the tonnage of waste mined by the quantity of ore mined. Stripping costs incurred in a period are deferred to the extent that the current period ratio exceeds the expected life-of mine-ratio. Such deferred costs are then charged to the income statement to the extent that, in subsequent periods, the current period ratio falls below the life-of mine-ratio. The life-of-mine stripping ratio is calculated based on proved and probable reserves. Any changes to the life-of-mine ratio are accounted for prospectively.

2.9 Capital work in progress

The cost of fixed assets not ready for their intended use before such date is disclosed under capital work in progress.

Capital work in progress is carried at cost and incidental and attributable expenses including interest and depreciation on fixed assets in use during construction are carried as part of "expenditure during construction period, pending allocation" to be allocated on major assets on commissioning of the project.

In respect of supply-cum-erection contracts, the value of supplies received at site and accepted is treated as capital work in progress.

Claims for price variation / exchange variation in case of contracts are accounted for on acceptance.

2.10 Foreign currency transaction

Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

At the Balance Sheet date, foreign currency monetary items are reported using the closing / contracted rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

Exchange differences arising on account long-term foreign currency monetary items related to the acquisition/construction of fixed assets are capitalised and depreciated over the remaining useful life of the asset.

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item.

The premium or discount on forward exchange contract and currency options are amortised and recognised as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain / loss arising on forward contracts which are long-term foreign currency monetary items is recognised in accordance with above paragraphs.

All other exchange differences are recognised as income or as expenses in the period in which they arise.

2.11 Derivative Contracts

The Company enters into derivative contracts in the nature of foreign currency options, interest rate swaps and forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for foreign currency transactions. All other derivative contracts are marked-to market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.12 Investments

Long-term investments, other than investments in associates, are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

2.13 Employee retirement benefits

Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution scheme. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee salary. The contribution made by the Company is charged to the Statement of Profit and Loss.

Gratuity

In accordance to the Payment of Gratuity Act, 1972, the Group provides for the gratuity, a defined benefit retirement plan ("the gratuity plan") covering the eligible employees. The gratuity plan provides for a lump sum payment to the vested employees at retirement, death, incapacitation or termination of the employment, of an amount based on the respective employee salary and the tenure of the employment within the Group.

Liabilities with regard to the gratuity plan are determined by independent actuary. The Group makes annual contribution to employee's group gratuity scheme administered by trustees and managed by Life Insurance Corporation of India.

The Group recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits".

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

2.14 Borrowing cost

Borrowing costs include interest on borrowings and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

2.15 Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized. If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Lease that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as

expense as and when the payments are made over the lease term.

2.16 Earnings per share

Basic earnings per share are computed by dividing the net profit or loss after tax attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, net profit or loss after tax attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.17 Taxes on income

Income tax expense/(income) comprises of current tax, deferred tax and Minimum Alternative Tax (MAT) credit.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

The break-up of the deferred tax assets and liabilities as at the Balance Sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

MAT credit

MAT credit is recognized as an asset only when, and to the extent, there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.18 Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

2.19 Provisions and contingencies

Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Onerous contract

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

3 Basis of accounting

3.1 Basis of accounting

The financial statements of the Subsidiary / Associates / Joint Venture Companies in the consolidation are drawn up to the same reporting date as that of the Company.

The Consolidated Financial Statements have been prepared in accordance with Accounting Standards (AS) 21 "Consolidated Financial Statements", (AS) 23 "Accounting for Investments in Associates" and (AS) 27 "Financial Reporting of Interest in Joint Ventures", notified by the Central Government of India under section 133 of Companies Act, 2013.

3.2 Principles of consolidation

The Consolidated Financial Statements have been prepared as per the following principles:

The financial statements of the Company and its Subsidiaries are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and unrealized profits or losses.

The Consolidated Financial Statements include the interest of the Company in Joint Ventures, which has been accounted for using the proportionate consolidation method of accounting whereby the Company's share of each of assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line item.

Preference share capital in Joint Venture entities and share application money in subsidiaries held by the outsiders, shown separately together with minority interest under note 7 to Balance Sheet.

The Group accounts for investments by the equity method of accounting where it is able to exercise significant influence over the operating and financial policies of the investee. Inter company profits and losses have been proportionately eliminated until realized by the investor or investee.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to the accounts.

The difference between the cost of investment in the Subsidiary / Joint Venture and the share of net assets at the time of acquisition of shares is identified in the financial statements as goodwill or capital reserve as the case may be.

Minority interests share of profit of consolidated subsidiaries is identified and adjusted against income of the group in order to arrive at the surplus attributable to the shareholders of the Company.

[All amounts in Indian Rupees million, except share data and where otherwise stated]

3.3 Particulars of Subsidiaries, Joint Ventures and Associates:

[% of Shareholding]

S. No.	Name of the Company	Country of incorporation	31 March 2016	31 March 2015
Subsidiary Companies				
1	KSK Narmada Power Company Private Limited	India	100	100
2	KSK Wind Energy Private Limited	India	100	100
3	KSK Vidarbha Power Company Private Limited	India	100	100
4	KSK Wardha Infrastructure Private Limited	India	100	100
5	Sai Maithili Power Company Private Limited	India	76	76
6	KSK Dibbin Hydro Power Private Limited (Refer note a)	India	70	81.01
7	Kameng Dam Hydro Power Limited	India	100	100
8	Sai Lilagar Power Limited (formerly Arasmeta Captive Power Company Limited)	India	100	100
9	KSK Electricity Financing India Private Limited	India	100	100
10	VS Lignite Power Private Limited	India	83.75	83.75
11	Sai Regency Power Corporation Private Limited	India	73.92	73.92
12	Sai Wardha Power Limited (Refer note b)	India	83.69	83.93
13	KSK Mahanadi Power Company Limited (Refer note c)	India	84.83	87.35
14	J R Power Gen Private Limited	India	99.87	99.87
15	KSK Upper Subansiri Hydro Energy Limited	India	100	100
16	KSK Jameri Hydro Power Private Limited	India	100	100
17	KSK Dinchang Power Company Private Limited	India	100	100
18	Field Mining and Ispats Limited	India	84.98	84.98
19	KSK Surya Photovoltaic Venture Limited	India	93.23	93.23
20	KSK Wind Power Aminabhavi Chikodi Private Limited (Refer note d)	India	69.95	-
21	Tila Karnali Hydro Electric Company Private Limited	Nepal	80	80
22	Bheri Hydro Power Company Private Limited (Refer note e)	Nepal	99	90
23	Global Coal Sourcing Plc (Refer note f)	Isle of Man	100	-
24	Sai Power Pte LTD	Singapore	100	100
Joint Venture Company				
25	Sitapuram Power Limited	India	49	49
Associates				
26	Raigarh Champa Rail Infrastructure Private Limited (Refer note g)	India	49	-
27	KSK Water Infrastructures Private Limited (Refer note g)	India	35.90	-

a During the year, KSK Dibbin Hydro Power Private Limited ("KDHPPL") has issued 12,650,000 equity shares of face value of Rs. 10 each to North Eastern Electric Power Corporation Limited (NEEPCO) pursuant to share holder agreement entered into between KSK Energy Ventures Limited and NEEPCO. It has resulted in dilution of 11.01% group stake in KDHPPL

b During the year, Sai Wardha Power Limited ("SWPL") has issued 36,740,146 equity shares of face value of Rs. 10 each to the Group and Group has transferred 3,007,237 equity shares of face value of Rs. 10 each to Lupin Limited and 3,891,734 equity shares of face value of Rs. 10 each to Hindustan Petroleum Corporation Limited. Pursuant to above transactions group share in SWPL has decreased from 83.93% to 83.69%.

- c During the year, Group has additionally invested in 249,662,943 equity shares of Rs. 10 each in KSK Mahanadi Power Company Limited ("KMPCL"). Further KMPCL has issued 273,330,000 equity shares of Rs. 10 each to KSK Energy Company Private Limited. Pursuant to the above transactions group share in KMPCL has decreased from 87.35% to 84.83%.
- d During the year, the Company has acquired 1,800,000 equity shares of Rs 10 each (being 69.95 % stake) in KSK Wind Power Aminabhavi Chikodi Private Limited ("KWPACPL"). Consequently KWPACPL has become subsidiary of the KEVL.
- e During the year, the Company has additionally invested 85,000 equity shares of NR 100 each in Bheri Hydro Power Company Private Limited ("BHPCL"). Consequently the Group share in BHPCL has increased from 90% to 99%.
- f During the year, Sai Lilagar Power Limited (SLPL) has acquired 100,000,000 equity shares of ₹ 0.001 each (being 100.00 % stake) in Global Coal Sourcing Plc ("GCSP"). Consequently GCSP has become subsidiary of the SLPL.
- g During the year, KSK Mahanadi, in order to adhere to the stipulated integration of two support infrastructure projects has entered into necessary agreement for 100% acquisition of KSK Water Infrastructures Private Limited ("KSK Water") and Raigarh Champa Rail Infrastructure Private Limited ("Raigarh Champa"). As of closing date acquisition of 35.90% stake in KSK Water and 49% stake in Raigarh Champa could be effectively completed and the balance transfer of shares expected to be completed shortly upon necessary procedural compliances. Consequently, as at closing date, both the companies have become associates for the Group and accounted for accordingly.

4 Share capital

	As at 31 March 2016	As at 31 March 2015
Authorised		
4,000,000,000 (31 March 2015: 4,000,000,000) equity shares of Rs. 10/- each	40,000.00	40,000.00
1,031,500,000 (31 March 2015: 1,031,500,000) preference shares of Rs.10/- each	10,315.00	10,315.00
	50,315.00	50,315.00
Issued, subscribed and paid up		
423,985,774 (31 March 2015: 422,249,194) equity shares of Rs.10/- each fully paid up.	4,239.86	4,222.49
Nil (31 March 2015: 34,000,000) 8% Compulsorily redeemable preference shares of Rs. 10/- each fully paid up.	-	340.00
	4,239.86	4,562.49

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

b Reconciliation of number of shares outstanding

	As at 31 March 2016	As at 31 March 2015
Equity shares		
Outstanding at the beginning of the year	422,249,194	372,630,454
Issued during year to qualified institutional buyers	-	40,404,040
Conversion of warrants issued to promotor group [refer note 6]	1,736,580	9,214,700
Outstanding at the end of the year	423,985,774	422,249,194
8% Compulsorily redeemable preference shares		
Outstanding at the beginning of the year	34,000,000	67,000,000
Redeemed during the year	34,000,000	33,000,000
Outstanding at the end of the year	-	34,000,000

[All amounts in Indian Rupees million, except share data and where otherwise stated]

c Equity shares held by holding company and its subsidiaries

Particulars	As at 31 March 2016	As at 31 March 2015
Holding company		
No of shares held	190,938,342	191,150,109
% of shares held	45.03%	45.27%
Subsidiaries of holding company		
No of shares held	98,086,182	97,225,346
% of shares held	23.13%	23.03%

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

Name of the shareholder	As at 31 March 2016	As at 31 March 2015
Equity shares fully paid up		
KSK Energy Limited		
No of shares held	190,938,342	191,150,109
% of shares held	45.03%	45.27%
KSK Energy Company Private Limited		
No of shares held	78,469,263	79,345,007
% of shares held	18.51%	18.79%
HDFC Trustee Company Limited		
No of shares held	38,145,028	21,253,116
% of shares held	9.00%	5.03%
8% Compulsorily redeemable preference shares fully paid up		
L & T Infrastructure Finance Company Limited		
No of shares held	-	34,000,000
% of shares held	-	100.00%

5 Reserves and Surplus

	As at 31 March 2016	As at 31 March 2015
Capital redemption reserve		
Opening balance	660.00	330.00
Add: Transferred from surplus	340.00	330.00
	1,000.00	660.00
Securities premium		
Opening balance	22,928.64	18,682.04
Add: On allotment of shares	154.56	4,416.07
Less: Share issue expenses	-	88.21
Less: Premium on redemption of preference shares	108.17	81.26
	22,975.03	22,928.64

	As at 31 March 2016	As at 31 March 2015
Foreign currency translation reserve		
Opening balance	(4.40)	(0.66)
Add: Movement during the year	0.20	(3.74)
	(4.20)	(4.40)
Surplus / (deficit)		
Opening balance	2,923.12	6,500.21
Add: (Loss) / profit for the year	(4,562.12)	(3,201.80)
Amount available for appropriations	(1,639.00)	3,298.41
Appropriation's		
Transfer to capital redemption reserve	340.00	330.00
Preference dividend	13.56	38.13
Dividend distribution tax	2.78	7.16
	356.34	375.29
Balance	(1,995.34)	2,923.12
	21,975.49	26,507.36

6 Money received against share warrants

During the previous year, the Company has issued 80,808,080 Warrants of face value of Rs. 10 each to KSK Power Holdings Limited ("KPHL") with an option to apply for and be allotted equivalent number of equity shares of the face value of Rs 10/- each at a premium of Rs 89/- each on a preferential basis. Pursuant to the same, during September 2014, Company has received an amount of Rs 2,006.97 from KPHL towards initial subscription amount (being 25% of total amount). During March 2015 and April 2015, pursuant to the exercise of option attached to these warrants, the company has received an aggregate amount of Rs. 806.16 as consideration towards issue and allotment of 10,951,280 equity shares of face value of Rs 10/- each (being balance 75% of the issue price of Re.99 per equity share). The Company has utilized the entire proceeds of the preferential issue towards meeting its capital expenditure / working capital requirements in accordance with the objects of the said issue.

Subsequent event:

KPHL has not exercised the right of conversion of balance 6,98,56,800 share warrants within stipulated time i.e. 17th April 2016. Accordingly, as per the terms of issue, the warrants has lapsed and Rs. 1,728.96 received as subscriber's money towards the 6,98,56,800 share warrants will be forfeited and will be accounted in financial year 2016-17.

7 Minority Interest

	As at 31 March 2016	As at 31 March 2015
Minority interest	7,415.20	6,055.97
Preference share capital in JV entities held by others	35.20	35.20
Share application money in subsidiaries held by others	0.71	0.47
	7,451.11	6,091.64

[All amounts in Indian Rupees million, except share data and where otherwise stated]

8 Borrowings

	As at 31 March 2016	As at 31 March 2015
Long-term borrowings		
Secured		
Debentures	1,890.00	2,490.00
Term loans		
Rupee loans from banks	94,760.52	84,945.95
Rupee loans from others *	47,653.14	45,879.78
Foreign currency loans	20,373.26	20,526.93
Unsecured		
Debentures	1,095.90	1,398.40
Foreign currency loans	3,312.79	3,133.94
Deferred payment liabilities	117.30	117.30
	169,202.91	158,492.30
Short-term borrowings		
Secured		
Loans repayable on demand		
From banks *	13,420.50	5,342.06
Foreign currency loans	3,055.69	2,601.95
Loans against letters of credit	2,610.65	2,483.14
Loan against deposit	2,338.70	3,266.20
Unsecured		
Loans repayable on demand		
From related parties	1,747.35	7.32
From others	770.15	499.60
Loan against deposit	-	1,700.50
	23,943.04	15,900.77
	193,145.95	174,393.07

* Out of the above Rupee term loans from others, Rs 500.00 is guaranteed by KSK Energy Limited., the holding company and of loans repayable on demand, Rs 765.06 is guaranteed by KSK Power Ventur plc., the stepup holding company.

a Details of security provided for various credit facilities
KSK Energy Ventures Limited

Rupee term loans from others are secured by first pari-passu charge by way of mortgage/hypothecation of all movable and immovable properties of Sai Lilagar Power Limited and KSK Surya photovoltaic Venture Limited, Mortgage of 95.48 HA land of VS Lignite Power Private Limited. Further these loans are secured by pledge of certain equity shares of the Company held by KSK Energy Limited, the holding company and corporate guarantee given by KSK Energy Limited and VS Lignite Power Private Limited.

Loans repayable on demand are secured by first pari-passu charge on fixed assets, current assets of the Company and corporate guarantee of KSK Power Ventur plc and KSK Wind Energy Private Limited.

Sai Wardha Power Limited

Rupee term loans from banks and others and long term foreign currency loans are secured by first charge pari-passu by way of mortgage on the Company's immovable properties and hypothecation of whole of the movable properties, both present and future. Pledge of certain equity shares of the Company held by KSK Electricity Financing India Private Limited, Corporate guarantee given by KSK Energy Ventures Limited.

Loan repayable on demand are secured by first pari-passu charge on all fixed and current assets of the Company (existing and future) along with the other member banks/ financial institutions.

Foreign currency loans and loans against letter of credit are secured by subservient charges on the entire movable fixed and current assets of the company and secured by letter of credit facility sanctioned to KSK Energy Ventures Limited.

Sitapuram Power Limited

Rupee term loan from bank is secured by first charge on all immovable and movable assets including current assets, both present and future. Pledge of certain equity and preference shares of the company held by KSK Electricity Financing India Private Limited.

Loans repayable on demand are secured by first charge on entire block of current assets excluding receivables.

VS Lignite Power Private Limited

Rupee term loans from banks and others are secured by first charge pari-passu by way of mortgage on all the company's immovable properties and hypothecation of whole of the movable properties both present and future. Pledge of certain equity and preference shares of the company held by KSK Electricity Financing India Private Limited. Corporate guarantee given KSK Energy Ventures Limited

Loans repayable on demand are secured by pari-passu first charge on fixed assets and current assets along with term lenders.

Sai Lilagar Power Limited

Rupee term loans from bank is secured by way of mortgage of all movable and immovable assets. Pledge of certain equity shares of KSK Mahanadi Power Company Limited, VS Lignite Power Private Limited, Sai Regency Power Corporation Private Limited and equity shares of the company. Corporate guarantee given by KSK Energy Ventures Limited.

Loans repayable on demand are secured by hypothecation of all present, future current assets including revenues, receivables and Escrow account. Pledge of certain fully paid up shares of the company held by KSK Electricity Financing India Private Limited and Corporate Guarantee of KSK Energy Ventures Limited.

KSK Mahanadi Power Company Limited

Rupee term loans, foreign currency loans and cash credit are secured by first charge over all movable properties, intangible assets and other assets (including assignment of rights, titles, interests, benefits, claims etc.) of the company both present and future. Further guaranteed by pledge of certain equity shares of the company.

Rupee sub debt loans are secured by second charge over all movable properties, intangible assets and other assets (including assignment of rights, titles, interests, benefits, claims etc.) of the company both present and future. Further guaranteed by pledge of certain equity shares of the company held by KSK Energy Ventures Limited.

Loan repayable on demand are secured paripassu charge on all fixed and current assets of the company.

Sai Regency Power Corporation Private Limited

Rupee term loans from banks are secured by pari-passu charge by way of mortgage on all company's fixed assets (all movables, immovable and intangibles) and current assets of the company including equitable mortgage over Land & building . Assignment of entire PPA receivables. Pledge of certain equity shares of the company held by KSK Electricity Financing India Private Limited.

Loans repayable on demand are secured by first pari-passu charge on the entire current assets of the company.

Sai Maithili Power Company Private Limited

Rupee term loan from banks are secured by way of mortgage on all the Company's immovable properties including land and hypothecation of whole of the movable fixed assets and current assets both present and future. Pledge of shares of certain equity shares of the Company. Corporate guarantee of KSK Energy Ventures Limited and VS Lignite Power Private Limited

KSK Electricity Financing India Private Limited

Debentures are secured by way of mortgage of land and pledge of certain equity shares of KSK Energy Ventures Limited and KSK Mahanadi Power Company Limited. Corporate Guarantee of KSK Energy Ventures Limited

b Loan against deposits are secured by pledge of deposits.

[All amounts in Indian Rupees million, except share data and where otherwise stated]

c Repayment terms of long-term borrowings

S No	Name of the Company	Amount outstanding included in		Repayment terms
		Long term borrowings	Other current liability	
Debentures				
1	KSK Electricity Financing India Private Limited	1,890.00	-	The debentures are repayable equally in Mar 2021 and Mar 2022. The debenture carries an internal rate of return of 17% p.a
2	KSK Electricity Financing India Private Limited	812.90	-	The debentures are optionally convertible into equity shares of Rs 10 /- each within ten years. The coupon rate of interest is 0.00% p.a.
3	KSK Wind Energy Private Limited	210.00	-	The debentures are optionally convertible into equity shares of Rs 10 /- each after five years and redeemable at the end of ten years from the date of allotment. The coupon rate of interest is 0.01% p.a.
4	KSK Surya Photovoltaic Venture Limited	73.00	-	The debentures are optionally convertible into equity shares of Rs 10 /- each within ten years. The coupon rate of interest is 0.00% p.a.
Term loan				
1	KSK Energy Ventures Limited	5,100.86	500.14	The long term Rupee loans are repayable in quarterly yearly instalments with the last instalment of respective loans are payable from Apr 2017 to Nov 2024 The long term borrowings carries an weighted average rate of interest of 13.59% p.a
2	Sai Wardha Power Limited	4,057.00	617.49	The long term Rupee loans are repayable in quarterly instalments with the last instalment of respective loans are payable from Jun 2020 to Sep 2022. These loans carry a weighted average interest rate of 13.83% p.a.
3	Sitapuram Power Limited	323.40	67.38	The long term Rupee loan is repayable in quarterly instalments with the last instalment of the loan is payable by Mar 2023. This loan carries a weighted average interest rate of 12.68% p.a
4	VS Lignite Power Private Limited	4,740.12	455.33	The long term Rupee loans are repayable in quarterly instalments with the last instalment of respective loans are payable from Nov 2019 to June 2031. These loans carry a weighted average interest rate of 14.32% p.a.
5	Sai Lilagar Power Limited (formerly Arasmeta Captive Power Company Limited)	1,883.40	225.00	The long term Rupee loan is repayable in quarterly instalments with the last instalment of respective loans are payable by Mar 2026. These loans carry a weighted average interest rate of 12.34% p.a

Repayment terms of long-term borrowings continued...

S No	Name of the Company	Amount outstanding included in		Repayment terms
		Long term borrowings	Other current liability	
6	Sai Regency Power Corporation Private Limited	2,405.07	440.63	The long term Rupee loans are repayable in quarterly instalments with the last instalment of respective loans are payable by June 2024. These loans carry a weighted average interest rate of 12.33% p.a.
7	KSK Mahanadi Power Company Limited	123,462.81	-	The long term Rupee loans are repayable in quarterly instalments with the first instalment of respective loans payable starting from July 2018. These loans carry a weighted average interest rate of 14.44% p.a.
8	Sai Maithili Power Company Private Limited	441.00	50.40	The long term Rupee loan is repayable by Nov 2025, in quarterly instalments. These loans carries a weighted average rate of interest of 13.76% p.a
Foreign currency loans				
1	Sai Wardha Power Limited	-	1,987.67	The long term foreign currency loan are repayable from June 2014 to January 2017. The long term foreign currency loans carry a weighted average interest rate of 4.42% p.a.
2	Sai Wardha Power Limited	16,563.95	-	The long term foreign currency loans are repayable half yearly instalments beginning from November 2018 with the last instalment payable by Aug 2021. The long term foreign currency loans carry a weighted average interest rate of 6.36% p.a.
3	KSK Mahanadi Power Company Limited	3,312.79	-	The foreign currency loans is repayable in quarterly instalments with the last instalment of the loan is payable by June 2028. The weighted average interest rate is around 4.50%. p.a
4	KSK Mahanadi Power Company Limited	3,809.31	-	The foreign currency loans are repayable with an option to roll over upto five years from the initial date of availment and the weighted average interest rate is around 1.14%. p.a
Deferred payment liabilities:				
1	KSK Energy Ventures Limited	117.30	-	Deferred payment liability are repayable in Mar 2023.

[All amounts in Indian Rupees million, except share data and where otherwise stated]

9 Deferred tax liability / (assets)

	As at 31 March 2016	As at 31 March 2015
Deferred tax liability on account of depreciation	7,455.15	6,010.26
Deferred tax (asset) on account of carry forward of losses	(16,776.13)	(14,044.62)
Deferred tax liabilities/(asset) on expenses allowed/disallowed	(8.95)	125.90
Deferred tax (assets), net as at the end of the year	(9,329.93)	(7,908.46)

Certain group companies are entitled to avail exemption under section 80IA of the Income Tax Act, 1961 from income tax on profits of business. Based on the assessment of the Company, deferred tax as on 31 March 2016 has been recognized only to the extent the timing differences arising in the current period which does not get reversed within the tax holiday period.

10 Other long term liabilities

	As at 31 March 2016	As at 31 March 2015
Creditor for capital goods (including retention money)	-	1,982.59
Security deposit from customers	18.15	18.33
Premium on debentures	1,715.18	-
Interest accrued but not due on borrowings	91.50	-
	1,824.83	2,000.92

11 Trade payable

	As at 31 March 2016	As at 31 March 2015
Dues to other than micro and small enterprises	9,542.13	5,077.19
	9,542.13	5,077.19

The Company has not received any information from suppliers or service providers, whether they are covered under the "The Micro Small and Medium Enterprises Development Act 2006". Disclosure relating to amount unpaid at the year end together with interest payable, if any, as required under the said Act are not ascertainable.

12 Provisions

	As at 31 March 2016	As at 31 March 2015
Long-term provisions		
For employee benefits	61.99	36.88
Interest rate swaps	409.06	-
	471.05	36.88
Short-term provisions		
For dividend and tax thereon	-	6.80
For taxation (net of advance tax)	78.91	55.26
Interest rate swaps	-	298.57
	78.91	360.63
	549.96	397.51

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

The following table sets out the status of the gratuity plan as required under AS 15 (Revised)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	As at 31 March 2016	As at 31 March 2015
Benefit obligation at the beginning of the year	93.00	69.65
Business combination	7.38	0.83
Interest cost	7.29	5.81
Current Service cost	20.62	28.57
Benefits paid	(5.54)	(6.00)
Actuarial (gain) / loss	7.77	(5.86)
Benefit obligation at the end of the year	130.52	93.00

Change in the fair value of assets

	As at 31 March 2016	As at 31 March 2015
Fair value of plan assets at the beginning of the year	63.32	49.51
Business combination	2.26	0.77
Expected return on plan assets	5.7	4.82
Contributions	6.92	14.12
Benefits paid	(5.54)	(6.00)
Actuarial gains/(loss)	(0.21)	0.10
Fair value of plan assets at the end of the year	72.45	63.32

Experience history

	Year ended				
	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Actuarial (gain) / losses	8.00	(5.95)	(49.15)	(30.69)	(18.48)
Experience adjustment					
On account of change in assumption	(0.35)	11.21	(44.23)	(0.92)	2.27
On account of change in experience	8.11	(17.06)	(4.85)	(29.56)	(20.57)
On plan assets	0.24	(0.10)	(0.07)	(0.21)	(0.18)

Amount recognised in the statement of Profit and Loss

	Year ended 31 March 2016	Year ended 31 March 2015
Current service cost	20.62	28.57
Interest cost	7.29	5.81
Expected return on plan assets	(5.70)	(4.82)
Net actuarial (gain) / loss recognised in the year	8.00	(5.95)
Amount included in personnel expense / other income	30.21	23.61

[All amounts in Indian Rupees million, except share data and where otherwise stated]

Amount recognized in the Balance Sheet

	As at 31 March 2016	As at 31 March 2015
Present value of funded obligations at the end of the year	130.52	93.00
Fair value on plan assets at the end of the year	72.45	63.32
Net (liability) / asset recognised in the Balance Sheet	(58.07)	(29.68)

Asset information

Category of Assets	As at 31 March 2016	As at 31 March 2015
Insurer managed funds	100%	100%

Summary of actuarial assumptions

	Year ended 31 March 2016	Year ended 31 March 2015
Discount rate	7.80%	7.77%
Salary escalation	10.00%	10.00%
Attrition rate	15.00%	15.00%
Expected return on plan assets	8.35%	9.00%

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

Expected rate of return on plan assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

- b Income taxes :** Certain Group company's income from sale of electrical energy is exempt from tax under section 80 IA of the Income Tax Act, 1961. Provision for current tax for the year in these companies represents tax payable on account of MAT under section 115JB of the Income Tax Act, 1961 on the book profit.

13 Other current liabilities

	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term debt	4,344.04	4,561.90
Interest accrued but not due on borrowings	1,214.14	976.10
Interest accrued and due on borrowings	5,977.67	3,038.29
Security deposit from customers	6.50	12.01
Salary and bonus payable	261.95	69.44
Share application money in subsidiary held by others	32.40	32.40
Creditor for capital goods (including retention money)	10,991.92	9,850.10
Forward cover payable	2,067.06	2,380.40
Derivative liabilities	57.67	56.59
Statutory liabilities	414.64	395.10
Finance charges payable	360.37	177.65
Advance received against sale of assets	150.00	-
Other liabilities	3,279.68	2,148.11
	29,158.04	23,698.09

[All amounts in Indian Rupees million, except share data and where otherwise stated]

15 Investments

	As at 31 March 2016	As at 31 March 2015
Non-current investments		
Trade investment		
Investment in equity instruments		
(quoted, fully paid up)		
364,418 (31 March 2015: 364,418) equity shares of Rs. 10/- each in Thiru Arooran Sugars Limited	55.81	55.81
(unquoted, fully paid up)		
3,636,363 (31 March 2015: 3,636,363) equity shares of Rs. 10/- each in Terra Energy Limited	160.00	160.00
100,000 (31 March 2015: Nil) equity shares of US \$ 1/- each in KSK Green Energy Pte. Ltd	6.26	-
Investment In Associates		
65,018,090 (31 March 2015: Nil) equity shares of Rs. 10/- each in Raigarh Champa Rail Infrastructure Private Limited	650.18	-
40,277,990 (31 March 2015: Nil) equity shares of Rs. 10/- each in KSK Water Infrastructures Private Limited	402.78	-
	1,275.03	215.81
Current investments		
Other investment		
Investment in mutual fund		
(quoted, fully paid up)		
334,947.977 @ Rs. 1,001.3763/- (31 March 2015: 110,466.973 @ Rs. 1,000.6866/-) units in IDFC Cash Fund - Daily Dividend - (Direct plan)	335.41	110.54
Nil (31 March 2015: 41,723.333 @ Rs.1,001.5187/-) units in TATA Money Market Fund Direct Plan -Daily Dividend	-	41.79
	335.41	152.33
	1,610.44	368.14

Aggregate value of quoted investment as at 31 March 2016: Rs 391.22 (31 March 2015: Rs 208.14) aggregate market value Rs. 355.05 (31 March 2015: Rs. 161.59)

Aggregate value of unquoted investment as at 31 March 2016: Rs. 1,219.22 (31 March 2015: Rs. 160.00)

16 Loans and advances

	As at 31 March 2016	As at 31 March 2015
Long-term loans and advances		
Secured, considered good		
Capital advances	2,563.74	1,516.34
Unsecured, considered good		
Capital advances	2,134.80	3,945.30
Security deposits	1,377.06	161.84
Prepaid expenses	39.74	107.80
Advance for investment		
related parties	1,680.34	-
Others	79.61	79.61
Advance tax and TDS receivable (net of provision for tax)	769.36	795.65
Unsecured, Doubtful		
Capital advances	37.99	-
Less: Provision for doubtful advances	(37.99)	-
	8,644.65	6,606.54
Short-term loans and advances		
Secured, considered good		
Advance for supplies / expenses	17.59	-
Unsecured, considered good		
Inter corporate deposit		
related parties	1,182.22	859.07
Others	179.09	254.10
Advance for supplies / expenses	3,085.32	1,786.79
Prepaid expenses	321.71	383.82
Other receivables		
related parties	154.23	170.00
Others	610.74	803.11
Security deposit		
related parties	2,928.38	2,928.38
Others	787.57	1,903.44
Unsecured, Doubtful		
Loans and advances	77.50	-
Less: Provision for doubtful advances	(21.25)	-
	9,323.10	9,088.71
	17,967.75	15,695.25

[All amounts in Indian Rupees million, except share data and where otherwise stated]

17 Other assets

	As at 31 March 2016	As at 31 March 2015
Other non-current assets		
Unsecured, considered good		
Trade receivables	230.00	230.00
Mat credit entitlement	638.61	570.05
Balances with banks;		
Deposits held as margin money or security against guarantees or borrowings	330.83	507.71
Interest accrued on deposits and advances	37.51	54.03
Balances with statutory authorities	1,093.38	-
Unamortised portion of ancillary cost of arranging the borrowings	688.26	553.35
Unamortised portion of premium on redemption of debentures	1,244.09	-
Derivative asset	1,610.88	1,473.27
	5,873.56	3,388.41
Other current assets		
Unsecured, considered good		
Interest accrued on deposits and advances	467.71	448.46
Unbilled revenue	35.91	39.30
Balances with statutory authorities	196.34	1,336.14
Unamortised portion of ancillary cost of arranging the borrowings	118.83	101.46
Unamortised portion of premium on redemption of debentures	194.74	-
Forward cover receivable	2,000.92	2,330.62
Deferred premium on forward contract	16.92	22.86
	3,031.37	4,278.84
	8,904.93	7,667.25

18 Inventories

	As at 31 March 2016	As at 31 March 2015
(At lower of cost or net realisable value)		
Fuel		
Coal	232.71	406.41
Coal - in - transit	686.87	188.45
Lignite	11.29	13.23
Lime Stone	0.20	1.03
Stores and spares	1,351.58	1,102.59
Stores and spares-in-transit	261.07	38.98
	2,543.72	1,750.69

19 Trade receivables

	As at 31 March 2016	As at 31 March 2015
Secured, considered good		
Debts outstanding for a period exceeding six months	1,013.65	497.39
Other debts	169.53	197.86
Unsecured, considered good		
Debts outstanding for a period exceeding six months	4,333.33	2,472.53
Other debts	17,811.31	6,058.91
Unsecured, considered doubtful		
Debts outstanding for a period exceeding six months	145.86	-
Provision for doubtful debts	(145.86)	-
	23,327.82	9,226.69

20 Cash and bank balances

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash on hand	2.37	3.47
Draft on hand	4.00	-
Balances with banks; On current account	531.26	2,214.46
	537.63	2,217.93
Other bank balances		
Deposits with bank held as margin money or security against guarantees or borrowings	6,986.26	7,477.24
Deposit having maturity of more than three months	2.42	1.53
	6,988.68	7,478.77
	7,526.31	9,696.70

21 Revenue from operations

	Year ended 31 March 2016	Year ended 31 March 2015
Sale of electricity	43,588.01	23,719.16
Project development fees	-	67.46
Corporate support service fees	2.19	2.19
Other operating income	12.89	15.53
	43,603.09	23,804.34

[All amounts in Indian Rupees million, except share data and where otherwise stated]

22 Other income

	Year ended 31 March 2016	Year ended 31 March 2015
Interest income	505.59	332.80
Dividend income	17.67	4.52
Insurance claim received	58.47	8.44
Miscellaneous income	5.72	77.94
	587.45	423.70

23 Cost of fuel consumed

	Year ended 31 March 2016	Year ended 31 March 2015
Coal	18,731.28	10,879.52
Lignite	767.19	819.23
Natural gas	1,193.75	1,075.22
Others	170.22	156.56
	20,862.44	12,930.53

24 Manufacturing expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Consumption of stores and spares	312.06	224.92
Operation and maintenance expenses	1,488.42	1,103.85
Cost of import power	117.13	129.14
Raw water charges	1,539.34	405.74
Repairs and maintenance - plant and equipment	59.64	47.61
	3,516.59	1,911.26

25 Employee benefit expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, wages and bonus	797.07	561.71
Contribution to provident and other funds	40.37	27.86
Staff welfare expenses	38.72	29.30
	876.16	618.87

26 Other expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Rent	57.58	38.66
Rates and taxes	84.14	23.98
Travel and conveyance	89.34	60.18
Insurance charges	141.24	121.16
Legal and professional charges	5.42	167.10
Generation, transmission and selling expenses	830.42	861.31
Remuneration to auditors	6.88	7.03
Repairs and maintenance		
building	10.59	6.46
others	132.90	123.23
Bad debts / receivables written off	290.35	1,694.37
Provision for doubtful debts / receivables	205.11	-
Corporate social responsibility	59.94	23.29
Freight outward	140.55	110.26
Foreign exchange loss, net	196.87	39.51
Loss on sale of fixed assets	0.50	17.30
Miscellaneous expenses	175.80	155.63
	2,427.63	3,449.47

27 Finance costs

	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense	15,554.71	9,076.81
Other borrowing cost	1,218.67	786.37
Derivative premium	611.07	350.54
Loss on derivatives / swap contracts	110.49	236.01
	17,494.94	10,449.73

The borrowing cost attributable to the acquisition or construction of fixed assets amounting to Rs. 8,354.41 (31 March 2015: Rs. 12,319.14) has been capitalised.

[All amounts in Indian Rupees million, except share data and where otherwise stated]

28 Contingent Liabilities and Commitments**a Contingent liabilities**

	As at 31 March 2016	As at 31 March 2015
(i) Bank guarantees outstanding	9.41	9.41
(ii) Corporate guarantees outstanding	12,281.57	12,596.72
(iii) Claims against the Group not acknowledged as debt Rs. 1,299.98 [31 March 2015: Rs.479.68].		
(iv) The Group has received claims for Rs. 652.87 [31 March 2015: Rs. 652.87] from Joint Director General of Foreign Trade (JDGFT) towards the recovery of the duty drawbacks, earlier refunded. The company had earlier made claims for the refund of the duties paid on the machinery and other items purchased for the construction of the power projects under the scheme of deemed export benefit, which were accepted and refunds were granted. The communication from the JDGFT regarding the recovery of the duties paid are based on the interpretations by the Policy Interpretation Committee held on 15 March 2011. The company contends that the above change in interpretation requires an amendment to the foreign trade policy to be legally enforceable in law. The relevant amendments has now been incorporated in the policy. Since the amendments made shall have prospective effect only, the company believes that outcome of the above dispute should be in favour of the company and there should be no material impact on the financial statements.		
(v) The Company has received a net demand of Rs. 280.26 [31 March 2015 :Rs 280.26] [including interest] from income tax department for Assessment Year 2010-11 pursuant to disallowance of certain claims / expenses against which an amount of Rs. 114.85 [31 March 2015: Rs. 114.85] has been paid under protest. Challenging the order, Company filed an appeal before CIT (appeals) who allowed the appeal on majority of the issues and consequently the assessing officer refunded the above amount paid under protest. The Company as well as the Department are in further appeal before the ITAT.		
(vi) Service tax department has issued demand order to the Company for payment of service tax amounting to Rs 505.64 (including penalty) [31 March 2015: Rs 505.64] relating to the disagreement on availment of Cenvat Credit for the period April 2008 to September 2010 and non payment of service tax. Further, an amount of Rs. 26.88 [31 March 2015: Rs 26.88] has been paid against the demand and the balance demand is stayed. However, the Company believes that the claims raised by the department are not tenable and the Company has filed an appeal against the said order before the CESTAT.		
(vii) Sai Wardha Power Limited (SWPL) filed a claim against Maharashtra State Electricity Distribution Company Limited ('MSEDCL') towards recovery of the amount withheld against supply of energy under Power Purchase Agreement (including penalty on such amount) amounting to Rs. 729.32 [31 March 2015: Rs. 729.32]. The facility required for generation of an agreed quantum of power, this was not ready as per an agreed schedule on account of unexpected factors beyond the control of the Group, the Group proposed to MSEDCL an arrangement to secure the energy from alternate supplies for the short quantity required to meet the obligation under the power purchase agreement. MSEDCL accepted the proposal and also confirmed that the energy supplied from alternate sources will also be subject to the tariff agreed under the power purchase agreement. However, after initial payments for the period April to June 2010, starting July 2010 to October 2010, MSEDCL did not settle the entire dues billed and the certain amounts were withheld without any explanation. The Group contended before Maharashtra Electricity Regulatory Commission ("MERC") that since the energy supplied and billed was as per the terms agreed and the similar bills of earlier months were paid by MSEDCL, there is no cause to withhold the payments. However, MERC has dismissed the petition. The group has filed an appeal before Appellate Tribunal for Electricity (APTEL) against the order of MERC and APTEL also rejected the appeal. The Group has further filed an appeal before Honourable Supreme Court of India. Pending adjudication, the Group believes that the final outcome of the above dispute should be in favour of the Group and there should be no material impact on the financial statements. During the year the Company has made a provision of 20% against the said receivable.		
(viii) Other non current assets include an amount of Rs. 1,093.38 [31 March 2015: Rs 1,306] relating to Central Excise, VAT and Service Tax receivable from the respective departments by SWPL. The SWPL is registered as SEZ unit. A unit in SEZ is allowed to import goods (purchase from local market is also treated as import) without payment of Duty for the purpose of its authorised operations. The		

exemption from the payment of duties and taxes are provided under Section 26 of the SEZ Act, 2005. In respect of Service Tax, the Company has already received a refund for the period January 2013 to March 2014 and a favourable order from CESTAT for the period from March 2009 to June 2009 and claims for remaining period is pending before CESTAT. Thus the Company is confident of receiving refund for the remaining period as well. In respect of VAT claims, Company has already received refund, for the financial year 2007-08, 2008-09, 2009-10, 2010-11 and for the financial year 2013-14 on adhoc basis, Assessment still pending, and received the refund order for financial year 2011-12 and thus the Company is confident to receive the refund for the remaining years as well. However, the excise duty refund claims were rejected by the department stating that there are no provision of refund under the SEZ Act. However the Company has gone to CESTAT, wherein the CESTAT has decided that the Appeal is not maintainable with CESTAT, but lies with the Revisionary Authority, therefore the claims has been filed with Jt. Secretary Government of India, Ministry of Finance New Delhi. Since the Company has borne the duty burden and accordingly the Company is very confident that the entire amount is receivable

- (ix) The captive customers of the SWPL has deducted from the sales invoices and paid an amount of Rs. 542.55 towards Cross Subsidy Surcharge ('CSS') levied by MSEDCL for the financial year 2012-13 before ascertaining the captive status of the plant at the end of financial year which was against the express provisions of the Electricity Act 2003 read with the Electricity Rules, 2005. MERC asked the Company to pay CSS on ground of non-fulfilment of criteria of 51% supply to captive users as per Rule 3 of the Electricity Rules 2005. Aggrieved by the said order of the MERC, the Company has filed an appeal before the APTEL on the ground that the non-fulfilment of captive criteria by the company was attributed to the delay caused by MSEDCL in granting open access to captive customers. APTEL also rejected the appeal. However Company has filed review petition with APTEL. Pending adjudication of the same, the company believes that there is a good chance of succeeding before the APTEL and hence no adjustment has been made in the financial statements.
- (x) KSK Mahanadi Power Company Limited (KMCPL) has levied capacity charges and transmission charges to Andhra Pradesh (AP) and Telangana Discoms for the period from 16th June, 2013 to 13th August, 2013 amounting to Rs. 873.40 (31 March 2015: Rs 873.40), on account of delayed fulfilment of obligation under the PPA. Andhra Pradesh & Telangana Discoms have rejected those claims and made the counter claim of Rs. 236.00 (31 March 2015: Rs 236.00) for failure to furnish advance final written notice of commencement of supply of power as per article 4.1.2 of PPA. The Group has preferred an appeal before APERC for refund of amount collected by Discoms by encashment of bank guarantee. The Group's contention is that since the Discoms have failed to fulfil the obligation as per PPA, there is default on part of Discoms and the counter claim by Discoms is merely to negate the effect of KMPCL claim of capacity charges. Pending adjudication of the case, the Group is believes that there is a good chance of succeeding before the regulatory commissions and hence no adjustment has been made in the financials statements.
- (xi) Trade receivables includes an amount of Rs 8423.26 (31 March 2015: Rs 2,064.51) receivable over multiple periods at KSK Mahanadi from various State Discoms both on account of (a) various statutory duties, levies and cess levied by Government and Government instrumentality and (b) pursuant to Ministry of Power directive with respect to the presidential directive on coal linkages of Coal India. Based on the legal advice and considering recent ruling of CERC in similar case, the Company is confident that the entire amounts is receivable.
- (xii) VS Lignite Power Private Limited (VSLPPL) has receivables of Rs 482.86 (31 March 2015: Rs 515.36) from its consumers representing taxes including royalty, cess on clean energy, taxes on input fuel as well as double adjustments for the security deposit, transmission and SLDC charges and take or pay obligation which are disputed by the consumers. The Group has an amount of Rs 202.42 (31 March 2015: Rs 202.42) access from such customers as redeemable capital available for necessary setoffs. Further, the Group contends that not only it has fulfilled the contractually guaranteed supplies but also the amounts claimed are as per the terms of the power purchase agreements. Aggrieved by the order of Arbitrator and civil court, the Group has preferred an appeal in Honourable High Court of Jodhpur. Pending outcome of the same, the Group believes that the final determination of the above dispute would be in favour of the Group and there would be no material impact on the financial statements.

[All amounts in Indian Rupees million, except share data and where otherwise stated]

b Estimated amount of contracts remaining to be executed on capital account and not provided for in the Company, its Subsidiaries and Joint Ventures:

	As at 31 March 2016	As at 31 March 2015
Estimated value of contracts remaining to be executed on capital account not provided for	80,386.74	65,349.53

29 Jointly Controlled Entities

Proportionate consolidation of interests

The Company has a 49% interest in Sitapuram Power Limited, a Joint Venture (JV) in India. Sitapuram Power Limited ("the Company") was incorporated on 18 July 2005 and is engaged in the business of generation of electricity. The Company was set up as a special purpose entity by Zuari Cement Limited and KSK Energy Ventures Limited to build and operate a 43 MW captive power plant in Sitapuram to cater to the power requirements of Zuari Cement Limited.

The Group has, in accordance with AS 27 "Financial Reporting of Interest in Joint Ventures" issued by the ICAI, accounted for its 49% interest in the JV by the proportionate consolidation method. Thus the Group's Income Statement, Balance Sheet and Cash Flow Statement incorporate the Group's share of income, expenses, assets, liabilities and cash flows of the JV on a line-by-line basis.

The aggregate amount of the assets, liabilities, income and expenses related to the Group's share in the JV included in these financial statements, as at and for the year ended 31 March 2016 are given below

	As at 31 March 2016	As at 31 March 2015
LIABILITIES		
Non-current liabilities		
Long-term borrowings	323.40	377.30
Deferred tax liabilities (net)	89.42	75.61
Long-term provisions	1.58	0.74
	414.40	453.65
Current liabilities		
Short-term borrowings	63.99	52.98
Trade payables	72.28	119.70
Other current liabilities	79.69	76.66
Short-term provisions	7.68	8.05
	223.64	257.39
	638.04	711.04
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	592.28	620.49
Intangible assets	-	0.06
Capital work in progress	0.02	-
Intangible assets under development	1.20	1.20
Long-term loans and advances	88.37	87.84
Other non-current assets	210.27	208.26
	892.14	917.85

Continued

	As at 31 March 2016	As at 31 March 2015
Current assets		
Inventories	45.53	47.33
Trade receivables	102.49	88.62
Cash and bank balances	17.58	72.87
Short-term loans and advances	31.59	76.43
Other current assets	13.07	13.31
	210.26	298.56
	1,102.40	1,216.41
	As at 31 March 2016	As at 31 March 2015
Claims against the Company not acknowledged as debt	4.45	4.45
	Year ended 31 March 2016	Year ended 31 March 2015
Income		
Revenue from operations	756.66	849.84
Other Income	6.13	5.91
Expenses		
Cost of fuel consumed	529.77	600.23
Manufacturing expenses	49.24	44.48
Employee benefits expenses	17.49	12.16
Other expenses	98.24	106.30
Finance costs	64.61	70.12
Depreciation and amortisation expenses	30.74	32.18
Profit / (loss) before tax	(27.30)	(9.72)
Provision for tax		
Current tax		
For the year	(0.37)	(2.13)
Less : MAT credit entitlement	0.25	2.52
Deferred tax	13.81	14.79
Profit / (loss) after tax	(40.99)	(24.90)

30 Operating Leases

The Consolidated entities have entered in to certain operating lease agreements. An amount of Rs. 61.07 (31 March 2015: Rs. 55.93) paid under such agreements has been disclosed as "Rent" under other expenses in the Consolidated Profit and Loss statement and expenditure during construction period, pending allocation.

[All amounts in Indian Rupees million, except share data and where otherwise stated]

31 Earnings/(loss) per Share (EPS)

The computation of EPS as per AS 20 is set out below

	Year ended 31 March 2016	Year ended 31 March 2015
Net profit / (loss) after tax and minority interest	(4,562.12)	(3,201.80)
Less: Preference dividend and tax thereon	16.34	45.29
Net profit attributable to shareholders - for basic / diluted EPS	(4,578.46)	(3,247.09)
Weighted average number of shares outstanding for the purpose of calculation of basic and diluted EPS (in million)	423.89	405.42
Earnings per share – basic / diluted (in Rs.)	(10.80)	(8.01)

32 Derivative Instruments and Unhedged foreign currency exposure

Derivative contracts entered and outstanding

Particulars	Purpose	As at 31 March 2016	As at 31 March 2015
Currency option	Hedge of foreign currency loans	Rs. 10,524.73	Rs. 9,956.53
		US \$ 158.85	US \$ 158.85
Interest rate swaps	Hedge against exposure to variable interest outflow on loans	Rs. 8,149.46	Rs. 7,709.49
		US \$ 123.00	US \$ 123.00
Forward contract	Hedge of foreign currency loans	Rs. 2,000.92	Rs. 2,330.62
		US \$ 30.20	US \$ 37.18

Particulars of Unhedged foreign Currency Exposure

Particulars	As at 31 March 2016	As at 31 March 2015
Loans	Rs. 14,557.50	Rs. 13,357.01
	US \$ 219.72	US \$ 213.10
Interest on loans	Rs. 539.38	Rs. 354.95
	US \$ 8.14	US \$ 5.66
Import creditors (including retention money)	Rs. 7,801.01	Rs. 16,197.37
	US \$ 117.74	US \$ 258.42
Receivable	Rs. 403.37	Rs. 293.79
	US \$ 6.09	US \$ 4.69
Premium payable	Rs. 57.67	Rs. 56.59
	US \$ 0.87	US \$ 0.90
Cash with Bank	Rs. 0.45	Rs. 0.61
	CNY 0.04	CNY 0.06
Cash with Bank	Rs. 1.71	Rs. 0.51
	US \$ 0.03	US \$ 0.01

33 Segment Reporting

The Segment report of the Group has been prepared in accordance with the Accounting Standard 17 "Segment Reporting". There is only one reportable geographical segment as per Accounting Standard 17. For the purpose of reporting business segments, the Group is engaged in two segments, viz., Project development and power generation.

31 March 2016	Project development activities	Power generating activities	Reconciling/ Elimination activities	Total
Revenue	217.89	43,600.90	(215.70)	43,603.09
Segment Result	27.75	10,524.96	-	10,552.71
Unallocated income (net)				587.45
Finance costs				(17,494.94)
Loss before tax				(6,354.78)
Tax income				1,416.07
Loss for the year				(4,938.71)
Segment assets	1,403.19	244,670.12	(929.65)	245,143.66
Unallocated assets				24,608.97
Total assets				269,752.63
Segment liabilities	50.48	36,104.60	(929.65)	35,225.43
Unallocated liabilities				199,099.38
Total liabilities				234,324.81
Other segment information				
Depreciation / amortisation	11.06	5,356.50	-	5,367.56
Capital expenditure	19.29	10,851.87	-	10,871.16

31 March 2015	Project development activities	Power generating activities	Reconciling/ Elimination activities	Total
Revenue	435.26	23,734.69	(365.61)	23,804.34
Segment Result	280.42	1,478.05	-	1,758.47
Unallocated income (net)				372.51
Finance costs				(10,449.73)
Loss before tax				(8,318.75)
Tax income				4,623.50
Loss for the year				(3,695.25)
Segment assets	661.97	225,098.91	(109.17)	225,651.71
Unallocated assets				18,960.41
Total assets				244,612.12
Segment liabilities	55.01	24,289.46	(109.17)	24,235.30
Unallocated liabilities				181,406.33
Total liabilities				205,641.63
Other segment information				
Depreciation / amortisation	30.74	3,152.52	-	3,183.26
Capital expenditure	8.59	24,829.75	-	24,838.34

[All amounts in Indian Rupees million, except share data and where otherwise stated]

34 Related party disclosure**a Parties where control exists**

S No.	Name of the party	Relationship
1	K&S Consulting Group Private Limited	Ultimate holding company
2	KSK Power Ventur plc	Step up holding company
3	KSK Energy Limited	Holding company

[For detail list of subsidiaries see note 3.3]

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

S No.	Name of the party	Relationship
1	KSK Energy Company Private Limited	Fellow subsidiary
2	KSK Mineral Resources Private Limited	Fellow subsidiary
3	KSK Wind Energy Halagali Benchi Private Limited	Fellow subsidiary
4	KSK Wind Energy Mothalli Haveri Private Limited	Fellow subsidiary
5	KSK Wind Power Sankonahatti Athni Private Limited	Fellow subsidiary
6	KSK Wind Energy Nandgaon Athni Private Limited	Fellow subsidiary
7	KSK Wind Energy Madurai Ms Puram Private Limited	Fellow subsidiary
8	KSK Wind Energy Tirupur Elayamuthur Private Limited	Fellow subsidiary
9	KSK Wind Energy Tuticorin Rajapudukudi Private Limited	Fellow subsidiary
10	Marudhar Mining Private Limited	Fellow subsidiary
11	SN Nirman Infra Projects Private Limited	Fellow subsidiary
12	KSK Investment Advisor Private Limited	Fellow subsidiary
13	KSK Energy Resources Private Limited	Fellow subsidiary
14	KSK Green Energy pte Ltd	Fellow subsidiary
15	KSK Water Infrastructures Private Limited *	Associate
16	Raigarh Champa Rail Infrastructure Private Limited *	Associate
17	Sitapuram Power Limited	Joint Venture

* Fellow subsidiary upto 29 March 2016

c Key Management Personnel and relatives

S No.	Name of the party	Relationship
1	S. Kishore	Whole-time Director
2	K. A. Sastry	Whole-time Director

d Related party transactions

Particulars	31 March 2016				
	Joint venture	Associate	Fellow subsidiaries	Holding Company / Step up holding company	KMP
Transactions					
Project development and corporate support fees	2.19	-	-	-	-
Interest income	-	-	11.58	-	-
Fuel and water charges	-	-	2,214.01	-	-
Purchase of assets	-	-	1,359.36	-	-
Share application money / loans accepted / (repaid)	-	-	1,713.62	26.42	-
Loans and advances given / (repaid) (including advance for investments)	-	-	2,828.86	1,376.63	-
Managerial remuneration	-	-	-	-	18.00
Balances at the year end					
Amount receivable	0.57	1808.97	3,992.89	-	-
Amount payable	208.35	905.88	1,305.98	60.00	-
Debentures outstanding	-	-	812.90	-	-
Managerial remuneration payable	-	-	-	-	1.06

Particulars	31 March 2015		
	Joint venture	Subsidiaries / fellow subsidiaries	KMP
Transactions			
Project development and corporate support fees	2.19	67.46	-
Interest income	0.55	48.96	-
Interest expense	-	66.55	-
Fuel and water charges	-	1,038.87	-
Share application money / loans accepted / (repaid)	117.30	(2,799.51)	-
Loans and advances given / (repaid) (including advance for investments)	-	(587.75)	-
Managerial remuneration	-	-	16.80
Balances at the year end			
Amount receivable	1.61	6,501.96	-
Amount payable	208.35	113.94	-
Debentures outstanding	-	1,115.40	-
Managerial remuneration payable	-	-	0.28

e The Group has given corporate guarantees of Rs.16,277.93 (31 March 2015: Rs.17,278.00) and bank guarantees of Rs. 9.41 (31 March 2015: Rs. 9.41) on behalf of fellow subsidiaries.

f The Group has obtained corporate guarantees of Rs.10,739.00 (31 March 2015: Rs. 19,267.88) from step-up holding company and Rs.1,000.00 (31 March 2015 : Nil) from holding company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(CONTINUED.)

[All amounts in Indian Rupees million, except share data and where otherwise stated]

35 Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies [Accounts] Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies]

Part 'A' : Subsidiaries

Sl. No	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate as at 31 March 2016	Share capital	Reserves & surplus	Total assets	Total Liabilities (Excluding share capital and reserves)	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Sai Wardha Power Limited	31-Mar-16	Indian Rupee	1	8,388.82	(6,444.87)	36,476.60	34,532.64	420.00	7,938.73	(3,070.27)	(1,050.58)	(2,019.70)	-	83.69
2	Field Mining and Ispats Limited	31-Mar-16	Indian Rupee	1	2.00	-	57.73	55.73	-	-	-	-	-	-	84.98
3	VS Lignite Power Private Limited	31-Mar-16	Indian Rupee	1	2,835.70	(335.22)	9,730.24	7,229.76	157.61	1,909.65	(851.54)	-	(851.54)	-	83.75
4	Sai Maithil Power Company Private Limited	31-Mar-16	Indian Rupee	1	43.30	229.76	933.70	660.64	0.00	137.65	(10.73)	15.76	(26.50)	-	76
5	Global Coal Sourcing Plc	31-Mar-16	GBP	1	0.10	(1.20)	9.67	10.77	0.06	-	(1.16)	-	(1.16)	-	100
6	Global Coal Sourcing Plc	31-Mar-16	Indian Rupee	95.21	9.72	(113.70)	921.15	1,025.13	6.26	-	(114.92)	-	(114.92)	-	100
7	Sai Lilaagar Power Limited	31-Mar-16	Indian Rupee	1	755.00	(383.31)	4,916.53	4,544.84	6.76	1,128.55	(201.52)	-	(201.52)	-	100
8	KSK Electricity Financing India Private Limited	31-Mar-16	Indian Rupee	1	5,701.15	(1,070.06)	16,002.83	11,371.74	12,911.14	-	(702.69)	1.51	(704.20)	-	100
9	Sai Regency Power Corporation	31-Mar-16	Indian Rupee	1	214.80	3,786.08	7,629.77	3,628.89	3,699.41	2,278.98	313.47	1.27	312.20	-	73.92
10	Private Limited KSK Mahanadi Power Company Limited	31-Mar-16	Indian Rupee	1	34,501.43	2,001.44	201,477.22	164,974.35	1,175.06	30,293.95	(1,182.57)	(401.47)	(781.11)	-	84.83
11	Sai Power Pte LTD	31-Mar-16	USD	1	0.10	(2.04)	24.49	26.44	-	-	(0.85)	-	(0.85)	-	100
12	Sai Power Pte LTD	31-Mar-16	Indian Rupee	66.26	5.46	(134.18)	1,622.82	1,751.53	-	-	(55.66)	-	(55.66)	-	100
13	KSK Wind Energy Private Limited	31-Mar-16	Indian Rupee	1	49.10	(13.84)	488.32	453.06	445.41	-	(20.22)	(0.29)	(19.92)	-	100
14	Kameng Dam Hydro Power Limited	31-Mar-16	Indian Rupee	1	0.50	-	1,320.59	1,320.09	-	-	-	-	-	-	100
15	KSK Dibbin Hydro Power Private Limited	31-Mar-16	Indian Rupee	1	931.10	-	1,247.06	315.96	218.78	-	-	-	-	-	70
16	KSK Narmada Power Company Private Limited	31-Mar-16	Indian Rupee	1	0.11	-	16.80	16.69	0.00	-	-	-	-	-	100

Continued

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(CONTINUED.)

[All amounts in Indian Rupees million, except share data and where otherwise stated]

Sl. No	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate as at 31 March 2016	Share capital	Reserves & surplus	Total assets	Total Liabilities (Excluding share capital and reserves)	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
17	KSK Wardha Infrastructure Private Limited	31-Mar-16	Indian Rupee	1	1.50	-	1.64	0.14	0.00	-	-	-	-	-	100
18	KSK Vidarbha Power Company Private Limited	31-Mar-16	Indian Rupee	1	0.11	-	2.18	2.07	0.00	-	-	-	-	-	100
19	J R Power Gen Private Limited	31-Mar-16	Indian Rupee	1	76.70	-	1,897.86	1,821.16	-	-	-	-	-	-	99.87
20	KSK Upper Subansiri Hydro Energy Limited	31-Mar-16	Indian Rupee	1	0.50	-	2,175.40	2,174.90	-	-	-	-	-	-	100
21	KSK Jameri Hydro Power Private Limited	31-Mar-16	Indian Rupee	1	10.00	-	196.46	186.46	-	-	-	-	-	-	100
22	KSK Dinchang Power Company Private Limited	31-Mar-16	Indian Rupee	1	10.00	-	353.23	343.23	-	-	-	-	-	-	100
23	Bheri Hydro Power Company Private Limited ^a	31-Mar-16	Nepallic Rupee	1	9.95	-	12.01	2.05	-	-	-	-	-	-	99
24	Bheri Hydro Power Company Private Limited ^a	31-Mar-16	Indian Rupee	0.61	6.09	0.03	7.38	1.26	-	-	-	-	-	-	99
25	Tila Karnali Hydro Electric Company Private Limited ^a	31-Mar-16	Nepallic Rupee	1	216.84	-	257.72	40.88	-	-	-	-	-	-	80
26	Tila Karnali Hydro Electric Company Private Limited ^a	31-Mar-16	Indian Rupee	0.61	133.13	0.10	158.35	25.12	-	-	-	-	-	-	80
27	KSK Surya Photovoltaic Venture Limited	31-Mar-16	Indian Rupee	1	370.55	-	1,372.69	1,002.14	72.74	-	-	-	-	-	93.23
28	KSK Wind Power Aminabhavi Chikodi Private Limited	31-Mar-16	Indian Rupee	1	25.73	230.69	256.44	0.02	302.50	-	-	-	-	-	69.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED..)

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

35 Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures (continued..)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) in the prescribed Form AOC- 1 relating to subsidiary companies)

Part "A": Subsidiaries

- 1 Names of subsidiaries which are yet to commence operations : Field Mining and Ispats Limited, Kameng Dam Hydro Power Limited, KSK Dibbin Hydro Power Private Limited, KSK Narmada Power Company Private Limited, KSK Wardha Infrastructure Private Limited, KSK Vidarbha Power Company Private Limited, J R Power Gen Private Limited, KSK Upper Subansiri Hydro Energy Limited, KSK Jameri Hydro Power Private Limited, KSK Dinchang Power Company Private Limited, Bheri Hydro Power Company Private Limited, Tila Karnali Hydro Electric Company Private Limited, KSK Surya Photovoltaic Venture Limited and KSK Wind Power Aminabhavi Chikodi Private Limited.
- 2 Names of subsidiaries which have been liquidated or sold during the year. None
- 3 Sai Lilagar Power Limited, VS Lignite Power Private Limited, Sai Regency Power Corporation Private Limited and Sai Wardha Power Limited are subsidiaries of KSK Electricity Financing India Private Limited, which is 100% subsidiary of the Company.
- 4 Global Coal Sourcing Plc is a subsidiary of Sai Lilagar Power Limited.
- 5 Field Mining and Ispats Limited is a subsidiary of Sai Wardha Power Limited
- 6 Sai Power Pte LTD is a subsidiary of KSK Mahanadi Power Company Limited
- 7 Sai Maithili Power Company Private Limited is a subsidiary of VS Lignite Power Private Limited.
- 8 The financial year of the subsidiary ends on 15 July every year, however for the purpose of consolidation the accounts of the subsidiary is being prepared and considered upto 31 March 2016.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (CONTINUED..)

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

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No	Name of Joint Ventures / Associate	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the joint venture is not consolidated audited Balance Sheet	Networth attributable to Shareholding as per latest	Profit / Loss for the year		
			No.	Amount of Investment in Joint Venture / Associate				Extend of Holding %	Considered in Consolidation	Not Considered in Consolidation
1	Sitapuram Power Limited ¹	31-Mar-16	2,440,960	200.00	49	There is significant influence due to shareholding and joint control over the economic activities.	NA	429.17	(40.99)	-
2	Raigarh Champa Rail Infrastructure Private Limited	31-Mar-16	65,018,090	650.18	49	There is significant influence due to shareholding	NA	650.18	-	-
3	KSK Water Infrastructures Private Limited	31-Mar-16	40,277,990	402.78	35.90	There is significant influence due to shareholding	NA	402.78	-	-

1 Sitapuram Power Limited is a joint venture of KSK Electricity Financing India Private Limited, which is 100% subsidiary of the Company.

2 Raigarh Champa Rail Infrastructure Private Limited and KSK Water Infrastructures Private Limited are associates of KSK Mahanadi Power Company Limited

3 The financial year of the joint venture ends on 31 December every year, however for the purpose of consolidation the accounts of the joint venture is being prepared and considered upto 31 March 2016.

4 Names of associates or joint ventures which are yet to commence operations: None

5 Names of associates or joint ventures which have been liquidated or sold during the year: None

[All amounts in Indian Rupees million, except share data and where otherwise stated]

36 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent	37.08 %	31,840.04	11.00 %	(556.47)
Subsidiaries				
Indian				
Sai Lilagar Power Limited	0.43 %	371.69	3.98 %	(201.52)
Field Mining and Ispats Limited	0.00 %	2.00	0.00 %	-
J R Power Gen Private Limited	0.09 %	76.70	0.00 %	-
Kameng Dam Hydro Power Limited	0.00 %	0.50	0.00 %	-
KSK Dibbin Hydro Power Private Limited	1.08 %	931.10	0.00 %	-
KSK Dinchang Power Company Private Limited	0.01 %	10.00	0.00 %	-
KSK Electricity Financing India Private Limited	5.39 %	4,631.09	13.92 %	(704.20)
KSK Jameri Hydro Power Private Limited	0.01 %	10.00	0.00 %	-
KSK Mahanadi Power Company Limited	42.51 %	36,502.87	15.44 %	(781.11)
KSK Narmada Power Company Private Limited	0.00 %	0.11	0.00 %	-
KSK Upper Subansiri Hydro Energy Limited	0.00 %	0.50	0.00 %	-
KSK Vidarbha Power Company Private Limited	0.00 %	0.11	0.00 %	-
KSK Wardha Infrastructure Private Limited	0.00 %	1.50	0.00 %	-
KSK Wind Energy Private Limited	0.04 %	35.26	0.39 %	(19.92)
Sai Maithili Power Company Private Limited	0.40 %	343.06	0.52 %	(26.50)
Sai Regency Power Corporation Private Limited	4.66 %	4,000.88	(6.17)%	312.20
Sai Wardha Power Limited	2.26 %	1,943.96	39.91 %	(2,019.70)
VS Lignite Power Private Limited	2.91 %	2,500.48	16.83 %	(851.54)
KSK Surya Photovoltaic Venture Limited	1.15 %	985.55	0.00 %	-
KSK Wind Power Aminabhavi Chikodi Private Limited	0.30 %	256.43	0.00 %	-
Foreign				
Tila Karnali Hydro Electric Company Private Limited	0.16 %	134.93	0.00 %	-
Bheri Hydro Power Company Private Limited	0.01 %	7.36	0.00 %	-
Sai Power Pte LTD	(0.15)%	(128.71)	1.10 %	(55.66)
Global Coal Sourcing Plc	(0.12)%	(103.98)	2.27 %	(114.92)
Joint Ventures				
Indian				
Sitapuram Power Limited	0.54 %	464.37	0.81 %	(40.99)
Associates				
Indian				
Raigarh Champa Rail Infrastructure Private Limited	0.76 %	650.18	-	-
KSK Water Infrastructures Private Limited	0.47 %	402.78	-	-
	100%	85,870.76	100%	(5,060.33)
Adjustments arising out of consolidation	-	(50,475.34)	-	121.62
Minority Interests	-	(7,451.11)	-	376.59
Consolidated net assets / profit after tax	-	27,944.31	-	(4,562.12)

- 37 KSK Mahanadi Power Company Limited continued its assessment of capitalisation with respect to the second 600 MW unit with capability to commence commercial production depending on grant of Open Access by Power Grid Corporation of India Limited. With receipt of Open Access for commencement of supplies to TANGEDCO effective 1st August, 2015 (though partially) capitalisation of costs with respect to the second 600 MW is continued until such date of power grid access and starting 1st August 2015 costs are charged off to Statement of Profit and Loss.
- 38 In the opinion of board, any of the assets other than fixed assets and non-current investment have a value on realization in the ordinary course of business at least equal to the amount at which they are stated on the Balance Sheet.
- 39 Previous year figures have been regrouped / reclassified to conform to the classification of the current year.

As per our report of even date
For **Umamaheswara Rao & Co.,**
Chartered Accountants
Firm Registration No: 004453S

for and on behalf of the Board

Sd/-
S. Venugopal
Partner
Membership No: 205565

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

Sd/-
K. A. Sastry
Whole-time Director
DIN - 00006566

Sd/-
V. Sambasiva Rao
Chief Financial officer

Sd/-
M. S. Phani Sekhar
Company Secretary

Place: Hyderabad
Date: 30 May 2016



CORPORATE SUSTAINABILITY INITIATIVES





KSK ENERGY VENTURES LIMITED

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

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