



ANNUAL REPORT 2016-17

BOARD OF DIRECTORS



Mr. T.L. Sankar
Chairman



Mr. S.R. Iyer
Independent Director



Mr. Girish N. Kulkarni
Independent Director



Ms. Savita Jyoti
Non-Executive Director



Mr. K. Bapi Raju
Non-Executive Director



Mr. Tanmay Das
Non-Executive Director



Mr. Anil Kumar Kuttu
Non-Executive Director




Mr. K.A. Sastry
Whole-time Director



Mr. S. Kishore
Whole-time Director



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CORPORATE INFORMATION

Board of Directors	Mr. T.L. Sankar Mr. S.R. Iyer Mr. Girish N. Kulkarni Mr. K.A. Sastry Mr. S. Kishore Ms. Savita Jyoti Mr. K. Bapi Raju Mr. Anil Kumar Kuty Mr. Tanmay Das
Chief Financial Officer	Mr. V. Sambasiva Rao
Company Secretary	Mr. M.S. Phani Sekhar
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Bankers	Andhra Bank Bank of India Axis Bank UCO Bank Indian Bank
Registrar & Share Transfer Agent	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
Shares Listed at	National Stock Exchange of India Limited BSE Limited
Website	www.ksk.co.in



CHAIRMAN STATEMENT



Dear Shareholders

I am pleased to update you on the overall performance of your Company for the year 2016-17. The year continued to be a difficult year for the entire power sector in India as a whole and management have continued to maintain their efforts to address various challenges in the operating power projects especially continued constraints in enforcing rights on fuel, PPA and other project aspects against Government counterparties at KSK Mahanadi, Sai Wardha and VS Lignite power projects.

The capacity addition in the last three years, wherein India's total power capacity has increased from 243 GW in March 2014 to 320 GW in March 2017 reflects the last decade of effort in augmenting power generation wherein conventional or coal based power capacity (which is the mainstay of the country's overall power capacity) has increased from 214 GW in Mar 2014 to 270 GW in March 2017. This growth in conventional power generation along with a contrasting fall in Plant Load Factors (PLFs) of Independent Power Producers (IPPs) from 83.9% to 55.7% between 2010 and 2017 reflect the inherent challenges and contrasts in the policy paradigms of new power generation capacities that have resulted in prolonged period of challenges and uncertainty across the Indian power sector. While renewable energy is experiencing the enhanced thrust, balancing the same with base load round the clock power from conventional power sources would be the reality for the future and therefore improved thermal capacity PLFs are imminent in the near future.

Therefore, the current metamorphosis at the Indian power sector carries both an opportunity and threat. If handled appropriately, through reconsidered business approach and collaborations, long term economic value could be preserved as well as realised and if not properly handled, the same could lead to challenges to private power generation, distressed projects adding to the growing bad loan portfolios of project lenders. The company is, therefore, in pursuit of a reconsidered business approach and is in discussion with a number of potential strategic and financial investors to preserve long term value of the power projects under the company and undertake necessary collaborations thereto. This would entail dilution of equity holdings by the company in such projects.

Operational Performance

During the period under review, operating power assets generated 9,402 GWh with an average portfolio plant load factor of 52% marginally less than the 10,000 GWh mark that was expected to be crossed during the year. The initial 1,200 MW units (under operation) of KSK Mahanadi, a large single location green field private power plant, generated 6,731 GWh during the year. Further,

the construction progress of the remaining units of KSK Mahanadi is continuing with third 600 MW due to be commissioned over the next few months, followed by the fourth 600 MW unit thereafter. Progress on the last 1,200 MW (2x 600 MW units) is contingent upon equity funding, as well as addressing fuel supply and power purchase agreement issues.

The 540 MW Sai Wardha generated 1,395 GWh reflecting the continued challenging local operating environment, the fuel and the offtake constraints. A significant achievement during the period at Sai Wardha was the final ruling by the Competition Appellate Tribunal (COMPAT) in December 2016 and the process to execute proceedings for the recovery of the claim under the law are currently underway. Also, the Company awaits the judgements at Hon'ble Supreme Court dealing with final appeals on both fuel and offtake, which are very vital to address the project's requirements in the long run.

VS Lignite the 135 MW Lignite based power plant generated 474 GWh as against the 792 GWh during FY 2016, reflecting the challenges experienced in the transition from Captive Power Plant (CPP) to Independent Power Plant (IPP) imposed under a local mandate by the Government. While efforts to secure necessary long term PPAs from the local grid continue, discussions are underway with project lenders as to address the project's requirements in the interim period.

The other operational power plants of the group viz., 58 MW Sai Regency, 43 MW Sitapuram and 10 MW Sai Maithili continue to do reasonably well while Sai Lilagar continues its effort to address fuel and offtake challenges.

Financial Performance

During the year under review, the consolidated revenue of the group has decreased by Rs. 3,929 million as a result of decreased output levels at Sai Wardha and VS Lignite. The operating profit has also decreased by Rs. 3,149 million. Certainty towards enhanced operating and financial performance gained momentum recently with the announcement of the new coal linkage policy "SHAKTI" (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) by Government of India in May 2017. Decrease in operating profit coupled with higher finance cost and depreciation resulted in loss before tax of ₹ 8,288 million.

Outlook

As regards level of equity interest in the various power projects under the Company, the group continues to explore for solutions to the problems faced by the operational assets and addressing the on-ground situations in a sustainable manner. Resultantly, the Company is in discussion with the project lenders at each of these project companies to find appropriate solutions for meeting debt servicing obligations on sustainable basis, including appropriate equity collaboration as may be appropriate at each of such project companies.

Over the years, the Group's interest in underlying business has been supported both by equity raised as well as leverage. 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 is being considered for ongoing business operations.

With the underlying asset quality, associated performance and opportunities, KSK is well positioned to be one of the more stable, valuable and sustained players in the Indian Power Generation arena.

Your Board is confident in the outlook for KSK and we thank you for your continued support of the Company.

Appreciation

The Company has come thus far because of the people who have believed and supported the same. I wish to take this opportunity to convey my appreciation to my fellow Directors for their support, diligence and valuable guidance.

Last but not least, my sincere appreciation goes to the management team and employees for their unrelenting commitment and dedication to the Group.

We look to all our stakeholders to lend us their continuous support as we leverage on all opportunities and overcome challenging times to ensure a strong and sustainable future for all.

Sd/-

T.L. SANKAR
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy Outlook

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16. The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans.

Against the backdrop, the year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the two highest denomination notes. The GST is expected to create a common Indian market, improve tax compliance and governance and boost investment and growth; it is also a bold new experiment in the governance of India's cooperative federalism. Demonetisation has had short-term costs but also expected to hold the potential for long term benefits.

As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. India would remain the fastest growing major economy in the world. Follow-up actions to minimize the costs and maximise the benefits include: fast, demand-driven, remonetisation; further tax reforms, including bringing land and real estate into the GST, reducing tax rates and stamp duties; and acting to allay anxieties about over-zealous tax administration. These actions would allow growth to return to trend in 2017-18, following a temporary decline in 2016-17.

Power Sector:

Performance Highlights:

Power supply position in the country has generally improved during the year 2016-17. During the current year the demand - supply gap in terms of energy has reduced to -0.3% from -1.6% from the previous year. Similarly the peak shortage in the country has reduced to -0.5% compared to -1.6% in the previous year.

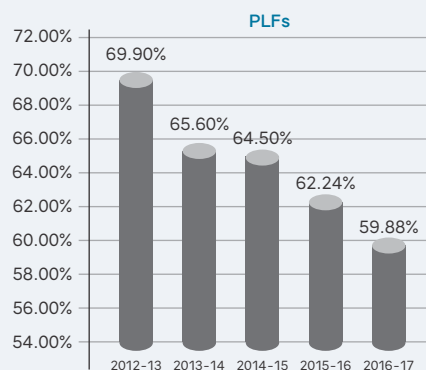
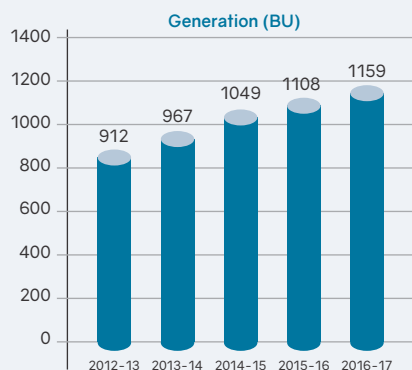
Generation

The addition in power generation capacity during FY 2016-17 is given below:

All figures in MW

Type of Generation	Target for 2016-17	Achievement in 2016-17
Thermal	6,945	11,730.50
Hydro	1,469	1,594.00
Nuclear	1,500	1,000.00
Total	9,914	14,324.50

The total electricity generation for the FY 2016 - 17 was 1159 BU as compared to 1108 BU for the previous year. However, the aggregate Plant Load Factor for the FY 2016-17 reduced to 59.88% compared to 62.24% during the previous year.



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

The fall in Plant Load Factors of Independent Power Producers (IPPs) from 83.9% to 55.7% between 2010 to 2017 also reflects the inherent challenges and contrasts in the policy paradigms of new power generation capacities that have resulted in prolonged period of challenges and uncertainty across the Indian power sector.

Transmission

Recognizing the need for development of the national grid, thrust was given to enhance the capacity of inter-regional links in a phased manner. Working in this direction, all the five regional grids are now interconnected through synchronous links. As on 31 December 2016 inter regional power transfer capacity of the National Grid is about 63,650 MW, which was about 27,750 MW at the end of XI Plan. In addition, presently a number of high capacity inter regional transmission links are under implementation/planning. The inter-regional power transfer capacity is envisaged to enhance to 72,350 MW by the end of XII plan.

Development of High Capacity Power Transmission Corridors (HCPTCs)

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

Distribution

The various reforms like Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY), Ujwal Discom Assurance Yojana (UDAY), National Smart Grid Mission (NSGM), Revised Tariff Policy, 2016 were launched for development of the Distribution sector. Under the DDUGJY scheme, projects with total cost of ₹ 425,500 million have been sanctioned for 32 States/UTs. Subsidy of ₹ 26,640 million has been released by Ministry of Power to REC. States are in the process of tendering and award of sanctioned projects.

Under the UDAY scheme, Government of Rajasthan, Uttar Pradesh, Chhattisgarh, Jharkhand, Punjab, Bihar, Haryana, Jammu & Kashmir and Andhra Pradesh have issued bonds to the tune of ₹ 1,830,842.9 million including bonds issued by Rajasthan Discoms worth ₹ 123,680 million and UP Discoms worth ₹ 107,140 million. So far twenty States and one UT in all viz. Jharkhand, Chhattisgarh, Rajasthan, Uttar Pradesh, Gujarat, Bihar, Punjab, Jammu & Kashmir, Haryana, Himachal Pradesh, Uttrakhand, Goa, Karnataka, Andhra Pradesh, Manipur, Madhya Pradesh, Maharashtra, Assam, Telangana, Tamil Nadu and UT of Puducherry have signed Memorandum of Understandings. Some more States are likely to join the scheme.

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

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

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

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

OPPORTUNITIES AND OUTLOOK

The Indian power sector itself has an investment potential of US\$ 250 billion in the next 4-5 years, providing immense opportunities in power generation, distribution, transmission and equipment, according to Union Minister of Coal, Power and Renewable Energy. The Government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use. Capital intensive nature of the industry and strenuous process of regulatory approval and land acquisition makes it difficult for new entrants there by existing players reaching their highest potential.

Therefore, the current metamorphosis at the Indian power sector carries both an opportunity and threat. If handled appropriately, through reconsidered business approach and collaborations, long term economic value could be preserved as well as realised and if not properly handled, the same could lead to challenges to private power generation, distressed projects adding to the growing bad loan portfolios of project lenders. The company is, therefore, in pursuit of a reconsidered business approach and is in discussion with a number of potential strategic and financial investors to preserve long term value of the power projects under the Company and undertake necessary collaborations thereto. This would entail dilution of equity holdings by the Company in such projects.

RISKS AND CONCERNS

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

- Liquidity risk, project financing and sustainable debt levels against invested equity at projects
- Delay in Government decisions or implementation of earlier Government decisions along with continual inconsistencies in Government policies across departments and retrospective amendments to the existing policies or introduction of new policies
- Delay in providing necessary regulatory support and / or dispensation as may be required for timely implementation of the financing plans or regulatory constraints on financing arrangements resulting in alternate financing arrangements, which may take more time than anticipated to fructify
- Deviation from approved Government policies and abuse of market dominance position by certain contractual counterparties
- Shortage of fuel and dependence on market based or imported fuel which is subject to market vagaries and other uncertainties
- Economic slowdown and negative sectoral outlook with resultant impact on banking sector delays in agreed project disbursements and timely availability of credit
- Delays in enforcement of contractual rights or legal remedies with Government counter parties undertaking fuel supplies, power offtake, transmission and open access amongst others
- PPA Counter parties going contrary to pre agreed understanding and seeking benefits from the power generators that are often in conflict with shareholder obligations to further the business
- Unusual currency depreciation that adversely affects the cost of project imports, project implementation and repayment obligations
- Logistics bottlenecks and other infrastructure constraints of various agencies
- Challenges in the development of support infrastructure for the power projects including physical hindrances and delay in the issue of permits and clearances associated with land acquisitions
- Political and economic instability, global financial turmoil and the resultant fiscal and monetary policies as well as currency depreciation resulting in increasing cost structures

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 unauthorised use and for correct reporting of transactions. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by the management. The Audit Committee of the Board addresses issues raised by both the Internal and Statutory Auditors.

The internal control systems are implemented:

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

OPERATIONAL PERFORMANCE

During the twelve month period, operating assets generated 9,402 GWh with an average portfolio plant load factor of 52%, (FY16: 9,988 GWh with a 55% load factor, FY 2015: 6,158 GWh with a 34% load factor, FY 2014: 5,756 GWh with 32% load factor), marginally less than the 10,000 GWh mark that was expected to be crossed during the year primarily on account of decreased generation at Sai Wardha and VSLignite. The Plant wise details are tabulated below:

	31-Mar-17		31-Mar-16		31-Mar-15		31-Mar-14	
	GWH	(%)	GWH	(%)	GWH	(%)	GWH	(%)
KSK Mahanadi (1200 MW)	6,731	(64%)	6,368	(61%)*	3,203	(30%)*	1,088	(10%)*
Sai Wardha (540 MW)	1,395	(29%)	1,856	(39%)	1,174	(25%)	2,586	(55%)
VSLignite (135 MW)	474	(40%)	792	(67%)	851	(72%)	902	(76%)
Sai Regency (58 MW)	379	(75%)	459	(90%)	423	(83%)	445	(88%)
Sai Lilagar (86 MW)	124	(16%)	172	(23%)	148	(20%)	341	(45%)
Sitapuram Power (43 MW)	281	(75%)	324	(86%)	343	(91%)	342	(91%)
Solar Project (10 MW)	18	(21%)	17	(19%)	16	(18%)	19	(22%)
Wind Project	-	-	-	-	-	-	33	(20%)
TOTAL	9,402	(52%)	9,988	(55%)	6,158	(34%)	5,756	(32%)

*KSK Mahanadi's PLF is calculated across the periods on the installed capacity base of 1,200 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 green field private power plant, has continued. Following are the notable achievements during the year:

- The initial 1,200 MW under operation generated 6,731 GWh during the year with a third 600 MW due to be commissioned over the next few months, followed by the fourth 600 MW unit thereafter.
- Mitigating arrangements were put in place to ensure power requirement of various State Distribution Companies (Discoms) continue to be fulfilled by alternate sources pending the third 600 MW unit being fully commissioned and made operational.
- A scheme of arrangement was agreed with the lenders allowing the Raigarh Champa Rail Infrastructure SPV and the KSK Water Infrastructure SPV to be merged into KSK Mahanadi.
- Progress is being made on addressing project equity funding, as well as addressing fuel supply and PPA issues of last 1,200 MW for unit execution and completion.

540 MW Sai Wardha Power Generation Limited:

The total gross power generated during the review period was 1,395 GWh as against the 1,856 GWh during FY 2016. This reflected the continued challenging local operating environment, the fuel and the offtake constraints experienced by Sai Wardha and resultant pressure on working capital.

A significant achievement during the period at Sai Wardha was the final ruling by the Competition Appellate Tribunal (COMPAT) in December 2016 and the process to execute proceedings for the recovery of the claim under the law are currently underway.

As regards, the final legal appeal of WCL and Coal India Limited (CIL), the Hon'ble Supreme Court has not stayed the COMPAT order and final hearing on the appeal is expected to commence shortly. A favourable final ruling would not only enable a price reduction but also allow substantial claims of damages for the prior period be determined by the COMPAT. As regards long term power sale arrangements to commence delivery for half of the capacity of the Sai Wardha project to the local utility, the appeal against the Appellate Tribunal for Electricity ("APTEL") is also expected to be adjudicated by the Hon'ble Supreme Court shortly.

The Company continues to make every effort to pursue the coal price reduction and implementation of the APTEL direction, which we believe will ultimately lead to the enhanced utilisation and profitability of the Sai Wardha plant. However, proposals are under consideration for conversion of the project debt into equity and /or collaboration with a new investor consortium to address the project requirements before long term solutions on fuel and PPA are achieved.

135MWVS Lignite Power Private Limited:

The total gross power generated during the year was 474 GWh as against the 792 GWh during FY 2016, reflecting the challenges experienced in the transition from Captive Power Plant (CPP) to Independent Power Plant (IPP) imposed under a local mandate by the Government. While efforts to secure necessary long term PPAs from the local grid continue, conversion of the project debt into equity and/or collaboration with a new investor consortium to address the project's requirements are being explored.

86 MW Sai Lilagar Power Generation Limited:

The total gross power generated during the year was 124 GWh as against 172 GWh during the previous year reflecting the transition from Captive Power Plant to Independent Power Producer. The Company anticipates increased generation, revenue and profitability from the Sai Lilagar plant upon resolution of the various challenges it faces.

58 MW Sai Regency Power Corporation Private Limited:

The total gross power generated in the combined cycle gas fired power plant during the year was 379 GWh as against 459 GWh during FY 2016, primarily on account of movement of gas supply arrangement from direct to auction basis. The PLF has recently improved and is operating at 81% PLF in the April to June 2017 quarter.

43 MW Sitapuram Power Limited:

The total gross power generated during the year was 281 GWh as against 324 GWh during the previous year. The fuel cost for the period under review continued to be high due to an increase in coal prices from 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 Solar Power Project:

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

FINANCIAL REVIEW

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

Financial Highlights:

Particulars	₹ in million		
	March 2017	March 2016	% variance
Revenue from operations	39,386	43,315	-9
Gross profit	16,535	19,049	-13
EBITDA	12,791	15,939	-20
Loss after tax	(6,927)	(4,340)	60

These movements are on account of moderate increase in PLF at KSK Mahanadi accompanied by lower PLF and operating performance at Sai Wardha and other smaller generation assets within the wider sectorial and economic challenges being experienced by the Indian Power sector as a whole with respect to fuel supplies costs thereto and state agencies meeting commitments. While the certainty towards enhanced operating and financial performance gained momentum recently with the announcement of the new coal linkage policy "SHAKTI" (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) by Government of India in May 2017, the path to recovery and timing of the same continues to be uncertain until these new government policies on fuel linkages are actually implemented and proposed coal supply auction mechanisms completed.

Also, the decrease in gross profit coupled with the high finance cost at KSK Mahanadi wherein a debt refinancing has become necessary and corner stone for further equity value sustenance and enhancement even at the higher 2400 MW operating base upon completion of the third and fourth 600 MW units at KSK Mahanadi. The Group has been in discussions for active equity collaboration and stake divestment at KSK Mahanadi wherein the debt funding at the project would be refinanced. Therefore, the benefit of lower finance cost at KSK Mahanadi is expected to be substantially realised thereafter.

Notwithstanding the challenges across the sector and exchange rate volatility expected to continue during the current year 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 the longer term.

Principal activity and overview

KSK Group is primarily engaged in the development, ownership, operation and maintenance of power generation assets in India. KSK focused its strategy on the private sector power development market, undertaking entire gamut of development, investment, construction, operation and maintenance of power plant with supplies 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

₹ in million

Particulars	March 2017	March 2016	Variance	% variance
Revenue	39,386	43,315	(3,929)	-9
Cost of revenue	(19,959)	(20,757)	798	-4
Manufacturing expenses	(2,892)	(3,509)	617	-18
Gross Profit	16,535	19,049	(2,514)	-13

Generation, revenues and cost of revenue

The total revenue from operation of the Group have decreased by ₹ 3,929 million reflecting a year on year decrease of 9% as a result of moderate increase in power generation at KSK Mahanadi offset by decreased output levels at Sai Wardha and VS Lignite. Revenues for the year 2017 also include revenue of ₹ 4,699 million (2016: ₹ 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 decreased by ₹ 798 million reflecting a year on year decrease of 4%. The decrease is mainly due to decreased operation in Sai Wardha and other smaller assets. However, cost of revenue continued to remain at higher levels as compared to the management expectation largely on account of efforts on reducing coal cost in Sai Wardha could not materialise and on account of delay in granting linkage coal to KSK Mahanadi by the Government of India.

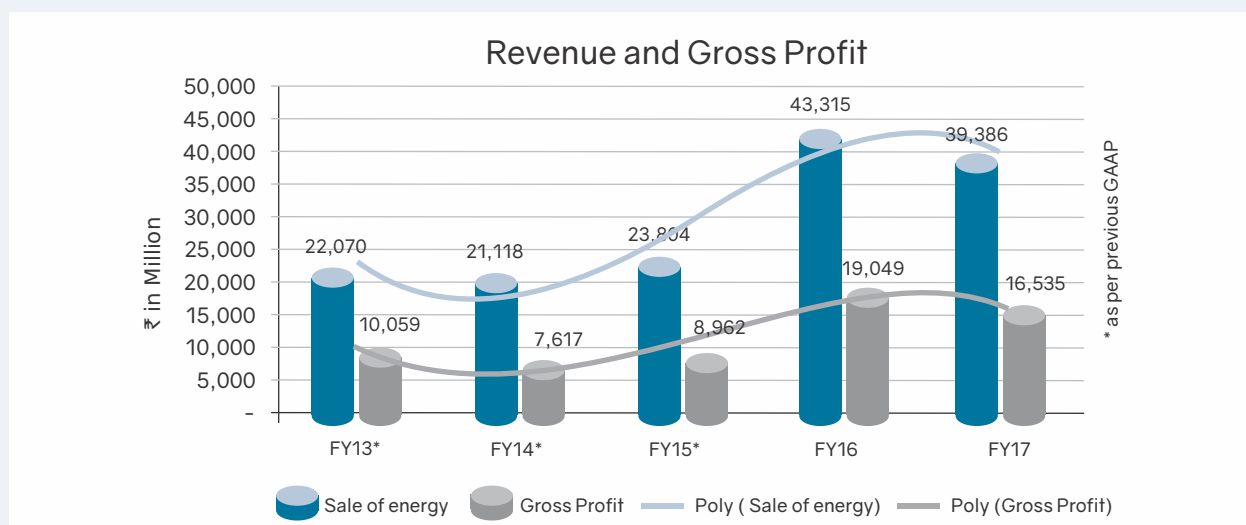
The Positive achievement during the period has been a final ruling by the Competition Appellate Tribunal (COMPAT) in December 2016. As regards, the final legal appeal of the Western Coal Fields Limited (WCL) and Coal India Limited (CIL), the Honourable Supreme Court has not stayed the COMPAT order and final hearing on the appeal is expected to be taken up shortly. A favourable final ruling would not only enable a price reduction but substantial claims of damages for the prior period determined by the COMPAT.

Further cost of revenue is expected to come down with the announcement of the new coal linkage policy "SHAKTI" (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) by Government of India in May 2017. However, the timing of the receipt of linkage coal supplies continues to be uncertain until this new Government policy on fuel linkages is actually implemented and proposed coal supply auction mechanisms completed.

Gross Profit

Gross profit of the Group decreased from ₹ 19,049 million to ₹ 16,535 million, reflecting a year on year decrease of 13%. Decrease as explained above is mainly on account of decreased operation at Sai Wardha and VSLignite .

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



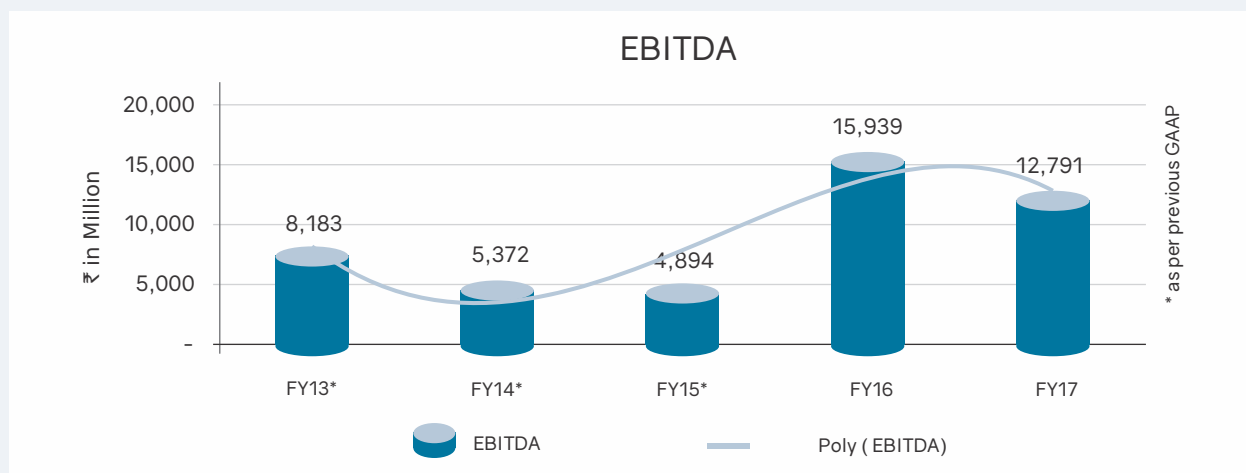
Earnings Before Interest, Depreciation and Tax (EBITDA)

₹ in million

Particulars	March 2017	March 2016	Variance	%
Gross Profit	16,535	19,049	(2,514)	-13%
Employee benefit expenses	(1,119)	(870)	(249)	29%
Other general & administrative expenses	(2,626)	(2,240)	(386)	17%
EBITDA	12,791	15,939	(3,149)	-20%

EBITDA of the Group have decreased by 20% from ₹ 15,939 million in FY 2016 to ₹ 12,791 million in FY 2017 mainly due to decline in gross profit along with increase in general and administrative expense by 17% and increase in employee benefit expenses by 29% primarily due to full year operation of second unit of KSK Mahanadi.

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



Profit / (loss) for the year

Particulars	₹ in million			
	March 2017	March 2016	Variance	%
EBITDA	12,791	15,939	(3,149)	-20
Finance costs	(21,945)	(17,082)	(4,863)	28
Depreciation and amortisation	(6,823)	(5,467)	(1,355)	25
Other income and exceptional items	7,689	691	6,998	1012
Loss before tax	(8,288)	(5,919)	(2,370)	40
Tax income	1,361	1,579	(218)	-14
Loss for the year	(6,927)	(4,340)	(2,588)	60

Movement in loss for the year from ₹ 4,340 million to ₹ 6,927 million is mainly because of the following:

- Increase in finance costs by ₹ 4,863 million from ₹ 17,082 million to ₹ 21,945 million reflecting year on year increase of 28%. The Increase is on account of increased borrowing levels with respect to operational power plants, wherein ₹ 4,077 million increase is only at KSK Mahanadi on a year on year basis was mainly on account of second unit operations for the full year.
- Increase in Depreciation and amortization expenses from ₹ 5,467 million in FY 2016 to ₹ 6,823 million in FY 2017 is mainly on account of full year operation of second unit of the KSK Mahanadi.
- Increase in other income (including exceptional item) from ₹ 691 million to ₹ 7,689 million mainly on account of claim of ₹ 6,055 million relating to inferior quality and excess price receivable from a coal supplier in Sai Wardha after favorable ruling at COMPAT. Other income has also increased on account of increase in insurance claims amounting to ₹ 253 million, interest on deposits/receivables amounting to ₹ 319 million and foreign exchange gain amounting to ₹ 279 million.
- Decrease in tax income from ₹ 1,579 million to ₹ 1,361 million reflects non recognition of deferred tax asset on carry forward of losses in various group companies due to uncertainty of recoverability.

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 decreased from ₹ 43,313 million in FY 2016 to ₹ 39,367 million in FY 2017. Net revenues from its project development segment have increased from ₹ 2 million in FY 2016 to ₹ 19 million in FY 2017. The power generation segment contributed 99% revenue of the Group's total revenue in both financial years 2017 and 2016.

Financial position and cash flows

The capital employed of the Group was ₹ 259,178 million as at March 31, 2017 and increased by ₹ 29,493 million as compared to March 31, 2016. The Group incurred ₹ 27,636 million towards capital expenditure relating to continuous construction and development activities at our 6x600 MW KSK Mahanadi power plant during FY 2017.

The loan portfolio of the Group comprises a combination of domestic and foreign currency loans. The aggregate outstanding indebtedness as at 31 March 2017 stood at ₹ 230,944 million and increased by ₹ 36,158 million compared to FY 2016. The increase is mainly on account of disbursement of cost overrun term loans and working capital loans in KSK Mahanadi. However, the increase is offset to the certain extent on account of regular repayment of loans borrowed in operating companies.

Net customer receivables as at 31 March 2017 stood at ₹ 29,538 million as compared to ₹ 23,328 million as at previous year. Higher trade receivables are mainly due 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 2017 by ₹ 3,579 million as compared to FY 2016 mainly due to second unit operation of KSK Mahanadi. Apart from deployment of cash for capital expenditure, the Group repaid some of its long term loans amounting to ₹ 5,080 million and availed fresh disbursement of borrowings amounting to ₹ 37,719 million. Consequently, there is net cash inflow of ₹ 694 million for the FY 2017.

Equity and financing arrangements

The Group'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.

The Group's interest in underlying business has been supported by the equity raised and leverage at the holding companies. Upon enhanced financial performance the Group would be in a position to consolidate its equity interest and further increase equity stakes at underlying power plants in the future. 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 plays a key role in ensuring the organizations Human assets are engaged and motivated to enable achievement of business goals.

Learning & Development team has developed systems and processes to understand and assess the employee competencies required for the current and future roles to enable a holistic approach of need identification to preparation of individual developmental plan, for development of the identified gaps.

Based on the business model of the Company, HR has created mechanism for collaborative working with the contractor HR teams for ensuring capability, skill enhancement and in turn improving productivity at the ground level. Agency Staff Training, an initiative to monitor the training of KSK Contractor's Employees on SOP/SMP/SCP thus ensuring that trained contractor employees are working on our machinery has been enabled during the year.

Total manpower of the Group at the end of the financial year is 1,310.

SUSTAINABILITY INITIATIVES

KSK's Corporate Social Responsibility (CSR) programmes integrate community development and environmental sustainability in a holistic business operations framework. At KSK, the values of giving back to society are deeply ingrained in its philosophy of sustainable growth wherein systematically planned corporate interventions have yielded promising results and possess the potential of socio-economic transformation of its project neighbourhood communities.

KSK is firmly committed to "Bringing Dignity to Life" by assessing and bridging infrastructure gaps around its projects across India that enrich the quality of life of neighbourhood communities. KSK's socio-economic development initiatives span five thrust areas - health care, education, building healthier communities, economic development and creation of rural infrastructure.

Promoting Health Care

KSK is committed to ensure that healthcare is more easily available to all. KSK believes that as a corporate, its 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.

- More than 16,500 Outpatient Cardiac consultations and 3,520 state of art cardiac surgeries performed free of cost by June 2017
- Thousands of rural children were screened to early detection of cardiac ailments

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 along with other power projects of the group 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.

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.

REPORT ON CORPORATE GOVERNANCE

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

1. Company's philosophy on code of Corporate Governance

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

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

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

2. Board of Directors

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

i. Composition and Category of Directors

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.

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

Name of the Director & Category	No. of other Directorships as on 31 March 2017	No. of other Committee positions held as on 31 March 2017	
		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
Mr. Anil Kumar Kutty Non-Executive Director	3	0	2
Mr. Tanmay Das Non-Executive Director	1	1	0
Mr. K. Bapi Raju Non-Executive Director	9	0	1
Ms. Savita Jyoti * Non-Executive Director	4	0	1
Mr. K.A. Sastry Whole-time Director / Promoter Director	6	1	0
Mr. S. Kishore Whole-time Director / Promoter Director	6	0	1

* Appointed w.e.f. 27 August 2016.

Mr. K. A. Sastry and Mr. S. Kishore are the Promoter Directors. None of the other Directors are related to each other.

ii. Board Meetings and Procedures

During the year ended 31 March 2017, the Board met five times on the following dates: 30 May 2016, 27 August 2016, 9 September 2016, 13 December 2016 and 11 February 2017.

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 2017 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 Schedule II of Listing Regulations has been placed before the Board for its consideration. Presentations on the financial and operational performance are made to the Board by the members of the Senior Management team. Information and data that are more important to the Board's understanding of the business in general and related matters are tabled for discussion.

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

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

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

iii. Details of Directors attendance at Board Meetings and at the last Annual General Meeting held on 24 September 2016 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	5	Yes
Mr. S. R. Iyer	4	Yes
Mr. Girish N Kulkarni	3	No
Mr. Anil Kumar Kutty	4	Yes
Mr. Tanmay Das	5	Yes
Mr. K. Bapi Raju	4	No
Ms. Savita Jyoti*	3	Yes
Mr. K.A. Sastry	4	Yes
Mr. S. Kishore	5	Yes

*Appointed w.e.f. 27 August 2016.

3. Committees of the Board

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

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

Your Board has constituted the following committees.

i. Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent 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 Part C of Schedule II of SEBI (LODR) Regulations, 2015 read with Section 177(4) of the Companies Act, 2013, the Committee reviews Internal Audit Report, Secretarial Audit Report and the report of Statutory Auditors. The Committee also discusses with the Internal, Secretarial and Statutory Auditors their scope of audit, adequacy of internal control systems, findings and observations / suggestions.

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

The Audit Committee met four times during the year on 30 May 2016, 9 September 2016, 13 December 2016 and 11 February 2017.

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	3
4	Mr. S. Kishore*	Member	2

*Mr. S. Kishore was appointed as member of the committee w.e.f. 30 May 2016.

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

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

The terms of reference of the Audit Committee are:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate; and
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii. Nomination and Remuneration Committee

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

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

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

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

The Committee met two times during the year on 6 August 2016 and 11 February 2017.

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

- b. **Performance evaluation criteria for Independent Directors**

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

- c. **Remuneration to Directors:**

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

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

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

- d. **Details of Remuneration paid to Directors for the year ended 31 March 2017:**

₹ in million

Name of the Director	Sitting Fees	Salary	Perquisites	Commission	Total
Mr. T. L. Sankar	0.18	-	-	-	0.18
Mr. S. R. Iyer	0.16	-	-	-	0.16
Mr. Girish N Kulkarni	0.08	-	-	-	0.08
Ms. Savita Jyoti	-	-	-	-	-
Mr. Anil Kumar Kutty	-	-	-	-	-
Mr. Tanmay Das	-	-	-	-	-
Mr. K. Bapi Raju	-	-	-	-	-
Mr. K.A. Sastry	-	9.0	-	-	9.0
Mr. S. Kishore	-	9.0	-	-	9.0

- iii. **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is empowered to perform following functions:

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

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

The Committee met four times during the year on 30 May 2016, 9 September 2016, 13 December 2016 and 11 February 2017.

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

Composition of the Stakeholders Relationship Committee and attendance record during the year 2016-17 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.

iv. Finance and Authorisation Committee

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

The Committee consists of four directors including two whole-time directors. The Company Secretary officiates as Secretary of the Committee.

The Committee met fourteen times during the year on 28 April 2016, 13 May 2016, 27 June 2016, 22 July 2016, 30 July 2016, 10 August 2016, 27 August 2016, 12 September 2016, 24 September 2016, 27 October 2016, 18 November 2016, 26 December 2016, 4 March 2017 and 25 March 2017

Composition of the Finance and Authorisation Committee and attendance record during the year 2016-17 is as follows:

Name of the Director	Category	No. of Meetings attended
Mr. Tanmay Das	Member	14
Mr. K.A. Sastry	Member	14
Mr. S. Kishore	Member	14
Mr. K. Bapi Raju	Member	5

v. Corporate Social Responsibility (CSR) Committee

The Committee consists of three directors, including two Non-Executive Directors. The Chairman is a Non-Executive Independent Director. The CSR Committee's primary functions are to:

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

During the year, the Committee met on 13 December 2016. Composition of the CSR Committee and attendance record during the year 2016-17 is as follows:

Name of the Director	Category	No. of Meetings attended
Mr. T.L. Sankar	Chairman	1
Mr. Tanmay Das	Member	1
Mr. Anil Kumar Kutty	Member	1

4. GENERAL BODY MEETINGS

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

Financial Year	Date and time of AGM	Location	Details of Special Resolutions passed
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
2015-16	24 September 2016 11.00 AM	Plot No. 694, Road No. 33, Jubilee Hills, Hyderabad - 500 033	Approval for Issue of Securities Approval for disposal of shares held in Subsidiaries/assets held by Subsidiaries

ii. Postal Ballot

The Company sought approval of the members through Postal Ballot dated 9 September 2016 for the following Special Resolutions.

- (i) Increasing the borrowing powers
- (ii) Creation of charge for borrowings / financial assistance availed
- (iii) Power to give loans / guarantees / provide security / make investment

Mr. V. Pavana Srinivasa Rao, Practicing Company Secretary has been appointed as Scrutinizer for conducting Postal Ballot. The results were declared on 12 December 2016 based on the report submitted by him.

The results including voting pattern of the Postal Ballot are as follows:

Resolution No. 1: Increasing the borrowing powers of the Company (Special)

Particulars	Number of valid votes received	Voting in favour of resolution		Voting against resolution		Remarks
		No. of shares	% age	No. of shares	% age	
e-voting	368396450	368389003	99.99	7447	0.01	Passed with requisite
Physical voting	6010	5760	95.84	250	4.16	majority
Total	368402460	368394763	99.99	7397	0.01	
Invalid votes	225					
Abstained	103					
Less voted	50					

Resolution No. 2: Creation of charge on the assets of the Company (Special)

Particulars	Number of valid votes received	Voting in favour of resolution		Voting against resolution		Remarks
		No. of shares	% age	No. of shares	% age	
e-voting	368396450	368389003	99.99	7447	0.01	Passed with requisite
Physical voting	6013	5663	94.18	350	5.82	majority
Total	368402463	368394666	99.99	7797	0.01	
Invalid votes	225					
Abstained	100					
Less voted	50					

Resolution No. 3: Power to give loans/ guarantees/ provide security/ make investments (Special)

Particulars	Number of valid votes received	Voting in favour of resolution		Voting against resolution		Remarks
		No. of shares	% age	No. of shares	% age	
e-voting	368396450	367915942	99.87	480508	0.13	Passed with requisite majority
Physical voting	6013	5738	95.43	275	4.57	
Total	368402463	367921680	99.87	480783	0.13	
Invalid votes	225					
Abstained	100					
Less voted	50					

The Company has complied with the procedures for the Postal Ballot in terms of the Companies (Management and Administration) Rules, 2014 and amendments thereto.

5. OTHER DISCLOSURES:

i. Disclosure of Related Party Transactions

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

ii. Suitable disclosures as required for related parties by the Accounting Standard - 18 (AS-18) and/or Indian Accounting Standards as applicable has been made in the notes to the financial statements

iii. Capital Market Compliance(s)

There was no incidence of non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

iv. Whistle Blower Policy

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

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

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

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

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

The status of compliance with discretionary requirements is as under:

- Half-yearly and other quarterly financial results are published in newspapers and posted on Company's website.
- The Chairman of the Board is a Non-Executive Independent Director and his position is separate from that of the Whole-time Director.
- The Internal Auditor's Reports to the Audit Committee.

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

9. Code of Conduct:

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

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

10. CEO and CFO Certification

The WTD 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 SEBI (LODR) Regulations, 2015 and the required certificate is appended.

11. Means of Communication

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

12. General Shareholder Information

- Annual General Meeting
Day, Date and time: Monday, 25 September 2017, 10:30 hours
Venue: Plot No.694, Road No.33, Jubilee Hills, Hyderabad - 500 033.
- Financial Year: 1 April to 31 March
- Dividend Payment date: Nil
- Listing on Stock Exchanges with Stock Code

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

- Listing fee for the year 2016-17 has been paid to all the Stock Exchanges.
- ISIN Code for Demat: The ISIN allotted to the Company is INE143H01015

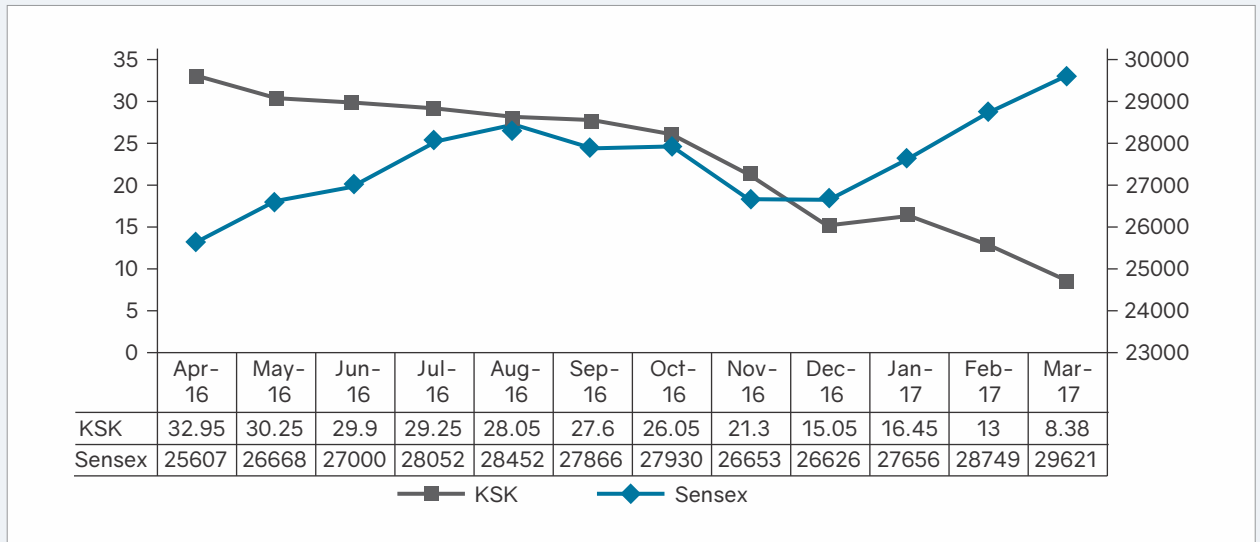
REPORT ON CORPORATE GOVERNANCE

vii. Market Information:

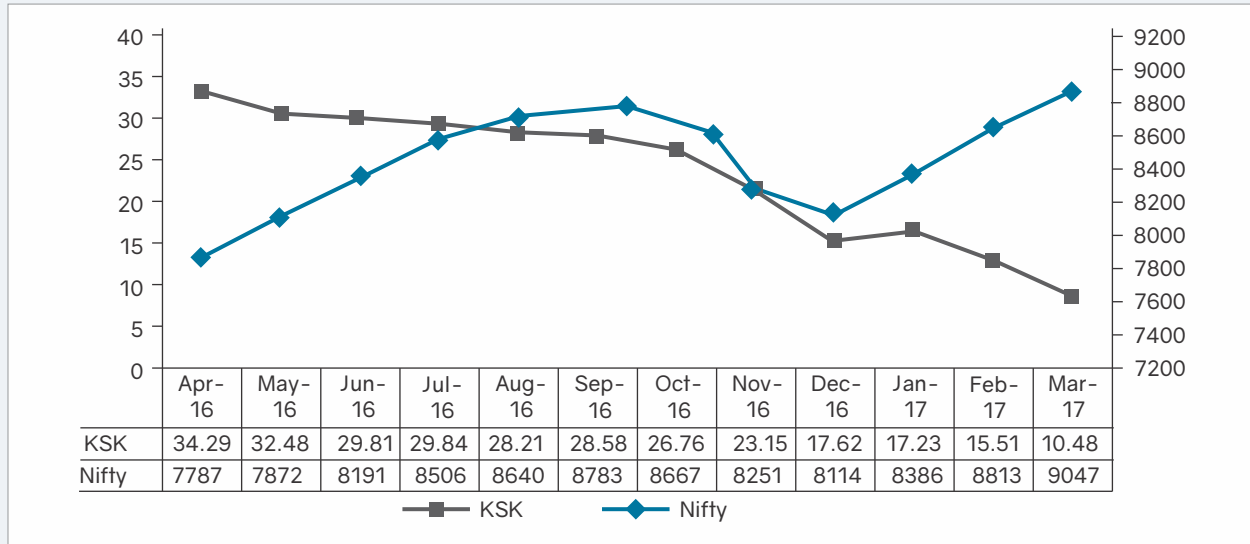
a. Market Price Data: High, low during each month and trading volumes of the Company's Equity shares during the last financial year at NSE and BSE are given below.

MONTH	NSE			BSE		
	High ₹	Low ₹	Volume	High ₹	Low ₹	Volume
April, 2016	37.7	31.8	4645895	37.7	31.85	1232524
May, 2016	35.4	29.9	3682160	35.25	30.05	731540
June, 2016	31.2	28	4107456	31.3	28.25	990094
July, 2016	31.9	28.25	2839685	31.65	28.3	688534
August, 2016	30.1	26.9	2125842	29.95	26.9	465958
September, 2016	30.85	26.05	2669602	30.5	26	625494
October, 2016	28.6	25.45	1611934	28.7	25.75	476988
November, 2016	26.6	21.1	2199054	26.35	20.5	605474
December, 2016	21.9	11.65	16579301	22.4	11.7	6347314
January, 2017	19	14.75	4717683	18.95	14.65	1124436
February, 2017	17.8	12.8	6207827	17.9	12.8	1719987
March, 2017	14.3	8.35	34836379	13.7	8.23	21885934

b. Performance of share price of the Company in comparison to the BSE



c. Performance of share price of the Company in comparison to the NSE



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

ix. Registrar and Transfer Agents

Karvy Computershare Private Limited

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

Financial District, Nanakramguda, Hyderabad - 500032.

Ph: 040-67162222

Fax: 040-23001153

E-mail: einward.ris@karvy.com

x. 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.

xi. Distribution of Shareholding

a). Distribution of Shares as on 31 March 2017

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	16,409	72.321389	2,408,334	24,083,340	0.57
5001- 10000	2,320	10.225219	1,968,301	19,683,010	0.46
10001- 20000	1,456	6.417207	2,322,285	23,222,850	0.55
20001- 30000	677	2.983825	1,759,425	17,594,250	0.41
30001- 40000	318	1.401560	1,151,674	11,516,740	0.27
40001- 50000	347	1.529375	1,659,248	16,592,480	0.39
50001- 100000	548	2.415267	4,130,838	41,308,380	0.97
100001& Above	614	2.706157	408,585,669	4,085,856,690	96.36
TOTAL	22689	100.00	423,985,774	4,239,857,740	100.00

b) Shareholding Pattern as on 31 March 2017

Category	No of Shares	%
A. Promoters Holding		
Promoters	245184028	57.83
Sub -Total: A	245184028	57.83
B. Public Shareholding		
Mutual Funds /UTI	47074576	11.10
Financial Institutions /Banks	21235386	5.01
Foreign Institutional Investors	13927356	3.28
Bodies Corporate	30504134	7.19
Non Resident Indians	2669880	0.63
Non Resident Indian Non Repatriable	146485	0.034
Foreign Bodies	26374531	6.22
Indian Public	36869398	8.70
Sub -Total: B	178801746	42.17
GRAND TOTAL (A+B)	423985774	100

xii. Dematerialisation of Shares and Liquidity:

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

xiii. Address for investor's correspondence

(a) 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

(b) Any Query on Annual Report:

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

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

AUDITORS' CERTIFICATE & COMPLIANCE CERTIFICATE

Auditors' Certificate regarding compliance of the conditions of Corporate Governance under Schedule V (E) of SEBI (LODR) 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 2017, 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/-

R.R. Dakshinamurthy

Partner

ICAI MRN 211639

FRN 004453S

Place: Hyderabad
Date: 27 May 2017

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 2016-17.

Place: Hyderabad
Date: 27 May 2017

Sd/-

S. Kishore

Whole-time Director

CEO & CFO CERTIFICATE

The Board of Directors,
KSK Energy Ventures Limited.

COMPLIANCE CERTIFICATE

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 2017 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: 27 May 2017

Sd/-
V. Sambasiva Rao
Chief Financial Officer

Sd/-
S. Kishore
Whole-time Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting the Seventeenth Annual Report together with the audited statements of accounts for the year ended 31 March 2017.

Performance Highlights

The financial performance of your Company for the year ended 31 March 2017 is summarized below:

₹ in million

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Income	198.49	217.89	39,385.83	43,315.28
Operating expenditure	(112.78)	(166.47)	(26,595.20)	(27,375.96)
Operating profit	85.71	51.42	12,790.63	15,939.32
Add: Other income	377.27	594.25	1,633.64	691.21
Less: Finance cost	(1,333.89)	(1,010.47)	(21,945.11)	(17,081.75)
Less: Depreciation	(4.09)	(7.21)	(6,822.71)	(5,467.47)
Add: Exceptional items	-	-	6,055.20	-
Profit/(loss) before tax (PBT)	(875.01)	(372.01)	(8,288.35)	(5,918.69)
Tax expense / (income)	-	4.03	(1,360.85)	(1,578.89)
Net profit/(loss) after tax	(875.01)	(376.04)	(6,927.50)	(4,339.80)
Share of profit / (loss) of Associate	-	-	(68.71)	-
Other comprehensive income	0.06	1.53	1.34	8.16
Total comprehensive income	(874.95)	(374.51)	(6,994.87)	(4,331.64)
Earnings per share (EPS) (₹)				
Basic and Diluted	(2.06)	(0.88)	(15.00)	(9.77)

The standalone and consolidated financial statements of the Company and its Indian subsidiaries have been prepared in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules 2015 as amended by Companies (Indian Accounting Standards) (amendment) Rules 2016. The Company adopted IND AS from 1 April 2016 with transition date of 1 April 2015, replacing the previous Indian GAAP prescribed under the Companies Act, 2013.

Standalone

During the year under review, income of the Company stood at ₹ 198.49 million. Further, there is a decrease in the operating expenditure, resulting in increase of operating profit from ₹ 51.42 million to ₹ 85.71 million. With increase in finance cost and decrease other income, the Company reported a loss of ₹ 875.01 million.

Consolidated

During the year under review, the consolidated revenue of the group has decreased by ₹ 3,929.45 million as a result of moderate increase in power generation at KSK Mahanadi offset by decreased output levels primarily at Sai Wardha Power and VS Lignite. As a result, operating profit has also decreased by ₹ 3,148.69 million. With higher finance cost and depreciation, loss before tax for the year has gone up by ₹ 2,369.66 million and stood at ₹ 8,288.35 million.

Review of Operations

KSK Energy Ventures Limited (The Company) 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

- KSK Mahanadi, a 3,600 MW coal based power plant in Chhattisgarh - two units of 600 MW each are under operation;
- Sai Wardha, a 540 MW coal based power plant in Maharashtra;
- VS Lignite, a 135 MW lignite based power plant in Rajasthan;
- 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 and
- Sai Maithili, a 10 MW Solar power plant in Rajasthan.

Power projects under active construction

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

Review of Business

Further, the operational and financial performance of each of the power plants for the financial year 2016-17 has been outlined in the "Management Discussion and Analysis Report".

Share Capital

During the year under review, KSK Power Holdings Limited (KPHL) has not exercised the right of conversion of balance 6,98,56,800 share warrants held by them within stipulated time. As per the terms of issue, the warrants lapsed and ₹ 1,728.96 million received as subscriber's money towards the 6,98,56,800 share warrants has been forfeited by the Company.

The paid up equity share capital as on 31 March 2017 was ₹4,239.86 million comprising of 42,39,85,744 (Forty Two Crore Thirty Nine Lakh Eighty Five Thousand and Seven Hundred Forty Four) equity shares of ₹ 10/- each.

Subsidiaries / Joint Ventures / Associates

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

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

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

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

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

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

During the year, KSK Water Infrastructures Private Limited, KSK Wind Energy Halagali Benchi Private Limited, KSK Wind Energy Mothalli Haveri Private Limited and KSK Wind Power Sankonahatti Athni Private Limited have become subsidiaries of the Company.

Corporate Governance

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

Management Discussion and Analysis Report

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

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 149 of the Act, Ms. Savita Jyoti was appointed as Director at the Annual General Meeting held on 24 September 2016.

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

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

Brief profile of Mr. K. Bapi Raju is given in notice convening the Seventeenth Annual General Meeting for reference of shareholders.

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.

There is no change in the Key Managerial Personnel.

Meetings of the Board

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

Performance Evaluation

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

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

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

Remuneration Policy

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

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

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

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

Particulars of Employees

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

Directors' Responsibility Statement

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

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

Audit Committee

The Audit Committee of the Company constituted in terms of Section 177(1) of the Act and Regulation 18 of the Listing Regulations comprises of - Mr. 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). Terms of reference, meetings and attendance particulars of the Audit Committee are included in the Corporate Governance Report forming an integral part of this Annual Report.

Corporate Social Responsibility Committee

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

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

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The CSR Committee met on 13 December 2016. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31 March 2017 in the format prescribed under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure IV**.

Statutory Auditors

M/s. Umamaheshwara Rao & Co., Chartered Accountants, Hyderabad, Statutory auditors of your Company hold office until the conclusion of this year's Annual General Meeting. The Board has recommended appointment of M/s. Jawahar and Associates, Chartered Accountants, Hyderabad (Firm Registration No. 001281S), as statutory auditors of the Company in place of M/s. Umamaheshwara Rao & Co., Chartered Accountants, Hyderabad, the existing auditors of the Company, for a period of five years from the conclusion of this Seventeenth Annual General Meeting in 2017 till the conclusion of the twenty second Annual General Meeting to be held in the year 2022, subject to the ratification of their appointment at every AGM.

The Members are hereby requested to approve the appointment of M/s Jawahar and Associates, Chartered Accountants as Auditors and to authorise the Board of Directors to fix their remuneration.

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

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. V. Pavana Srinivasa Rao, Practising Company Secretary, Hyderabad to undertake Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report in form MR-3 received from him is annexed herewith as **Annexure V** to this Report.

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

Whistle Blower Policy/Vigil Mechanism

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

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

Dividend

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

Transfer to Reserves

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

₹ in million

Particulars	31 March 2017	31 March 2016
Securities Premium Account	-	154.56
Capital Redemption reserve	1,728.96	340.00

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 2017 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 and its future operations.

Internal Control Systems

Your Directors believes that the Company's internal financial controls with reference to financial statements were adequate and effective during the financial year 2016-17.

Loans, Guarantees or Investments under Section 186 of the Act

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

Contracts and arrangements with Related Parties

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

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

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

Further, the Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 31 March 2017. Suitable disclosure as required by the Accounting Standard-18 (AS-18) and/or

Indian Accounting Standards as applicable has been made in the notes to the financial statements.

Risk Management Policy

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

Extract of Annual Return

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure VI** 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 received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year ended 31 March 2017.

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:

Particulars	₹ in million	
	2016-17	2015-16
Exchange Earnings	-	-
Foreign Exchange Outgo	-	0.16

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

Sd/-

T.L. Sankar
Chairman

Place : Hyderabad
Date: 27 May 2017

ANNEXURE - I TO DIRECTORS' REPORT

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 Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Objectives of the Policy

The objectives of this policy are as detailed below:

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

Definitions

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

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

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

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

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

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

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

Constitution of Nomination and Remuneration Committee

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

Role of the Committee:

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

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

The remuneration / compensation / commission, etc., to the Managing /Whole-time Director will be determined by the Committee and recommended to the Board for approval and shall be in accordance with the provisions of the Act and Rules made 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 Whole-time Directors based on the standard market practices and prevailing HR policy of the Company.

Remuneration to Non-executive / Independent Director

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

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

Place : Hyderabad
Date: 27 May 2017

On behalf of the Board

Sd/-

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 2016-17, the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2016-17 are as below:

S. No.	Name of the Director	Designation	Remuneration of Director/Key Managerial Personnel for the financial year (₹ 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 N. Kulkarni ¹	Independent Director	Nil	Nil	Nil
4	Ms. Savita Jyoti ²	Non-Executive Director	Nil	Nil	Nil
5	Mr. K. A. Sastry	Whole-time Director	9.0	1:0.2415	Nil
6	Mr. S. Kishore	Whole-time Director	9.0	1:0.2415	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	3.6	Not Applicable	Nil
11	Mr. M.S. Phani Sekhar	Company Secretary	2.4	Not Applicable	Nil

- Mr. T.L. Sankar, Mr. S.R. Iyer & Mr. Girish N. Kulkarni were paid sitting fees for attending the Meetings.
- Mr. K. Bapi Raju, Mr. Anil Kumar Kutty, Ms. Savita Jyoti and Mr. Tanmay Das were not paid any remuneration.
- The Company experienced an average increase of 11.68% in the median remuneration of employees in the financial year. Though there is no increase in salaries of employees, the increase in median remuneration of employees is due to reduction in employees during the year 2016-17.
- The Company has 16 permanent employees on its rolls as on 31 March 2017.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was NIL and the increase in the managerial remuneration was NIL.
- 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.
- It is hereby affirmed that the Remuneration paid to Directors, Key Managerial Personnel and Senior Management is as per the Remuneration policy of the Company.

On behalf of the Board

Sd/-

T.L. Sankar

Chairman

Place : Hyderabad

Date: 27 May 2017

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 2017

S. No	Employee Name	Age	Qualifications	Designation	Date of commencement of employment	Remuneration (₹ Million)	Nature of employment	Related to any Director or Manager of the Company	Experience (Years)	Last Employment
1	Sastry K A	57	B.Com, FCA	Whole-time Director	1 April 2004	9.00	Contractual	No	29	Director, K&S Consulting Group Private Limited
2	Kishore S	54	B.Com, FCA	Whole-time Director	1 April 2004	9.00	Contractual	No	30	Director, K&S Consulting Group Private Limited
3	Prakash B N	62	M. Tech	General Manager - Finance	1 September 2008	5.01	Permanent	No	40	Global Trust Bank
4	Krishna Murthy K V	40	MBA	Deputy Chief Financial Officer	8 June 2004	5.01	Permanent	No	18	Vxceed Technologies
5	Shanker Narayan C	56	B.Com, PGDMSM	Head-HR	21 August 2006	4.21	Permanent	No	31	Aris Global Software Private Limited
6	Sambasiva Rao V	68	B.Com, ACA	Chief Financial Officer	3 October 2006	3.6	Permanent	No	42	Bambino Agro Industries Limited
7	Raj Kamal Bajaj	65	B.Com	Head-Administration	25 January 2010	2.71	Permanent	No	36	Pidilite Industries Limited
8	Phani Sekhar M S	37	M.Com, LLB, ACS	Company Secretary	1 May 2014	2.40	Permanent	No	11	KSK Group
9	Narasimha Reddy G	42	B.Com	Senior Manager - Accounts	10 June 1997	1.94	Permanent	No	23	Sumangala Seeds Private Limited
10	Latha Parikh	51	B.Com	Executive Secretary	9 January 1993	1.80	Permanent	No	33	Super Inducto Castings Private Limited

Note: No employees are there in the service of the company in the category specified under Rule 5 (2)(iii) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

On behalf of the Board

Sd/-

T.L. Sankar
Chairman

Place : Hyderabad
Date: 27 May 2017

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:

- Education
- Health and Family welfare
- Sustainable Development
- Infrastructure Development
- 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 Kuty - Member and Mr. Tanmay Das - Member

3. Average net profit of the Company for last three financial years: ₹ (123.34) million

4. Prescribed CSR expenditure: Not Applicable for the financial year 2016-17

5. Details of CSR spend for the financial year:

a. Total amount spent for the financial year: ₹ 6.8 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	6.8	6.8	6.8	Implementing agency
Total			6.8	6.8	6.8	

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

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

For and on behalf of Corporate Social Responsibility Committee

Sd/-

Mr. S. Kishore

Whole-time Director

Sd/-

Mr. T.L. Sankar

Chairman of CSR Committee

Place: Hyderabad

Date: 27 May 2017

ANNEXURE – V FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31 March 2017

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

To,
The Members,
KSK Energy Ventures Limited
CIN: L45204TG2001PLC057199
8-2-293/82/A/431/A, Road No.22, Jubilee Hills,
Hyderabad - 500033.

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 2017 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 2017 according to the provisions of:

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

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

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

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

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

I further report that

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

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

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

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

I further report that during the audit period 6,98,56,800 share warrants issued by the Company have lapsed and ₹ 172.89 Crores received as subscribed money towards the lapsed share warrants has been forfeited by the Company.

Place: Hyderabad
Date: 19 May 2017

Sd/-
V. Pavana Srinivasa Rao, ACS
Practicing Company Secretary
FCS No. 20748
C P No.:7671

ANNEXURE-VI TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

(As on financial year ended on 31 March 2017)

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	L45204TG2001PLC057199
2. Registration Date	14 February 2001
3. Name of the Company	KSKENERGYVENTURES 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 and address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	KSK Energy Limited St. James Court, St. Denis Street, Port Louis, Mauritius	NA	Holding	37.07	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)

continued..

S.No.	Name of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
9	Sai Lilagar Power Generation Limited (formerly Sai Lilagar Power Limited)*	U40101TG2004PLC061239	Subsidiary	100.00	2 (87)
10	KSK Electricity Financing India Private Limited*	U40109TG2005PTC047594	Subsidiary	100.00	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 Generation Limited (formerly Sai Wardha Power Limited)*	U40109TG2005PLC047917	Subsidiary	80.67	2 (87)
14	KSK Mahanadi Power Company Limited*	U40300TG2009PLC064062	Subsidiary	76.99	2 (87)
15	J R Power Gen Private Limited**	U31200TN2007PTC062021	Subsidiary	99.87	2 (87)
16	KSK Upper Subansiri Hydro Energy Limited*	U40108TG2010PLC068931	Subsidiary	100.00	2 (87)
17	KSK Jameri Hydro Power Private Limited*	U40108TG2010PTC071752	Subsidiary	100.00	2 (87)
18	KSK Dinchang Power Company Private Limited*	U40108TG2010PTC071808	Subsidiary	100.00	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	80.00	2 (87)
22	Bheri Hydro Power Company Private Limited Kathmandu Municipality - 2, Saraswattithan Marg, Gairithara, Kathmandu, Nepal	NA	Subsidiary	99.00	2 (87)
23	Sai Power Pte Ltd 79, Robinson Road, # 16-01 CPF Bldg., Singapore 068897	NA	Subsidiary	100.00	2 (87)
24	Sitapuram Power Limited Sitapuram, Dondapadu, Post- Mallareddy Gudem (M) (Chintalapalem) Suryapet, Telangana-508246	U40109TG2005PLC046893	Associate	49.00	2 (6)
25	KSK Wind Power AminabhaviChikodi Private Limited*	U40108TG2011PTC072003	Subsidiary	69.95	2 (87)
26	KSK Water Infrastructures Private Limited*	U41000TG2009PTC062890	Subsidiary	62.64	2 (87)
27	KSK Wind Energy Mothalli Haveri Private Limited*	U40108TG2010PTC071927	Subsidiary	99.61	2(87)
28	KSK Wind Power Sankonahatti Athni Private Limited*	U40105TG2011PTC071999	Subsidiary	99.61	2 (87)
29	KSK Wind Energy Halagali Benchi Private Limited*	U40108TG2010PTC071926	Subsidiary	99.61	2 (87)
30	Raigarh Champa Rail Infrastructure Private Limited*	U41000TG2009PTC063665	Associate	49.00	2 (6)
31	Global Coal Sourcing Plc First Names House, Victoria Road, Douglas, Isle of Man IM2 4DF	NA	Subsidiary	100.00	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)

a) 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	78469263	-	78469263	18.51	68375962	-	68375962	16.13	(2.38)
Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	78469263	-	78469263	18.51	68375962	-	68375962	16.13	(2.38)
FOREIGN									
Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	210555261	-	210555261	49.66	176808066	-	176808066	41.70	(7.96)
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-Total A(2) :	210555261	-	210555261	49.66	176808066	-	176808066	41.70	(7.96)
Total A=A(1)+A(2)	289024524	-	289024524	68.17	245184028	-	245184028	57.83	(10.34)
PUBLIC SHAREHOLDING INSTITUTIONS									
Mutual Funds /UTI	48999809	-	48999809	11.56	47074576	-	47074576	11.10	(0.46)
Financial Institutions /Banks	12010212	-	12010212	2.83	21235386	-	21235386	5.01	2.18
Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	17567719	-	17567719	4.14	13927356	-	13927356	3.28	(0.86)
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign	-	-	-	-	-	-	-	-	-

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	
Investor									
Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1) :	78577740	-	78577740	18.53	82233318	-	82237318	19.39	0.86
NON-INSTITUTIONS									
Bodies Corporate	19944846	-	19944846	4.70	30504134	-	30504134	7.19	2.49
Individuals	-	-	-	-	-	-	-	-	-
(i) Individuals holding nominal share capital upto Rs.1 lakh	6042962	13	6042975	1.43	16950297	23	16950320	4.00	2.57
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	3398916	-	3398916	0.80	17943654	-	17943654	4.23	3.43
Others	26996773	-	26996773	6.36	31166320	-	31166320	7.35	0.99
Sub-Total (B)(2)	56383497	13	56383510	13.29	96564405	23	96564428	22.77	9.48
Total Public Shareholding (B)= (B)(1)+(B)(2)	134961237	13	134961250	31.83	178801723	23	178801746	42.17	(10.34)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	423985761	13	423985774	100	423985751	23	423985774	100	

b) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding the year
		No. of Shares	% of total during Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	KSK Energy Limited	190938342	45.03	98.15	157191147	37.07	97.75	(7.96)
2	KSK Energy Company Private Limited	78469263	18.51	99.99	68375962	16.13	99.99	(2.38)
3	KSK Power Holdings Limited	19616919	4.63	55.83	19616919	4.63	55.83	0

DIRECTORS' REPORT

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

S. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share- -holding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	KSK Energy Limited	190938342	45.03	01.04.2016				
				09.12.2016	32303500	Sale	158634842	37.42
				27.02.2017	1443695	Sale	157191147	37.07
				31.03.2017			157191147	37.07
2	KSK Energy Company Private Limited	78469263	18.51	01.04.2016				
				20.05.2016	62866	Sale	78406397	18.49
				09.08.2016	60677	Sale	78345720	18.48
				17.08.2016	7783	Sale	78337937	18.48
				18.08.2016	21757	Sale	78316180	18.47
				22.08.2016	3484	Sale	78312696	18.47
				23.08.2016	35951	Sale	78276745	18.46
				11.11.2016	6415	Sale	78270330	18.46
				15.11.2016	8664	Sale	78261666	18.46
				05.12.2016	22386	Sale	78239280	18.45
				06.12.2016	21636	Sale	78217644	18.45
				07.12.2016	198705	Sale	78018939	18.40
				08.12.2016	200000	Sale	77818939	18.35
				09.12.2016	128533	Sale	77690406	18.32
				12.12.2016	111598	Sale	77578808	18.30
				13.12.2016	88730	Sale	77490078	18.28
				14.12.2016	186444	Sale	77303634	18.23
				15.12.2016	87438	Sale	77216196	18.21
				16.12.2016	187292	Sale	77028904	18.17
				19.12.2016	36342	Sale	76992562	18.16
				20.12.2016	600000	Sale	76392562	18.02
				23.01.2016	109365	Sale	76283197	17.99
24.01.2017	317085	Sale	75966112	17.92				
25.01.2017	143978	Sale	75822134	17.88				
27.01.2017	56915	Sale	75765219	17.87				
06.02.2017	21100	Sale	75744119	17.86				
16.02.2017	76268	Sale	75667851	17.85				
17.02.2017	95262	Sale	75572589	17.82				
20.02.2017	145115	Sale	75427474	17.79				
21.02.2017	319302	Sale	75108172	17.71				
22.02.2017	164579	Sale	74943593	17.68				

S. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in share- -holding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
3	KSK Power Holdings Limited	19616919	4.63	23.02.2017	246355	Sale	74697238	17.62
				27.02.2017	327013	Sale	74370225	17.54
				28.02.2017	330424	Sale	74039801	17.46
				01.03.2017	649569	Sale	73390232	17.31
				02.03.2017	102004	Sale	73288228	17.29
				03.03.2017	258888	Sale	73029340	17.22
				06.03.2017	206641	Sale	72822699	17.18
				07.03.2017	346972	Sale	72475727	17.09
				08.03.2017	226632	Sale	72249095	17.04
				09.03.2017	306156	Sale	71942939	16.97
				10.03.2017	66977	Sale	71875962	16.95
				29.03.2017	1500000	Sale	70375962	16.60
				30.03.2017	1000000	Sale	69375962	16.36
				31.03.2017	1000000	Sale	68375962	16.13
				31.03.2017			68375962	16.13
				01.04.2016			19616919	4.63
				31.03.2017			19616919	4.63

(d) 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	22288116	5.25	22288116	5.25
2	LB Mauritius IV Limited	18500000	4.36	18500000	4.36
3	Punjab National Bank	-	-	10871949	2.56
4	Tarish Investment And Trading Co. Pvt. Ltd.	-	-	10863748	2.56
5	Tree Line Asia Master Fund (Singapore) PTE Ltd	9008000	2.12	9008000	2.12
6	LB Mauritius III Limited	7874531	1.85	7874531	1.85
7	HDFC Trustee Company Limited - HDFC Prudence Fund	6751111	1.59	6751111	1.59
8	HDFC Trustee Company Limited - HDFC Infrastructure Fund	6409752	1.51	6409752	1.51
9	Bodhivriksha Advisors LLP	-	-	5000000	1.18
10	Life Insurance Corporation of India	4001256	0.94	4001256	0.94

Note:

- The Share Capital of the Company as on 1 April 2016 is 423985774.
- 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.
- The details of the date wise increase/decrease will be provided at the request of shareholder.

DIRECTORS' REPORT

(e) 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	Ms. Savita Jyoti				
	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

V. 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	1,258.68	6,226.89	-	7,485.57
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	6,634.25	-	7,892.93
Change in Indebtedness during the financial year				
* Addition	328.97	764.91	-	1,093.88
* Reduction	-	-	-	-
Net Change	328.97	764.91	-	1,093.88
Indebtedness at the end of the financial year				
i) Principal Amount	1,585.71	6,268.20	-	7,853.92
ii) Interest due but not paid	1.94	811.32	-	813.25
iii) Interest accrued but not due	-	319.64	-	319.64
Total (i+ii+iii)	1,587.65	7,399.16	-	8,986.81

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	-	-	-
	(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 (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		

DIRECTORS' REPORT

B. Remuneration to other directors

₹ in million

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		T. L. Sankar	S.R. Iyer	Girish N. Kulkarni	
1	Independent Directors				
	Fee for attending board committee meetings	0.18	0.16	0.08	0.42
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.18	0.16	0.08	0.42
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.18	0.16	0.08	0.42
	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				18.42
	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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
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.

On behalf of the Board

Sd/-

T.L. Sankar
Chairman

Place: Hyderabad
Date: 27 May 2017

INDEPENDENT AUDITORS' REPORT

To

The Members of KSK Energy Ventures Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **KSK Energy Ventures Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other Comprehensive income), the statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS financial statements').

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rule issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS 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 Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including Ind AS:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) in the case of the Profit and Loss Account including other comprehensive income, of the loss for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date; and
- (d) in the case of the changes in equity 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, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.;
 - b. 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, the statement of Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards referred to in section 133 of companies act 2013 , read with relevant Rules issued thereunder.
 - e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 26 to the standalone Ind AS financial statements
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts. Refer to Note 12A to the standalone Ind AS financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its standalone Ind AS financial statement as to holding as well as dealings in specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 33 to the standalone Ind AS financial statements.

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

Sd/-
R R Dakshinamurthy
Partner
ICAI MRN: 211639
FRN004453S
Hyderabad
Date: May 27, 2017

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 eleven 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, Employees' State Insurance, Income tax, Sales Tax, Excise duty, 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Excise duty, Value Added Tax, Service Tax, Custom Duty, Cess and other material statutory dues were in arrears as at 31 March 2017 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. 50.01 crores and Rs. 76.71 crores respectively to banks and financial institutions as at the date of our audit report.
- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- 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 2017 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 and presentation 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 2017, 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/-

R R Dakshinamurthy

Partner

ICAI MRN: 211639

FRN004453S

Hyderabad

Date: May 27, 2017

BALANCE SHEET AS AT 31 MARCH 2017

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

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	5	17.39	21.25	174.37
(b) Capital work-in-progress	5	74.15	74.16	8.30
(c) Intangible assets	6	-	0.16	0.79
(d) Financial Assets				
(i) Investments	7	40,085.78	39,143.51	36,410.82
(ii) Trade receivables	8	99.43	86.46	75.18
(iii) Loans	9	731.36	841.03	2,555.87
(iv) Other financial assets	10	411.46	213.87	11.88
(e) Deferred tax assets (net)	11	73.83	73.83	73.83
(f) Other non-current assets	12	259.50	281.41	407.29
		41,752.90	40,735.68	39,718.33
2 Current assets				
(a) Financial Assets				
(i) Trade receivables	8	309.52	930.22	110.29
(ii) Cash and cash equivalents	13	24.25	53.84	698.69
(iii) Bank balances other than (ii) above	14	303.49	283.71	117.53
(iv) Loans	9	1,420.81	336.04	394.66
(v) Other financial assets	10	225.52	316.77	261.87
(b) Current tax assets (Net)		0.20	43.36	6.40
(c) Other current assets	12	46.50	44.41	44.49
		2,330.29	2,008.35	1,633.93
3 Non-current assets held for sale		-	146.76	-
TOTAL		44,083.19	42,890.79	41,352.26

BALANCE SHEET AS AT 31 MARCH 2017

	Note	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	4,239.86	4,239.86	4,222.49
(b) Other equity		26,954.37	27,829.32	28,096.92
		31,194.23	32,069.18	32,319.41
Liabilities				
1 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	4,681.26	5,163.33	3,434.68
(ii) Other financial liabilities	18	319.64	91.50	-
		5,000.90	5,254.83	3,434.68
2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	16	2,153.49	1,798.11	1,188.09
(ii) Trade payables	17	1,332.48	833.64	96.07
(iii) Other financial liabilities	18	4,388.20	2,761.63	4,301.86
(b) Other current liabilities	19	13.89	10.42	12.15
(c) Current tax liabilities (Net)		-	12.98	-
		7,888.06	5,416.78	5,598.17
3 Liabilities associates with non-current assets held for sale		-	150.00	-
TOTAL		44,083.19	42,890.79	41,352.26

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/-
RR Dakshinamurthy
Partner
Membership No: 211639

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: 27 May 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

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

	Note	Yearended 31 March 2017	Yearended 31 March 2016
I Revenue from operations	20	198.49	217.89
II Other income	21	377.27	594.25
III Total revenue (I+II)		575.76	812.14
IV Expenses			
Employee benefits expense	22	50.97	52.55
Other expenses	23	61.82	113.91
Finance costs	24	1,333.89	1,010.48
Depreciation and amortisation expense	5 and 6	4.09	7.22
Total expenses		1,450.77	1,184.16
V Profit / (loss) before tax (III - IV)		(875.01)	(372.02)
VI Tax expense / (Income)			
Current tax		-	-
In respect of earlier years		-	4.03
Total tax expense / (Income)		-	4.03
VII Profit / (loss) for the year (V - VI)		(875.01)	(376.05)
VIII Other Comprehensive Income			
(a) (i) Items that will not be reclassified to profit or loss	25	0.06	1.53
Other Comprehensive Income for the year		0.06	1.53
IX Total Comprehensive Income / (loss) for the year (VII + VIII)		(874.95)	(374.52)
X Earnings / (loss) per share (EPS)			
Basic and Diluted - face value Rs. 10 per share		(2.06)	(0.88)

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/-
RRDakshinamurthy
Partner
Membership No: 211639

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: 27 May 2017

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

A. Equity Share Capital		No of Shares	Amount				
Particulars							
Balance as at 1 April 2015		422,249,194	4,222.49				
Changes in equity share capital during the year :							
(i) Conversion of warrants issued to promotor group		1,736,580	17.37				
Balance as at 31 March 2016		423,985,774	4,239.86				
Balance as at 1 April 2016		423,985,774	4,239.86				
Changes in equity share capital during the year :		-	-				
Balance as at 31 March 2017		423,985,774	4,239.86				
B. Other Equity							
	Securities Premium Reserve	Reserves and Surplus Capital Reserve	Capital Redemption reserve	Retained Earnings	items of Other Comprehensive Income - Actuarial gains / (losses)	Money received against share warrants	Total
Balance as at 1 April 2015	23,067.76	-	660.00	2,592.56	-	1,776.60	28,096.92
Profit / (loss) for the year	-	-	-	(376.05)	-	-	(376.05)
Other Comprehensive Income							
Items that will not be reclassified to profit or loss							
Actuarial gain / (loss)	-	-	-	-	1.53	-	1.53
Total comprehensive income				(376.05)	1.53		(374.52)
Allotment of shares	154.56	-	-	-	-	(47.64)	106.92
Transfer to Capital Redemption Reserve	-	-	340.00	(340.00)	-	-	-
Transaction with owner	154.56	-	340.00	(340.00)	-	(47.64)	106.92
Balance as at 31 March 2016	23,222.32	-	1,000.00	1,876.51	1.53	1,728.96	27,829.32

	Reserves and Surplus			items of Other Comprehensive Income - Actuarial gains / (losses)	Money received against share warrants	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings			
Balance as at 1 April 2016	23,222.32	-	1,876.51	1.53	1,728.96	27,829.32
Profit / (loss) for the year	-	-	(875.01)	-	-	(875.01)
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Actuarial gain / (loss)	-	-	-	0.06	-	0.06
Total comprehensive income	-	-	(875.01)	0.06	-	(874.95)
Forfeiture of share warrants	-	1,728.96	-	-	(1,728.96)	-
Transaction with owner	-	1,728.96	-	-	(1,728.96)	-
Balance as at 31 March 2017	23,222.32	1,728.96	1,001.50	1.59	-	26,954.37

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/-
RR Dakshinamurthy
Partner
Membership No: 211639

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: 27 May 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

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

	31 March 2017	31 March 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	(875.01)	(372.02)
Adjustment for		
Depreciation and amortisation expense	4.09	7.22
Finance costs	1,333.89	1,010.48
Interest income	(350.70)	(576.16)
Baddebt written off / Provision for doubtful debts	18.75	59.24
Profit/Loss on sale of assets, net	(13.24)	(0.01)
Others, net	0.06	1.58
Operating profit before working capital changes	117.84	130.33
Adjustment for working capital		
Trade receivables	620.70	(819.93)
Financial assets	14.65	115.13
Other assets	(1.92)	(37.38)
Trade payables	498.84	823.81
Other liabilities and provisions	(61.56)	(29.73)
Cash generated from / (used in) operations	1,188.55	182.23
Income taxes (paid) / Refund	51.93	59.09
Net cash provided by operating activities	1,240.48	241.32
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress and capital advance	(0.07)	9.10
Sale of fixed assets	10.00	0.01
Advance received for sale of asset	-	150.00
Advance received against issue of financial instrument	695.00	-
Advance for investments, net	-	(20.00)
Inter corporate deposit given / refund, net	(1,448.93)	1,728.02
Sale of non current investments	145.05	68.99
Purchase of non current investments	(625.39)	(2,776.43)
(Investment)/redemption of bank deposit (held as margin money or security against guarantees or borrowings)	(17.57)	(168.83)
Interest received	220.64	176.92
Net cash used in investing activities	(1,021.27)	(832.22)

	31 March 2017	31 March 2016
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from share issue, net of share issue expenses	-	124.28
Proceed of long term borrowings	-	2,000.00
Repayment of long term borrowings	-	(340.00)
Proceed/(repayment) of short term borrowings, net	292.89	(1,024.42)
Payment of finance costs	(541.69)	(813.81)
Net cash used in financing activities	(248.80)	(53.95)
Net income / (decrease) in cash and cash equivalents	(29.59)	(644.85)
Cash and cash equivalents at the beginning of the year	53.84	698.69
Cash and cash equivalents at the end of the year (Refer note. 13)	24.25	53.84

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/-
RRDakshinamurthy
Partner
Membership No: 211639

Sd/-
S. Kishore
Whole-time Director
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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: 27 May 2017

NOTES TO FINANCIAL STATEMENTS

1 Corporate information

1.1 General information

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

1.2 Nature of operations

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

2 Basis of Preparation

2.1 Statement of Compliance

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

The Company's financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, 'First-time adoption of Indian Accounting Standards' has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 29.

The financial statements were authorised for issue by the Board of Directors on 27 May 2017.

2.2 Functional and presentation currency

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

2.3 Basis of measurement

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

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

3 Significant accounting policies

3.1 Property, plant and equipment

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

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

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

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

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.2 Intangible assets

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

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

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

Nature of asset	Useful life (years)
Software	3

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible asset recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.3 Non-current assets held-for-sale

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

Immediately before classification as held-for-sale or held-for-distribution, the assets, or components of a disposal group, are re-measured in accordance with the Company's other accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal

group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

3.4 Financial Instruments

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

3.5 Financial assets

Initial recognition & Measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

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

Impairment of financial asset

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

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

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

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

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

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

3.6 Financial liabilities

Initial recognition

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings at amortised cost

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

Offsetting of financial instruments

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

Amortised cost of financial instruments

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

Derecognition

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

3.7 Fair value measurement

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

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

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

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

3.8 Foreign currency translation

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

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

3.9 Revenue recognition

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

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

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

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

3.10 Taxes

Current income tax

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

Deferred income tax

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

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

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

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

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

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

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

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

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

3.11 Leases

Company as a lessee

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

3.12 Borrowing costs

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

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

3.13 Impairment of non-financial assets

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

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

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

3.14 Cash and short-term deposits

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

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

3.15 Earnings per share

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

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

3.16 Provisions

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

3.17 Employee benefits

Gratuity

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

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

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

Provident fund

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

Employees State Insurance Scheme

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

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

Short-term benefits

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

4 Significant accounting judgements, estimates and assumptions

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

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

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

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

Estimates and assumptions

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

- *Estimation of fair value of acquired financial assets and financial liabilities:* When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- *Un-collectability of trade receivables:* Analysis of historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.
- *Taxes:* Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.
- *Deferred income tax assets* are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- *Gratuity benefits:* The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Actual results can differ from estimates.

Judgement

- In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:
- *Useful lives of depreciable assets:* Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.

5 Property, plant and equipment

	Land- Freehold	Buildings	Furniture fixtures	Electrical works	Vehicles	Office equipment & Computers	Total	Capital work in progress
Deemed cost								
As at 1 April 2015	158.71	3.45	3.27	0.76	1.18	7.00	174.37	8.30
Additions	-	-	0.07	-	-	0.22	0.29	65.86
Disposals/transfers	(143.98)	(2.80)	-	-	-	(0.09)	(146.87)	-
As at 31 March 2016	14.73	0.65	3.34	0.76	1.18	7.13	27.79	74.16
As at 1 April 2016	14.73	0.65	3.34	0.76	1.18	7.13	27.79	74.16
Additions	-	-	-	-	-	0.07	0.07	-
Disposals/transfers	-	-	-	-	-	-	-	(0.01)
As at 31 March 2017	14.73	0.65	3.34	0.76	1.18	7.20	27.86	74.15
Depreciation								
As at 1 April 2015	-	-	-	-	-	-	-	-
Additions	-	0.51	1.45	0.29	0.29	4.05	6.59	-
Disposals/transfers	-	(0.03)	-	-	-	(0.02)	(0.05)	-
As at 31 March 2016	-	0.48	1.45	0.29	0.29	4.03	6.54	-
As at 1 April 2016	-	0.48	1.45	0.29	0.29	4.03	6.54	-
Additions	-	0.16	1.41	0.16	0.28	1.92	3.93	-
Disposals/transfers	-	-	-	-	-	-	-	-
As at 31 March 2017	-	0.64	2.86	0.45	0.57	5.95	10.47	-
Net book value								
As at 1 April 2015	158.71	3.45	3.27	0.76	1.18	7.00	174.37	8.30
As at 31 March 2016	14.73	0.17	1.89	0.47	0.89	3.10	21.25	74.16
As at 31 March 2017	14.73	0.01	0.48	0.31	0.61	1.25	17.39	74.15

(i) Property, plant and equipment with a carrying amount of Rs. 91.54 (31 March 2016: 95.41; 1 April 2015: 182.67) is subject to security restrictions (refer note 16)

6 Intangible assets

	Computer software	Total	Intangible assets under development
Deemed cost			
As at 1 April 2015	0.79	0.79	-
Additions	-	-	-
As at 31 March 2016	0.79	0.79	-
As at 1 April 2016	0.79	0.79	-
Additions	-	-	-
As at 31 March 2017	0.79	0.79	-
Depreciation			
As at 1 April 2015	-	-	-
Additions	0.63	0.63	-
As at 31 March 2016	0.63	0.63	-
As at 1 April 2016	0.63	0.63	-
Additions	0.16	0.16	-
As at 31 March 2017	0.79	0.79	-
Net book value			
As at 1 April 2015	0.79	0.79	-
As at 31 March 2016	0.16	0.16	-
As at 31 March 2017	-	-	-

(i) Intangible assets with a carrying amount of Rs. Nil (31 March 2016: 0.16; 1 April 2015: 0.79) is subject to security restrictions (refer note 16)

7 Investments

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non current investments			
Investments in equity instruments			
At fair value through other comprehensive income			
<i>(unquoted, fully paid up)</i>			
3,636,363 (31 March 2016: 3,636,363; 1 April 2015: 3,636,363) Equity shares in Terra Energy Limited.	160.00	160.00	160.00
Investment in subsidiary, at cost			
10,500 (31 March 2016: 10,500; 1 April 2015: 10,500) Equity shares in KSK Narmada Power Company Private Limited.	0.11	0.11	0.11
499,990 (31 March 2016: 499,990; 1 April 2015: 499,990) Equity shares in KSK Wind Energy Private Limited	5.00	5.00	5.00
570,115,305 (31 March 2016: 570,115,305; 1 April 2015: 570,115,305) Equity shares in KSK Electricity Financing India Private Limited.	7,527.58	7,527.58	7,527.58

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
150,000 (31 March 2016: 150,000; 1 April 2015: 150,000) Equity shares in KSK Wardha Infrastructure Private Limited .	1.50	1.50	1.50
10,500 (31 March 2016: 10,500; 1 April 2015: 10,500) Equity shares in KSK Vidarbha Power Company Private Limited.	0.11	0.11	0.11
65,180,000 (31 March 2016: 65,180,000; 1 April 2015: 65,180,000) Equity shares in KSK Dibbin Hydro Power Private Limited.	651.80	651.80	651.80
50,000 (31 March 2016: 50,000; 1 April 2015: 50,000) Equity shares in Kameng Dam Hydro Power Limited.	0.50	0.50	0.50
7,660,330 (31 March 2016: 7,660,330; 1 April 2015: 7,660,330) Equity shares in JR Power Gen Private Limited.	76.60	76.60	76.60
2,779,212,938 (31 March 2016: 2,675,212,937; 1 April 2015: 2,425,549,994) Equity shares in KSK Mahanadi Power Company Limited.	27,792.13	26,752.13	24,255.50
26,947,602 (31 March 2016: 39,153,495; 1 April 2015: 36,500,028) Class A Equity shares in Sai Wardha Power Generation Limited. (formerly known as Sai Wardha Power Limited)	459.03	581.08	554.55
50,000 (31 March 2016: 50,000; 1 April 2015: 50,000) Equity shares in KSK Upper Subansiri Hydro Energy Limited.	0.50	0.50	0.50
1,000,000 (31 March 2016: 1,000,000; 1 April 2015: 1,000,000) Equity shares in KSK Dinchang Power Company Private Limited.	10.00	10.00	10.00
1,000,000 (31 March 2016: 1,000,000; 1 April 2015: 1,000,000) Equity shares in KSK Jameri Hydro Power Private Limited.	10.00	10.00	10.00
34,544,718 (31 March 2016: 34,544,718; 1 April 2015: 34,544,718) Equity shares in KSK Surya Photovoltaic Venture Limited.	345.45	345.45	345.45
1,800,000 (31 March 2016: 1,800,000; 1 April 2015: Nil) Equity shares in KSK Wind Power Aminabhavi Chikodi Private Limited	180.00	180.00	-
1,059,280 (31 March 2016: 1,059,280; 1 April 2015: 1,059,280) Equity shares in Tila Karnali Hydro Electric Company Private Limited.	66.21	66.21	66.21
98,077 (31 March 2016: 98,077; 1 April 2015: 13,077) Equity shares in Bheri Hydro Power Company Private Limited.	6.13	6.13	0.82
Investments in equity instruments (unquoted, fully paid up)			
Investment in subsidiary – equity portion of hybrid instrument			
KSK Wind Energy Private Limited.	125.77	125.77	125.77
Sai Regency Power Corporation Private Limited.	206.46	206.46	206.46
Sai Wardha Power Generation Limited (formerly known as Sai Wardha Power Limited)	99.91	99.91	99.91
JR Power Gen Private Limited.	51.88	51.88	51.88
KSK Dibbin Hydro Power Private Limited.	11.31	11.31	11.31

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Investments in preference shares			
<i>(unquoted, fully paid up)</i>			
Investment in subsidiary, at amortised cost			
4,410,000 (31 March 2016: 4,410,000; 1 April 2015: 4,410,000) 16% optionally convertible cumulative redeemable preference shares in KSK Wind Energy Private Limited.	26.58	22.92	19.75
4,760,000 (31 March 2016: 4,760,000; 1 April 2015: 4,760,000) 6% convertible preference shares in Sai Regency Power Corporation Private Limited.	41.71	36.27	31.54
882,820 (31 March 2016: 844,320; 1 April 2015: 761,600) 12% cumulative redeemable preference shares in Tila Karnali Hydro Electric Company Private Limited	55.18	52.77	47.60
14,850,769 (31 March 2016: 14,850,769; 1 April 2015: 14,850,769) 0.01% Class B cumulative redeemable preference in Sai Wardha Power Generation Limited. (formerly known as Sai Wardha Power Limited)	64.27	55.89	48.59
17,107,223 (31 March 2016: 17,107,223; 1 April 2015: 17,107,223) 0.01% Class A redeemable preference shares in Sai Wardha Power Generation Limited. (formerly known as Sai Wardha Power Limited)	171.07	171.07	171.07
129,000,000 (31 March 2016: 129,000,000; 1 April 2015: 129,000,000) 15% Cumulative redeemable preference shares in Sai Wardha Power Generation Limited. (formerly known as Sai Wardha Power Limited)	1,290.00	1,290.00	1,290.00
Investments in Debentures			
<i>(unquoted, fully paid up)</i>			
Investment in subsidiary, at amortised cost			
7,350,000 (31 March 2016: 7,350,000; 1 April 2015: 7,350,000) 0.01% Optionally convertible redeemable debentures in JR Power Gen Private Limited.	28.59	24.86	21.62
1,540,000 (31 March 2016: 1,540,000; 1 April 2015: 1,540,000) 0.01% Optionally convertible redeemable debentures in KSK Dibbin Hydro Power Private Limited.	5.40	4.70	4.09
Investments in Warrants			
<i>(unquoted, partly paid up)</i>			
Investment in subsidiary, at cost			
123,000,000 (31 March 2016: 123,000,000; 1 April 2015: 123,000,000) Warrants of Rs 10 each, partly paid up in KSK Surya Photovoltaic Venture Limited.	615.00	615.00	615.00
	40,085.78	39,143.51	36,410.82
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	40,085.78	39,143.51	36,410.82
Aggregate amount of impairment in the value of investments	-	-	-

8 Trade receivables

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Unsecured, considered good	99.43	86.46	75.18
	99.43	86.46	75.18
Current			
Unsecured, considered good	309.52	930.22	110.29
	309.52	930.22	110.29
	408.95	1,016.68	185.47

Trade receivable of Rs. 408.95 (31 March 2016: 1,016.68; 1 April 2015: 185.47) for the Company have been pledged as security for borrowings (refer note 16)

9 Loans

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
<i>Unsecured, considered good</i>			
Security deposits	5.13	19.77	19.77
Advance for investments	81.69	101.70	87.90
Loans and advances	644.54	719.56	2,448.20
	731.36	841.03	2,555.87
Current			
<i>Unsecured, considered good</i>			
Loans and advances	1,383.31	279.79	394.66
<i>Unsecured, considered doubtful</i>			
Loans and advances	112.99	112.99	-
Less: Provision for doubtful debts	(75.49)	(56.74)	-
	1,420.81	336.04	394.66
	2,152.17	1,177.07	2,950.53

10 Other financial assets

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
<i>Unsecured, considered good</i>			
Deposits with bank	1.38	3.60	0.95
Interest accrued	410.08	210.27	10.93
	411.46	213.87	11.88
Current			
<i>Unsecured, considered good</i>			
Interest accrued	84.33	176.00	6.41
Other receivables	141.19	140.77	255.46
	225.52	316.77	261.87
	636.98	530.64	273.75

The Company has pledged its deposit with banks amounting to Rs. 1.38 (31 March 2016: 3.60; 1 April 2015: 0.95) in order to fulfill collateral requirements.

11 Deferred tax (liability) / assets

Deferred income tax at 31 March 2017 and 31 March 2016 relates to the following:

	1 April 2016	Recognised in the income statement	Recognised in OCI	31 March 2017
<i>Deferred income tax assets</i>				
Property, plant and equipment	5.78	-	-	5.78
Unused tax losses carried forward	75.54	-	-	75.54
	81.32	-	-	81.32
<i>Deferred income tax liabilities</i>				
Others	7.49	-	-	7.49
	7.49	-	-	7.49
Deferred income tax assets, net	73.83	-	-	73.83

	1 April 2015	Recognised in the income statement	Recognised in OCI	31 March 2016
<i>Deferred income tax assets</i>				
Property, plant and equipment	5.78	-	-	5.78
Unused tax losses carried forward	75.54	-	-	75.54
	81.32	-	-	81.32
<i>Deferred income tax liabilities</i>				
Others	7.49	-	-	7.49
	7.49	-	-	7.49
Deferred income tax assets, net	73.83	-	-	73.83

In assessing the realisability of the deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realize the benefits of those recognised deductible differences and tax loss carry forwards. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

The Company has tax losses of Rs. 1,220.85 (31 March 2016: Rs. 415.17) that are available for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits. The Company evaluated and concluded that it is not probable that deferred tax assets on existing tax losses will be recovered fully. If the Company were able to recognise all unrecognised deferred tax assets, loss would decrease by Rs. 422.51 (31 March 2016: Rs. 143.68). The above tax losses expire at various dates ranging from 2018 to 2025.

Tax Reconciliation statement

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2017 and 31 March 2016 is as follows:

	As at 31 March 2017	As at 31 March 2016
Accounting Profit Before tax	(875.01)	(372.02)
Enacted tax rate	34.608%	34.608%
Tax on Profit at enacted rates	302.82	128.75
Unrecognised deferred tax assets	(296.87)	(90.92)
Expenditure / income not deductible for tax purpose	(5.84)	(37.01)
Non recognition of DT on depreciation	(0.11)	(0.82)
In respect of earlier years	-	4.03
Actual tax expenses	0.00	4.03

12 Other assets

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current			
Capital advances	20.50	20.50	96.30
Prepaid expenses	-	0.17	0.10
Advance tax	212.12	233.86	284.01
Balances with statutory authorities	26.88	26.88	26.88
	259.50	281.41	407.29
Current			
Prepaid expenses	6.53	6.18	7.99
Advance for goods and services	38.44	35.97	34.66
Balances with statutory authorities	1.53	2.26	1.84
	46.50	44.41	44.49
	306.00	325.82	451.78

Note:

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

The following table sets out the status of the gratuity plan as required under Ind AS 19

A. Net Benefit (asset) / liability

	As at 31 March 2017	As at 31 March 2016
Defined benefit obligation	4.52	4.26
Fair value of plan assets	(9.38)	(8.81)
Benefit (asset) / liability	(4.86)	(4.55)

B. Defined benefit obligation:

	As at 31 March 2017	As at 31 March 2016
Defined benefit obligation as at the beginning of the year	4.25	5.23
Included in income statement		
Current service cost	0.08	0.10
Interest cost	0.33	0.41
	0.41	0.51
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	(0.02)	(1.48)
	(0.02)	(1.48)
Others		
Benefits paid	(0.12)	-
	(0.12)	-
Defined benefit obligation as at the end of the year	4.52	4.26

C. Fair value of Plan Assets

	As at 31 March 2017	As at 31 March 2016
Fair Value of Plan Assets		
Fair value of plan assets beginning of the period	8.81	8.11
Included in income statement		
Interest income	0.69	0.63
	0.69	0.63
Included in other comprehensive income		
Remeasurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	0.04	0.05
	0.04	0.05
Others		
Contributions	(0.04)	0.02
Benefits Paid	(0.12)	-
	(0.16)	0.02
Fair value of plan assets end of the period	9.38	8.81

Net defined benefit liability (asset)

	As at 31 March 2017	As at 31 March 2016
Balance	(4.56)	(2.89)
Included in income statement		
Current service cost	0.08	0.10
Interest cost / (income)	(0.36)	(0.22)
	(0.28)	(0.12)
Included in other comprehensive income		
Remeasurement loss / (gain)		
Actuarial losses/(gains) on obligation	(0.06)	(1.53)
	(0.06)	(1.53)
Others		
Benefits paid	-	-
	-	-
Defined benefit obligation as at the end of the year	(4.90)	(4.54)

Asset information

Category of asset	As at 31 March 2017	As at 31 March 2016
Insurer managed fund	100%	100%

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

	As at 31 March 2017	As at 31 March 2016
Discount rate	7.45%	7.80%
Salary escalation	10.00%	10.00%

Sensitivity analysis

	As at 31 March 2017		As at 31 March 2016	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1% movement)	0.33	(0.29)	0.37	(0.32)
Salary Growth Rate (- / + 1% movement)	(0.07)	0.08	(0.09)	0.07

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

13 Cash and cash equivalents

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash on hand	0.67	0.26	0.17
Balances with banks			
On current accounts	23.58	53.58	698.52
	24.25	53.84	698.69

14 Other bank balances

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deposits with bank held as margin money or security against guarantee or borrowings	303.49	283.71	117.53
	303.49	283.71	117.53

15 Share capital

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
4,000,000,000 (31 March 2016: 4,000,000,000; 1 April 2015: 4,000,000,000) equity shares of Rs.10/- each.	40,000.00	40,000.00	40,000.00
1,031,500,000 (31 March 2016: 1,031,500,000; 1 April 2015: 1,031,500,000) preference shares of Rs.10/- each.	10,315.00	10,315.00	10,315.00
	50,315.00	50,315.00	50,315.00
Issued, subscribed and paid up			
Equity shares			
423,985,774 (31 March 2016: 423,985,774; 1 April 2015: 422,249,194) equity shares of Rs.10/- each fully paid up.	4,239.86	4,239.86	4,222.49
	4,239.86	4,239.86	4,222.49

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 2017	As at 31 March 2016
Equity shares		
Outstanding at the beginning of the year	423,985,774	422,249,194
Conversion of warrants issued to promotor group	-	1,736,580
Outstanding at the end of the year	423,985,774	423,985,774

c Equity shares held by holding company and its subsidiaries

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Holding Company			
No of shares held	157,191,147	190,938,342	191,150,109
% of shares held	37.07%	45.03%	45.27%
Subsidiaries of Holding Company			
No of shares held	87,992,881	98,086,182	97,225,346
% of shares held	20.76%	23.13%	23.03%

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

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
a) Equity shares fully paid - up			
KSK Energy Limited			
No of shares held	157,191,147	190,938,342	191,150,109
% of shares held	37.07%	45.03%	45.27%
KSK Energy Company Private Limited			
No of shares held	68,375,962	78,469,263	79,345,007
% of shares held	16.13%	18.51%	18.79%
HDFC Trustee Company Limited			
No of shares held	38,145,028	38,145,028	21,253,116
% of shares held	9.00%	9.00%	5.03%

16 Borrowings

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non current			
Unsecured			
Rupee term loans from others (refer note 1 & 2)	4,581.83	5,076.86	3,359.49
Deferred payment liabilities (refer note 3)	99.43	86.47	75.19
	4,681.26	5,163.33	3,434.68
Current			
Secured			
Loans repayable on demand			
- from banks (refer note 4)	1,216.20	765.06	-
Loan against letter of credits (refer note 5)	369.52	493.63	371.09
Unsecured			
Loan against deposits	-	161.50	817.00
Loans and advances	567.77	377.92	-
	2,153.49	1,798.11	1,188.09
	6,834.75	6,961.44	4,622.77

- 1 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 Generation Limited and KSK Surya photovoltaic Venture Limited, Mortgage of 95.48 HA land of VS Lignite Power Private Limited. Further these loans are secured by pledge of certain equity shares of the Company held by KSK Energy Limited, the holding company and corporate guarantee given by KSK Energy Limited and VS Lignite Power Private Limited, hence the same has been classified as unsecured.
- 2 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 15.47% p.a.
- 3 Deferred payment liability is repayable in March 2023.
- 4 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.
- 5 Loans against letter of credit are secured by first pari-passu charge on all assets of the Company.

17 Trade payables

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Dues to other than micro and small enterprises	1,332.48	833.64	96.07
	1,332.48	833.64	96.07

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.

Trade payable are non-interest bearing and mainly includes amount payable to coal suppliers vendors in whose case credit period allowed is less than 12 months. Company usually opens usance letter of credit in favour of the coal suppliers. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

18 Other financial liabilities

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non current			
Interest accrued	319.64	91.50	-
	319.64	91.50	-
Current			
Current maturities of long-term debt	996.99	497.77	2,193.70
Interest accrued	813.25	315.87	200.81
Creditors for capital goods (including retention money)	-	0.01	0.56
Salaries and bonus payable	12.17	7.99	2.53
Advance received against issue of financial instruments	695.00	-	-
Other liabilities	1,870.79	1,939.99	1,904.26
	4,388.20	2,761.63	4,301.86
	4,707.84	2,853.13	4,301.86

19 Other current liabilities

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Statutory liabilities	13.89	10.42	12.15
	13.89	10.42	12.15

20 Revenue from operations

	Year ended 31 March 2017	Year ended 31 March 2016
Corporate support services fees	198.49	217.89
	198.49	217.89

21 Other income

	Year ended 31 March 2017	Year ended 31 March 2016
Interest on financial instruments	124.01	296.12
Interest income on preference shares	199.99	199.42
Other interest	4.78	61.58
Unwinding of discount on preference shares	17.49	15.18
Unwinding of discount on debentures	4.43	3.86
Unwinding of discount on trade receivable	12.97	11.28
Profit on sale of fixed assets, net	13.24	0.01
Miscellaneous income	0.36	6.80
	377.27	594.25

22 Employee benefits expense

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	47.62	48.74
Contribution to provident and other funds (Refer note. 12)	0.35	0.36
Staff welfare expenses	3.00	3.45
	50.97	52.55

23 Other expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Rent	8.65	7.51
Rates and taxes	0.67	0.87
Printing and stationery	1.58	1.54
Communication expenses	2.78	3.60
Office expenses	4.47	5.22
Travel and conveyance	1.43	4.13
Insurance charges	0.11	0.36
Depository expenses	0.42	0.18
Legal and professional charges	3.29	5.72
Auditors' remuneration		
for audit fees	2.26	2.00
for certification	0.05	0.05
Repair and maintenance	4.11	6.11
Electricity expenses	2.16	2.20
Directors sitting fees	0.43	0.62
Advances/receivable written off	18.75	59.24
Foreign exchange fluctuations	1.45	1.85
Corporate social responsibility	6.80	10.00
Miscellaneous expenses	2.41	2.71
	61.82	113.91

24 Finance costs:

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense	1,273.24	964.32
Other borrowing cost	47.68	34.88
Unwinding of discount	12.97	11.28
	1,333.89	1,010.48

25 Other comprehensive income

	Year ended 31 March 2017	Year ended 31 March 2016
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans;	0.06	1.53
	0.06	1.53

26 Contingent liabilities :

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
i) Bank guarantees and letter of credits outstanding	2,546.17	3,000.87	3,732.36
ii) Corporate guarantees outstanding	44,280.42	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 March 2016: Rs.26.88; 1 April 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.

27 Earnings/(loss) per share (EPS)

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

	Year ended 31 March 2017	Year ended 31 March 2016
Net profit/(loss) after tax	(874.95)	(374.52)
Net profit/(loss) attributable to shareholders for basic / diluted EPS	(874.95)	(374.52)
Weighted average number of shares outstanding for the purpose of calculation of basic and diluted EPS (in million)	423.99	423.89
Earnings/(loss) per share – basic/diluted (in Rs.)	(2.06)	(0.88)

28 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 Generation Limited	Subsidiary company
Sai Power pte Limited	Subsidiary company
KSK Water Infrastructures Private Limited	Subsidiary company
KSK Wind Power Aminabhavi Chikodi Private Limited	Subsidiary company
KSK Wind Energy Halagali Benchi Private Limited	Subsidiary company
KSK Wind Energy Mothalli Haveri Private Limited	Subsidiary company
KSK Wind Power Sankonahatti Athni Private Limited	Subsidiary company
Field Mining Ispats Limited	Subsidiary company
Sai Lilagar Power Generation Limited	Subsidiary company

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

Name of the party	Relationship
Sitapuram Power Limited	Joint operation
KSK Mineral Resources Private Limited	Fellow subsidiary
KSK Energy Company Private Limited	Fellow subsidiary
KSK Green Energy pte Ltd	Fellow subsidiary
SN Nirman Infra Projects Private Limited	Fellow subsidiary
Raigarh Champa Rail Infrastructure Private Limited	Associate
KSK Energy Resources Private Limited	Fellow subsidiary

c) Key Management personnel

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

d) Related party transactions

Particulars	31 March 2017				
	Fellow subsidiaries	Holding Company / Step up holding company	Subsidiaries	Joint operation	KMP
Transactions					
Project development and corporate support fees	-	-	177.49	4.30	-
Interest income	-	-	303.11	-	-
Interest expense	-	-	36.51	-	-
Sale of goods	-	-	86.71	-	-
Loans and advance given/(repaid) (including advance for investments)	-	0.21	1,023.29	5.00	-
Loans/security deposits taken/(repaid)	-	(26.42)	84.57	-	-
Managerial remuneration	-	-	-	-	18.00
Balances at the year end					
Amount receivable	-	0.21	2,807.93	5.00	-
Amount payable	-	-	2,016.09	99.44	-
Managerial remuneration payable	-	-	-	-	1.21

Particulars	31 March 2016				
	Fellow subsidiaries	Holding Company / Step up holding company	Subsidiaries	Joint operation	KMP
Transactions					
Project development and corporate support fees	-	-	213.59	4.30	-
Interest income	2.55	-	475.84	-	-
Interest expense	-	-	6.62	-	-
Sale of goods	-	-	239.04	-	-
Loans and advance given/(repaid) (including advance for investments)	(1.40)	1,376.63	(306.82)	-	-
Loans/security deposits taken/(repaid)	-	26.42	77.91	-	-
Managerial remuneration	-	-	-	-	18.00
Balances at the year end					
Amount receivable	-	-	1,750.41	1.12	-
Amount payable	-	26.42	1,909.44	86.47	-
Managerial remuneration payable	-	-	-	-	1.06

Particulars	1 April 2015			
	Fellow subsidiaries	Subsidiaries	Joint operation	KMP
Balances at the year end				
Amount receivable	1.40	2,844.64	3.16	-
Amount payable	-	1,825.58	75.19	-
Managerial remuneration payable	-	-	-	0.28

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

Particulars	Amount outstanding as at		Maximum outstanding during the year	
	31 March 2017	31 March 2016	31 March 2015	31 March 2017
Loans and advances in the nature of loans given to subsidiaries:				
KSK Dibbin Hydro Power Private Limited	0.80	-	2.80	0.80
KSK Narmada Power Company Private Limited	16.65	16.65	16.65	16.65
KSK Vidarbha Power Company Private Limited	2.05	2.05	2.02	2.05
KSK Dinchang Power Company Private Limited	-	-	13.90	0.70
KSK Jameri Hydro Power Private Limited	-	-	8.40	-
Sai Lilagar Power Generation Limited	645.06	751.08	2,513.20	751.08
Sai Wardha Power Generation Limited	-	-	169.00	393.80
KSK Electricity Financing India Private Limited	1,168.23	1.37	-	1,818.50
KSK Mahanadi Power Company Limited	146.88	226.57	-	218.92
Sai Regency Power Corporation Private Limited	-	1.63	-	-
Sai Maithili Power Company Private Limited	14.05	-	-	14.05
VS Lignite Power Private Limited	1.41	-	-	1.41
KSK Water Infrastructures Private Limited	26.52	-	-	26.52
KSK Surya Photovoltaic Venture Limited	1.00	-	-	1.00
	2,022.65	999.35	2,725.97	3,245.48

- f) Equity held in subsidiaries and step down subsidiary have been disclosed under "Non current Investment", (see note no 7).
- g) The holding company has pledged certain shares held in the Company as security towards the borrowings of the Company.
- h) Corporate Guarantees of Rs. 74,332.41 (31 March 2016 Rs.40,930.97; 1 April 2015: 44,195.06), Bank guarantees of Rs. 2,848.68 (31 March 2016 Rs.3,386.60; 1 April 2015: 3,783.75) and Letter of credit limits of Rs. 1,517.81 (31 March 2016 Rs.1,444.20; 1 April 2015: 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 2016 Rs.9,039.00; 1 April 2015: 10,300.00) has been given by step-up holding and holding Company on behalf of the Company.

29 First-time adoption of Ind-AS

The Company has adopted Ind AS from 1st April, 2016 and the date of transition to Ind AS is 1st April, 2015. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 – “First-time Adoption of Indian Accounting Standards”. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows is set out in the following tables and notes.

Following are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

a Deemed cost of property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all its property, plant and equipments and intangible assets recognised as of 1st April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost on transition date.

b Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after transition date.

c Classification and measurement of financial assets

The Company has assessed classification and measurement of financial assets on the basis of facts and circumstances that exist as on transition date.

d Impairment of financial assets

The Company has applied impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for the prior periods. The following tables represents the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of equity as at 1 April 2015 (date of transition):

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment		174.36	-	174.36
(b) Capital work in progress		8.30	-	8.30
(c) Other intangible assets		0.79	-	0.79
(d) Financial asset				
(i) Investments		36,410.82	-	36,410.82
(ii) Trade receivables	3	230.00	(154.81)	75.19
(iii) Loans		2,555.87	-	2,555.87
(iv) Other financial asset	2	1.26	10.62	11.88
(e) Deferred tax assets (net)		73.83	-	73.83
(f) Other non-current assets	5	426.57	(19.28)	407.29
		39,881.80	(163.47)	39,718.33

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
2 Current assets				
(a) Financial asset				
(i) Trade receivables		110.29	-	110.29
(ii) Cash and bank balances		698.69	-	698.69
(iii) Other bank balances		117.53	-	117.53
(iv) Loans		394.66	-	394.66
(v) Other financial asset		261.87	-	261.87
(b) Current tax assets (Net)		6.40	-	6.40
(c) Other current assets	5	46.86	(2.37)	44.49
		1,636.30	(2.37)	1,633.93
		41,518.10	(165.84)	41,352.26

II EQUITY AND LIABILITIES

Equity

(a) Equity share capital	10	4,562.49	(340.00)	4,222.49
(b) Other equity	8	28,174.25	(77.33)	28,096.92
		32,736.74	(417.33)	32,319.41

1 Non-current liabilities

(a) Financial liability				
(i) Borrowings	4 and 5	3,608.78	(174.10)	3,434.68
		3,608.78	(174.10)	3,434.68

2 Current liabilities

(a) Financial liability				
(i) Borrowings		1,188.09	-	1,188.09
(ii) Trade payables		96.07	-	96.07
(iii) Other financial liabilities	5 and 10	3,869.47	432.39	4,301.86
(b) Other current liabilities		12.15	-	12.15
(c) Short-term provisions	10	6.80	(6.80)	-
		5,172.58	425.59	5,598.17
		41,518.10	(165.84)	41,352.26

* The Previous GAAP figures have been reclassified to conform to INDAS presentation requirement for the purpose of this note

ii) Reconciliation of equity as at 31 March 2016:

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment	1 and 6	167.93	(146.68)	21.25
(b) Capital work in progress	1	74.18	(0.02)	74.16
(c) Other intangible assets		0.16	-	0.16
(d) Financial asset				
(i) Investments	2	39,124.47	19.04	39,143.51
(ii) Trade receivables	3	230.00	(143.53)	86.47
(iii) Loans		841.03	-	841.03
(iv) Other financial asset	2	3.83	210.04	213.87

NOTES TO FINANCIAL STATEMENTS

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

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
(e) Deferred tax assets (net)		73.83	-	73.83
(f) Other non-current assets	5	305.41	(24.00)	281.41
		40,820.84	(85.15)	40,735.69
2 Current assets				
(a) Financial asset				
(i) Trade receivables		930.22	-	930.22
(ii) Cash and bank balances		53.84	-	53.84
(iii) Other bank balances		283.71	-	283.71
(iv) Loans		336.04	-	336.04
(v) Other financial asset		316.77	-	316.77
(b) Current tax assets (Net)		43.36	-	43.36
(c) Other current assets	5	46.77	(2.37)	44.40
		2,010.71	(2.37)	2,008.34
3 Non-current assets held for sale	6	-	146.76	146.76
		42,831.55	59.24	42,890.79
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		4,239.86	-	4,239.86
(b) Other equity	8	27,600.18	229.14	27,829.32
		31,840.04	229.14	32,069.18
1 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	4 and 5	5,330.86	(167.53)	5,163.33
(ii) Other financial liabilities		91.50	-	91.50
		5,422.36	(167.53)	5,254.83
2 Current liabilities				
(a) Financial liability				
(i) Borrowings		1,798.11	-	1,798.11
(ii) Trade payables		833.64	-	833.64
(iii) Other financial liabilities	5	2,764.00	(2.37)	2,761.63
(b) Other current liabilities	6	160.42	(150.00)	10.42
(c) Current Tax liability (Net)		12.98	-	12.98
		5,569.15	(152.37)	5,416.78
3 Liabilities associates with non-current assets held for sale	6	-	150.00	150.00
		42,831.55	59.24	42,890.79

* The Previous GAAP figures have been reclassified to conform to INDAS presentation requirement for the purpose of this note

iii) Reconciliation of total comprehensive income for the year ended 31 March 2016:

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
I Revenue from operations		217.89	-	217.89
II Other income	2, 3, 7 and 9	366.04	228.21	594.25
III Total revenue (I+II)		583.93	228.21	812.14
IV Expenses				
Employee benefits expenses		52.55	-	52.55
Other expenses	10	117.66	(3.74)	113.92
Finance costs	4 and 10	958.89	51.58	1,010.47
Depreciation and amortisation expenses	1 and 6	7.28	(0.06)	7.22
Total expenses		1,136.38	47.78	1,184.16
V Profit / (loss) before tax (III - IV)		(552.45)	180.43	(372.02)
VI Tax expense / (income)				
Current tax				
In respect of earlier years		4.03	-	4.03
Total tax expense / (income)		4.03	-	4.03
VII Profit / (loss) after tax (V - VI)		(556.48)	180.43	(376.05)
VIII Other comprehensive income				
Items that will not be reclassified to profit or loss	7 and 9	-	1.53	1.53
Other comprehensive income for the year		-	1.53	1.53
IX Total Comprehensive Income / (loss) for the year (VII+VIII)		(556.48)	181.96	(374.52)

* The Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note

iv) Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

	Notes to first-time adoption	Previous GAAP	Adjustments	Ind AS
Net cash from operating activities	11	212.82	28.50	241.32
Net cash from investing activity	11	(820.94)	(11.28)	(832.22)
Net cash from financing activities	11	(36.73)	(17.22)	(53.95)
Net increase / (decrease) in cash and cash equivalents		(644.85)	-	(644.85)
Cash and cash equivalents as at 1 April 2015		698.69	-	698.69
Cash and cash equivalents as at 31 March 2016		53.84	-	53.84

Notes to first-time adoption:

1 Capital work in progress:

Ind AS 16 – Property, plant and equipment, specifically excludes general and administrative expenditure from being capitalised and require it to be charged to the statement of profit and loss in the year in which they incur. Whereas guidance under previous GAAP permits capitalisation of these costs provided they are specifically attributable to construction of a project, to the acquisition of a fixed asset or bringing it to its working condition. This change has reduced the carrying amount of capital work in progress by Rs. 0.02 with corresponding effect in profit or loss for the year ended 31 March 2016.

2 Fair valuation of Investments:

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value or amortised cost. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised as equity portion of investment in subsidiaries as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016. This increased the retained earnings by Rs. 19.04 as at 31 March 2016 (1 April 2015 - Rs. Nil).

Further as per Ind AS, since investment in preference shares are held at amortised cost as the contractual cash flows are solely payments of interest and principal, interest on such preference shares have been recognised as receivable from the issuer of such instruments, for the period ended 31 March 2016 amounting to Rs. 210.04 (1 April 2015 - Rs. 10.62)

3 Trade Receivables:

Under Ind AS, the fair value of a long term receivable that carries no interest can be measured as the present value of all future cash receipts discounted using the prevailing market rate(s) of interest for a similar instrument.

However under previous GAAP, the same are carried at transaction price. The impact of measurement at present value on profit or loss for the year ended 31 March 2016 is Rs. 11.28 with decrease in retained earnings as on date of transition, 1 April 2015 is Rs. 154.81

4 Deferred payment liabilities:

Under Ind AS, the fair value of a long term payables that carries no interest can be measured as the present value of all future cash payments discounted using the prevailing market rate(s) of interest for a similar instrument.

However under previous GAAP, the same are carried at transaction price. The impact of measurement at present value on profit or loss for the year ended 31 March 2016 is INR 11.28 with increase in retained earnings as on date of transition, 1 April 2015 is INR 154.81

5 Borrowings:

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

Accordingly, borrowings as at 31 March 2016 have been reduced by Rs. 26.37 (1 April 2015: Rs. 21.65) with a corresponding adjustment to other current and non current assets.

6 Assets classified as held for sale:

Under previous GAAP, the concept of disposal group held for sale does not exist. Accordingly, assets and liabilities of disposal group have not been presented as held for sale. The group has disclosed property, plant and equipment held for sale under 'Non current assets' in accordance with AS 10 Accounting for Fixed Assets.

Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations requires disposal group to be identified as held for sale if the carrying amount will recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Consequently, the assets and liabilities held for sale have been presented separately from the other assets and other liabilities respectively in the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

7 Re-measurements of post-employment benefit obligations:

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by Rs. 1.53 There is no impact on the total equity as at 31 March 2016.

8 Retained earnings:

Retained earnings as at 1 April 2015 and 31 March 2016 has been adjusted, consequent to the above Ind AS transition adjustments.

9 Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

10 Redeemable preference shares

The Company had in issue redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, redeemable preference shares are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Thus the preference share capital is reduced by Rs. Nil (1 April 2015: Rs. 340.00) with a corresponding increase in borrowings as liability component.

Accordingly interest expense and dividend tax for the year is recognised under finance costs due to which profit for the year ended 31 March 2016 has reduced by Rs. 36.56 (1 April 2015: 88.54)

Whereas under previous GAAP, dividends were recognised on preference shares as and when declared by the issuer.

11 Statement of cash flows:

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

30 Financial risk management objectives and policies

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

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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

Market risk

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

Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuation at the end of the reporting period. The said analysis has been carried on the amount of floating rate long term liabilities Outstanding at the end of the reporting period. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

In case of fluctuation in interest rates by 50 basis points and all other variables were held constant, the Company's profit before tax for the year would increase or decrease as follows:

Currency	Change in basis points	Effect on profit before tax / equity	
		31 March 2017	31 March 2016
INR	+50	(6.27)	(6.33)
INR	(50)	6.27	6.33

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The majority of our assets are located in India where the Indian rupee is the functional currency. Currency exposures also exist in the nature of revenue expenditure and services denominated in currencies other than the Indian Rupee.

The Company manages its foreign currency risk by hedging transactions that are expected to realise in near future by using foreign currency forward contracts. Short-term foreign exchange exposures are hedged progressively based on their maturity. Long term exposures are normally unhedged.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Unhedged foreign currency exposure

Particulars of Unhedged foreign Currency Exposure

Particulars	As at 31 March 2017	As at 31 March 2016
Financial liabilities		
Import creditors (including retention money)	-	241.30
	-	US \$ 3.64
Financial assets		
Receivable	-	246.13
	-	US \$ 3.71

The Company's exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency with US dollar being the major foreign currency exposure. Set out below is the impact of a 5% change in the US dollar on profit and equity arising as a result of the revaluation of the Company's foreign currency financial instruments:

31 March 2017	Closing exchange rate	Effect of 5% strengthening of US \$ on net earnings	Effect of 5% strengthening of US \$ on total equity
United States Dollar	-	-	-

31 March 2016	Closing exchange rate	Effect of 5% strengthening of US \$ on net earnings	Effect of 5% strengthening of US \$ on total equity
United States Dollar	66.2558	0.24	0.24

Equity price risk

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

At the reporting date, the Company's exposure to unlisted equity securities other than in subsidiaries was Rs. 160.00 (31 March 2016: Rs. 160.00; 1 April 2015: Rs. 160.00)

Credit risk analysis

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

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

	Note	Carrying value		
		31 March 2017	31 March 2016	1 April 2015
Investments - at amortised cost	7	1,682.80	1,658.47	1,634.26
Trade receivables	8	408.95	1,016.68	185.47
Short term deposits with banks	14	303.49	283.71	117.53
Loans	9	2,152.17	1,177.07	2,950.53
Other financial asset	10	636.98	530.64	273.75
		5,184.39	4,666.57	5,161.54

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

The Company's maximum exposure for financial guarantees are noted in note 26.

Liquidity risk analysis

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

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

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2017:

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	3,621.12	4,931.58	1,521.66	10,074.36
Trade and other payables	1,332.48	-	-	1,332.48
Other financial liabilities	3,391.22	319.64	-	3,710.86
Total	8,344.82	5,251.22	1,521.66	15,117.70

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 31 March 2016:

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	3,185.82	5,485.60	2,194.12	10,865.54
Trade and other payables	833.64	-	-	833.64
Other financial liabilities	2,263.86	91.50	-	2,355.36
Total	6,283.32	5,577.10	2,194.12	14,054.54

The following is an analysis of the Company contractual undiscounted cash flows payable under financial liabilities at 1 April 2015:

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	3,918.64	3,212.96	2,383.08	9,514.68
Trade and other payables	96.07	-	-	96.07
Other financial liabilities	2,108.16	-	-	2,108.16
Total	6,122.87	3,212.96	2,383.08	11,718.91

Capital management

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

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

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

No changes were made in the objectives, policies or processes during the year ended 31 March 2017 and 31 March 2016.

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

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

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Total borrowing	7,831.74	7,459.21	6,816.47
Less : Cash and bank balances	(24.25)	(53.84)	(698.69)
Less : Other bank balances	(303.49)	(283.71)	(117.53)
Net debt	7,504.00	7,121.66	6,000.25
Equity	31,194.23	32,069.18	32,319.41
Total equity	31,194.23	32,069.18	32,319.41
Net debt to equity ratio	0.24	0.22	0.19

31 Financial Instruments

Carrying amounts versus fair values

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

	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	31 March 2017	31 March 2017	31 March 2016	31 March 2016	1 April 2015	1 April 2015
Non-current financial assets						
Investment - At fair value through other comprehensive income	160.00	160.00	160.00	160.00	160.00	160.00
Trade receivables	99.43	99.43	86.46	86.46	75.18	75.18
Loans	731.36	731.36	841.03	841.03	2,555.87	2,555.87
Other financial asset	411.46	411.46	213.87	213.87	11.88	11.88
Total non-current	1,402.25	1,402.25	1,301.36	1,301.36	2,802.93	2,802.93
Current financial assets						
Trade receivables	309.52	309.52	930.22	930.22	110.29	110.29
Cash and bank balances	24.25	24.25	53.84	53.84	698.69	698.69
Other bank balances	303.49	303.49	283.71	283.71	117.53	117.53
Loans	1,420.81	1,420.81	336.04	336.04	394.66	394.66
Other financial asset	225.52	225.52	316.77	316.77	261.87	261.87
Total current	2,283.59	2,283.59	1,920.58	1,920.58	1,583.04	1,583.04
Total	3,685.84	3,685.84	3,221.94	3,221.94	4,385.97	4,385.97
Non-current financial liabilities						
Borrowings	4,681.26	4,681.26	5,163.33	5,163.33	3,434.68	3,434.68
Other financial liabilities	319.64	319.64	91.50	91.50	-	-
Total non-current	5,000.90	5,000.90	5,254.83	5,254.83	3,434.68	3,434.68
Current financial liabilities						
Borrowings	2,153.49	2,153.49	1,798.11	1,798.11	1,188.09	1,188.09
Trade payables	1,332.48	1,332.48	833.64	833.64	96.07	96.07
Other financial liabilities	4,388.20	4,388.20	2,761.63	2,761.63	4,301.86	4,301.86
Total current	7,874.17	7,874.17	5,393.38	5,393.38	5,586.02	5,586.02
Total	12,875.07	12,875.07	10,648.21	10,648.21	9,020.70	9,020.70

32 Fairvalue hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised in to different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that is observable for the asset or liability, either directly or indirectly.
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	-	-	160.00	160.00
Total	-	-	160.00	160.00
Financial liabilities measured at fair value				
Total	-	-	-	-

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the year ended 31 March 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

31 March 2017	Total
Opening balance	160.00
Total gains or losses	-
- in income statement	-
- in other comprehensive income	-
change in fair value of financial asset	-
Settlements	-
Transfers into level 3	-
Closing balance	160.00

31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	-	-	160.00	160.00
Total	-	-	160.00	160.00
Financial liabilities measured at fair value				
Total	-	-	-	-

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the year ended 31 March 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

31 March 2016	Total
Opening balance	160.00
Total gains or losses:	
- in income statement	-
- in other comprehensive income	
change in fair value of financial asset	-
Settlements	-
Transfers into level 3	-
Closing balance	160.00

1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	-	-	160.00	160.00
Total	-	-	160.00	160.00
Financial liabilities measured at fair value				
Total	-	-	-	-

Valuation techniques

Level 3 fair values for equity securities FVTOCI has been determined by using Comparable Company Analyses. This is a relative valuation technique which involves comparing that company's valuation multiples to those of its peers. The multiples consider for the valuation is price to book value which is then adjusted for differences that are directly related to the characteristics of equity instruments being valued such as discounting factor for size and liquidity etc.

33 Disclosure on Specified Bank Notes (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	0.21	0.01	0.22
(+) Permitted receipts	-	0.22	0.22
(-) Permitted payments	-	(0.19)	(0.19)
(-) Amount deposited in Banks	(0.21)	-	(0.21)
Closing cash in hand as on December 30, 2016	-	0.04	0.04

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

NOTES TO FINANCIAL STATEMENTS

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

- 34 The company is primarily engaged in the business of providing project development and corporate support services. Accordingly there are no reportable segment as per Indian Accounting Standard -108 "Operating Segments".
- 35 The Company has incurred an amount of Rs. 6.80 (31 March, 2016: Rs. 10.00) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses.

Particulars	31 March 2017		31 March 2016	
	In cash	Yet to be paid	In cash	Yet to be paid
(a) Gross amount required to be spend	-	-	-	-
(b) Amount spend on				
(i) Construction/Acquisition of asset	-	-	-	-
(ii) On purpose other than (i) above	6.80	-	10.00	-
Total	6.80	-	10.00	-

- 36 KSK Power Holdings Limited 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. 1,728.95 received as subscriber's money towards the 6,98,56,800 share warrants stands forfeited and credited to capital reserve.

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/-
RRDakshinamurthy
Partner
Membership No: 211639

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: 27 May 2017

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of KSK Energy Ventures Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of KSK Energy Ventures Limited ("the Holding Company") and its subsidiaries and Jointly controlled entity (collectively referred to as 'the Company' or 'the Group'), which comprises the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including other Comprehensive income), the Consolidated statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that gives a true and fair view of the Consolidated Ind AS financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

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 of the assets of the Group 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 Consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Group's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS 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 Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 including Ind AS:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

- (b) in the case of the Consolidated Profit and Loss Account including other comprehensive income, of the loss for the year ended on that date;
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date; and
- (d) in the case of the Consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 of our audit of the aforesaid consolidated Ind AS financial statements.
 - 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 consolidated Balance Sheet, consolidated Statement of Profit and Loss, the consolidated statement of Cash Flow and the consolidated Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards referred to in section 133 of companies act 2013 , read with relevant Rules issued thereunder.
 - e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with 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 Consolidated Ind AS financial statements - Refer Note 35 to the Consolidated Ind AS financial statements
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts. Refer to Note 23 & 24a to the Consolidated Ind AS financial statements
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its Consolidated Ind AS financial statement as to holding as well as dealings in specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 45 to the Consolidated Ind AS financial statements.

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

Sd/-

R R Dakshinamurthy

Partner

ICAI MRN: 211639

FRN 004453S

Hyderabad

Date: May 27, 2017

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 2017, 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 2017, 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/-

R R Dakshinamurthy

Partner

ICAI MRN: 211639

FRN004453S

Hyderabad

Date: May 27, 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

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

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I ASSETS				
1 Non-current assets				
(a) Property plant and equipment	9	134,662.27	134,807.82	134,223.94
(b) Capital work in progress	9	83,058.84	56,662.11	51,994.11
(c) Goodwill	10	1,955.69	1,955.69	1,955.69
(d) Other intangible assets	10	1,316.46	1,377.92	211.12
(e) Intangible assets under development	10	32.11	33.31	33.31
(f) Financial asset				
(i) Investments	11	868.26	1,341.41	268.76
(ii) Trade receivables	12	99.44	86.47	75.19
(iii) Loans	13	2,129.39	1,699.79	1,790.85
(iv) Other financial asset	14	1,563.80	2,298.45	793.88
(v) Derivative assets		2,614.48	3,039.30	3,115.28
(g) Deferred tax assets (net)	26	11,545.75	9,882.26	8,070.64
(h) Other non-current assets	15	9,489.24	8,914.01	9,992.99
		249,335.73	222,098.54	212,525.76
2 Current assets				
(a) Inventories	16	1,865.88	2,543.72	1,750.69
(b) Financial asset				
(i) Investments	11	341.88	335.41	152.33
(ii) Trade receivables	12	29,537.81	23,327.83	9,226.68
(iii) Cash and bank balances	17	1,229.94	537.60	2,217.93
(iv) Other bank balances	18	5,350.19	6,988.68	7,478.77
(v) Loans	13	6,191.81	4,678.37	4,147.17
(vi) Other financial asset	14	332.94	736.52	851.73
(c) Current tax assets (Net)		1.02	0.43	0.44
(d) Other current assets	15	12,083.61	4,065.90	2,756.26
		56,935.08	43,214.46	28,582.00
3 Non-current assets held for sale				
		-	146.76	-
TOTAL		306,270.81	265,459.76	241,107.76

**CONSOLIDATED
BALANCE SHEET AS
AT 31 MARCH 2017**

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

	Note	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	19	4,239.86	4,239.86	4,222.49
(b) Other equity		17,398.76	23,382.96	27,142.00
		21,638.62	27,622.82	31,364.49
(c) Non controlling interest		6,563.45	7,244.06	6,308.92
Total equity		28,202.07	34,866.88	37,673.41
1 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	20	204,022.78	166,568.80	155,604.60
(ii) Other financial liabilities	22	843.00	471.12	2,083.98
(iii) Derivative liabilities	23	896.37	1,511.47	1,655.86
(b) Provisions	24	616.58	573.22	512.10
(c) Deferred tax liabilities (net)	26	386.23	199.65	46.67
(d) Other non current liabilities	25	675.05	616.90	540.92
		207,440.01	169,941.16	160,444.13
2 Current liabilities				
(a) Financial liability				
(i) Borrowings	20	22,455.35	23,906.56	15,852.75
(ii) Trade payables	21	12,248.01	9,239.46	4,922.62
(iii) Other financial liabilities	22	34,360.50	26,335.28	21,268.12
(iv) Derivative liabilities	23	495.45	432.29	401.34
(b) Other current liabilities	25	997.57	513.60	497.94
(c) Current Tax liability (Net)		71.85	74.53	47.45
		70,628.73	60,501.72	42,990.22
3 Liabilities associates with non-current assets held for sale				
		-	150.00	-
TOTAL		306,270.81	265,459.76	241,107.76

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/-
RR Dakshinamurthy
Partner
Membership No: 211639

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: 27 May 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

		Note	Yearended 31 March 2017	Yearended 31 March 2016
I	Revenue from operations	27	39,385.83	43,315.28
II	Other income	28	1,633.64	691.21
III	Total revenue (I + II)		41,019.47	44,006.49
IV	Expenses			
	Cost of fuel consumed	29	19,958.55	20,756.76
	Manufacturing expenses	30	2,892.08	3,509.11
	Employee benefits expenses	31	1,118.69	869.92
	Other expenses	32	2,625.88	2,240.17
	Finance costs	33	21,945.11	17,081.75
	Depreciation and amortisation expenses	9 & 10	6,822.71	5,467.47
	Total expenses		55,363.02	49,925.18
V	Profit / (loss) before exceptional items and tax (III - IV)		(14,343.55)	(5,918.69)
VI	Exceptional items	35(a)(xii)	6,055.20	-
VII	Profit / (loss) before tax (V - VI)		(8,288.35)	(5,918.69)
VIII	Tax expense / (income)			
	Current tax			
	For the year		58.41	72.80
	In respect of earlier years		0.02	5.21
	Less : MAT credit entitlement		(66.12)	(72.49)
	Deferred tax		(1,353.16)	(1,584.41)
	Total tax expense / (income)		(1,360.85)	(1,578.89)
IX	Profit / (loss) after tax (VII - VIII)		(6,927.50)	(4,339.80)
X	Share of profit / (loss) of associate		(68.71)	-
XI	Profit / (loss) for the year (IX + X)		(6,996.21)	(4,339.80)
	Attributable to:			
	Equity holders of the parent		(6,359.76)	(4,142.11)
	Non-controlling interest		(636.45)	(197.69)
			(6,996.21)	(4,339.80)

**CONSOLIDATED STATEMENT
OF PROFIT AND LOSS
FOR THE YEAR ENDED
31 MARCH 2017**

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

	Note	Yearended 31 March 2017	Yearended 31 March 2016
XII Other comprehensive income	34		
(i) (a) Items that will not be reclassified to profit or loss		1.60	6.22
(b) Income tax relating to items that will not be reclassified to profit or loss		1.02	1.79
(ii) Items that will be reclassified to profit or loss		(1.28)	0.15
Other comprehensive income for the year, net of tax		1.34	8.16
Total comprehensive income/(loss)(XI + XII)		(6,994.87)	(4,331.64)
Attributable to:			
Equity holders of the parent		(6,360.85)	(4,132.74)
Non-controlling interest		(634.02)	(198.90)
		(6,994.87)	(4,331.64)
XIII Earnings / (loss) per share (EPS):			
Basic and diluted - face value of Rs 10 per share (Rs.)		(15.00)	(9.77)

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/-
RR Dakshinamurthy
Partner
Membership No: 211639

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: 27 May 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

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

A. Equity Share Capital

Particulars	No of Shares	Amount
Balance as at 1 April 2015	422,249,194	4,222.49
Changes in equity share capital during the year :		
(i) Conversion of warrants issued to promoter group	1,736,580	17.37
Balance as at 31 March 2016	423,985,774	4,239.86
Balance as at 1 April 2016	423,985,774	4,239.86
Changes in equity share capital during the year :		
Balance as at 31 March 2017	423,985,774	4,239.86

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

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

B Other equity

	Attributable to the equity holders of the parent											
	Reserves and Surplus					Items of OCI			Money received against share warrants	Total	Non-controlling interests	Total equity
	Securities Premium Reserve	Capital reserve	Capital Redemption reserve	Other reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign Exchange translation reserve	Actuarial gains / (losses)				
As at 1 April 2015	23,067.76	-	660.00	-	1,688.61	(46.56)	(4.41)	-	1,776.60	27,142.00	6,308.92	33,450.92
Profit / (loss) for the year	-	-	-	-	(4,142.11)	-	-	-	-	(4,142.11)	(197.69)	(4,339.80)
Other Comprehensive Income items that will not be reclassified to profit or loss												
Gain / (loss) on financial instruments at fair value through OCI						13.43				13.43		13.43
Actuarial gain / (loss)								(5.72)		(5.72)	(1.49)	(7.21)
Tax impact								1.51		1.51	0.28	1.79
Items that will be reclassified to profit or loss												
Foreign currency translation reserve								0.15		0.15		0.15
Total comprehensive income					(4,142.11)	13.43	0.15	(4.21)		(4,132.74)	(198.90)	(4,331.64)
Allotment of shares	154.56								(47.64)	106.92		106.92
Transfer of economic interest to non-controlling interests ¹					394.10					394.10	(394.10)	
Transferred to Capital Redemption reserve			340.00		(340.00)							
Change in non-controlling interests without change in control				(127.32)						(127.32)	1,679.44	1,552.12
Common control business combination											(151.30)	(151.30)
Transaction with owner	154.56		340.00	(127.32)	54.10				(47.64)	373.70	1,134.04	1,507.74
As at 31 March 2016	23,222.32		1,000.00	(127.32)	(2,399.40)	(33.13)	(4.26)	(4.21)	1,728.96	23,382.96	7,244.06	30,627.02

	Attributable to the equity holders of the parent										Non-controlling interests	Total equity
	Reserves and Surplus				Items of OCI				Money received against share warrants	Total		
	Securities Premium Reserve	Capital reserve	Capital Redemption reserve	Other reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Foreign Exchange translation reserve	Actuarial gains / (losses)				
As at 1 April 2016	23,222.32	-	1,000.00	(127.32)	(2,399.40)	(33.13)	(4.26)	(4.21)	1,728.96	23,382.96	7,244.06	30,627.02
Profit / (loss) for the year	-	-	-	-	(6,359.76)	-	-	-	-	(6,359.76)	(636.45)	(6,996.21)
Other Comprehensive Income Items that will not be reclassified to profit or loss	-	-	-	-	-	(1.66)	-	-	-	(1.66)	-	(1.66)
Gain / (loss) on financial instruments at fair value through OCI	-	-	-	-	-	-	-	0.67	-	0.67	2.59	3.26
Actuarial gain / (loss)	-	-	-	-	-	-	-	1.18	-	1.18	(0.16)	1.02
Tax impact	-	-	-	-	-	-	-	-	-	-	-	-
Items that may be reclassified to profit or loss	-	-	-	-	-	-	(1.28)	-	-	(1.28)	-	(1.28)
Foreign currency translation reserve	-	-	-	-	-	-	(1.28)	-	-	(1.28)	-	(1.28)
Total comprehensive income	-	-	-	-	(6,359.76)	(1.66)	(1.28)	1.85	-	(6,360.85)	(634.02)	(6,994.87)
Forfeiture of share warrants	-	1,728.96	-	-	-	-	-	-	(1,728.96)	-	-	-
Transfer of economic interest to non-controlling interests ¹	-	-	-	-	237.88	-	-	-	-	237.88	(237.88)	-
Change in non-controlling interests without change in control	-	-	-	237.28	-	-	-	-	-	237.28	781.91	1,019.19
Common control business combination	-	-	-	-	(98.51)	-	-	-	-	(98.51)	(590.62)	(689.13)
Transaction with owner	-	1,728.96	-	237.28	139.37	-	-	-	(1,728.96)	376.65	(46.59)	330.06
As at 31 March 2017	23,222.32	1,728.96	1,000.00	109.96	(8,619.79)	(34.79)	(5.54)	(2.36)	-	17,398.76	6,563.45	23,962.21

¹The group entities have arrangements of sharing of profits with its non-controlling shareholders, through which the non-controlling shareholders are entitled to a dividend of 0.01% of the face value of the equity share capital held and the same is also reflected in the Consolidated statement of profit or loss. However, the non-controlling interest disclosed in the Consolidated statement of changes in equity is calculated in the proportion of the actual shareholding as at the reporting date.

See accompanying notes to Consolidated financial statements

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

Sd/-
RRDakshinamurthy
Partner
Membership No: 211639
Place: Hyderabad
Date: 27 May 2017

for and on behalf of the Board

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

Sd/-
V. Sambasiva Rao
Chief Financial officer

Sd/-
M. S. Phani Sekhar
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

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

	31 March 2017	31 March 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(8,288.35)	(5,918.69)
Adjustments for		
Depreciation and amortisation expenses	6,822.71	5,467.47
Finance cost	21,945.11	17,081.75
Interest income	(843.48)	(523.67)
Dividend income	(13.57)	(28.95)
(Profit) / loss on sale of assets, net	(14.56)	0.76
Bad debts / advances written off / provision for doubtful debts	602.20	451.89
Foreign exchange differences	53.17	86.38
Liability no longer required written back	(5.16)	(2.05)
Others, net	(145.86)	(81.59)
Operating profit before working capital changes	20,112.21	16,533.30
Adjustments for working capital		
Inventories	677.84	(793.03)
Trade receivables	(6,338.63)	(14,450.53)
Loans and advances	26.67	(170.54)
Other assets	(8,370.88)	(922.26)
Trade payables	3,338.95	4,307.33
Other liabilities and provisions	624.39	318.00
Cash generated from operations	10,070.56	4,822.27
Income tax (paid) / refund	268.65	(31.15)
Net cash from operating activities	10,339.21	4,791.12
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work-in-progress and capital advances	(14,096.30)	(1,865.48)
Sale of fixed assets	12.56	10.16
Advance received against sale of assets, net	2,137.60	150.00
Acquisition of minority interest / dilution of interest in subsidiaries, net	14.37	(1,307.63)
Acquisition of subsidiaries	(705.88)	(182.99)
(Purchase) / sale of current investments, net	-	(176.99)
(Investment) / redemption of bank deposit (having original maturity more than three months)	(0.04)	(0.89)
(Investment) / redemption of bank deposit (held as margin money or security against guarantees or borrowings)	1,380.86	667.84
Loans and advances given / repaid, net	(2,125.90)	(307.29)
Interest received	647.46	742.27
Dividend received	10.00	15.99
Net cash used in investing activities	(12,725.27)	(2,255.01)

	31 March 2017	31 March 2016
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue, net of share issue expenses	-	124.29
Proceeds from share issue and application money in subsidiary	973.60	126.75
Proceeds from long term borrowings	37,719.08	12,891.74
Repayment of long term borrowings	(5,079.72)	(3,436.18)
Proceeds from short term borrowings, net	(1,493.90)	7,255.03
Proceed from / (repayment of) other liabilities	1,491.08	1,165.04
Payment of finance costs	(30,530.47)	(22,343.20)
Net cash from / (used in) financing activities	3,079.67	(4,216.53)
Net increase / (decrease) in cash and cash equivalents	693.62	(1,680.42)
Effect of exchange rate changes	(1.28)	0.09
Cash and cash equivalents at the beginning of the year	537.60	2,217.93
Cash and cash equivalents at the end of the year (refer note 17)	1,229.94	537.60

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/-
RRDakshinamurthy
Partner
Membership No: 211639

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: 27 May 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

1 Corporate Information

1.1 KSK Energy Ventures Limited (“KEVL” or the “Company”), is a Public Company domiciled in India and incorporated under the provisions of Companies Act applicable in India. The Registered Office of the Company is located at Jubilee Hills, Hyderabad - 500033, Telangana.

1.2 Nature of operations

KSK Energy Ventures Limited, its subsidiaries, joint operations and associates (collectively referred to as ‘the Group’) are primarily engaged in the development, ownership, operation and maintenance of private sector power projects with multiple industrial consumers and utilities in India.

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

The principal activities of the Group are described in note 38.

2 Basis of Preparation

2.1 Statement of Compliance

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

The Group’s financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group’s first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, ‘First-time adoption of Indian Accounting Standards’ has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 43.

The financial statements were authorised for issue by the Board of Directors on 27 May 2017.

2.2 Functional and presentation currency

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

2.3 Basis of measurement

These financial statements of the Group have been prepared on the historical cost convention, except for the following:

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

3 Basis of consolidation

3.1 The consolidated financial statements incorporate the consolidated financial statements of the Company and its subsidiaries, joint operations and associates. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint operation.

3.2 Particulars of Subsidiaries, Joint Operations and Associates:

■ Subsidiary Companies

Name of the Company	Principal activities	The Company's economic percentage of holding			Principal place of business	Immediate parent	Immediate parent holding		
		31 March 2017	31 March 2016	1 April 2015			31 March 2017	31 March 2016	1 April 2015
KSK Vidarbha Power Company Private Limited, ('KVPCPL')	Power generation	100.00	100.00	100.00	India	KEVL	100	100	100
KSK Narmada Power Company Private Limited ('KNPCPL')	Power generation	100.00	100.00	100.00	India	KEVL	100	100	100
KSK Wind Energy Private Limited ('KWEPL')	Power generation	100.00	100.00	100.00	India	KEVL	100	100	100
KSK Surya Photovoltaic Venture Limited ('KSPVL')	Power generation	93.23	93.23	93.23	India	KEVL	93.23	93.23	93.23
KSK Wardha Infrastructure Private Limited ('KWA IPL')	Exploration of natural / mineral resources.	100.00	100.00	100.00	India	KEVL	100	100	100
KSK Dibbin Hydro Power Private Limited ('KDHPL')	Power generation	70.00	70.00	81.01	India	KEVL	70	70	81.01
Kameng Dam Hydro Power Limited ('KDHL')	Power generation	100.00	100.00	100.00	India	KEVL	100	100	100
KSK Upper Subansiri Hydro Energy Limited ('KUSHEL')	Power generation	100.00	100.00	100.00	India	KEVL	100	100	100
KSK Jameri Hydro Power Private Limited ('KJHPPL')	Power generation	100.00	100.00	100.00	India	KEVL	100	100	100
KSK Dinchang Power Company Private Limited ('KDPCPL')	Power generation	100.00	100.00	100.00	India	KEVL	100	100	100
J R Power Gen Private Limited ('JRPGL')	Power generation	99.87	99.87	99.87	India	KEVL	99.87	99.87	99.87
KSK Wind Power Aminabhavi Chikodi Private Limited ('KW PACPL')	Power generation	100.00	69.95	-	India	KEVL	69.95	69.95	-
Tila Karnali Hydro Electric Company Private Limited ('TKHECPL')	Power generation	80.00	80.00	80.00	Nepal	KEVL	80	80	80
Bheri Hydro Power Company Private Limited ('BHPCPL')	Power generation	99.00	99.00	90.00	Nepal	KEVL	99	99	90
KSK Mahanadi Power Company Limited ('KMPCL')	Power generation	81.29	83.05	85.35	India	KEVL	77.00	77.54	79.14
KSK Electricity Financing India Private Limited ('KEFIPL')	Investment /Financing company	100.00	100.00	100.00	India	KEVL	100	100	100
Sai Regency Power Corporation Private Limited ('SRPCPL')	Power generation	73.92	73.92	73.92	India	KEFIPL	73.92	73.92	73.92

Name of the Company	Principal activities	The Company's economic percentage of holding			Principal place of business	Immediate parent	Immediate parent holding		
		31	31	1			31	31	1
		March 2017	March 2016	April 2015			March 2017	March 2016	April 2015
KSK Wind Energy Halagali Benchi Private Limited ('KWEHBPL')	Power generation	99.61	-	-	India	KEFIPL	99.61	-	-
KSK Wind Energy Mothalli Haveri Private Limited ('KWEMHPL')	Power generation	99.61	-	-	India	KEFIPL	99.61	-	-
KSK Wind Power Sankonahatti Athni Private Limited ('KWPSAPL')	Power generation	99.61	-	-	India	KEFIPL	99.61	-	-
Sai Lilagar Power Generation Limited ('SLPGL') (formerly Sai Lilagar Power Limited ('SLPL'))	Power generation	100.00	100.00	100.00	India	KEFIPL	100	100	100
VS Lignite Power Private Limited ('VSLPPL')	Power generation	83.75	83.75	83.75	India	KEFIPL	83.75	83.75	83.75
Sai Wardha Power Generation Limited ('SWPGL') (formerly Sai Wardha Power Limited ('SWPL'))	Power generation	80.67	83.69	83.93	India	KEFIPL	74.00	74.00	74.00
Global Coal Sourcing Plc (GCSP)	Coal sourcing company	100.00	100.00	100.00	Isle of Man	SLPGL	100	100	100
Sai Power Pte Ltd ('SPPL')	Coal sourcing company	81.29	83.05	85.35	Singapore	KMPCL	100	100	100
KSK Water Infrastructures Private Limited ('KW IPL')	Water supply facility	50.92	-	-	India	KMPCL	62.64	-	-
Sai Maithili Power Company Private Limited ('SMPCPL')	Power generation	62.98	62.98	62.98	India	VSLPPL	52	52	52
Field Mining and Ispats Limited ('FMIL')	Exploration of natural / mineral resources.	68.55	71.12	71.32	India	SWPGL	84.98	84.98	84.98

■ Joint operation and associates

Name of the Company	Venturer	Principal place of business	Percentage share holding		
			31	31	1
			March 2017	March 2016	April 2015
■ Joint operation					
Sitapuram Power Limited ('SPL')	KEFIPL	India	49.00	49.00	49.00
■ Associates					
Raigarh Champa Rail Infrastructure Private Limited ('RCRIPL')	KMPCL	India	49.00	49.00	-
KSK Water Infrastructures Private Limited ('KW IPL')	KMPCL	India	-	35.90	-

4 Significant Accounting Policies

4.1 Property, plant and equipment

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

The present value of the expected costs of decommissioning of the asset after its use is included in the costs of the respective asset, if the recognition criteria for provision are met.

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

Nature of asset	Useful life (years)
Buildings	5-60
Plant and equipment	1-30
Railway siding	4-60
Furniture & fixtures	1-10
Vehicles	8-10
Office equipment	3-6
Computers	3-6

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

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

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

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4.2 Intangible assets

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

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

The present value of the expected costs of decommissioning of the asset after its use is included in the costs of the respective asset, if the recognition criteria for provision are met.

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

Nature of asset	Useful life (years)
Mining asset	20
Software	3

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible asset recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4.3 Mining assets

Development expenditure incurred by or on behalf of 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 non-current assets as 'development of mineral assets'. A development of mineral assets is reclassified as a 'mining property' 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 development properties until they are reclassified as 'Mining property'.

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 entity. Otherwise such expenditure is classified as a cost of production. Depreciation is charged using the units of production method, with separate calculations being made for each area of interest. The units of production basis results in a depreciation charge proportional to the depletion of proved and probable reserves.

The cost of normal on-going operational stripping activities is accounted for in accordance with IND AS 2 Inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it form parts.

4.4 Non-current assets held-for-sale

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

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

4.5 Financial Instruments

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

4.6 Financial assets

Initial recognition & Measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

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

Impairment of financial asset

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

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

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

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

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

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

4.7 Financial liabilities

Initial recognition

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

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

The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts and other financial liabilities.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging

instruments in hedge relationships as defined by IND AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Loans and borrowings at amortised cost

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

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the bond. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Offsetting of financial instruments

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

Amortised cost of financial instruments

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit and loss.

4.8 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps future and options to hedge its foreign currency risks, interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

4.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using

another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

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

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

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

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

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

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

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

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials - purchase cost on Weighted average basis.
- Stores and spares - purchase cost on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.11 Foreign currency translation

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

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

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

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

4.12 Revenue recognition

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

Sale of electricity : Revenue from the sale of electricity is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and year end. Further, claim towards tariff adjustments and taxes are recognised in accordance with the specific provision of change in law specified under the power purchase agreement with respective customers.

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

Deferred revenue : Non-refundable contributions received from the captive consumers of the Company are recognised as deferred revenue in the Balance sheet and transferred to statement of profit and loss on a systematic and rational basis over life of the term of the relevant agreement.

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

Insurance claim : Insurance claims are accounted based on certainty of realisation.

Sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) : Revenue from sale of Verified Emission Reductions (VERs) and Certified Emission Reductions (CERs) is recognised on sale of eligible credits.

4.13 Taxes

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

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

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

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

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

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint operations, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

4.14 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessor

Contracts to lease assets are classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Finance lease receivables are stated in the Balance sheet at the amount of the net investment in the lease being lower of their fair value and present value of the minimum lease payments and any unguaranteed residual value discounted at the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to give a constant periodic rate of return before tax on the net investment. Unguaranteed residual values are subject to regular review to identify potential impairment.

If there has been a reduction in the estimated unguaranteed residual value, the income allocation is revised and any reduction in respect of amounts accrued is recognised immediately.

Company as a lessee

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

4.15 Borrowing costs

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

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

4.16 Impairment of non-financial assets

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

to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

4.17 Cash and short-term deposits

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

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

4.18 Earnings per share

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

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

4.19 Provisions

General

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

Decommissioning and restoration liability

The provision for decommissioning and restoration costs arose on construction of a power plant and development of mines. Decommissioning and restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted using appropriate rates. The unwinding of discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost.

4.20 Employee benefits

Gratuity

In accordance with Gratuity laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death,

incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

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

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

Provident fund

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

Employees State Insurance Scheme

"Eligible employees of the Company are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India. The Company's contributions to these schemes are recognized as expense in statement of profit and loss or capitalised to Property, plant and equipment as the case may be during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions."

Short-term benefits

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

4.21 Business combinations - common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

5 Significant accounting judgements, estimates and assumptions

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

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

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

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

Estimates and assumptions

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

- *Estimation of fair value of acquired financial assets and financial liabilities:* When the fair value of financial assets and financial liabilities recorded in the Balance sheet cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- *Un-collectability of trade receivables:* Analysis of historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Further recoverability of various claims as per power purchase agreement including change in law claim are subject to adjudicate at appropriate regulatory authorities.
- *Estimation of liabilities for decommissioning and restoration costs:* Provisions for decommissioning and restoration costs require assessment of the amounts that the Company will have to pay and assumptions in terms of phasing and discount rate.
- *Taxes:* Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessment by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessment and differing interpretations of tax laws by the taxable entity and the responsible tax authority. The Company assesses the probability for litigation and subsequent cash outflow with respect to taxes.
- *Deferred income tax assets* are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- *Gratuity benefits:* The cost of defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- Capitalisation of interest expenditure incurred on general borrowing funds used for construction of qualifying assets: In respect of the general borrowed funds used for constructing a qualifying asset, management determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is the average of the borrowing costs applicable to the general borrowings of the Group that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

Actual results can differ from estimates.

Judgement

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

- *Useful lives of depreciable assets:* Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and information technology equipment.
- *Provision:* The Company is currently defending certain lawsuits where the actual outcome may vary from the amount recognised in the financial statements. None of the provisions are discussed here in further details as that might seriously prejudice the Company's position in the related disputes.

6 Business combinations – common control transactions

■ Acquisition in KSK Water Infrastructures Private Limited ('KW IPL')

KW IPL is engaged in the business of construction, operation and maintenance of water supply facility, for transportation of water.

Prior to 31 March 2016, the Group owned 35.9% of the shares of KW IPL. Effective 1 April 2016 the Group acquired a further 26.74% interest in KW IPL i.e. by purchase of additional 30,000,000 shares and obtained control of KW IPL.

Since the Group and KW IPL are ultimately controlled by the same parent both before and after this business combination, the transaction is recognised as common control business combination transaction and accordingly accounted for using the pooling of interests method.

All the assets and liabilities of the KW IPL are reflected at their carrying amounts.

■ Acquisition in KSK Wind Energy Halagali Benchi Private Limited ('KWEHBPL'), KSK Wind Power Sankonahatti Athni Private Limited ('KWPSAPL') and KSK Wind Energy Mothalli Haveri Private Limited ('KWEMHPL')

KWEHBPL, KWEMHPL and KWPSAPL are engaged in the business of generation of electricity through wind power projects.

The Group has acquired 99.61% interest in each of the above companies by purchase of 2,563,264 equity shares in KWEHBPL, 2,544,495 equity shares in KWEMHPL and 2,544,491 equity shares in KWPSAPL and obtained control.

Since the Group and KWEHBPL, KWEMHPL and KWPSAPL are ultimately controlled by the same parent both before and after this business combination, the transaction is recognised as common control business combination transaction and accordingly accounted for using the pooling of interests method.

All the assets and liabilities of above entities are reflected at their carrying amounts.

7 Acquisition and Dilution – change in non-controlling interest without change in control

■ Acquisition of KSK Wind Power Aminabhavi Chikodi Private Limited ('KW PACPL')

During the year ended 31 March 2017, the Group has further acquired 773,254 equity shares of Rs. 10 at par in KW PACPL.

Pursuant to above, the economic interest of the Group in KW PACPL increased by 30.05 % without loss of control. The aforesaid transaction is accounted as an equity transaction, and no gain or loss is recognised in the consolidated statement of profit or loss. The difference of Rs. 0.9, between the amount of investment made Rs. 77.33 and the amount by which the non-controlling interest are adjusted Rs. 76.43, is debited to 'Retained Earnings' within consolidated statement of changes in equity and attributed to the owners of the Company.

■ Dilution in KSK Mahanadi Power Company Limited ('KMPCL')

During the year ended 31 March 2017, 62,000,000 equity shares have been issued in KSK Mahanadi Power Company Limited ("KMPCL") to KSK Energy Ventures Limited ("KEVL") and 97,360,000 equity shares to KSK Energy Company Private Limited ("KECP") at a face value of Rs 10 at par.

Pursuant to above, the economic interest of the Group in KMPCL decreased by 1.76 % without loss of control. The aforesaid transaction is accounted as an equity transaction, and no gain or loss is recognised in the statement of profit or loss. Pursuant to this an amount of Rs. 6.07 by which the non controlling interest is adjusted, is debited to 'other reserve' within Consolidated statement of changes in equity and attributed to the owners of the company."

■ **Dilution in Sai Wardha Power Generation Limited ('SWPGL')**

During the year ended 31 March 2017, 12,205,893 equity shares in SWPGL held by KSKEVL have been transferred to captive consumers, pursuant to which economic interest of the group in SWPGL has been decreased by 3.02% without loss of control. The aforesaid transaction is accounted as an equity transaction, and no gain or loss is recognised in the statement of profit or loss.

Pursuant to above an amount of Rs. 243.35 by which the non controlling interest is adjusted, is credited to 'other reserve' within Consolidated statement of changes in equity and attributed to the owners of the company.

8 Subsidiaries, Joint arrangement and Associate

■ **Material subsidiaries and non-controlling interest (NCI)**

The Group consists of a parent Company, KSK Energy Ventures Limited and a number of subsidiaries held directly and indirectly by the Group which operate and are incorporated predominantly in India. Note 3.2 to the Consolidated financial statements lists details of the interests in the subsidiaries.

Non-controlling interests that are material to the Group relate to Sai Wardha Power Generation Limited ('SWPGL'), VS Lignite Power Private Limited ('VSLPPL'), Sai Regency Power Corporation Private Limited ('SRPCPL'), and KSK Mahanadi Power Company Limited ('KMPCL').

Name of subsidiary	Principal place of business	Non-controlling interest (%)		
		31 March 2017	31 March 2016	1 April 2015
SWPGL	India	19.33	16.31	16.07
VSLPPL	India	16.25	16.25	16.25
SRPCPL	India	26.08	26.08	26.08
KMPCL	India	18.71	16.95	14.65
Profit / (loss) attributable to NCI			31 March 2017	31 March 2016
SWPGL			(35.43)	(396.89)
VSLPPL			(258.54)	(111.92)
SRPCPL			42.21	112.10
KMPCL			(659.74)	(160.97)
Equity attributable to NCI		31 March 2017	31 March 2016	1 April 2015
SWPGL		(589.94)	(468.01)	(128.90)
VSLPPL		(330.24)	(71.73)	40.42
SRPCPL		898.43	856.11	744.42
KMPCL		6,386.45	6,114.10	4,859.83

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

31 March 2017	SWPGL	VSLPPL	SRPCPL	KMPCL
Non-current assets	29,260.23	8,290.31	5,740.15	188,269.65
Current assets	10,763.77	917.36	3,095.54	39,848.30
Non-current liabilities	25,249.39	8,244.84	4,132.82	160,697.80
Current liabilities	17,826.19	2,995.08	1,257.98	33,287.08
Net assets	(3,051.58)	(2,032.25)	3,444.89	34,133.07
Carrying amount of NCI	(589.94)	(330.24)	898.43	6,386.45
Revenue	5,387.30	664.52	1,614.93	30,739.10
(Loss) / profit for the year	(183.25)	(1,591.01)	161.86	(3,526.06)
Other comprehensive income (OCI)	1.17	0.15	0.39	(3.09)
Total comprehensive income	(182.08)	(1,590.86)	162.25	(3,529.15)
(Loss) / profit attributable to NCI	(35.43)	(258.54)	42.21	(659.74)
OCI attributable to NCI	0.23	0.02	0.10	(0.58)
Cash flow from operating activities	2,905.91	273.94	616.57	3,481.31
Cash flow from investing activities	204.25	33.60	(1,807.76)	(11,794.30)
Cash flow from financing activities	(3,102.77)	(368.32)	1,163.71	8,367.04
Net Increase / (decrease) in cash and cash equivalents	7.39	(60.78)	(27.47)	54.05
31 March 2016	SWPGL	VSLPPL	SRPCPL	KMPCL
Non-current assets	31,913.54	8,566.00	4,993.99	163,616.02
Current assets	5,406.74	1,246.25	1,943.22	33,480.96
Non-current liabilities	25,794.44	7,993.94	2,453.72	129,306.91
Current liabilities	14,395.33	2,259.70	1,200.86	31,721.46
Net assets	(2,869.49)	(441.39)	3,282.63	36,068.61
Carrying amount of NCI	(468.01)	(71.73)	856.11	6,114.10
Revenue	7,750.00	1,908.46	2,278.98	30,198.96
(Loss) / profit for the year	(2,433.44)	(688.74)	429.84	(949.58)
Other comprehensive (loss) / income	(1.33)	(1.35)	(1.27)	(2.06)
Total comprehensive (loss) / income	(2,434.77)	(690.09)	428.57	(951.64)
(Loss) / profit attributable to NCI	(396.89)	(111.92)	112.10	(160.97)
OCI attributable to NCI	(0.22)	(0.22)	(0.33)	(0.35)
Cash flow from operating activities	2,648.92	544.85	781.71	1,963.62
Cash flow from investing activities	(263.18)	77.48	(36.18)	(433.47)
Cash flow from financing activities	(2,473.59)	(595.87)	(748.35)	(1,748.44)
Net Increase / (decrease) in cash and cash equivalents	(87.85)	26.46	(2.82)	(218.29)

1 April 2015	SWPGL	VSLPPL	SRPCPL	KMPCL
Non-current assets	30,915.55	8,320.16	4,836.59	155,172.83
Current assets	6,077.38	972.51	1,963.44	19,664.79
Non-current liabilities	25,034.63	7,555.22	2,797.86	124,308.24
Current liabilities	12,760.43	1,488.74	1,147.78	17,362.44
Net assets	(802.13)	248.71	2,854.39	33,166.94
Carrying amount of NCI	(128.90)	40.42	744.42	4,859.83

■ **Joint arrangement**

The Group has entered into a joint arrangement through a separate legal entity called the Sitapuram Power Limited (SPL). SPL is engaged in the business of generation and sale of electricity in India. The Group has a 49% participating interest in the arrangement. As per the contractual terms of the agreement, the Group and other venturer jointly control the operation of SPL and has a direct share in all of the assets employed by the arrangement and is liable for its share of the liabilities incurred. The Group has therefore classified this arrangement as a joint operation and included its interests in the assets, liabilities, revenue and expenses in the appropriate line items in the Consolidated financial statement, in accordance with the accounting policy.

■ **Associate**

Raigarh Champa Rail Infrastructure Private Limited ('RCRIPL')

Particulars	31 March 2017	31 March 2016
Non-current assets	4,631.53	5,271.31
Current assets	176.06	290.76
Non-current liabilities	3,554.63	3,947.04
Current liabilities	66.29	360.10
Net assets	1,186.67	1,254.93
Revenue	33.00	66.00
(Loss) / profit for the year	(112.53)	(31.10)
Other comprehensive income (OCI)	3.33	0.06
Total comprehensive income	(109.20)	(31.04)
Cash flow from operating activities	(40.37)	231.39
Cash flow from investing activities	(7.82)	(63.32)
Cash flow from financing activities	(98.00)	(21.78)
Net Increase / (decrease) in cash and cash equivalents	(146.19)	146.29

9 Property plant and equipment

	Land- Freehold	Buildings	Plant & Equipment	Railway siding	Furniture & fixtures	Vehicles	Office equipment	Computer	Total	Capital work in progress
Deemed cost										
As at 1 April 2015	1,835.58	20,235.15	108,187.50	3,792.74	44.03	44.48	63.82	20.64	134,223.94	51,994.11
Additions	505.14	967.73	2,872.51	117.50	12.11	4.08	29.16	0.73	4,508.96	4,668.00
Deletions	(144.15)	(11.09)	(0.94)	(0.79)	(0.84)	(0.79)	(4.78)	-	(163.38)	-
Adjustments *	-	217.72	1,374.27	43.18	-	0.01	-	-	1,635.18	-
As at 31 March 2016	2,196.57	21,409.51	112,433.34	3,952.63	55.30	47.78	88.20	21.37	140,204.70	56,662.11
As at 1 April 2016	2,196.57	21,409.51	112,433.34	3,952.63	55.30	47.78	88.20	21.37	140,204.70	56,662.11
Additions	0.02	149.81	1,078.71	-	1.47	6.60	0.76	0.13	1,237.50	26,396.73
Deletions	(0.90)	-	(58.42)	-	-	(0.94)	-	-	(60.26)	-
Business combination	44.40	321.85	5,630.99	-	0.02	0.19	0.32	-	5,997.77	-
Adjustments *	-	(68.85)	(350.81)	(11.75)	-	-	-	-	(431.41)	-
As at 31 March 2017	2,240.09	21,812.32	118,733.81	3,940.88	56.79	53.63	89.28	21.50	146,948.30	83,058.84
Depreciation										
As at 1 April 2015	-	-	-	-	-	-	-	-	-	-
For the year	-	700.08	4,487.69	142.96	11.38	11.95	38.97	7.36	5,400.39	-
Adjustments / Deletions	-	(0.12)	(0.03)	-	(0.05)	(0.17)	(3.14)	-	(3.51)	-
As at 31 March 2016	-	699.96	4,487.66	142.96	11.33	11.78	35.83	7.36	5,396.88	-
As at 1 April 2016	-	699.96	4,487.66	142.96	11.33	11.78	35.83	7.36	5,396.88	-
For the year	-	913.34	5,601.00	197.85	7.38	10.85	22.89	5.68	6,758.99	-
Business combination	-	9.84	179.16	-	-	0.03	0.15	-	189.18	-
Adjustments / Deletions	-	-	(58.57)	-	-	(0.45)	-	-	(59.02)	-
As at 31 March 2017	-	1,623.14	10,209.25	340.81	18.71	22.21	58.87	13.04	12,286.03	-
Net book value										
As at 1 April 2015	1,835.58	20,235.15	108,187.50	3,792.74	44.03	44.48	63.82	20.64	134,223.94	51,994.11
As at 31 March 2016	2,196.57	20,709.55	107,945.68	3,809.67	43.97	36.00	52.37	14.01	134,807.82	56,662.11
As at 31 March 2017	2,240.09	20,189.18	108,524.56	3,600.07	38.08	31.42	30.41	8.46	134,662.27	83,058.84

Property, plant and equipment with a carrying amount of Rs. 219,070.07 (31 March 2016: Rs 192,881.16; 1 April 2015: Rs. 186,462.48) is subject to security restrictions (refer note 20)

* Adjustments figures represent changes on account of exchange rate and price variation.

10 Goodwill and Intangible assets

	Goodwill	Computer software	Mining Asset	Total	Intangible assets under development
Deemed cost					
As at 1 April 2015	1,955.69	7.85	203.27	2,166.81	33.31
Additions	-	-	1,233.88	1,233.88	-
As at 31 March 2016	1,955.69	7.85	1,437.15	3,400.69	33.31
As at 1 April 2016	1,955.69	7.85	1,437.15	3,400.69	33.31
Additions	-	0.32	0.54	0.86	-
Transfer	-	1.20	-	1.20	(1.20)
Business combination	-	0.37	-	0.37	-
As at 31 March 2017	1,955.69	9.74	1,437.69	3,403.12	32.11
Amortisation					
As at 1 April 2015	-	-	-	-	-
For the year	-	5.24	61.84	67.08	-
Business combination	-	-	-	-	-
As at 31 March 2016	-	5.24	61.84	67.08	-
As at 1 April 2016	-	5.24	61.84	67.08	-
For the year	-	2.68	61.04	63.72	-
Business combination	-	0.17	-	0.17	-
As at 31 March 2017	-	8.09	122.88	130.97	-
Net book value					
As at 1 April 2015	1,955.69	7.85	203.27	2,166.81	33.31
As at 31 March 2016	1,955.69	2.61	1,375.31	3,333.61	33.31
As at 31 March 2017	1,955.69	1.65	1,314.81	3,272.15	32.11

Intangible assets with a carrying amount of Rs. 1,348.03 (31 March 2016: Rs 1,411.23; 1 April 2015: Rs. 244.43) is subject to security restrictions (refer note 20).

The goodwill acquired through business combinations have been allocated to the following cash generating units of the Group, for impairment testing as follows:

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Sai Regency Power Corporation Private Limited	155.75	155.75	155.75
Sitapuram Power Limited	93.83	93.83	93.83
Sai Lilagar Power Generation Limited	204.11	204.11	204.11
VS Lignite Power Private Limited	376.76	376.76	376.76
Sai Wardha Power Generation Limited	1,117.02	1,117.02	1,117.02
KSK Mahanadi Power Company Limited	7.50	7.50	7.50
KSK Surya Photovoltaic Venture Limited	0.72	0.72	0.72
Total	1,955.69	1,955.69	1,955.69

The recoverable amount of the cash generating unit at 31 March 2017 was determined using estimated fair value in use.

The calculation was based on a discounted cash flow valuation over five years for each of the power stations, using available market information to reflect the amount that the Group estimates that it could have obtained, at the reporting date.

The calculation was based on a discounted cash flow valuation over five years for each of the power stations, using available market information to reflect the amount that the Group estimates that it could have obtained, at the reporting date. The management believes that any reasonable possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

Key assumptions used in value-in-use calculations:

The calculation of value-in-use for the cash generating units is most sensitive to the following key assumptions:

- electricity prices;
- projected output;
- fuel costs;
- other operating costs and investment;
- growth and discount rates

The Group's approach in determining the key assumptions was as follows:

- Electricity prices were based on contracted prices for electricity. Projected output was based on expected levels of output over the expected operating lives of the power stations using the Group's own engineering projections which considered historical performance, plant degradation, plant maintenance activity and investment, and allowances for scheduled timings of outages.
- Fuel costs were based on contracted and projected commodity prices, for coal and gas fuel, and using the Group's own engineering projections for consumption having considered historical consumption data and projected plant performance.
- Other operating costs and investment was estimated using the Group's own engineering projections, where relevant, and having considered historical performance, plant degradation, plant maintenance activity and investment. The estimates of other operating costs and investment used in the discounted cash flow projection were consistent with those used in the Group's three year business plan. In subsequent periods the growth rate applied to other operating costs fully reflects the expected operating lives of the power stations.
- Growth rates are based on published industry research. The discount rate reflects the current market assessment of the risks specific to the cash generating units. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry.

The following growth and discount rates have been considered for the purpose of the impairment testing:

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Growth rate	3.00%	3.00%	3.00%
Discount rate (pre tax)	11.39%	11.69%	12.15%

11 Investments

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non-current investments			
Investment in equity instruments			
At fair value through other comprehensive income			
<i>(quoted, fully paid up)</i>			
364,418 (31 March 2016: 364,418; 1 April 2015: 364,418) Equity shares of Thiru Arooran Sugars Limited	21.03	22.69	9.26
<i>(unquoted, fully paid up)</i>			
3,636,363 (31 March 2016: 3,636,363; 1 April 2015: 3,636,363) Equity shares of Terra Energy Limited	160.00	160.00	160.00
100,000 (31 March 2016: 100,000; 1 April 2015: Nil) Equity shares of KSK Green Energy Pte. Ltd	6.26	6.26	-
Investment In Associates under equity method			
<i>(unquoted, fully paid up)</i>			
65,018,090 (31 Mar 2016: 65,018,090; 01 Apr 2015: Nil) Equity shares of Raigarh Champa Rail Infrastructure Private Limited	581.47	650.18	-
Nil (31 Mar 2016: 40,277,990; 01 Apr 2015: Nil) Equity shares of KSK Water Infrastructures Private Limited (refer note 6)	-	402.78	-
Investment in preference instruments			
Investment In Joint Operation			
At amortised cost			
<i>(unquoted, fully paid up)</i>			
Sitapuram Power Limited	99.50	99.50	99.50
	868.26	1,341.41	268.76
Current investments			
At amortised cost			
<i>(quoted, fully paid up)</i>			
Nil (31 March 2016: 334,947.977; 1 April 2015: 110,466.973) units in IDFC Cash Fund - Daily Dividend - (Direct plan)	-	335.41	110.54
33,812,595.652 (31 March 2016: Nil; 1 April 2015: Nil) units in IDFC Ultra Short Term Fund - Daily Dividend - (Direct Plan)	341.88	-	-
Nil (31 March 2016: Nil; 1 April 2015: 41,723.333) units in TATA Money Market Fund Direct Plan - Daily Dividend	-	-	41.79
	341.88	335.41	152.33
	1,210.14	1,676.82	421.09
Aggregate amount of quoted investments	397.69	391.22	208.14
Aggregate market value of quoted investments	362.91	358.10	161.59
Aggregate amount of unquoted investments	847.23	1,318.72	259.50
Aggregate amount of impairment in the value of investments	-	-	-

12 Trade receivables

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non current			
Unsecured, considered good	99.44	86.47	75.19
	99.44	86.47	75.19
Current			
Secured, considered good	701.30	1,183.19	695.24
Unsecured, considered good (refer note 35)	28,836.51	22,144.64	8,531.44
Unsecured, considered doubtful			
Trade receivables	-	145.86	-
Provision for doubtful debts	-	(145.86)	-
	29,537.81	23,327.83	9,226.68
	29,637.25	23,414.30	9,301.87

- (i) Trade receivable are interest bearing and are generally due within 1-60 days terms.
- (ii) Trade receivable of Rs. 29,637.25 (31 March 2016: Rs. 23,414.30; 1 April 2015: Rs. 9,301.88) for the Group have been pledged as security for borrowings (refer note 20)
- (iii) The Company is having majority of receivables from State Distribution Companies which are Government undertakings and companies that are well established in reputed industries engaged in their respective field of business. Hence they are secured from credit losses in the future.

The movement in the allowance for impairment in respect of trade receivable during the year was as follows:

	31 March 2017	31 March 2016
Opening balance	145.86	-
Impairment loss recognised	583.45	145.86
Amount written off	729.31	-
Closing balance	-	145.86

13 Loans

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non Current			
<i>Unsecured, considered good</i>			
Security deposits	2,129.39	1,699.79	1,790.85
	2,129.39	1,699.79	1,790.85
Current			
<i>Unsecured, considered good</i>			
Loans and advances	3,551.21	1,361.31	1,113.17
Security deposit	2,603.10	3,260.81	3,034.00
<i>Unsecured, Doubtful</i>			
Loans and advances	75.00	75.00	-
Less: Provision for doubtful advances	(37.50)	(18.75)	-
	6,191.81	4,678.37	4,147.17
	8,321.20	6,378.16	5,938.02

14 Other financial assets

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non Current			
<i>Unsecured, considered good</i>			
Advance for investment	756.33	1,759.95	79.61
Deposits with banks	588.52	330.85	507.71
Interest accrued	218.95	207.65	206.56
	1,563.80	2,298.45	793.88
Current			
<i>Unsecured, considered good</i>			
Interest accrued	215.70	467.71	448.46
Other receivables	117.24	268.81	403.27
	332.94	736.52	851.73
	1,896.74	3,034.97	1,645.61

The Company has pledged its deposits with banks amounting to Rs. 588.52 (31 March 2016: Rs. 330.85; 1 April 2015: Rs. 507.71) in order to fulfill collateral requirements.

15 Other assets

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non-current			
Capital advances	4,762.71	4,698.54	5,461.65
Advance tax	475.43	768.81	802.46
Prepaid expenses	772.33	233.79	276.61
Prepaid lease rentals	2,406.76	2,091.14	2,116.82
Balances with statutory authorities	1,070.54	1,120.26	1,333.73
Other assets	1.47	1.47	1.72
	9,489.24	8,914.01	9,992.99
Current			
Advance for goods and services	5,048.21	3,116.42	1,786.76
Balances with statutory authorities	43.37	196.34	22.87
Prepaid expenses	191.74	223.60	383.82
Prepaid lease rentals	25.83	25.81	25.84
Unbilled revenue	28.00	35.91	39.30
Claims receivable	6,746.46	467.82	497.67
<i>Unsecured, Doubtful</i>			
Capital / other advances	37.99	37.99	-
Less: Provision for doubtful advances	(37.99)	(37.99)	-
	12,083.61	4,065.90	2,756.26
	21,572.85	12,979.91	12,749.25

16 Inventories

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
<i>(At lower of cost or net realisable value)</i>			
Fuel	353.21	244.20	420.67
Fuel - in - transit	-	686.87	188.45
Stores and spares	1,500.08	1,351.58	1,102.59
Stores and spares-in-transit	12.59	261.07	38.98
	1,865.88	2,543.72	1,750.69

Inventory of Rs. 1,865.88 (31 March 2016: Rs. 2,543.72; 1 April 2015: Rs. 1,750.69) for the Group is subject to security restrictions (refer note 20)

17 Cash and cash equivalents

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Cash on hand	2.81	2.37	3.47
Draft on hand	156.63	4.00	-
Balances with banks; On current account	1,070.50	531.23	2,214.46
	1,229.94	537.60	2,217.93

18 Other bank balances

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Deposits with bank held as margin money or security against guarantees or borrowings	5,347.73	6,986.26	7,477.24
Deposit having maturity of more than three months	2.46	2.42	1.53
	5,350.19	6,988.68	7,478.77

19 Share capital

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Issued, subscribed and paid up			
423,985,774 (31 March 2016: 423,985,774; 1 April 2015: 422,249,194) equity shares of Rs.10/- each fully paid up.	4,239.86	4,239.86	4,222.49
	4,239.86	4,239.86	4,222.49

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

	Asat 31 March 2017	Asat 31 March 2016
Equity shares		
Outstanding at the beginning of the year	423,985,774	422,249,194
Conversion of warrants issued to promoter group	-	1,736,580
Outstanding at the end of the year	423,985,774	423,985,774

c Equity shares held by holding company and its subsidiaries

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Holding company			
No of shares held	157,191,147	190,938,342	191,150,109
% of shares held	37.07%	45.03%	45.27%
Subsidiaries of holding company			
No of shares held	87,992,881	98,086,182	97,225,346
% of shares held	20.76%	23.13%	23.03%

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

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Equity shares fully paid up			
KSK Energy Limited			
No of shares held	157,191,147	190,938,342	191,150,109
% of shares held	37.07%	45.03%	45.27%
KSK Energy Company Private Limited			
No of shares held	68,375,962	78,469,263	79,345,007
% of shares held	16.13%	18.51%	18.79%
HDFC Trustee Company Limited			
No of shares held	38,145,028	38,145,028	21,253,116
% of shares held	9.00%	9.00%	5.03%

20 Borrowings

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non Current			
<i>Secured</i>			
Debentures	1,999.38	1,889.27	2,488.45
Term loans			
Ruppee loans from banks	116,117.10	93,641.24	83,914.51
Ruppee loans from others	64,535.30	47,196.72	45,464.49
Foreign currency loans	19,865.99	19,946.89	20,018.21
Hire purchase loan	1.96	-	-
<i>Unsecured</i>			
Preference Shares	287.19	282.43	278.29
Debentures	1,165.15	330.75	353.51
Foreign currency loans	-	3,237.40	3,048.79
Deferred payment liabilities	50.71	44.10	38.35
	204,022.78	166,568.80	155,604.60

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Current			
Secured			
Loans repayable on demand			
From banks	15,695.77	13,420.50	5,342.06
Foreign currency loans	2,186.47	3,055.69	2,601.95
Loans against letters of credit	1,827.31	2,574.17	2,483.14
Loan against deposit	1,413.00	2,338.70	3,266.20
Unsecured			
Loans repayable on demand			
From related parties	549.04	1,747.35	7.32
From others	783.76	770.15	451.58
Loan against deposit	-	-	1,700.50
	22,455.35	23,906.56	15,852.75
	226,478.13	190,475.36	171,457.35

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.

Loans against letter of credit are secured by first pari-passu charge on all assets of the Company.

Sai Wardha Power Generation Limited

Rupee term loans from banks and others, long term foreign currency loans and loans payable on demand 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.

Loans against letter of credit are 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 Generation 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, KSK Electricity Financing India Private Limited and Sai Regency Power Corporation Private Limited and equity shares of the company. Further, the loan is also secured by pledge of certain fully paid up class A shares of the Company and Corporate Guarantee of KSK Energy Ventures Limited.

Loans repayable on demand are secured by hypothecation of all present and future current assets including revenues, receivables, escrow account. Second charge on the fixed assets of the company created by way of Simple Mortgage Deed. Further, the loan is secured by pledge of certain shares of the Company and Corporate Guarantee of KSK Energy Ventures Limited.

KSK Mahanadi Power Company Limited

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

Rupee sub debt loans are secured by second charge over all immovable properties, movable properties, intangible assets, current assets and other assets (including assignment of rights, titles, interests, benefits, claims etc.) of the company both present and future.

Further secured by pledge of certain equity shares of the Company, Corporate guarantee of KSK Energy Company Private Limited and pledge of KSK Electricity Financing India Private Limited shares held by KSK Energy Ventures Limited.

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 immovable properties and hypothecation of movable properties. 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 including receivables, stores and spares and other current assets

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.

Hire purchase loan is secured by pledge of vehicle purchased

KSK Electricity Financing India Private Limited

Debentures are secured by way of mortgage of land and pledge of certain equity shares of KSK Energy Ventures Limited.

b Loan against deposits are secured by pledge of deposits.

c Repayment terms of long-term borrowings

SNo	Name of the Company	Amount outstanding included in		Repayment terms
		Long term borrowings	Other current liability	
Debentures				
1	KSK Electricity Financing India Private Limited	1,999.38	-	The debentures are repayable equally in Mar 2021 and Mar 2022. The debentures carry an internal rate of return of 17% p.a.
2	KSK Electricity Financing India Private Limited	19.13	-	The debentures are optionally convertible equity shares of Rs 10 /- each within ten years. The coupon rate of interest is 0.00% p.a.
3	Sai Regency Power Corporation Private Limited	1,043.12	-	Non convertible debentures are redeemable by Aug 2021. These debentures carry interest of 21% out of which 12% payable quarterly and balance interest at maturity.
4	KSK Wind Energy Private Limited	79.03	-	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.
5	KSK Surya Photovoltaic Venture Limited	23.86	-	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	4,581.83	996.99	The long term Rupee loans are repayable in quarterly yearly instalments with the last instalment of respective loans are payable upto to Nov 2024. The long term borrowings carries an weighted average rate of interest of 15.47% p.a.
2	Sai Wardha Power Generation Limited (formerly Sai Wardha Power Limited)	3,282.18	1,081.34	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 13.61% p.a.
3	Sitapuram Power Limited	267.34	66.94	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 12.85% p.a.

SNo	Name of the Company	Amount outstanding included in		Repayment terms
		Long term borrowings	Other current liability	
4	VSLignitePower Private Limited	4,766.37	212.16	The long term Rupee loans are repayable in quarterly instalments with the last instalment of respective loans are payable from Nov 2020 to June 2031. These loans carry a weighted average interest rate of 14.36% p.a.
5	Sai Lilagar Power Generation Limited (formerly Sai Lilagar Power Limited)	1,619.79	273.93	The long term rupee loan is repayable in quarterly instalments with the first instalment of loan commencing from January 2016 and ending in October 2025. The loans carry a weighted average interest rate of 12.63% p.a.
6	Sai Regency Power Corporation Private Limited	2,990.44	475.41	The long term Rupee loans are repayable in quarterly instalments with the last instalment of respective loans are payable by March 2027. These loans carry a weighted average interest rate of 12.33% p.a.
7	KSK Mahanadi Power Company Limited	156,660.28	-	The long term Rupee loans are repayable in quarterly instalments with last instalment of respective loans payable by March 2038. These loans carry a weighted average interest rate of 14.17% p.a.
8	KSK Water Infrastructures Private Limited	5,892.05	0.04	The long term rupee loans are repayable in quarterly instalments with the last installment of respective loan payable by March 2036. These loans carry a weighted average interest rate of 13.71% p.a.
9	Sai Maithili Power Company Private Limited	592.13	60.60	The long term Rupee loan is repayable by August 2031, in monthly and quarterly installments. These loans carries a weighted average rate of interest of 14.82% p.a.

Repayment terms of long-term borrowings continued...

SNo	Name of the Company	Amount outstanding included in		Repayment terms
		Long term borrowings	Other current liability	
Foreign currency loans				
1	Sai Wardha Power Generation Limited (formerly Sai Wardha Power Limited)	-	1,297.61	The long term foreign currency loan is repayable from June 2014 to January 2017. These carry a weighted average interest rate of 4.42% p.a.
2	Sai Wardha Power Generation Limited (formerly Sai Wardha Power Limited)	15,872.39	-	The long term foreign currency loan are repayable half yearly instalments with the last instalment payable by August 2021. The long term foreign currency loans carry a weighted average interest rate of 6.16% p.a.
3	KSK Mahanadi Power Company Limited	3,180.13	-	The foreign currency loans are repayable in structured quarterly instalments commencing from June 2018. The weighted average rate of interest is at around 4.50% per annum.
4	KSK Mahanadi Power Company Limited	813.47	-	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 5.88%. p.a
Preference Shares				
1	VSLignite Power Private Limited	250.70	-	The preference shares are cumulatively redeemable at par over a period of 10 to 20 years from the date of allotment and carries an interest rate of 0.01% p.a
2	Sitapuram Power Limited	36.49	-	The preference shares are redeemable by August 2026 and carries an interest rate of 0.01% p.a.
Hire purchase loan				
1	Sai Maithili Power Company Private Limited	1.96	0.46	Hire purchase loan is repayable in monthly installment, with last installment due in August 2021. The loan carries weighted average interest rate of 9%
Deferred payment liabilities:				
1	KSK Energy Ventures Limited	50.71	-	Deferred payment liability are repayable in Mar 2023.

21 Trade payable

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Trade payable	12,248.01	9,239.46	4,922.62
	12,248.01	9,239.46	4,922.62

Trade payable are non-interest bearing and mainly includes amount payable to coal suppliers and operation and maintenance vendors in whose case credit period allowed is less than 12 months. Group usually opens usance letter of credit in favour of the coal suppliers. Since the average credit period is less than 12 months, the trade payable amount has been classified as current.

22 Other Financial liabilities

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non Current			
Interest accrued	843.00	368.39	101.39
Creditor for capital goods (including retention money)	-	102.73	1,982.59
	843.00	471.12	2,083.98
Current			
Current maturities of long-term debt	4,465.01	4,310.55	4,879.84
Current maturities of finance lease obligation	0.46	-	-
Interest accrued	8,033.67	7,191.81	4,107.20
Creditor for capital goods (including retention money)	13,748.22	10,889.19	9,850.10
Share application money in subsidiary held by others	32.40	32.40	32.40
Finance charges payable	789.54	352.58	180.93
Salary and bonus payable	355.11	251.34	69.46
Advance received against issue of financial instruments	2,137.60	-	-
Other liabilities	4,798.49	3,307.41	2,148.19
	34,360.50	26,335.28	21,268.12
	35,203.50	26,806.40	23,352.10

23 Derivative liabilities

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non Current			
Premium payable	781.19	1,102.41	1,357.29
Interest rate swap	115.18	409.06	298.57
	896.37	1,511.47	1,655.86
Current			
Premium payable	470.25	390.60	372.97
Forward cover	25.20	41.69	28.37
	495.45	432.29	401.34
	1,391.82	1,943.76	2,057.20

24 Provisions

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non Current			
For employee benefits (refer note a)	73.63	61.99	36.98
Provision for Decommissioning cost (refer note b)	542.95	511.23	475.12
	616.58	573.22	512.10

- 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 INDAS 19

Net benefit liability

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Defined benefit obligation	156.01	123.16	93.03
Fair value of plan assets	(87.80)	(69.55)	(62.74)
Net Asset / (Liability)*	(68.21)	(53.61)	(30.29)

*Represents net of benefit asset of Rs. 5.42 (31 March 2016: Rs. 8.38; 1 April 2015: Rs. 6.69)

Changes in the present value of the defined benefit obligation are as follows

	Asat 31 March 2017	Asat 31 March 2016
Defined benefit obligation as at the beginning of the year	123.16	93.03
Included in Consolidated income statement		
Current service cost	22.58	20.62
Interest cost	9.77	7.29
	32.35	27.91
Included in Consolidated other comprehensive income		
Re-measurement loss / (gain)		
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in financial assumptions	8.09	0.00
experience variance (i.e. Actual experience vs assumptions)	(5.51)	7.76
	2.57	7.76
Others		
Acquisition of subsidiaries	4.51	-
Benefits paid	(6.58)	(5.54)
	(2.07)	(5.54)
Defined benefit obligation as at the end of the year	156.01	123.16

Changes in the fair value of plan assets are as follows

	Asat 31 March 2017	Asat 31 March 2016
Fair value of plan assets		
Fair value of plan assets beginning of the year	69.55	62.74
Included in Consolidated income statement		
Interest income	5.80	4.86
	5.80	4.86
Included in other comprehensive income		
Re-measurement loss / (gain)		
Return on plan asset (excluding amounts included in net interest expense)	0.48	0.58
	0.48	0.58
Others		
Acquisition of subsidiaries	1.29	-
Contributions	17.25	6.92
Benefits paid	(6.58)	(5.54)
	11.97	1.38
Fair value of plan assets end of the year	87.80	69.55

Net defined benefit liability (asset)

	Asat 31 March 2017	Asat 31 March 2016
Balance	53.61	30.29
Included in Consolidated income statement		
Current service cost	22.58	20.62
Interest cost / (income)	3.96	2.43
Expenses Recognised in the Income Statement	26.54	23.06
Re-measurement loss / (gain)		
Actuarial (gains) on obligation		
change in financial assumptions	8.09	0.00
experience variance (i.e. Actual experience vs assumptions)	(5.51)	7.76
Return on plan asset (excluding amounts included in net interest expense)	(0.48)	(0.58)
	2.10	7.19
Others		
Change in controlling stake	3.22	-
Contributions by employer	(17.25)	(6.92)
	(14.04)	(6.92)
Defined benefit obligation as at the end of the year	68.21	53.61

Asset information

Category of Assets	Asat 31 March 2017	Asat 31 March 2016
Insurer managed funds	100%	100%

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

	Asat 31 March 2017	Asat 31 March 2016
Discount rate	7.45%	7.80%
Rate of increase in compensation levels	10.00%	10.00%

Sensitivity analysis

	31 March 2017		31 March 2016	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1% movement)	26.09	(21.18)	20.85	(17.07)
Salary growth Rate (-/+ 1% movement)	(15.34)	14.69	(12.57)	12.00

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

b. Provision for restoration cost

	Asat 31 March 2017
Opening balance	511.23
Unwinding of discount	31.72
Closing balance	542.95

A provision has been recognised for restoration costs associated with mining land. The unwinding of the discount on the restoration provision is included as a finance costs and the discount rate assumed is 7.6%.

25 Other liabilities

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Non Current			
Deferred revenue	217.22	256.63	278.11
Other Liabilities	457.83	360.27	262.81
	675.05	616.90	540.92
Current			
Deferred revenue	27.61	30.40	34.28
Statutory Liabilities	969.96	483.20	463.66
	997.57	513.60	497.94
	1,672.62	1,130.50	1,038.86

26 Deferred tax (liability) / assets

Deferred income tax at 31 March 2017 and 31 March 2016 relates to the following:

	1 April 2016	Recognised in the income statement	Recognised in other comprehensive income	Others	31 March 2017
<i>Deferred income tax assets</i>					
Property, plant and equipment	5.78	-	-	-	5.78
Unused tax losses carried forward	17,253.42	1,982.54	-	431.74	19,667.70
MAT credit	633.17	66.12	-	-	699.29
Others	90.42	(84.36)	1.02	1.59	8.67
	17,982.79	1,964.30	1.02	433.33	20,381.44
<i>Deferred income tax liabilities</i>					
Property, plant and equipment	8,218.72	312.60	-	376.72	8,908.04
Others	81.46	232.42	-	-	313.88
	8,300.18	545.02	-	376.72	9,221.92
<i>Deferred income tax asset, net</i>	9,682.61	1,419.28	1.02	56.61	11,159.52
	1 April 2015	Recognised in the income statement	Recognised in other comprehensive income	Others	31 March 2016
<i>Deferred income tax assets</i>					
Property, plant and equipment	7.29	(1.51)	-	-	5.78
Unused tax losses carried forward	14,168.03	3,085.39	-	-	17,253.42
MAT credit	560.73	72.49	-	(0.05)	633.17
Others	-	88.63	1.79	-	90.42
	14,736.05	3,245.00	1.79	(0.05)	17,982.79
<i>Deferred income tax liabilities</i>					
Property, plant and equipment	6,586.18	1,632.54	-	-	8,218.72
Others	125.90	(44.44)	-	-	81.46
	6,712.08	1,588.10	-	-	8,300.18
<i>Deferred income tax asset, net</i>	8,023.97	1,656.90	1.79	(0.05)	9,682.61

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 2017 has been recognized only to the extent the timing differences arising in the current period which does not get reversed within the tax holiday period.

In assessing the realisability of the deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of the deferred income tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realize the benefits of those recognised deductible differences and tax loss carry forwards. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

The Group has tax losses in certain entities which arose in India of Rs. 7,670.56 (31 March 2016: Rs. 4,461.06) that are available for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that have been loss-making for some time. The Group evaluated and concluded that it is not probable that deferred tax assets on existing tax losses will be recovered. The subsidiaries have no taxable temporary differences available that could partly support the recognition of these losses as deferred tax assets. If the Group were able to recognise all unrecognised deferred tax assets, loss would decrease by Rs. 2,654.63 (31 March 2016: Rs. 1,543.88). The above tax losses expire at various dates ranging from 2018 to 2025.

As at 31 March 2017 and 31 March 2016, there was no recognised deferred tax liability that would be payable on the unremitted earnings of certain of the Group's subsidiaries or joint operations

- i the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future; and
- ii the Group controls the dividend policy of the jointly controlled arrangements. The Group has determined that undistributed profits of its jointly controlled entities will not be distributed in the foreseeable future.

The temporary differences associated with investments in subsidiaries and joint operations, for which deferred tax liability has not been recognised aggregate to Rs. 5,113.04 (31 March 2016: Rs. 7,819.56)

Tax reconciliation statement

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2017 and 31 March 2016 is as follows:

Particulars	31 March 2017	31 March 2016
Accounting profit/(loss) Before tax	(8,288.35)	(5,918.69)
Enacted tax rates	34.608%	34.608%
Tax on Profit at enacted rates	(2,868.43)	(2,048.34)
Expenditure not deductible for tax purpose	272.39	370.72
Income exempted or taxed at lower rates	(133.01)	(442.42)
Unrecognised deferred tax assets	1,529.67	599.03
Change in unrecognised temporary differences	0.02	38.57
Others	(161.49)	(96.45)
Actual tax expense	(1,360.85)	(1,578.89)

27 Revenue from operations

	Year ended 31 March 2017	Year ended 31 March 2016
Sale of electricity	39,356.93	43,300.20
Corporate support service fees	18.89	2.19
Other operating income	10.01	12.89
	39,385.83	43,315.28

28 Other income

	Year ended 31 March 2017	Year ended 31 March 2016
Interest income		
on financial instruments	803.27	457.52
on others	40.21	66.15
Dividend income from investment measured at amortised cost	13.57	28.95
Profit on sale of fixed assets, net	14.59	-
Insurance claim	311.02	58.47
Foreign exchange gain, net	279.24	-
Deferred revenue amortisation	21.27	21.29
Unwinding of discount on deposits and receivables	127.85	54.58
Miscellaneous income	22.62	4.25
	1,633.64	691.21

29 Cost of fuel consumed

	Year ended 31 March 2017	Year ended 31 March 2016
Coal	18,715.88	18,731.28
Lignite	361.99	661.51
Natural gas	764.40	1,193.75
Others	116.28	170.22
	19,958.55	20,756.76

30 Manufacturing expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Consumption of stores and spares	457.32	314.34
Operation and maintenance expenses	1,929.61	1,488.42
Cost of import power	106.98	117.13
Raw water charges	342.13	1,539.34
Repairs and maintenance - plant and equipment	56.04	49.88
	2,892.08	3,509.11

31 Employee benefit expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus	1,023.54	797.07
Contribution to provident and other funds (refer note 24(a))	45.62	31.61
Staff welfare expenses	49.53	41.24
	1,118.69	869.92

32 Other expenses

	Year ended 31 March 2017	Year ended 31 March 2016
Rent	127.32	80.55
Rates and taxes	466.84	179.32
Travel and conveyance	94.51	88.72
Insurance charges	177.94	141.24
Legal and professional charges	93.91	1.68
Generation, transmission and selling expenses	426.16	542.61
Remuneration to auditors	9.25	8.97
Repairs and maintenance		
building	7.19	10.59
others	185.86	133.48
Bad debts / receivables written off	583.45	246.78
Provision for doubtful debts / receivables	18.75	205.11
Corporate social responsibility	31.88	59.94
Freight outward	167.30	140.55
Foreign exchange loss, net	-	220.51
Loss on sale of fixed assets	0.03	0.76
Miscellaneous expenses	235.49	179.36
	2,625.88	2,240.17

33 Finance costs

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expense	20,247.90	15,368.21
Other borrowing cost	1,244.43	994.97
Loss on derivatives instruments - FVTPL	283.34	579.94
Unwinding of Discount	169.44	138.63
	21,945.11	17,081.75

The borrowing cost attributable to the acquisition or construction of PPE amounting to Rs. 9,519.50 (31 March 2016: Rs. 8,790.40) has been capitalised.

34 Other Comprehensive Income

	Year ended 31 March 2017	Year ended 31 March 2016
Items that will not be reclassified to profit or loss		
Gain / loss on financial instruments at fair value through OCI	(1.66)	13.43
Remeasurements of the defined benefit plans	3.26	(7.21)
Income tax relating to above	1.02	1.79
	2.62	8.01
Items that may be reclassified to profit or loss		
Foreign currency translation differences	(1.28)	0.15
	(1.28)	0.15
	1.34	8.16

35 Contingent liabilities and Commitments

a Contingent liabilities

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
(i) Bank guarantees outstanding	-	9.41	9.41
(ii) Corporate guarantees outstanding	5,930.59	12,281.57	12,596.72
(iii) Claims against the Group not acknowledged as debt Rs. 1,266.40 (31 March 2016: Rs. 1,299.98; 1 April 2015: Rs. 479.68)			
(iv) Trade receivables includes an amount of Rs. 13,122.00 (31 March 2016: Rs. 8,423.30; 1 April 2015: Rs. 2,064.50) receivable in KMPCL over multiple periods 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 Hon'ble Supreme Court & CERC in similar case, the Company is confident that the entire amounts is receivable.			
(v) SWPGL had 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 2016: Rs. 729.32; 1 April 2015: Rs. 729.32) The facility required for generation of the agreed quantum of power was not ready as per agreed schedule on account of unexpected factors beyond the control of the Company, the Company proposed to MSEDCL, an arrangement to secure the energy from alternate sources 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 Company 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 Company has filed an appeal before Appellate Tribunal for Electricity (APTEL) against the order of MERC and APTEL also rejected the appeal. The Company has filed an appeal before Honorable Supreme Court of India. During the year ended 31 March 2017 the Company received an unfavorable ruling on a claim against a state body MSEDCL as it was concluded the claims if allowed were against public interest and accordingly Company has impaired and written off the entire claim amount.			
(vi) Service tax department has issued demand order to the Company for payment of service tax amounting to Rs 505.64 (31 March 2016: Rs. 505.64; 1 April 2015: Rs 505.64) (including penalty) relating to the disagreement on availment of Cenvat Credit for the period April 2008 to September 2010 and non payment of service tax. Further, an amount of Rs. 26.88 (31 March 2016: Rs 26.88; 1 April 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) Other non current assets include an amount of Rs. 579.64 (31 March 2016: 579.64; 1 April 2015: Rs 579.64) relating to Central Excise receivable from the Excise departments by SWPGL. The SWPGL 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. 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 confident that the entire amount is receivable.			
(viii) The captive customers of the SWPGL has deducted from the sales invoices an amount of Rs. 603.43 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. Aggrieved by this, the Company has filed petition with Honourable Supreme Court of India. Pending adjudication of the same, the company believes that there is a good chance of succeeding and hence no adjustment has been made in the financial statements.

- (ix) KMPCL 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 2016: Rs 873.40; 1 April 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 2016: Rs 236.00; 1 April 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 believes that there is a good chance of succeeding before the regulatory commissions and hence no adjustment has been made in the financial statements.
- (x) The Group has received claims for Rs. 652.87 (31 March 2016: 652.87; 1 April 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.
- (xi) VSLPPL has receivables of Rs 482.86 (31 March 2016: Rs 482.86; 1 April 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, civil court and High Court the Group has preferred an appeal in Honourable Supreme Court of India. 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.
- (xii) SWPGL has lodged a claim relating to quality and price on Western Coalfields Limited (WCL), the coal supplier for abuse of dominant position by WCL and Coal India Limited (CIL). Honourable Competition Commission of India ('Commission') has passed an order on 27 October 2014 in favour of the Group as far as price claim is concerned whereas for the quality claim, the Commission has referred to its earlier order dated 13 January 2014, of similar case which is presently pending at Competition Appellate Tribunal (COMPAT). WCL has preferred an appeal against the order of the Commission before the COMPAT wherein during the year ended 31 March 2017, COMPAT has upheld the order given by Commission against which WCL has preferred an appeal before the Honourable Supreme Court of India. The Group has filed a total claim of Rs. 15,568.07 with COMPAT under provision 53N of The Competition Act, 2002. Further SWPGL has received a demand of Rs. 954.58 from WCL towards short lifting of minimum quantity of coal which is also contested by the SWPGL on various grounds including of inferior quality & high price and as such has not been provided for. Consequent to reiterating and upholding, in entirety, the earlier favourable order of Hon'ble Competition Commission of India by COMPAT the Group has recognised a claim of Rs. 6,055.20 during the year ended 31 March 2017. The Group believes that the final outcome of the above matters would be in favour of the group and company is confident that the entire amount is fully recoverable.

In addition, the Group is also subject to various other legal proceedings and claims which have arisen in the ordinary course of business including claims before various tax authorities. The Management does not reasonably expect that these legal proceedings, when ultimately concluded and determined, will have a material or adverse effect on the Group's results of operations or financial conditions. The Group has accrued appropriate provision wherever required.

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

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Estimated value of contracts remaining to be executed on capital account not provided for	64,738.79	80,386.74	65,349.53

c Other commitments

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Obligation for minimum quantity of fuel	56,098.66	60,472.01	93,595.27

36 Operating Leases

The Consolidated entities have entered in to certain operating lease agreements. An amount of Rs. 129.04 (31 March 2016: Rs. 85.3) 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.

37 Earnings/(loss) per Share (EPS)

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

	Yearended 31 March 2017	Yearended 31 March 2016
Net profit / (loss) after tax and minority interest	(6,359.76)	(4,142.11)
Net profit attributable to shareholders - for basic / diluted EPS	(6,359.76)	(4,142.11)
Weighted average number of shares outstanding for the purpose of calculation of basic and diluted EPS (in million)	423.99	423.89
Earnings per share - basic / diluted (in Rs.)	(15.00)	(9.77)

38 Segment Reporting

The Segment report of the Group has been prepared in accordance with the Indian Accounting Standard 108 "Operating Segment". There is only one reportable geographical segment as per Indian Accounting Standard 108. For the purpose of reporting business segments, the Group is engaged in two segments, viz., Project development and power generation.

31 March 2017	Project development activities	Power generating activities	Reconciling/ Elimination activities	Total
Revenue	198.49	39,366.93	(179.59)	39,385.83
Segment Result	74.63	5,893.29	-	5,967.92
Unallocated income (net)				7,688.84
Finance costs				(21,945.11)
Loss before tax				(8,288.35)
Tax income				1,360.85
Loss for the year				(6,927.50)
Segment assets	614.02	282,850.07	(201.81)	283,262.28
Unallocated assets				23,008.53
Total assets				306,270.81
Segment liabilities	53.40	44,057.48	(201.81)	43,909.07
Unallocated liabilities				234,127.27
Total liabilities				278,036.34
Other segment information				
Depreciation / amortisation	7.40	6,815.31	-	6,822.71
Capital expenditure	0.69	27,205.16	-	27,205.85

31 March 2016	Project development activities	Power generating activities	Reconciling/ Elimination activities	Total
Revenue	217.89	43,313.09	(215.70)	43,315.28
Segment Result	28.86	10,442.99	-	10,471.85
Unallocated income (net)				691.21
Finance costs				(17,081.75)
Loss before tax				(5,918.69)
Tax income				1,578.89
Loss for the year				(4,339.80)
Segment assets	1,344.95	243,384.14	(929.65)	243,799.44
Unallocated assets				21,660.32
Total assets				265,459.76
Segment liabilities	50.48	35,720.47	(929.65)	34,841.30
Unallocated liabilities				195,719.18
Total liabilities				230,560.48
Other segment information				
Depreciation / amortisation	10.99	5,456.48	-	5,467.47
Capital expenditure	19.29	12,430.42	-	12,449.71

1 April 2015	Project development activities	Power generating activities	Reconciling/ Elimination activities	Total
Segment assets	1,127.30	223,297.94	(109.17)	224,316.07
Unallocated assets				17,268.30
Total assets				241,584.37
Segment liabilities	80.00	23,904.49	(109.17)	23,875.32
Unallocated liabilities				179,526.63
Total liabilities				203,401.95

Three customers in the power generating segment contributing revenues of Rs. 30,738.52 accounted for 78.10% (31 March 2016: Three customers in the power generating segment contributing revenues of Rs. 30,198.96 accounted for 69.74%) of the total segment revenue.

39 Related party disclosure

a Parties where control exists

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

(For detail list of subsidiaries see note 3.2)

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

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

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 2017				
	Joint operation	Associate	Fellow subsidiaries	Holding Company / Step up holding company	KMP
Transactions					
Project development and corporate support fees	2.19	-	-	-	-
Interest income	17.61	-	-	-	-
Fuel and water charges	-	-	402.67	-	-
Loans accepted / (repaid)	15.67	-	(1,166.96)	-	-
Loans and advances given / (repaid) (including advance for investments)	6.37	(594.48)	2,782.15	-	-
Managerial remuneration	-	-	-	-	18.00
Balances at the year end					
Amount receivable	287.25	0.09	7,457.95	-	-
Amount payable	157.43	46.05	699.28	27.25	-
Debentures outstanding	-	-	8.92	-	-
Managerial remuneration payable	-	-	-	-	1.20

Particulars	31 March 2016				
	Joint operation	Associate	Fellow subsidiaries	Holding Company / Step up holding company	KMP
Transactions					
Project development and corporate support fees	2.19	-	-	-	-
Interest income	17.61	-	11.58	-	-
Fuel and water charges	-	-	2,214.01	-	-
Purchase of assets	-	-	1,359.36	-	-
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	269.64	1,808.97	5,673.23	-	-
Amount payable	133.42	905.88	1,305.98	60.00	-
Debentures outstanding	-	-	231.08	-	-
Managerial remuneration payable	-	-	-	-	1.06

Particulars	31 March 2015		
	Joint operation	Fellow subsidiaries	KMP
Balances at the year end			
Amount receivable	253.64	6,501.96	-
Amount payable	129.40	113.94	-
Debentures outstanding	-	275.71	-
Managerial remuneration payable	-	-	0.28

e The Group has given corporate guarantees of Rs. 9,639.53 (31 March 2016: Rs.16,277.93; 1 April 2015: Rs.17,278.00) and bank guarantees of Rs. Nil (31 March 2016: Rs. 9.41; 1 April 2015: Rs. 9.41) on behalf of fellow subsidiaries.

f The Group has obtained corporate guarantees of Rs.13,409.00 (31 March 2016: Rs.10,739.00; 1 April 2015: Rs. 19,267.88) from step-up holding company and Rs.1,000.00 (31 March 2016: Rs.1,000.00; 1 April 2015: Nil) from holding company.

* The above transactions do not include reimbursement of expenses.

40 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprises of loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also hold investments designated at fair value through OCI and at amortised cost and enter into derivative transaction.

The Group's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors. The Management ensures appropriate risk governance framework for the Group through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

In the ordinary course of business, the Group is exposed to market risk, credit risk and liquidity risk.

Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss statement item is the effect of the assumed changes in respective market risk. This is based on the financial asset and financial liabilities held at 31 March 2017 and 31 March 2016.
- Balance sheet sensitivity relates to derivatives and financial instruments at FVTOCI.

Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage interest rate risk, the Group enters in to interest rate swaps, in which it agrees to exchange at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

Currency	Change in basis points	Effect on profit before tax / equity	
		31 March 2017	31 March 2016
INR	+50	(665.37)	(470.88)
USD	+50	(70.59)	(85.38)
INR	-50	665.37	470.88
USD	-50	70.59	85.38

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The majority of our assets are located in India where the Indian rupee is the functional currency. Currency exposures also exist in the nature of capital expenditure and services denominated in currencies other than the Indian Rupee.

Group borrowings are denominated in both Indian Rupees and United States Dollars, while a large portion of cash and liquid investments are held in Indian rupee. Some financial assets and liabilities are not held in the functional currency of the respective subsidiary.

Consequently, currency fluctuations may have a large impact on Group financial results.

Foreign currency exposures are managed through a group-wide hedging policy. The policy is reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. Short-term foreign exchange exposures relating to capital expenditure are hedged progressively based on their maturity. Long term exposures are normally unhedged, however the Group had hedged some of the long term loans by entering in to currency options.

The carrying amount of the Group's financial assets and liabilities in different currencies are as follows:

Derivative Instruments and Unhedged foreign currency exposure

Derivative contracts entered and outstanding

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Currency options	Hedge of foreign currency loans	Rs. 10,306.27	Rs. 10,524.73	Rs. 9,956.53
		US \$ 158.85	US \$ 158.85	US \$ 158.85
Forward contracts	Hedge of foreign currency loans	Rs. 465.86	Rs. 2,000.92	Rs. 2,330.62
		US \$ 7.18	US \$ 30.20	US \$ 37.18

Particulars of Unhedged foreign Currency Exposure

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Loans	Rs. 11,773.06	Rs. 14,557.50	Rs. 13,357.01
	US \$ 181.46	US \$ 219.72	US \$ 213.10
Interest on loans	Rs. 836.10	Rs. 539.38	Rs. 354.95
	US \$ 12.89	US \$ 8.14	US \$ 5.66
Import creditors (including retention money)	Rs. 11,792.39	Rs. 7,470.81	Rs. 16,197.37
	US \$ 181.76	US \$ 112.76	US \$ 258.42
Receivable	Rs. 285.92	Rs. 403.37	Rs. 293.79
	US \$ 4.41	US \$ 6.09	US \$ 4.69
Premium payable	Rs. 171.92	Rs. 57.67	Rs. 56.59
	US \$ 2.65	US \$ 0.87	US \$ 0.90
Cash with Bank	Rs. 0.36	Rs. 0.45	Rs. 0.61
	CNY 0.04	CNY 0.04	CNY 0.06
Cash with Bank	Rs. 0.00	Rs. 1.71	Rs. 0.51
	US \$ 0.00	US \$ 0.03	US \$ 0.01

The Group's exposure to foreign currency arises where a Group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity with United States Dollar being the major foreign currency exposure of the Group's main operating subsidiaries. Set out below is the impact of a 5% change in the United States Dollar on profit and equity arising as a result of the revaluation of the Group's foreign currency financial instruments:

	Closing exchange rate	Effect of 5% strengthening of US \$ on net earnings	Effect of 5% strengthening of US \$ on total equity
31 March 2017			
United States Dollar	64.88	(1,193.31)	(1,193.31)
31 March 2016			
United States Dollar	66.26	(1,094.09)	(1,094.09)

Equity price risk

The Group's investments in listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Group's exposure to unlisted equity securities was Rs. 747.73 (31 March 2016: Rs. 1,219.22; 1 April 2015: Rs. 160) and the exposure to listed equity securities at fair value was Rs. 21.03 (31 March 2016: Rs. 22.69; 1 April 2015: Rs. 9.26).

A decrease of 10% on the Indian market index would have an after tax impact of Rs. 1.73 (31 March 2016: Rs. 1.28) on the income or equity attributable to the Group, depending on whether or not the decline is significant and prolonged. An increase of 10% in the value of the Indian market index would impact income or equity by similar amounts.

Commodity price risk

The Group is affected by the price volatility of certain commodities which is moderated by optimising the procurement under fuel supply agreement. Its operating activities require the on-going purchase or continuous supply of fuel. Therefore the Group monitors its purchases closely to optimise the price.

Credit risk analysis

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

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

	Note	Carrying value		
		31 March 2017	31 March 2016	1 April 2015
Investments - At amortised cost	11	441.38	434.91	251.83
Trade receivables	12	29,637.25	23,414.30	9,301.87
Short term deposits with banks	18	5,350.19	6,988.68	7,478.77
Loans	13	8,321.20	6,378.16	5,938.02
Other financial asset	14	1,896.74	3,034.97	1,645.61
		45,646.76	40,251.02	24,616.10

Majority of trade receivable are secured by collateral and other credit enhancement and amount reflected above are before netting of such collateral and other credit enhancement.

The Group has exposure to credit risk from a limited customer group on account of supply of power. However, the Group ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The credit worthiness of customers to which the Group grants credit in the normal course of the business is monitored regularly. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group's/ Company's maximum exposure for financial guarantees are noted in note 35.

The Group's management believes that all the above financial assets, except as mentioned in note 12 & 13, are not impaired for each of the reporting dates under review and are of good credit quality (refer note 35)

Liquidity risk analysis

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

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

As at 31 March 2017, the Group has net current liabilities of Rs. 13,693.65. The Group continues to generate cash flows from the current operations which are further expected to increase with 3rd & 4th unit of KSK Mahanadi plant coming into operation in next year and better plant load factor in Sai Wardha. In addition, a number of the facilities that are due to expire at 31 March 2018 are in the process of being extended and have a rollover clause in a number of cases and the Group may refinance and/or restructure certain short-term borrowings into long-term borrowings and will also consider alternative sources of financing, where applicable. Further, the Group had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately Rs. 31,133.03 to meet its long term investment programmes.

The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 31 March 2017:

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	54,078.44	173,412.56	218,800.63	446,291.63
Trade payables	12,248.02	-	-	12,248.02
Other financial liabilities	29,895.49	-	843.00	30,738.49
Derivative liabilities	495.45	896.37	-	1,391.82
Total	96,717.40	174,308.93	219,643.63	490,669.96

The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 31 March 2016:

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	49,464.15	131,727.33	185,283.51	366,474.99
Trade payables	9,239.46	-	-	9,239.46
Other financial liabilities	22,024.73	102.73	368.39	22,495.85
Derivative liabilities	432.29	1,475.83	35.64	1,943.76
Total	81,160.63	133,305.89	185,687.54	400,154.06

The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 1 April 2015:

	Current	Non-current		Total
	within 12 months	1-5 years	Later than 5 years	
Borrowings	40,899.42	126,049.73	148,515.75	315,464.90
Trade payables	4,922.62	-	-	4,922.62
Other financial liabilities	16,388.28	1,982.59	101.39	18,472.26
Derivative liabilities	401.34	1,458.61	197.25	2,057.20
Total	62,611.66	129,490.93	148,814.39	340,916.98

Capital management

Capital includes equity attributable to the equity holders and debt.

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

- Ensure Group's ability to meet both its long-term and short-term capital needs as a going concern;
- Constantly evolve multiple funding alternatives – equity and /or preference capital, senior and /or subordinated debt, corporate loan facilities to arrive at an optimal capital mix;
- Deployment of capital in Special Purpose Vehicles ('SPVs') in a timely manner and as appropriate to the project development under pursuit;
- Evolution and finalisation of capital holding levels in underlying SPV's, with balance capital contributions by customers, co-investors (financial or otherwise), if any;
- Periodic review of the existing capitalisation levels in various parts of the business for potential post construction refinancing and any capital release(s) under such refinancing; and
- Fine tune capital deployment decisions to enable adequate return to shareholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year ended 31 March 2017 and 31 March 2016.

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

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

	Asat 31 March 2017	Asat 31 March 2016	Asat 1 April 2015
Total borrowing	230,943.59	194,785.91	176,337.19
Less : Cash and bank balances	(1,229.94)	(537.60)	(2,217.93)
Less : Other bank balances	(5,350.19)	(6,988.68)	(7,478.77)
Net debt	224,363.46	187,259.63	166,640.49
Equity	28,202.07	34,866.88	37,673.41
Total equity	28,202.07	34,866.88	37,673.41
Net debt to equity ratio	7.96	5.37	4.42

41 Financial Instruments

Carrying amounts versus fair values

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

	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	31 March 2017		31 March 2016		1 April 2015	
Non-current financial assets						
Investments - At fair value through other comprehensive income	187.29	187.29	188.95	188.95	169.26	169.26
Investments - At amortised cost	99.50	99.50	99.50	99.50	99.50	99.50
Trade receivables	99.44	99.44	86.47	86.47	75.19	75.19
Loans	2,129.39	2,129.39	1,699.79	1,699.79	1,790.85	1,790.85
Other financial asset	1,563.80	1,563.80	2,298.45	2,298.45	793.88	793.88
Derivative assets	2,614.48	2,614.48	3,039.30	3,039.30	3,115.28	3,115.28
Total non-current	6,693.90	6,693.90	7,412.46	7,412.46	6,043.96	6,043.96
Current financial assets						
Investments - At amortised cost	341.88	341.88	335.41	335.41	152.33	152.33
Trade receivables	29,537.81	29,537.81	23,327.83	23,327.83	9,226.68	9,226.68
Cash and bank balances	1,229.94	1,229.94	537.60	537.60	2,217.93	2,217.93
Other bank balances	5,350.19	5,350.19	6,988.68	6,988.68	7,478.77	7,478.77
Loans	6,191.81	6,191.81	4,678.37	4,678.37	4,147.17	4,147.17
Other financial asset	332.94	332.94	736.52	736.52	851.73	851.73
Total current	42,984.57	42,984.57	36,604.41	36,604.41	24,074.61	24,074.61
Total	49,678.47	49,678.47	44,016.87	44,016.87	30,118.57	30,118.57
Non-current financial liabilities						
Borrowings	204,022.77	204,022.77	166,568.80	166,568.80	155,604.60	155,604.60
Other financial liabilities	843.00	843.00	471.12	471.12	2,083.98	2,083.98
Derivative liabilities	896.37	896.37	1,511.47	1,511.47	1,655.86	1,655.86
Total non-current	205,762.14	205,762.14	168,551.39	168,551.39	159,344.44	159,344.44
Current financial liabilities						
Borrowings	22,455.35	22,455.35	23,906.56	23,906.56	15,852.75	15,852.75
Trade payables	12,248.02	12,248.02	9,239.46	9,239.46	4,922.62	4,922.62
Other financial liabilities	34,360.50	34,360.50	26,335.28	26,335.28	21,268.12	21,268.12
Derivative liabilities	495.45	495.45	432.29	432.29	401.34	401.34
Total current	69,559.32	69,559.32	59,913.59	59,913.59	42,444.83	42,444.83
Total	275,321.46	275,321.46	228,464.98	228,464.98	201,789.27	201,789.27

42 Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised in to different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices that is observable for the asset or liability, either directly or indirectly.
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	21.03	-	166.26	187.29
Derivative assets	-	2,614.48	-	2,614.48
Total	21.03	2,614.48	166.26	2,801.77
Financial liabilities measured at fair value				
Interest rate swaps	-	115.18	-	115.18
Option premium payable	-	1,251.44	-	1,251.44
Foreign exchange forward contract	-	25.20	-	25.20
Total	-	1,391.82	-	1,391.82

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the year ended 31 March 2017, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

31 March 2017	FVTOCI Unquoted Equities	Total
Opening balance	166.26	166.26
Total gains or losses:		
- in income statement	-	-
- in other comprehensive income		
change in fair value of financial asset	-	-
foreign currency translation difference	-	-
Settlements	-	-
Transfers into level 3	-	-
Closing balance	166.26	166.26

31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	22.69	-	166.26	188.95
Derivative assets	-	3,039.30	-	3,039.30
Total	22.69	3,039.30	166.26	3,228.25
Financial liabilities measured at fair value				
Interest rate swaps	-	409.06	-	409.06
Option premium payable	-	1,493.01	-	1,493.01
Foreign exchange forward contract	-	41.69	-	41.69
Total	-	1,943.76	-	1,943.76

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the year ended 31 March 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

31 March 2016	FVTOCI Unquoted Equities	Total
Opening balance	160.00	160.00
Acquisitions	6.26	6.26
Total gains or losses:		
- in income statement	-	-
- in other comprehensive income		
change in fair value of financial asset	-	-
foreign currency translation difference	-	-
Settlements	-	-
Transfers into level 3	-	-
Closing balance	166.26	166.26

31 March 2015	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - At fair value through other comprehensive income	9.26	-	160.00	169.26
Derivative assets	-	3,115.28	-	3,115.28
Total	9.26	3,115.28	160.00	3,284.54
Financial liabilities measured at fair value				
Interest rate swaps	-	298.57	-	298.57
Option premium payable	-	1,730.26	-	1,730.26
Foreign exchange forward contract	-	28.37	-	28.37
Total	-	2,057.20	-	2,057.20

Valuation techniques

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

Level 3 fair values for equity securities at FVTOCI has been determined by using Comparable Company Analyses. This is a relative valuation technique which involves comparing that company's valuation multiples to those of its peers. The multiples consider for the valuation is price to book value which is then adjusted for differences that are directly related to the characteristics of equity instruments being valued such as discounting factor for size and liquidity etc.

43 First-time adoption of Ind-AS

The Group has adopted Ind AS from 1 April, 2016 and the date of transition to Ind AS is 1 April, 2015. These being the first financial statements in compliance with Ind AS, the impact of transition has been accounted for in opening reserves and comparable periods have been restated in accordance with Ind AS 101 - "First-time Adoption of Indian Accounting Standards". An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Following are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

a. Deemed cost of property, plant and equipment and intangible assets

The Group has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as of 1 April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost on transition date.

b. Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after transition date.

c. Exchange differences on long term foreign currency borrowings

The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

d. Classification and measurement of financial assets

The Group has assessed classification and measurement of financial assets on the basis of facts and circumstances that exist as on transition date.

e. Impairment of financial assets

The Group has applied impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for the prior periods. The following tables represents the reconciliations from previous GAAP to Ind AS.

I) Reconciliation of equity as at 1 April 2015 (date of transition):

	Notes to first -time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment	1	137,354.08	(3,130.14)	134,223.94
(b) Capital work in progress	2	52,840.76	(846.65)	51,994.11
(c) Goodwill		1,955.69	-	1,955.69
(d) Other intangible assets	3	7.85	203.27	211.12
(e) Intangible assets under development		33.31	-	33.31
(f) Financial asset				
(i) Investments	4	215.81	52.95	268.76
(ii) Trade receivables	5	230.00	(154.81)	75.19
(iii) Loans	7	1,959.66	(168.81)	1,790.85
(iv) Other financial asset	7	641.36	152.52	793.88
(v) Derivative assets	8	1,473.27	1,642.01	3,115.28
(g) Deferred tax assets (net)	9	8,015.70	54.94	8,070.64
(h) Other non-current assets	1, 7, 13	8,829.04	1,163.95	9,992.99
		213,556.53	(1,030.77)	212,525.76
2 Current assets				
(a) Inventories		1,750.69	-	1,750.69
(b) Financial asset				
(i) Investments		152.33	-	152.33
(ii) Trade receivables		9,226.68	-	9,226.68
(iii) Cash and bank balances		2,217.93	-	2,217.93
(iv) Other bank balances		7,478.77	-	7,478.77
(v) Loans		4,147.17	-	4,147.17
(vi) Other financial asset		851.73	-	851.73
(c) Current tax assets (Net)		0.44	-	0.44
(d) Other current assets	1, 8, 13	5,229.94	(2,473.68)	2,756.26
		31,055.68	(2,473.68)	28,582.00
		244,612.21	(3,504.45)	241,107.76

**NOTES TO
CONSOLIDATED
FINANCIAL
STATEMENTS**

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

	Notes to first -time adoption	Previous GAAP *	Adjustments	Ind AS
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	11	4,562.49	(340.00)	4,222.49
(b) Other equity	20	28,283.98	(1,141.98)	27,142.00
		32,846.47	(1,481.98)	31,364.49
(c) Non controlling interest		6,091.64	217.28	6,308.92
Total equity		38,938.11	(1,264.70)	37,673.41
1 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	6, 10, 11, 13	158,492.29	(2,887.69)	155,604.60
(ii) Other financial liabilities	10, 11	1,982.59	101.39	2,083.98
(iii) Derivative liabilities	8	298.57	1,357.29	1,655.86
(b) Provisions	3	36.88	475.22	512.10
(c) Deferred tax liabilities (net)	9	107.24	(60.57)	46.67
(d) Other non current liabilities	11, 12	18.33	522.59	540.92
		160,935.90	(491.77)	160,444.13
2 Current liabilities				
(a) Financial liability				
(i) Borrowings		15,852.75	-	15,852.75
(ii) Trade payables	17	5,052.37	(129.75)	4,922.62
(iii) Other financial liabilities	8, 13	23,237.76	(1,969.64)	21,268.12
(iv) Derivative liabilities	8	56.59	344.75	401.34
(b) Other current liabilities	12	476.67	21.27	497.94
(c) Short-term provisions	11	6.80	(6.80)	-
(d) Current Tax liability (Net)		55.26	(7.81)	47.45
		44,738.20	(1,747.98)	42,990.22
		244,612.21	(3,504.45)	241,107.76

* The Previous GAAP figures have been reclassified to conform to IND AS presentation requirement for the purpose of this note

ii) Reconciliation of equity as at 31 March 2016:

	Notes to first -time adoption	Previous GAAP *	Adjustments	Ind AS
I. ASSETS				
1 Non-current assets				
(a) Property plant and equipment	1, 14	137,726.61	(2,918.79)	134,807.82
(b) Capital work in progress	2, 19	57,382.65	(720.54)	56,662.11
(c) Goodwill	15	2,062.91	(107.22)	1,955.69
(d) Other intangible assets	3	1,199.95	177.97	1,377.92
(e) Intangible assets under development		33.31	-	33.31
(f) Financial asset				
(i) Investments	4	1,275.03	66.38	1,341.41
(ii) Trade receivables	5	230.00	(143.53)	86.47
(iii) Loans	7	1,832.20	(132.41)	1,699.79
(iv) Other financial asset	7	2,128.29	170.16	2,298.45
(v) Derivative assets	8	1,610.88	1,428.42	3,039.30
(g) Deferred tax assets (net)	9	10,104.84	(222.58)	9,882.26
(h) Other non-current assets	1, 7, 13	8,622.93	291.08	8,914.01
		224,209.60	(2,111.06)	222,098.54
2 Current assets				
(a) Inventories		2,543.72	-	2,543.72
(b) Financial asset				
(i) Investments		335.41	-	335.41
(ii) Trade receivables		23,327.83	-	23,327.83
(iii) Cash and bank balances		537.60	-	537.60
(iv) Other bank balances		6,988.68	-	6,988.68
(v) Loans		4,678.37	-	4,678.37
(vi) Other financial asset		736.52	-	736.52
(c) Current tax assets (Net)		0.43	-	0.43
(d) Other current assets	1, 8, 13	6,371.50	(2,305.60)	4,065.90
		45,520.06	(2,305.60)	43,214.46
3 Non-current assets held for sale				
	14	-	146.76	146.76
		269,729.66	(4,269.90)	265,459.76

	Notes to first -time adoption	Previous GAAP *	Adjustments	Ind AS
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		4,239.86	-	4,239.86
(b) Other equity	20	23,704.44	(321.48)	23,382.96
		27,944.30	(321.48)	27,622.82
(c) Non controlling interest		7,451.11	(207.05)	7,244.06
Total equity		35,395.41	(528.53)	34,866.88
1 Non-current liabilities				
(a) Financial liability				
(i) Borrowings	6, 10, 11, 13	169,202.90	(2,634.10)	166,568.80
(ii) Other financial liabilities	10, 11	194.23	276.89	471.12
(iii) Derivative liabilities	8	409.06	1,102.41	1,511.47
(b) Provisions	3	61.99	511.23	573.22
(c) Deferred tax liabilities (net)	9	136.30	63.35	199.65
(d) Other non current liabilities	11, 12	1,733.32	(1,116.42)	616.90
		171,737.80	(1,796.64)	169,941.16
2 Current liabilities				
(a) Financial liability				
(i) Borrowings		23,906.56	-	23,906.56
(ii) Trade payables	17	9,475.16	(235.70)	9,239.46
(iii) Other financial liabilities	8, 13, 14	28,585.83	(2,250.55)	26,335.28
(iv) Derivative liabilities	8	57.66	374.63	432.29
(b) Other current liabilities	12	492.33	21.27	513.60
(c) Current Tax liability (Net)	9	78.91	(4.38)	74.53
		62,596.45	(2,094.73)	60,501.72
3 Liabilities associates with non-current assets held for sale	14	-	150.00	150.00
		269,729.66	(4,269.90)	265,459.76

* The Previous GAAP figures have been reclassified to conform to INDAS presentation requirement for the purpose of this note

iii) Reconciliation of total comprehensive income for the year ended 31 March 2016:

	Notes to first -time adoption	Previous GAAP *	Adjustments	Ind AS
I Revenue from operations	16	43,603.09	(287.81)	43,315.28
II Other income	7, 10, 11, 12	587.45	103.76	691.21
III Total revenue (I+II)		44,190.54	(184.05)	44,006.49
IV Expenses				
Cost of fuel consumed	17	20,862.44	(105.68)	20,756.76
Manufacturing expenses		3,516.59	(7.48)	3,509.11
Employee benefits expenses	8, 18	876.16	(6.24)	869.92
Other expenses	1, 2, 11, 16	2,427.63	(187.46)	2,240.17
Finance costs	7, 8, 11, 19	17,494.94	(413.19)	17,081.75
Depreciation and amortisation expenses	1	5,367.56	99.91	5,467.47
Total expenses		50,545.32	(620.14)	49,925.18
V Profit / (loss) before exceptional items and tax (III - IV)		(6,354.78)	436.09	(5,918.69)
VI Exceptional items		-	-	-
VII Profit / (loss) before tax (V - VI)		(6,354.78)	436.09	(5,918.69)
VIII Tax expense / (income)				
Current tax				
For the year	9	69.06	3.74	72.80
In respect of earlier years		5.21	-	5.21
Less : MAT credit entitlement	9	(68.86)	(3.63)	(72.49)
Deferred tax	9	(1,421.48)	(162.93)	(1,584.41)
Total tax expense / (income)		(1,416.07)	(162.82)	(1,578.89)
IX Profit / (loss) after tax (VII - VIII)		(4,938.71)	598.91	(4,339.80)
X Share of profit/(loss) of associate		-	-	-
XI Profit / (loss) for the period (IX - X)		(4,938.71)	598.91	(4,339.80)
Attributable to:				
Equity holders of the parent		(4,562.12)	420.01	(4,142.11)
Non-controlling interest		(376.59)	178.90	(197.69)
		(4,938.71)	598.91	(4,339.80)
XII Other comprehensive income				
Items that will not be reclassified to profit or loss	18, 21	-	6.22	6.22
Income tax relating to items that will not be reclassified to profit or loss	9, 21	-	1.79	1.79
Items that will be reclassified to profit or loss	21	-	0.15	0.15
Other comprehensive income for the period, net of tax		-	8.16	8.16
Total comprehensive income / (loss)		(4,938.71)	607.07	(4,331.64)
Attributable to:				
Equity holders of the parent		(4,562.12)	429.38	(4,132.74)
Non -controlling interest		(376.59)	177.69	(198.90)
		(4,938.71)	607.07	(4,331.64)

*The Previous GAAP figures have been reclassified to conform to INDAS presentation requirement for the purpose of this note

iv) Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016:

	Notes to first -time adoption	Previous GAAP	Adjustments	Ind AS
Net cash from operating activities	22	4,759.11	32.01	4,791.12
Net cash from investing activities	22	(2,298.61)	43.60	(2,255.01)
Net cash from financing activities	22	(4,140.94)	(75.59)	(4,216.53)
Net increase / (decrease) in cash and cash equivalents		(1,680.44)	0.02	(1,680.42)
Cash and cash equivalents as at 1 April 2015		2,217.93	-	2,217.93
Effect of exchange rate changes on cash and cash equivalents	22	0.14	(0.05)	0.09
Cash and cash equivalents as at 31 March 2016		537.63	(0.03)	537.60

Notes to first-time adoption:

1 Lease:

As per Ind AS 17, payments for leasehold land under an operating lease (considering that it has indefinite economic life), shall be recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Amounts paid over and above the lease rentals due is shown as prepaid expenses under other assets.

However under previous GAAP the same has been recorded and classified under Property, plant and equipment.

2 Capital work in progress:

Ind AS 16 – Property, plant and equipment, specifically excludes general and administrative expenditure from being capitalised and require it to be charged to the statement of profit and loss in the year in which they incur. Whereas guidance under previous GAAP permits capitalisation of these costs provided they are specifically attributable to construction of a project, to the acquisition of a fixed asset or bringing it to its working condition. This change has reduced the carrying amount of capital work in progress by Rs. 15.85 Mn with corresponding effect in profit or loss for the year ended 31 March 2016.

3 Other intangible assets:

Under Ind AS, cost of an item of property, plant and equipment or intangible assets includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Such cost of decommissioning, restoration or similar liability is to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter will not need to estimate what provision would have been calculated at earlier reporting dates. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/constructed.

However under previous GAAP, no such concept exists. Due to this change, profit or loss has reduced for the year ended 31 March 2016 by Rs. 25.30 Mn and retained earnings as at 1 April 2015 by Rs. 203.27 Mn on account of increase in amortisation of such intangible.

4 Fair valuation of Investments:

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value.

Under Ind AS, these investments are required to be measured at fair value or amortised cost. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2016. This decreased other reserves by Rs. 33.13 Mn as at 31 March 2016 (1 April 2015 – Rs. 46.56 Mn).

5 Trade Receivables:

Under Ind AS, the fair value of a long term receivable that carries no interest shall be measured at the present value of all future cash receipts discounted using the prevailing market rate(s) of interest for a similar instrument. Consequently the total equity has decreased by Rs. 143.53 as at 31 March 2016 (as at 1 April 2015: Rs. 154.81)

However under previous GAAP, the same are carried at transaction price.

6 Deferred payment liabilities:

Under Ind AS, the fair value of a long term payables that carries no interest can be measured as the present value of all future cash payments discounted using the prevailing market rate(s) of interest for a similar instrument.

However under previous GAAP, the same are carried at transaction price. The impact of measurement at present value on profit or loss for the year ended 31 March 2016 is Rs. 5.75 Mn with increase in retained earnings as on date of transition, 1 April 2015 is Rs. 78.95 Mn

7 Security deposits:

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the contract term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value.

Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid expenses.

8 Fair valuation of foreign currency forward & option contract:

Forward Contract:

Under previous GAAP, the group applied the requirements of Accounting Standard 11 – The effects of changes in foreign exchange rates, to account for principal swap entered for hedging foreign exchange risk related to recognised borrowings. At the inception of the swap, the forward premium was separated and amortised as expense over the tenure of the swap. The underlying borrowing and the swap were restated at the closing spot exchange rate.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The fair valuation of swap resulted in a loss of Rs. 295.60 Mn as at 31 March 2016 (1 April 2015 – Rs. 23.00 Mn). The unamortised premium amounting to Rs. 16.92 Mn as at 31 March 2016 (1 April 2015 – Rs. 22.86 Mn) was adjusted against retained earnings and amortised premium for the year ended 31 March 2016 of Rs. 274.90 Mn has been reversed. Consequently, the total equity as at 31 March 2016 decreased by Rs. 41.7 Mn (1 April 2015 – Rs. 1.46 Mn). The loss for the year ended 31 March 2016 increased by Rs. 40.20 Mn as a result of the fair value change on the principal swap and reversal of the premium amortisation.

Option contract:

As per Ind AS, such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Consequent to above, profit and loss has increased by Rs. 162.35 Mn for the year ended 31 March 2016.

9 Deferred taxes:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new

temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax balances is of Rs. 446.29 Mn (31 March 2016: Rs. 281.71).

Moreover as per Ind AS, balance of Mat credit entitlement is recognised under deferred income taxes as the definition of deferred tax assets includes the amounts of income taxes recoverable in future period in respect of the carry forward of unused tax credits also. The same under previous GAAP has been recognised under other non-current assets.

10 Compound financial instruments:

Under Ind AS 32, entities should split compound financial instruments into separate equity and liability components. Ind AS 101 provides that if the liability component is no longer outstanding at the date of transition, a first-time adopter does not have to separate it from the equity component.

Under previous GAAP the total amount of financial instruments was required to be classified under liability. Consequent to above, total equity as at 31 March 2016 increased by Rs. 808.20 Mn (1 April 2015: Rs. 1,044.89 Mn)

Change in the fair value of liability component at the end of the reporting period is recognised as finance cost for the period. Due to this, profit for the year ended 31 March 2016 has decreased by Rs. 30.83 Mn

11 Redeemable preference shares

The group has in issue redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, redeemable preference shares are classified as liability based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Thus the preference share capital is reduced by Rs. Nil (1 April 2015: Rs. 340.00 Mn) with a corresponding increase in borrowings as liability component.

Accordingly interest expense and dividend tax for the year is recognised under finance costs due to which equity as at 31 March 2016 has reduced by Rs. 375.45 Mn (1 April 2015: Rs. 273.43 Mn)

Further as per Ind AS, since investment in preference shares are held at amortised cost as the contractual cash flows are solely payments of interest and principal, interest on such preference shares have been recognised as receivable from the issuer of such instruments, as at 31 March 2016 amounting to Rs. 170.14 Mn (as at 1 April 2015 - Rs. 152.53 Mn)

Whereas under previous GAAP, dividends were recognised on preference shares as and when declared by the issuer.

12 Deferred Revenue:

As per Ind AS, the non-refundable contributions received from captive consumers of the Group in the form of preference shares redeemable at Rs. 1 at the end of the agreement are recognised as deferred revenue in the balance sheet and transferred to statement of profit or loss on a systematic and rational basis over life of the term of the relevant agreement.

However under previous GAAP, the same are recognised under share capital/ minority interest.

Due to this change the loss for the year ended 31 March 2016 has decreased by Rs. 21.29 Mn and retained earnings as on 1 April 2015 increased by Rs. 22.39 Mn

13 Borrowings:

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss (or capitalised as part of property plant and equipment) as and when incurred.

Accordingly, borrowings as at 31 March 2016 have been reduced by Rs. 2,175.61 Mn (1 April 2015 - Rs. 2,064.22 Mn) with corresponding adjustment of Rs. 974.23 Mn (1 April 2015: Rs. 982.55 Mn) to property, plant and equipment (net of cumulative depreciation impact), to capital work in progress of Rs. 849.75 Mn (1 April 2015 - Rs. 849.75 Mn), to retained earnings of Rs. 519.39 Mn (1 April 2015 - Rs. 422.89 Mn) and balance to unamortised portion of processing fee of Rs. 806.36 Mn (1 April 2015 - Rs. 654.81 Mn)

14 Assets classified as held for sale:

Under previous GAAP, the concept of disposal group held for sale does not exist. Accordingly, assets and liabilities of disposal group have not been presented as held for sale. The group has disclosed property, plant and equipment held for sale under 'Non current assets' in accordance with AS 10 Accounting for Fixed Assets.

Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations requires disposal group to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Consequently, the assets and liabilities held for sale have been presented separately from the other assets and other liabilities respectively in the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

15 Goodwill:

As per Ind AS 110 – "Consolidated Financial Statements", changes in a parent's ownership interest after control is obtained that do not result in a change in control of the subsidiary are accounted for as equity transactions. Thus, if the parent maintains control, it will recognise no gain or loss in the statement of profit or loss upon selling a subsidiary's shares. Similarly, the parent will not record any additional goodwill to reflect its subsequent purchases of additional shares in a subsidiary if there is no change in control. Instead, the carrying amount of the non-controlling interest will be adjusted to reflect the change in the non-controlling interest's ownership interest in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised in equity and attributed to the parent's equity holders. The group has recognised the difference between the amount by which non-controlling interest is adjusted and the fair value of the consideration paid in other reserves within equity.

16 Revenue:

As per definition of Revenue under Ind AS 18, the Company will recognise revenue at the fair value of consideration received or receivable. Any sales incentive, discounts or rebates in any form, including cash discounts given to customers will be considered as selling price reductions and accounted as reduction from revenue. Under previous GAAP, some of these costs were included in 'Other expenses'.

17 Stripping cost:

Under previous GAAP, Stripping costs incurred during the production stage of a mine are deferred based on the stripping ratio and charged to the income statement.

However as per Ind AS, the cost of normal on-going operational stripping activities is accounted for in accordance with Ind AS 2 - Inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms parts.

Due to this change, loss for the period ended 31 March 2016 reduced by Rs. 105.68 Mn on account of decrease in cost of consumption (as at 1 April 2015: Rs 131.55)

18 Re-measurements of post-employment benefit obligations:

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this

change, the profit for the year ended March 31, 2016 decreased by Rs. 5.43 Mn. There is no impact on the total equity as at 31 March 2016.

19 Borrowing cost:

Ind AS 23 recognises the concept of "group borrowing costs" wherein, in some circumstances it is appropriate for the group to include all borrowings of the parent and its subsidiaries when computing a weighted average of the borrowing costs; in other circumstances, it is appropriate for each subsidiary to use a weighted average of the borrowing costs applicable to its own borrowings.

Under previous GAAP, this option is not available. Accordingly, loss for the period ended 31 March 2016 decreased by Rs. 450.81 Mn as a result of decrease in finance cost expense.

20 Retained earnings:

Retained earnings as at 1 April 2015 and 31 March 2016 has been adjusted, consequent to the above Ind AS transition adjustments.

21 Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

22 Statement of cash flows:

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

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

31 March 2017	Net Assets, i.e., total assets minus total liabilities						Share in		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets		As % of consolidated profit or loss		Share in profit or (loss)		As % of consolidated profit or loss		As % of consolidated profit or loss		As % of consolidated profit or loss	
	Amount	40.49%	Amount	12.39%	Amount	(875.01)	Amount	2.28%	Amount	0.06	Amount	(874.95)
Parent		31,194.23										
Subsidiaries												
Indian												
SaiWardha Power Generation Limited	(3.96)%	(3,051.58)	2.60%	(183.25)		44.49%	1.17	2.58%			(182.08)	
Field Mining and Ipsats Limited	0.00%	1.90	0.00%	(0.09)		0.00%	-	0.00%			(0.09)	
VSLignite Power Private Limited	(2.64)%	(2,032.25)	22.53%	(1,591.01)		5.70%	0.15	22.54%			(1,590.86)	
Sai Maithili Power Company Private Limited	0.47%	364.76	0.18%	(12.88)		9.89%	0.26	0.18%			(12.62)	
Sai Liagar Power Generation Limited	(0.63)%	(483.82)	12.12%	(855.64)		4.94%	0.13	12.12%			(855.51)	
KSK Electricity Financing India Private Limited	6.24%	4,807.93	(1.53)%	107.76		0.76%	0.02	(1.53)%			107.78	
Sai Regency Power Corporation Private Limited	4.47%	3,444.88	(2.29)%	161.86		14.83%	0.39	(2.30)%			162.25	
KSK Wind Energy Halagali Benchri Private Limited	0.15%	112.42	(0.13)%	9.13		0.00%	-	(0.13)%			9.13	
KSK Wind Energy Mothalli Haveri Private Limited	0.05%	41.88	(0.19)%	13.48		0.00%	-	(0.19)%			13.48	
KSK Wind Power Sankonahatti Athni Private Limited	0.11%	83.06	(0.15)%	10.87		0.00%	-	(0.15)%			10.87	
KSK Mahanadi Power Company Limited	44.31%	34,133.06	49.94%	(3,526.06)		(117.49)%	(3.09)	50.00%			(3,529.15)	
KSK Water Infrastructures Private Limited	2.65%	2,039.61	3.11%	(219.32)		213.31%	5.61	3.03%			(213.71)	
KSK Wind Energy Private Limited	(0.23)%	(173.59)	0.18%	(12.94)		(63.12)%	(1.66)	0.21%			(14.60)	
Kameng Dam Hydro Power Limited	1.22%	936.59	0.03%	(1.94)		0.00%	-	0.03%			(1.94)	
KSK Dibbin Hydro Power Private Limited	1.39%	1,067.71	(0.12)%	8.37		0.00%	-	(0.12)%			8.37	
KSK Narmada Power Company Private Limited	0.00%	0.07	0.00%	(0.01)		0.00%	-	0.00%			(0.01)	
KSK Wardha Infrastructure Private Limited	0.00%	1.76	(0.00)%	0.15		0.00%	-	(0.00)%			0.15	
KSK Vidarbha Power Company Private Limited	(0.00)%	(2.07)	0.00%	(0.02)		0.00%	-	0.00%			(0.02)	
JR Power Gen Private Limited	1.71%	1,318.77	0.01%	(1.04)		0.00%	-	0.01%			(1.04)	
KSK Upper Subansiri Hydro Energy Limited	1.92%	1,482.61	0.00%	(0.33)		0.00%	-	0.00%			(0.33)	
KSK Jameri Hydro Power Private Limited	0.07%	50.61	0.00%	(0.11)		0.00%	-	0.00%			(0.11)	
KSK Dinchang Power Company Private Limited	0.09%	68.73	0.00%	(0.03)		0.00%	-	0.00%			(0.03)	
KSK Surya Photovoltaic Venture Limited	1.35%	1,038.67	0.01%	(0.60)		(15.59)%	(0.41)	0.01%			(1.01)	
KSK Wind Power Aminabhavi Chikodi Private Limited	0.07%	53.00	(0.18)%	12.89		0.00%	-	(0.18)%			12.89	
Foreign												
Tilakarnali Hydro Electric Company Private Limited	0.09%	72.40	0.00%	(0.33)		0.00%	-	0.00%			(0.33)	
Bheri Hydro Power Company Private Limited	0.01%	7.27	0.00%	(0.02)		0.00%	-	0.00%			(0.02)	
Sai Power Pte LTD	(0.25)%	(194.31)	1.00%	(70.66)		0.00%	-	1.00%			(70.66)	
Global Coal Sourcing Plc	0.13%	98.45	(0.60)%	42.40		0.00%	-	(0.60)%			42.40	
Associates												
Indian												
Raigarh Champa Rail Infrastructure Private Limited	0.75%	581.47	0.97%	(68.71)		-	-	0.97%			(68.71)	

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

31 March 2017	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Joint Operations								
Indian								
Sitapuram Power Limited	(0.04)%	(31.37)	0.11%	(8.08)	0.00%	-	0.11%	(8.08)
	100%	77,032.85	100%	(7,061.17)	100%	2.63	100%	(7,058.54)
Non-controlling interest in all subsidiaries	-	6,563.45	-	636.45	-	(2.43)	-	634.02
Adjustments arising out of consolidation	-	(55,394.23)	-	64.96	-	(1.29)	-	63.67
Consolidated net assets / Share in total comprehensive income	-	28,202.07	-	(6,359.76)	-	(1.09)	-	(6,360.85)

31 March 2016	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent	39.95%	32,069.18	8.35%	(376.04)	19.08%	1.53	8.34%	(374.51)
Subsidiaries (Group's share)								
Indian								
Sai Wardha Power Generation Limited	(3.57)%	(2,869.50)	54.07%	(2,433.44)	(16.58)%	(1.33)	54.19%	(2,434.77)
Field Mining and Spats Limited	0.00%	1.98	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
VS Lignite Power Private Limited	(0.55)%	(441.39)	15.30%	(688.74)	(16.83)%	(1.35)	15.36%	(690.09)
Sai Maithili Power Company Private Limited	0.47%	377.38	(0.06)%	2.84	2.12%	0.17	(0.07)%	3.01
Sai Liagar Power Generation Limited	0.46%	371.69	4.47%	(201.06)	(5.74)%	(0.46)	4.49%	(201.52)
KSK Electricity Financing India Private Limited	5.85%	4,700.15	2.31%	(104.14)	(1.12)%	(0.09)	2.32%	(104.23)
Sai Regency Power Corporation Private Limited	4.09%	3,282.63	(9.55)%	429.84	(15.84)%	(1.27)	(9.54)%	428.57
KSK Mahanadi Power Company Limited	44.93%	36,068.61	21.10%	(949.58)	(25.69)%	(2.06)	21.18%	(951.64)
KSK Wind Energy Private Limited	(0.20)%	(158.98)	0.41%	(18.23)	167.46%	13.43	0.11%	(4.80)
Kameng Dam Hydro Power Limited	1.17%	938.53	0.08%	(3.45)	0.00%	-	0.08%	(3.45)
KSK Dibbin Hydro Power Private Limited	1.32%	1,059.34	(0.18)%	7.88	0.00%	-	(0.18)%	7.88
KSK Narmada Power Company Private Limited	0.00%	0.08	0.00%	-	0.00%	-	0.00%	-
KSK Wardha Infrastructure Private Limited	0.00%	1.61	(0.00)%	0.11	0.00%	-	(0.00)%	0.11
KSK Vidarbha Power Company Private Limited	(0.00)%	(2.06)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
JR Power Gen Private Limited	1.64%	1,319.81	0.04%	(1.59)	0.00%	-	0.04%	(1.59)
KSK Upper Subansiri Hydro Energy Limited	1.85%	1,482.94	0.01%	(0.37)	0.00%	-	0.01%	(0.37)
KSK Jameri Hydro Power Private Limited	0.06%	50.71	0.00%	(0.11)	0.00%	-	0.00%	(0.11)
KSK Dinchang Power Company Private Limited	0.09%	68.76	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
KSK Surya Photovoltaic Venture Limited	1.30%	1,039.68	0.02%	(0.84)	0.25%	0.02	0.02%	(0.82)
KSK Wind Power Aminabhavi/Chikodi Private Limited	0.05%	40.11	(0.25)%	11.41	0.00%	-	(0.25)%	11.41
Foreign								
Tilak Kamali Hydro Electric Company Private Limited	0.09%	73.09	0.01%	(0.56)	0.00%	-	0.01%	(0.56)
Bheri Hydro Power Company Private Limited	0.01%	7.32	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Sai Power Pte LTD	(0.16)%	(128.71)	1.24%	(55.66)	0.00%	-	1.24%	(55.66)
Global Coal Sourcing Plc	(0.13)%	(103.98)	2.55%	(114.92)	0.00%	-	2.56%	(114.92)

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

31 March 2016	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Associates								
Indian								
Raigarh Champa Rail Infrastructure Private Limited	0.81 %	650.18	0.00 %	-	0.00 %	-	0.00 %	-
KSK Water Infrastructures Private Limited	0.50 %	402.78	0.00 %	-	0.00 %	-	0.00 %	-
Joint Operations								
Indian								
Sitapuram Power Limited	(0.03)%	(23.30)	0.09 %	(4.12)	(7.11)%	(0.57)	0.10 %	(4.69)
	100%	80,278.64	100%	(4,500.90)	100%	8.02	100%	(4,492.88)
Non-controlling interest in all subsidiaries	-	(7,244.06)	-	197.69	-	1.21	-	198.90
Adjustments arising out of consolidation	-	(38,167.70)	-	161.10	-	0.14	-	161.24
Consolidated net assets / Share in total comprehensive income	-	34,866.88	-	(4,142.11)	-	9.37	-	(4,132.74)

45 Disclosure on Specified Bank Notes (SBNs)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	2.48	1.55	4.03
(+) Permitted receipts	-	2.73	2.73
(-) Permitted payments	-	(2.63)	(2.63)
(-) Amount deposited in Banks	(2.48)	(0.00)	(2.48)
Closing cash in hand as on December 30, 2016	-	1.65	1.65

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

46 KSK Power Holdings Limited 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 stands forfeited and credited to capital reserve.

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/-
RR Dakshinamurthy
Partner
Membership No: 211639

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: 27 May 2017

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

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

Part "A": Subsidiaries

Sl. No	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate as at 31 March 2017	Share capital	Other equity	Total assets	Total Liabilities (Excluding share capital and reserves)	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding	Date of acquisition
1	Sai Wardha Power Generation Limited	31-Mar-17	Indian Rupee	1	4,041.40	(5,740.00)	40,063.87	41,762.47	-	5,387.30	106.78	290.54	(183.75)	-	80.67	31-Jul-06
2	Field Mining and Ispats Limited	31-Mar-17	Indian Rupee	1	2.00	(0.06)	57.67	55.73	-	-	(0.03)	-	(0.03)	-	84.98	16-Feb-11
3	VS Lignite Power Private Limited	31-Mar-17	Indian Rupee	1	1,600.00	(3,563.13)	9,271.92	11,235.05	157.61	664.52	(1,684.73)	(6.50)	(1,678.23)	-	83.75	1-Jun-07
4	Sai Mathili Power Company Private Limited	31-Mar-17	Indian Rupee	1	43.30	319.82	1,101.11	737.99	0.00	144.33	2.44	15.27	(12.83)	-	76.00	31-Jul-06
5	Global Coal Sourcing Plc (GBP)	31-Mar-17	GBP	1	1.92	(0.72)	13.20	12.00	0.06	-	(0.39)	-	(0.39)	-	100.00	1-Jun-15
6	Global Coal Sourcing Plc (INR)	31-Mar-17	Indian Rupee	81.03	177.42	(78.96)	1,070.66	972.21	6.26	-	(35.16)	-	(35.16)	-	100.00	1-Jun-15
7	Sai Lilagar Power Generation Limited	31-Mar-17	Indian Rupee	1	755.00	(1,238.82)	5,257.79	5,741.61	172.75	421.18	(855.64)	-	(855.64)	-	100.00	1-Jun-07
8	KSK Electricity Financing India Private Limited	31-Mar-17	Indian Rupee	1	5,701.15	(893.22)	16,042.77	11,234.84	10,966.81	-	170.76	-	170.76	-	100.00	24-Jan-08
9	Sai Regency Power Corporation Private Limited	31-Mar-17	Indian Rupee	1	167.20	2,828.90	8,386.90	5,390.80	3,178.36	1,614.83	207.23	18.48	188.75	-	73.92	1-Jun-07
10	KSK Wind Energy Halagali Benchi Private Limited	31-Mar-17	Indian Rupee	1	25.73	86.69	117.14	4.71	70.06	-	9.13	-	9.13	-	99.61	20-Jan-17
11	KSK Wind Energy Mothalli Haveri Private Limited	31-Mar-17	Indian Rupee	1	25.54	16.34	41.91	0.03	103.37	-	13.48	-	13.48	-	99.61	20-Jan-17
12	KSK Wind Power Sankonahatti Athni Private Limited	31-Mar-17	Indian Rupee	1	25.54	57.52	83.57	0.50	83.39	-	10.87	-	10.87	-	99.61	20-Jan-17
13	KSK Mahanadi Power Company Limited	31-Mar-17	Indian Rupee	1	36,095.03	(1,961.97)	229,182.60	195,049.54	1,480.87	30,739.10	(5,339.55)	(1,813.50)	(3,526.06)	-	82.80	19-Jun-09
14	Sai Power Pte LTD (USD)	31-Mar-17	USD	1	0.10	(3.09)	18.24	21.23	-	-	(1.05)	-	(1.05)	-	100.00	2-Jan-13

Sl. No	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate as at 31 March 2017	Share capital	Other equity	Total assets	Total Liabilities (Excluding share capital and reserves)	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding	Date of acquisition
15	Sai Power Pte LTD (INR)	31-Mar-17	Indian Rupee	64.88	5.46	(199.78)	1,183.32	1,377.63	-	-	(70.66)	-	(70.66)	-	100.00	2-Jan-13
16	KSK Water Infrastructures Private Limited	31-Mar-17	Indian Rupee	1	1,122.00	917.61	8,264.14	6,224.52	-	289.17	(162.73)	56.59	(219.32)	-	62.64	28-Apr-16
17	KSK Wind Energy Private Limited	31-Mar-17	Indian Rupee	1	5.00	(178.59)	187.19	360.78	148.39	-	(12.94)	-	(12.94)	-	100.00	31-Jul-06
18	Kameng Dam Hydro Power Limited	31-Mar-17	Indian Rupee	1	0.50	936.09	1,434.54	497.95	-	-	(1.94)	-	(1.94)	-	100.00	27-Dec-07
19	KSK Dibbin Hydro Power Private Limited	31-Mar-17	Indian Rupee	1	931.10	136.61	1,281.86	214.14	219.44	-	8.37	-	8.37	-	70.00	27-Dec-07
20	KSK Namada Power Company Private Limited	31-Mar-17	Indian Rupee	1	0.11	(0.04)	16.74	16.67	0.00	-	(0.01)	-	(0.01)	-	100.00	31-Jul-06
21	KSK Wardha Infrastructure Private Limited	31-Mar-17	Indian Rupee	1	1.50	0.26	1.91	0.14	0.00	-	0.15	-	0.15	-	100.00	31-Jul-06
22	KSK Vidarbha Power Company Private Limited	31-Mar-17	Indian Rupee	1	0.11	(2.18)	0.02	2.09	0.00	-	(0.02)	-	(0.02)	-	100.00	31-Jul-06
23	J R Power Gen Private Limited	31-Mar-17	Indian Rupee	1	76.70	1,242.07	2,063.79	745.02	-	-	(1.04)	-	(1.04)	-	99.87	14-Jan-08
24	KSK Upper Subansiri Hydro Energy Limited	31-Mar-17	Indian Rupee	1	0.50	1,482.11	2,374.96	892.35	-	-	(0.33)	-	(0.33)	-	100.00	14-Jun-10
25	KSK Jameri Hydro Power Private Limited	31-Mar-17	Indian Rupee	1	10.00	40.61	203.92	153.31	-	-	(0.11)	-	(0.11)	-	100.00	20-Dec-10
26	KSK Dinchang Power Company Private Limited	31-Mar-17	Indian Rupee	1	10.00	58.73	365.11	296.38	-	-	(0.03)	-	(0.03)	-	100.00	22-Dec-10
27	Bheri Hydro Power Company Private Limited (NR) ^e	31-Mar-17	Nepallic Rupee	1	9.95	1.92	8.85	(3.03)	-	-	(0.04)	-	(0.04)	-	99.00	10-Feb-12

Sl. No	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange Rate as at 31 March 2017	Share capital	Other equity	Total assets	Total Liabilities (Excluding share capital and reserves)	Investments	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding	Date of acquisition
28	Bheri Hydro Power Company Private Limited (NR) ⁶	31-Mar-17	Indian Rupee	0.61	6.09	1.18	5.41	(1.85)	-	-	(0.02)	-	(0.02)	-	99.00	10-Feb-12
29	Tila Kamali Hydro Electric Company Private Limited (NR) ⁶	31-Mar-17	Nepallie Rupee	1	132.41	(14.01)	278.68	160.28	-	-	(0.54)	-	(0.54)	-	80.00	17-Sep-10
30	Tila Kamali Hydro Electric Company Private Limited (INR) ⁶	31-Mar-17	Indian Rupee	0.61	81.45	(9.05)	170.53	98.14	-	-	(0.33)	-	(0.33)	-	80.00	17-Sep-10
31	KSK Surya Photovoltaic Venture Limited	31-Mar-17	Indian Rupee	1	370.55	668.13	1,413.99	375.32	72.74	-	(0.60)	-	(0.60)	-	93.23	23-Feb-08
32	KSK Wind Power Aminabhavi Chikodi Private Limited	31-Mar-17	Indian Rupee	1	25.73	27.27	54.51	1.50	98.89	-	12.89	-	12.89	-	100.00	23-Jan-16

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 Power 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 Kamali Hydro Electric Company Private Limited, KSK Surya Photovoltaic Venture Limited, KSK Wind Power Aminabhavi Chikodi Private Limited, KSK Wind Energy Halagali Benchi Private Limited, KSK Wind Energy Mothalli Haveri Private Limited and KSK Wind Power Sankonahatti Athni Private Limited.

2 Names of subsidiaries which have been liquidated or sold during the year. None

3 Sai Lilagar Power Generation Limited, VS Lignite Power Private Limited, Sai Regency Power Corporation Private Limited, KSK Wind Energy Halagali Benchi Private Limited, KSK Wind Energy Mothalli Haveri Private Limited, KSK Wind Power Sankonahatti Athni Private Limited and Sai Wardha Power Generation Limited are subsidiaries of KSK Electricity Financing India Private Limited, which is 100% subsidiary of the Company.

4 Global Coal Sourcing Plc is a subsidiary of Sai Lilagar Power Generation Limited.

5 Field Mining Ispats Limited is a subsidiary of Sai Wardha Power Generation Limited

6 Sai Power Pte LTD and KSK Water Infrastructures Private Limited are subsidiaries 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 2017.

Part "B": Associates and Joint Operations

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

Sl. No	Name of Associate /Joint Operation	Latest audited Balance Sheet Date	Shares of Associate /Joint Operation held by the company on the year end		Description of how there is significant influence	Reason why the Associate/ Joint operation is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year		Date of acquisition
			No.	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation	
1	Sitapuram Power Limited ³	31-Mar-17	2,440,960	49	There is significant influence due to shareholding and joint control over the economic activities.	NA	(31.53)	(8.08)	-	31-Aug-06
2	Raigarh Champa Rail Infrastructure Private Limited	31-Mar-17	65,018,090	49	There is significant influence due to shareholding	NA	591.47	(68.71)	-	30-Mar-16

- 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 is associate of KSK Mahanadi Power Company Limited.
- 3 The financial year of the joint operation ends on 31 December every year, however for the purpose of consolidation the accounts of the joint operation is being prepared and considered upto 31 March 2017.
- 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

for and on behalf of the Board

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

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

Sd/-
M. S. Phani Sekhar
Company Secretary

Place: Hyderabad
Date: 27 May 2017

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of the Company will be held on Monday, 25 September 2017 at Plot No. 694, Road No. 33, Jubilee Hills, Hyderabad - 500 033, Telangana, India at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (including consolidated financial statements) of the Company for the financial year ended 31 March 2017 and the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. K. Bapi Raju (DIN: 00940849), who retires by rotation and who being eligible, offers himself for re-appointment as a Director.
3. To appoint Statutory Auditors of the Company and fix their remuneration.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modifications or re-enactment thereof, for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Jawahar and Associates, Chartered Accountants, Hyderabad (Firm Registration No.001281S) be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five years from the conclusion of this Annual General Meeting ("AGM") till the conclusion of twenty second AGM to be held in the calendar year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 23, 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) and the applicable rules made thereunder and subject to and in accordance with any other applicable law or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") (including any statutory modification or re-enactment thereof, for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Foreign Exchange Management Act, 1999, as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies (the "RoC") and/ or any other competent authorities and subject to any required approvals, consents, permissions and / or sanctions of any Government Department(s), the SEBI, the RoC, the RBI and any other appropriate statutory, regulatory or other authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and / or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), through a placement document/offer document and/or prospectus and/or offer letter and/or offering circular, from time to time, in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and/or domestic offering(s) in one or more foreign markets and/or domestic market, for a value of up to ₹ 5,000 Crores or any other currencies, representing such number of Equity Shares, Preference Shares whether Cumulative or Non-cumulative / Redeemable / Convertible at the option of the Company and / or at the option of the

holders of the security, Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), Foreign Currency Exchangeable Bonds (FCEBs) and/or Equity Shares through Depository Receipt Mechanism and/or Fully Convertible Debentures (FCDs) and/or through an Institutional Placement program under Chapter VIII of the ICDR Regulations and/or Non-Convertible Debentures (NCDs) with or without warrants, or any other financial instruments convertible into or linked to Equity Shares and/or any other instruments and/or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form (hereinafter collectively referred to as the "Securities") or any combination of Securities to any eligible investors including but not limited to foreign /non-resident or resident investors whether qualified institutional buyers, institutions/banks, incorporated bodies, mutual funds, trustees, stabilizing agent or otherwise, foreign institutional investors, venture capital funds, foreign venture capital investors, qualified foreign investors, alternative investment funds, multilateral and bilateral financial institutions, State Industrial Development Corporations, insurance companies, provident funds, pension funds, insurance funds set up by army, navy or air force of the Union of India, insurance funds and/or individuals, bodies corporate, companies (private or public) or other entities, authorities and/or any other categories of investors, whether they be holders of equity shares of the Company or not (collectively called the "Investors") including allotment in exercise of a green shoe option, if any, by the Company, through private placement(s) or public issue(s), at such time or times, at such price or prices, at a discount or premium to the market price or prices, including discounts as permitted under applicable law in such manner and on such terms and conditions including security, rate of interest, conversion etc., as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers or other advisor(s) for such issue(s), as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this Resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to qualified institutional buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or combination of terms including as to conditions in relation to payment of interest, additional interest, premia on redemption, prepayment and any other debt service payments whatsoever and all such matters as are provided in Securities offerings of this nature including terms for issue of such Securities or variation of the conversion price of the Security during the tenure of the Securities and the Company is also entitled to enter into and execute all such arrangements as the case may be with any lead managers, underwriters, bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their services or the like and also to seek the listing of such Securities on one or more Stock Exchanges.

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorized to issue and allot such number of shares as may be required to be issued and allotted upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offering, all such shares being *pari-passu* with the then existing shares of the Company in all respects.

NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described above, the Board or any Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including but not limited to finalization and approval for the preliminary as well as placement document or offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, utilisation of issue proceeds, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities if any, rate of interest, execution of various transaction documents, creation of mortgage / hypothecation / charge on the Company's assets and properties in accordance with the provisions of the Companies Act, 2013 in respect of any Securities as may be required either on paripassu basis or otherwise, without being required to seek any further consent or approval of the members or otherwise to the intent they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept any modification(s) in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to engage / appoint the lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc., with such agencies and to seek the listing of such Securities on one or more national and/ or international stock exchange(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any Whole-time Directors or any other Officer or Officers of the Company to give effect to the aforesaid resolution."

Place: Hyderabad
Date: 29 August 2017
CIN: L45204TG2001PLC057199
Regd. Off: 8-2-293/82/A/431/A,
Road No.22, Jubilee Hills,
Hyderabad - 500 033.
Ph: 040-23559922; Fax: 040-23559930

By order of the Board
Sd/-
M.S. Phani Sekhar
Company Secretary

NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A member entitled to attend and vote at the AGM, is entitled to appoint a proxy to attend and vote in the AGM instead of himself / herself, and the proxy so appointed need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM.**

A person can act as a proxy on behalf of a maximum of fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Director seeking re-appointment at the AGM, forms integral part of the notice.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the AGM.
5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the AGM.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the AGM on their behalf.
8. M/s. Karvy Computershare Private Limited, Hyderabad acts as the Company's Registrar and Share Transfer Agent for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in Electronic form, shareholders may send requests or correspond through their respective Depository Participants.
9. The Register of Directors and Key Managerial Personnel and Register of Contracts or Arrangements maintained under Section 170 and Section 189 of the Companies Act 2013 respectively will be available for inspection to the members at the AGM.
10. The route map to the venue of AGM is furnished herewith and forms part of the Notice.
11. The Register of Members and Share Transfer books will remain closed from 18 September 2017 to 25 September 2017 (both days inclusive) in connection with the AGM to be held on 25 September 2017.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar.
13. The annual report for the financial year 2016-17 including notice of the Seventeenth AGM of the Company is being sent through electronic mode only to those shareholders, whose e-mail addresses are registered with the Company /depository participants. The annual report is also available on the Company's website, i.e. www.ksk.co.in. The physical copy of the annual report is being sent to those members who have not registered their e-mail addresses with the Company/depository participant in permitted mode. The members will be entitled to a physical copy of the annual report for the financial year 2016-17 upon sending a request to the Company.

Members, who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses to receive all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic mode in lieu of physical copy (in order to save usage of paper)

- in respect of electronic shareholding – through their respective Depository Participants;

- in respect of physical shareholding – by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.

NOTICE OF THE ANNUAL GENERAL MEETING

14. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. and 3:00 p.m. on any working day till the date of AGM.

15. Remote e-voting:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, members are provided with the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through remote e-voting services provided by Karvy Computershare Private Limited.

- a) The facility for voting through poll will also be made available at the AGM and the members attending the AGM, who have not already cast their vote through remote e-voting shall be able to exercise their right at the AGM through poll. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not entitle to cast their votes again. The instruction for remote e-voting is annexed to the Notice.
- b) The Board of Directors of the Company has appointed Mr. V. Pavana Srinivasa Rao, Practicing Company Secretary as Scrutinizer to scrutinise the poll and remote e-voting process in a fair and transparent manner.
- c) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. 18 September 2017.
- d) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 18 September 2017, shall be entitled to avail the facility of remote e-voting / Poll.
- e) The remote e-voting facility will be available during the following period and shall be disabled by Karvy upon expiry of period:
Commencement of remote e-voting: From 9.00 a.m. (IST) on 21 September 2017
End of remote e-voting: Up to 5.00 p.m. (IST) on 24 September 2017
- f) The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through remote e-voting, will, not later than two days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.ksk.co.in and on the website of Karvy <https://evoting.karvy.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- g) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 25 September 2017.

16. Process for remote e-voting:

- A. The Company has made arrangements with Karvy Computershare Private Limited for facilitating remote e-voting to enable the Shareholders to cast their vote electronically. [for members whose e-mail addresses are registered with the Company / Depository) Participant(s)]:
 - a. Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - b. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - c. After entering these details appropriately, click on "LOGIN".
 - d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - e. You need to login again with the new credentials.

- f. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
 - g. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - h. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - i. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - j. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - l. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email: cssrinivasacs@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format " Corporate Name_EventNo."
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password are provided in the AGM Notice form.
 - ii. Please follow all steps from Sl. No. 16. A (a) to 16. A (l) above to cast your vote by electronic means.

Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Anandan. K, Manager, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 1591 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on 21 September 2017 (9.00 A.M. IST) and ends on 24 September 2017 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18 September 2017, may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. 18 September 2017.

NOTICE OF THE ANNUAL GENERAL MEETING

- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., 18 September 2017, he/she may obtain the User ID and Password in the manner as mentioned below:
- i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call Karvy's toll free number 1800-3454-001.
- iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (the Act)

Item No. 3: Appointment of Statutory Auditors

(This Statement is provided though strictly not required as per Section 102 of the Act.)

The Companies Act, 2013 ('the Act') was notified effective 1 April 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory for a Company to rotate the statutory auditors on completion of maximum term permitted under the said Section.

The existing statutory auditors, M/s. Umamaheshwara Rao & Co., Chartered Accountants, Hyderabad has been acting as statutory auditors of the Company since inception of the Company and have completed ten years with the Company by the time Act was notified and pursuant to Section 139(2) of the Act and the rules notified in this regard, the existing auditors will be completing the maximum number of transitional period (three years) at the ensuing seventeenth AGM.

Based on the recommendation of Audit Committee and Board of Directors on 27 May 2017, M/s. Jawahar and Associates, Chartered Accountants, Hyderabad, (ICAI Firm Registration No. 001281S) have been considered to be appointed as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of Seventeenth AGM held on 25 September 2017 till the conclusion of the twenty second Annual General Meeting of the Company in the calendar year 2022 (subject to ratification by the shareholders at each AGM).

M/s. Jawahar and Associates have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

Item No. 4

Approval for issue of Securities

The Company is in the business of development and operation of various power projects. The business, by its nature, is dynamic and competitive, which may necessitate changes in business plan and/or funding plans to support project construction and on going operations as well as avail of new opportunities, augment existing power generation capacity of the Company to meet the liquidity requirements, competitive threats, including those that may not be currently envisaged.

These changes, if any, in the business plan and/or funding plans shall be made keeping in mind the interests of the Company.

The Company has invested in various downstream power generation companies and proposes to continue making such investments in the future, either directly or through any subsidiaries, associate companies, joint ventures or affiliates. Further, the Company has to support its downstream power generation companies experiencing cost & time over runs and fuel security issues, working capital shortages among other market constraints. The Company is also required to explore necessary investment, acquisition / divestment requirements.

While, such support to the downstream power generation companies and other requirements could be funded, partially through internal accruals and corporate debt facilities, in view of the substantial capital requirements for the business, issuance of fresh capital would be required. Also, of late certain of the investments both at the Company as well as the subsidiaries is being proposed to be in the form of a quassi equity / convertible instruments that could ultimately convert into equity at the Company upon certain pre agreed events and triggers.

The Company plans to raise such long term resources, *inter-alia*, to meet its proposed capital expenditure requirements with respect to the power projects under set up or operations, including those of its subsidiaries, associate companies, joint ventures and affiliates and general corporate purposes. With an explicit understanding that such funds could be raised, based on various factors through issue of such securities linked with equity shares of the Company or a combination thereof, as may be determined by the Board of Directors of the Company or any committee thereof (the "Board") in its sole discretion, the consent of the shareholders is being sought by a special resolution to enable the Board of Directors or a duly constituted committee thereof to

NOTICE OF THE ANNUAL GENERAL MEETING

issue securities as contemplated in the resolution set out above (found to be expedient and in the interest of the Company). Hence this is an enabling resolution.

Since the proposed Special Resolution may result in issue of shares of the Company otherwise than to the existing members of the Company consent of the members is being sought pursuant to the provisions of Sections 23, 41, 42, 62, 71 and all other applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The authority granted to the Board by way of such special resolution will enable the Board, in consultation with the lead managers, advisors and any other intermediaries that may be retained from time to time to issue such number of securities and, in case of any securities convertible into or exchangeable with equity shares of the Company, such number of equity shares as may be required to be issued upon such conversion or exchange, as applicable, under the terms of the issue and the provisions of applicable laws and regulations.

An enabling resolution was passed at the previous Annual General Meeting held on 24 September, 2016 to raise ₹5,000 Crore and the same is valid for 12 months. Pursuant to the approval, no funds were raised. The Board proposes a similar resolution which is valid for a period of 12 months to enable the Company to raise funds at an appropriate time based on the market conditions and business strategy.

The Directors or Key Managerial personnel of the Company or their relatives may be deemed to be concerned or interested in the special resolution to the extent of securities issued/allotted to them or to the Companies/institutions in which any of them is a Director or Member, if any.

The Board commends the special resolution set out in item No.4 of the accompanying notice for the approval of the members.

Place: Hyderabad
Date: 29 August 2017
CIN: L45204TG2001PLC057199
Regd. Off: 8-2-293/82/A/431/A,
Road No.22, Jubilee Hills,
Hyderabad - 500 033.
Ph: 040-23559922; Fax: 040-23559930

By order of the Board

Sd/-

M.S. Phani Sekhar
Company Secretary

**Brief Profile of Director seeking Re-appointment as
required under Sub-Regulation (3) of Regulation 36 of the SEBI (LODR) Regulations, 2015**

Item No. 2: Mr. K. Bapi Raju

Name of the Director	Mr. K. Bapi Raju
Date of Birth	53 years (2 March 1964)
Qualification	Bachelor of Science degree in Electronics and Communications from Andhra University
Expertise	Mr K. Bapi Raju has more than two decades of experience in the information technology industry. He leads the corporate affairs function of the Group and is also actively involved in formulating its corporate strategy.
Relationship with other directors and KMP	Not related to any other Director or Key Managerial personnel
Name(s) of listed entities in which Directorship held	KSK Energy Ventures Limited
Name of listed entities in which Committee membership/Chairmanship held	Member of Finance and Authorisation Committee of KSK Energy Ventures Limited
Total shares held by him in the Company	Nil

Route Map to the AGM Venue



ATTENDANCE SLIP

I/we, hereby record my/our presence at the Seventeenth Annual General Meeting of KSK Energy Ventures Limited held on Monday, 25 September 2017 at 10.30 AM at Plot No. 694, Road No. 33, Jubilee Hills, Hyderabad - 500033 and at every adjournment thereof.

DP ID:	Regd. Folio/ Client ID No.:	
No. of Shares held:		
Name and Address of the Shareholder(s):		
If Shareholder(s), please sign here	If Proxy, please mention name and sign here	
	Name of Proxy	Signature

Notes:

1. Shareholder / Proxy-holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
2. Members are requested to advise the change of their address, if any, to Karvy Computer Share Pvt. Ltd.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name and Address of the Member(s)

E-mail id:

Folio No./Client ID: DP ID:

No. of Shares held:

I/We, being the member(s) of KSK Energy Ventures Limited, hereby appoint:

1. Name:
 Address:
 E-mail Id: Signature:, or failing him
2. Name:
 Address:
 E-mail Id: Signature:, or failing him
3. Name:
 Address:
 E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll/e-voting) for me/us and on my/our behalf at the seventeenth Annual General Meeting of KSK Energy Ventures Limited to be held on Monday, 25 September 2017 at 10.30 AM. at Plot No. 694, Road No. 33, Jubilee Hills, Hyderabad-500 033 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolutions	For	Against	Abstain
Ordinary Business			
1. Adoption of audited financial statements (including audited consolidated financial statements) for the Financial Year ended 31 March 2017 and the Reports of the Directors and Auditors thereon			
2. Re-appointment of Mr. K. Bapi Raju, Director who retires by rotation			
3. Appointment of Statutory Auditors and fixation of their remuneration			
Special Business			
4. Approval for issue of securities			

Signed this _____ day of _____ 2017

Signature of Shareholder _____

Signature of Proxy holder(s) _____



Please put a '✓' in the appropriate column against the resolutions indicated in the Box.

Note: The proxy form to be effective, should be duly stamped, completed, signed and must be returned so as to reach the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a Member of the Company.



CORPORATE SUSTAINABILITY INITIATIVES



KSK ENERGY VENTURES LIMITED

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