KSK Power Ventur PLC - KSK Half Yearly Report
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KSK Power Ventur plc
("KSK" or the "Group" or the "Company")

Interim Results for the half year ended 30th September 2016

KSK Power Ventur plc (KSK.L), the power project company listed on the London Stock Exchange, with interests in multiple power plants and businesses across India, announces its interim results for the half year ended 30 September 2016.

Financial Highlights

- Gross Revenue* increased by 28% to $ 315.4 m (H1 2015: $ 245.47 m)
- Gross Profit increased by 66% to $ 87.51 m (H1 2015: $ 52.64 m)
- Operating Profit increased by 78% to $ 50.91 m (H1 2015: $ 28.68 m)
- Loss before tax** of $ 116.88 m (H1 2015: loss of $ 146.49 m)

* includes $ 39.6 million at KSK Mahanadi under change in law provision of PPA requiring determination by the Electricity Regulatory Commission before any receipt of payment
** includes unrealised exchange loss of $ 13.53 million on account restatement of foreign currency loan and capital creditors.

The underlying revenue and gross profit have both increased compared to the same period last year and loss before tax has decreased owing to increased operational profitability. These movements are a result of higher power generation during the period, albeit with certain seasonality factors affecting generation during the first half. Furthermore due to anticipated improvements in operating performance during the second half, gross generation for FY 2017 is expected to exceed 10 TWh in aggregate.

However, with the Company's dependence in the short term on e-auction coal from Coal India, as well as open market coal purchases for balance coal requirements continuing as well as Coal pricing issues at Sai Wardha unresolved, it is anticipated that FY 2017 earnings will be constrained, albeit as short term issues whilst these immediate term coal procurement transition challenges are completed. Consequently, it is anticipated that these challenges will be resolved by April 2017 in line with the overall industry solution, and as such the Company should continue to be in line with FY 2018 current market expectations.

Operating Highlights

During the period, operating assets generated 4,990 GWh with an average portfolio plant load factor ("PLF") of 55%, compared to 4,026 GWh with an average portfolio PLF of 44% for the corresponding period in the previous year.

	30 Sep 2016 (GWh)	**30 Sep 2015 (GWh)**
KSK Mahanadi (1200 MW)	3539	2134
Sai Wardha (540 MW)	702	986
VS Lignite (135 MW)	372	418
Sai Regency (58 MW)	207	228
Sai Lilagar (86 MW)	-	93
Sitapuram Power (43 MW)	161	159
Solar Project (10 MW)	9	8
TOTAL	**4,990**	**4,026**

Commenting on the results, T. L. Sankar, Chairman of KSK said:

"The first half of the current year has witnessed a definitive increase in gross generation at the KSK Mahanadi power plant compared to the corresponding period in the previous year, while the other plants had minor variations. In aggregate it is anticipated that gross generation could exceed 10 TWh for full year operations. It is anticipated that gross generation will continue to increase further during 2017-18.

With regard to the long term coal linkages at KSK Mahanadi, which in the short term have meant dependence on e-auction coal from Coal India and open market coal for balancing requirements, it is understood that the Ministry of Coal as well as the Ministry of Power of the Government of India are working towards a new policy of coal linkages for all power plants in India. KSK Mahanadi is currently meeting its entire coal requirements through e-auction and market coal. However, under the new policy under formulation, in addition to new linkage formats for future power generation plants, coal linkage requirements of all existing Independent Power Producers (IPPs), with PPA commitments to DISCOMS already made, is expected to also be addressed. This could ensure the power plant's long term coal requirements on a sustainable basis are addressed.

The Company is pleased to note that, not only has the additional debt been sanctioned by the Consortium of Project Lenders for KSK Mahanadi but also the interim disbursement has since commenced, enabling progress towards completion of the next 1,200 MW

As regards to discussions with a number of potential strategic and financial investors for collaboration / equity participation in the KSK Mahanadi project, progress has been made and the Company is confident that, with the support of its lenders, progress on this aspect will also be achieved.

Our performance during the period would not have been possible without the continued support of our shareholders, who have enabled us to pursue business opportunities despite challenging market conditions"

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Key Business Updates

3,600 MW KSK MAHANADI POWER PROJECT:

Construction of KSK Mahanadi, a large single location green field private power plant, has continued. There have been notable achievements during the period, with continued operations of the first two 600 MW units, and construction progressing on the next two 600 MW units, made possible by the debt funding provided by the project lenders. Progress on the remaining 2 x 600 MW units to be built is dependent upon addressing additional equity requirements and other project aspects.

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

540 MW SAI WARDHA POWER:

Although Sai Wardha Power has experienced stable operational performance from its 2 x 135 MW Captive Power Plant units, the non-renewal of earlier medium term PPA with local utility, has significantly reduced the plant's overall load factor. A number of initiatives are underway to support the operation of the third 135 MW unit, with the fourth unit planned to be brought into operation a few months later. The long term PPA with Maharashtra Discom, based on an order of the Appellate Tribunal for Electricity in favour of Sai Wardha, has been appealed against at the Supreme Court by another generator, with a final ruling expected post hearing scheduled in February 2017.

As regards the price and supply of coal, a ruling by the Competition Commission of India ("CCI") in favour of Sai Wardha was made in October 2014, but then appealed by Western Coal Fields at the

Competition Appellate Tribunal. A favourable final ruling would not only enable a price reduction but also support substantial claims for damages for the prior periods.

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

135 MW VS LIGNITE POWER PRIVATE LIMITED (VSLP):

Total gross power generated during the period reflects the challenges being experienced through short term PPAs during the Government mandated transition process from Captive Power Plant to Independent Power Producer for continued access to fuel resources.. The Company has been supplying power to the local grid and is continuing its efforts to secure the necessary long term PPAs.

58 MW SAI REGENCY POWER CORPORATION PRIVATE LIMITED (SRPCPL):

With the continuous supply of gas and an efficient operation, the plant has produced an exceptional operational and financial performance, which is expected to continue.

86 MW SAI LILAGAR POWER GENERATION LIMITED (SLPGL):

In addition to power generation enhancement at Sai Lilagar Power following reworked fuel arrangements such that asset utilisation improves and reaches low to mid 80% PLF levels over the next few quarters. The Company is also in parallel currently evaluating multiple strategic options of equity participation / divestment at this plant..

43 MW SITAPURAM POWER LIMITED (SPL):

The energy generated in the period has been supplied to the captive consumer in accordance with the provisions of the PPA, and the balance power generated has been sold to local utility companies.

10 MW SAI MAITHILI SOLAR POWER PROJECT:

The 10 MW PV solar power generation plant is located in the state of Rajasthan, operating under the Jawaharlal Nehru National Solar Mission and has an attractive long term power purchase agreement.

EQUITY AND FINANCING ARRANGEMENTS

The Company's shareholding in KSKEV has been maintained at 68.12%, with additional equity invested during the year. The Company's financing plans involve 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.

Of the total $ 3.52 billion for completion of the 2,400 MW (including the integration of the railway and water infrastructure assets as well expenditure already incurred on the present 1,200 MW unit under construction), over $ 2.8 billion has already been incurred and plans are underway to complete construction and achieve an operational 2,400 MW during 2017.

As regards the additional expenditure of $ 657 million required to build the final 1,200 MW to complete a fully functional 3,600 MW (giving a total investment of $ 4.18 billion), the Company is holding discussions and evaluating proposals for further strategic funding and equity collaboration at the asset level with multiple potential participants.

FINANCIAL PERFORMANCE

With a total operating capacity of 2,072 MW, the consolidated operating revenue achieved was $ 315.4 m, with a gross profit of $ 87.51 m, operating profits of $ 50.91 m, and a loss before tax of $ 116.88 m.

The increase in revenue and gross profit was due to an increase in power generation from KSK Mahanadi. As such an increase in operating performance led to an increase in operating profit and despite interest cost moving from $ 147 m to $ 152 m, loss before tax decreased from $ 146.49 m to $ 116.88 m.

The loss after tax has moved from $ 97 m to $ 103 m reflecting lower deferred tax asset recognition at Group level.

BUSINESS STRATEGY

The Company's operational strategy for FY 2016-17 is to continue to focus on improving the performance and PLF of the 2,072 MW of installed capacity with the target of exceeding 10 TWh of gross generation for the 12 month period.

The high capital expenditure and associated project debt required to develop and grow the Company's power generation business, coupled with adverse currency volatility and the current difficult Indian policy environment poses certain challenges. However, once the Government of India's new coal policy is implemented the Company expects to secure the necessary fuel linkages with long term asset attractiveness.

The Company continues to work on a number of major initiatives. With appropriate equity collaboration at KSK Mahanadi being supported by post debt cash accruals from operations, the Company expects to secure the necessary partnerships required to complete the KSK Mahanadi project, resulting in improved performance over time.

OUTLOOK

Demand for power generation in India is expected to grow over the next decade. The high quality of the Company's expanding asset base, a proven execution capability, and an increasingly efficient business structure with long term fuel supplies being addressed, means that KSK is well positioned to address and take advantage of these opportunities. However, while it is anticipated that immediate term performance will be constrained for FY 2017 until the coal linkage issues are addressed, owing to the emerging scenario of coal surpluses at Coal India during recent months, it is anticipated that the policy asymmetry will be appropriately addressed by the Government of India shortly, meaning the Company should continue to meet FY 2018 market expectations.

Once the remaining units of the KSK Mahanadi power project are added to the Company's existing portfolio, the Board believes KSK will be one of India's leading suppliers of power.

An extract of the Interim Consolidated and Company Financial Statements for the period ended 30 September 2016 is shown below.

A full set of accounts will be available from the Company website: www.kskplc.co.uk

PRINCIPAL RISKS AND UNCERTAINITIES

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

- Delays in government decisions or implementation of earlier government decisions along with continual inconsistencies in government policies across departments and retrospective amendments to the existing policies or introduction of new policies;
- Delays in providing necessary regulatory support and/or dispensation as may be required for timely implementation of the financing plans, or regulatory constraints on financing arrangements resulting in alternate financing arrangements, which make take more time than anticipated to complete.
- Deviation from approved government policies and abuse of market dominance position by certain contractual counter parties;
- 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 the timely availability of credit;
- Delays in enforcement of contractual rights or legal remedies with Government counter parties undertaking fuel supplies, power off take, 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;
- Logistic 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; and
- Liquidity risk, project financing and sustainable debt levels against invested equity at projects.

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 September 2016
(All amounts in thousands of US $, unless otherwise stated)

		Consolidated		Company	
	Notes	30 September 2016	31 March 2016	30 September 2016	31 March 2016
ASSETS					
Non-current					
Property, plant and equipment, net	5	3,567,792	3,370,932	-	-
Intangible assets and goodwill		11,230	11,382	-	-
Investments and other financial assets	6	105,462	100,828	375,955	382,820
Other non-current assets		48,059	52,620	-	-
Trade and other receivables		2,730	2,593	-	-
Deferred tax asset		154,124	141,327	-	-
		3,889,397	3,679,682	375,955	382,820
Current					
Investments and other financial assets	6	61,961	49,623	87	-
Other current assets		82,643	85,870	389	108
Trade and other receivables		415,034	367,139	-	-
Inventories		26,723	38,891	-	-
Cash and short-term deposits	7	160,896	122,800	1,939	1,194
		747,257	664,323	2,415	1,302
Total assets		**4,636,654**	**4,344,005**	**378,370**	**384,122**
EQUITY AND LIABILITIES					
Issued capital	8	289	289	289	289
Share premium	8	287,191	287,191	287,191	287,191
Foreign currency translation reserve	8	(146,387)	(147,152)	882	4,761
Revaluation reserve	8	1,369	1,385	-	-
Capital redemption reserve	8	16,045	16,045	-	-
Other reserves	8	138,397	146,234	177	169
(Accumulated deficit) / retained earnings	7	(130,453)	(56,670)	(29,790)	(25,589)
Equity attributable to owners of the Company		166,451	247,322	258,749	266,821
Non-controlling interests		145,862	168,418	-	-
Total equity		312,313	415,740	258,749	266,821

	Notes	Consolidated 30 September 2016	Consolidated 31 March 2016	Company 30 September 2016	Company 31 March 2016
Non-current liabilities					
Loans and borrowings	9	2,951,287	2,700,202	-	-
Other non-current financial liabilities	10	19,939	23,239	-	-
Trade and other payables		62,258	30,496	-	-
Provisions		9,110	8,868	-	-
Deferred revenue		2,200	2,556	-	-
Employee benefit liability		1,147	1,057	-	-
Deferred tax liabilities		37,455	37,596	-	-
		3,083,396	2,804,014	-	-

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 September 2016 (Continued…)
(All amounts in thousands of US $, unless otherwise stated)

	Notes	Consolidated 30 September 2016	Consolidated 31 March 2016	Company 30 September 2016	Company 31 March 2016
Current liabilities					
Loans and borrowings	9	623,697	623,600	118,360	115,798
Other current financial liabilities	10	8,778	6,098	-	-
Trade and other payables		606,980	493,099	1,261	1,503
Deferred revenue		177	211	-	-
Taxes payable		1,313	1,243	-	-
		1,240,945	1,124,251	119,621	117,301
Total liabilities		4,324,341	3,928,265	119,621	117,301
Total equity and liabilities		**4,636,654**	**4,344,005**	**378,370**	**384,122**

(See accompanying notes to the interim condensed Consolidated and Company financial statements)

INTERIM CONSOLIDATED AND COMPANY INCOME STATEMENT
for the six months ended 30 September 2016
(All amounts in thousands of US $, unless otherwise stated)

	Notes	Consolidated 30 September 2016	Consolidated 30 September 2015	Company 30 September 2016	Company 30 September 2015
Revenue	11	315,400	245,465	-	-
Cost of revenue		(227,893)	(192,828)	-	-
Gross profit		**87,507**	**52,637**	**-**	**-**
Other operating income		449	348	7	-
Distribution costs		(4,402)	(4,605)	-	-
General and administrative expenses		(32,645)	(19,703)	(352)	(464)
Operating profit / (loss)		**50,909**	**28,677**	**(345)**	**(464)**
Finance costs	12	(178,151)	(184,721)	(3,856)	(1,697)

	Note				
Finance income	13	10,354	9,551	-	-
Loss before tax		**(116,888)**	**(146,493)**	**(4,201)**	**(2,161)**
Tax income	14	13,315	48,832	-	-
Loss for the period		**(103,573)**	**(97,661)**	**(4,201)**	**(2,161)**
Attributable to:					
Owners of the Company		(78,058)	(69,758)	(4,201)	(2,161)
Non-controlling interests		(25,515)	(27,903)	-	-
		(103,573)	**(97,661)**	**(4,201)**	**(2,161)**
(Loss) / earnings per share					
Weighted average number of ordinary shares for basic and diluted earnings per share		175,308,600	175,308,600		
Basic and diluted (loss) / earnings per share (US $)		(0.45)	(0.40)		

(See accompanying notes to the interim condensed Consolidated and Company financial statements)

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2016

(All amounts in thousands of US $, unless otherwise stated)

	Consolidated		Company	
	30 September 2016	**30 September 2015**	**30 September 2016**	**30 September 2015**
Loss for the period	**(103,573)**	**(97,661)**	**(4,201)**	**(2,161)**
Items that will never be reclassified to income statement				
Re-measurement of defined benefit liability	(53)	(55)	-	-
Income tax relating to re-measurement of defined benefit liability	15	4	-	-
	(38)	**(51)**	**-**	**-**
Items that are or may be reclassified subsequently to income statement				
Foreign currency translation differences	(666)	(29,546)	(3,879)	1,667
Available-for-sale financial assets				
- current period gain	65	2	-	-
- reclassification to income statement	(7)	26	-	-
Income tax relating to available for sale financial asset	-	(465)	-	-
	(608)	**(29,983)**	**(3,879)**	**1,667**
Other comprehensive (expense) / income, net of tax	**(646)**	**(30,034)**	**(3,879)**	**1,667**
Total comprehensive (expense) / income for the period	**(104,219)**	**(127,695)**	**(8,080)**	**(494)**
Attributable to:				
Owners of the Company	(77,269)	(89,442)	(8,080)	(494)
Non-controlling interests	(26,950)	(38,253)	-	-
	(104,219)	**(127,695)**	**(8,080)**	**(494)**

(See accompanying notes to the interim condensed Consolidated and Company financial statements)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2015

(All amount in thousands of US $, unless otherwise stated)

	Attributable to owners of Company										
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non - controlling interests**	**Total equity**
As at 1 April 2015	**289**	**287,191**	**16,498**	**(129,431)**	**1,418**	**10,855**	**147,317**	**15,590**	**349,727**	**203,374**	**553,101**
Refund of share application money	-	-	(2,759)	-	-	-	-	-	**(2,759)**	-	**(2,759)**
Change in non-controlling interests without change in control	-	-	-	-	-	-	(1,661)	-	**(1,661)**	4,230	**2,569**
Transfer of economic interest to non-controlling interests[1]	-	-	-	-	-		-	2,949	**2,949**	(2,949)	-
Equity-settled share based payment	-	-	-	-	-	-	24	-	**24**	-	**24**
Net depreciation transfer for property, plant and equipment	-	-	-	-	(17)	-	-	17	-	-	-
Transaction with owners	**-**	**-**	**(2,759)**	**-**	**(17)**	**-**	**(1,637)**	**2,966**	**(1,447)**	**1,281**	**(166)**
Loss for the period	-	-	-	-	-	-	-	(69,758)	**(69,758)**	(27,903)	**(97,661)**
Other comprehensive income											
Items that will never be reclassified to income statement											
Re-measurement of defined benefit liability	-	-	-	-	-	-	(35)	-	**(35)**	(20)	**(55)**
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	-	4	-	**4**	-	**4**
Items that are or may be reclassified subsequently to income statement											
Foreign currency translation differences	-	-	-	(19,336)	-	-	-	-	**(19,336)**	(10,210)	**(29,546)**
Available-for-sale financial assets	-	-	-	-	-	-	(9)	-	**(9)**	11	**2**

- current period (loss) / gain											
- reclassification to profit or loss	-	-	-	-	-	-	26	-	**26**	-	**26**
Income tax relating to available-for-sale financial asset	-	-	-	-	-	-	(314)	-	**(314)**	(151)	**(465)**
Total comprehensive expenses for the period	**-**	**-**	**-**	**(19,336)**	**-**	**-**	**(328)**	**(69,758)**	**(89,422)**	**(38,273)**	**(127,695)**
Balance as at 30 September 2015	**289**	**287,191**	**13,739**	**(148,767)**	**1,401**	**10,855**	**145,352**	**(51,202)**	**258,858**	**166,382**	**425,240**

(See accompanying notes to the interim condensed Consolidated and Company financial statements)

[1] The 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 interim condensed Consolidated income statement. However, the non controlling interest disclosed in the interim condensed statement of changes in equity is calculated in the proportion of the actual shareholding as at the reporting date.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2016

(All amount in thousands of US $, unless otherwise stated)

	Attributable to owners of Company									
	Issued capital	**Share premium**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**Non - controlling interests**	**Total equity**
As at 1 April 2016	**289**	**287,191**	**(147,152)**	**1,385**	**16,045**	**146,234**	**(56,670)**	**247,322**	**168,418**	**415,740**
Change in non-controlling interests without change in control (Refer note 4)	-	-	-	-	-	(7,869)	-	**(7,869)**	8,653	**784**
Transfer of economic interest to non-controlling interests[1]	-	-	-	-		-	4,259	**4,259**	(4,259)	**-**
Equity-settled share based payment	-	-	-	-	-	8	-	**8**	-	**8**
Net depreciation transfer for property, plant and equipment	-	-	-	(16)	-	-	16	-	-	-
Transaction with owners	**-**	**-**	**-**	**(16)**	**-**	**(7,861)**	**4,275**	**(3,602)**	**4,394**	**792**
Loss for the period	-	-	-	-	-	-	(78,058)	(78,058)	(25,515)	**(103,573)**
Other comprehensive income										
Items that will never be reclassified to income statement										
Re-measurement of defined benefit liability	-	-	-	-	-	(42)	-	(42)	(11)	**(53)**
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	15	-	15	-	**15**
Items that are or may be reclassified subsequently to income statement										
Foreign currency translation differences	-	-	765	-	-	-	-	765	(1,431)	**(666)**
Available-for-sale financial assets										

- current period gain	-	-	-	-	-	58	-	58	7	**65**
- reclassification to profit or loss	-	-	-	-	-	(7)	-	(7)	-	**(7)**
Income tax relating to available-for-sale financial asset	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (expenses) for the period	**-**	**-**	**765**	**-**	**-**	**24**	**(78,058)**	**(77,269)**	**(26,950)**	**(104,219)**
Balance as at 30 September 2016	**289**	**287,191**	**(146,387)**	**1,369**	**16,045**	**138,397**	**(130,453)**	**166,451**	**145,862**	**312,313**

(See accompanying notes to the interim condensed Consolidated and Company financial statements)

[1] The group entities have arrangements of sharing of profits with its non-controlling share holders, 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 interim condensed Consolidated income statement. However, the non controlling interest disclosed in the interim condensed Statement of changes in equity is calculated in the proportion of the actual shareholding as at the reporting date.

INTERIM COMPANY STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2016

(All amount in thousands of US $, unless otherwise stated)

	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Other reserve**	**Accumulated deficit**	**Total equity**
As at 1 April 2015	**289**	**287,191**	**16,498**	**4,524**	**122**	**(18,927)**	**289,697**
Refund of share application money	-	-	(2,759)	-	-	-	**(2,759)**
Equity-settled share based payment	-	-	-	-	24		**24**
Transaction with owners	**-**	**-**	**(2,759)**	**-**	**24**	**-**	**(2,735)**
Loss for the period	-	-	-	-	-	(2,161)	**(2,161)**
Other comprehensive income							
Foreign currency translation differences	-	-	-	1,667	-	-	**1,667**
Total comprehensive income / (expense) for the period	**-**	**-**	**-**	**1,667**	**-**	**(2,161)**	**(494)**
Balance as at 30 September 2015	**289**	**287,191**	**13,739**	**6,191**	**146**	**(21,088)**	**286,468**
As at 1 April 2016	**289**	**287,191**	**-**	**4,761**	**169**	**(25,589)**	**266,821**
Equity-settled share based payment	-	-	-	-	8		**8**
Transaction with owners	**-**	**-**	**-**	**-**	**8**	**-**	**8**
Loss for the period	-	-	-	-	-	(4,201)	**(4,201)**
Other comprehensive income							
Foreign currency translation differences	-	-	-	(3,879)	-	**-**	**(3,879)**
Total comprehensive income / (expense) for the period	**-**	**-**	**-**	**(3,879)**	**-**	**(4,201)**	**(8,080)**
Balance as at 30 September 2016	**289**	**287,191**	**-**	**882**	**177**	**(29,790)**	**258,749**

(See accompanying notes to interim condensed Consolidated and Company financial statements)

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
for the six months ended 30 September 2016
(All amount in thousands of US $, unless otherwise stated)

	Consolidated		**Company**	
	30 September 2016	**30 September 2015**	**30 September 2016**	**30 September 2015**
Cash inflow / (outflow) from operating activities				

Loss before tax	(116,888)	(146,493)	(4,201)	(2,161)
Adjustment				
Depreciation and amortization	50,785	51,359	-	-
Finance cost	180,863	185,863	3,970	4,978
Finance income	(10,354)	(9,551)	-	-
Provision and impairment of trade receivable, PPE and other receivable	10,213	3,480	(7)	-
(Profit) / loss on sale of fixed assets, net	(210)	(17)	-	-
Others	(93)	(90)	8	24
Change in				
Trade receivables and unbilled revenue	(58,313)	(45,101)	-	-
Inventories	12,168	(1,502)	-	-
Other assets	(4,078)	240	(308)	4,091
Trade payables and other liabilities	18,881	22,393	60	28
Provisions and employee benefit liability	90	144	-	-
Cash generated from / (used in) operating activities	**83,064**	**60,725**	**(478)**	**6,960**
Taxes refund / (paid), net	1,266	2,196	-	-
Net cash provided by / (used in) operating activities	**84,330**	**62,921**	**(478)**	**6,960**
Cash inflow / (outflow) from investing activities				
Movement in restricted cash, net	15,671	(1,055)	-	-
Purchase of property, plant and equipment and other non-current assets	(106,496)	(25,360)	-	-
Proceeds from sale of property, plant and equipment	5,012	2,345	-	-
Purchase of financial assets	(14,782)	(13,711)	(132)	(340)
Proceeds from sale of financial assets	127	8,587	504	160
Dividend received	52	158	-	-
Interest income received	9,353	8,335	-	-
Net cash used in investing activities	**(91,063)**	**(20,701)**	**372**	**(180)**
Cash inflow / (outflow) from financing activities				
Proceeds from borrowings	413,034	303,816	2,397	52,977
Repayment of borrowings	(130,534)	(145,091)	-	(51,740)
Finance costs paid	(243,533)	(186,741)	(1,453)	(1,029)
Payment of derivative liability	(2,405)	(2,508)	-	-
Advance received against investment	26,139	-	-	-
Net proceeds from issue of shares and share application money in subsidiary to non-controlling interest	699	2,437	-	-
Net refund of share application money	-	(2,759)	-	(2,759)
Net cash flow (used in) / provided by financing activities	**63,400**	**(30,846)**	**944**	**(2,551)**
Effect of exchange rate changes	(2,898)	(9,355)	(96)	(3,195)
Net increase / (decrease) in cash and cash equivalent	**53,769**	**2,019**	**745**	**1,034**
Cash and cash equivalents at the beginning of the period	16,022	40,733	1,194	1,065
Cash and cash equivalents at the end of the period (refer note 7)	**69,791**	**42,752**	**1,939**	**2,099**

(See accompanying notes to the interim condensed Consolidated and Company financial statements)

NOTES TO INTERIM CONDENSED CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

for the six months ended 30 September 2016

(All amount in thousands of US $, unless otherwise stated)

1. Corporate information

1.1. General information

KSK Power Ventur plc ('the Company' or 'KPVP' or 'KSK' or 'Parent'), a limited liability corporation, is the Group's parent Company and is incorporated and domiciled in the Isle of Man. The address of the Company's Registered Office, which is also principal place of business, is Fort Anne, Douglas, Isle of Man, IM1 5PD. The Company's equity shares are listed on the Standard List on the official list of the London Stock Exchange.

The financial statements were authorised for issue by the Board of Directors on 29 November 2016.

1.2. Statement of compliance /responsibility statement

a. the condensed set of financial statements contained in this document has been prepared in accordance with International Accounting Standard 34 ("IAS 34"), "Interim Financial Reporting" as adopted by European Union ('EU') and gives a true and fair view of the assets, liabilities, financial position and the profit or loss of the group as required by Disclosure and Transparency Rules ("DTR") 4.2.4R;

b. the Interim management report contained in this document includes a fair review of the information required by the Financial Conduct Authority's DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year);

c. this document includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein);

d. the interim condensed Consolidated and Company financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with IFRSs.

e. The financial information set out in these financial statements does not constitute statutory accounts. The financial statement is unaudited but has been reviewed by KPMG Audit LLC and their report is set out at the end of this document.

1.3. Financial period

The interim condensed Consolidated and Company financial statements are for the six months period ended 30 September 2016. The comparative information required by IAS 1 were determined using IAS 34 and include comparative information as follows:

Statement of financial position :	31 March 2016 being the end of immediately preceding financial year.
Income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows	Six months ended 30 September 2015 being the comparable interim period of the immediate preceding financial year.

1.4. Basis of preparation

These interim condensed Consolidated and Company financial statements have been prepared under International Accounting Standards-34- "Interim Financial Reporting" as adopted by the European Union.

These interim condensed Consolidated and Company financial statements have been prepared on the historical cost convention and on an accrual basis, 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 upon initial recognition are measured at fair value;
- available-for-sale financial assets that are measured at fair value; and
- Net employee defined benefit (asset) / liability that are measured based on actuarial valuation

The financial statements of the Group and the Company have been presented in United States Dollars ('US $'), which is the presentation currency of the Company. All amounts have been presented in thousands, unless specified otherwise.

Balances represent consolidated amounts for the Group, unless otherwise stated. The Company's financial statement represents separate financial statement of KPVP.

Going Concern: The financial statements have been prepared on the going concern basis which assumes the Group and the Company will have sufficient funds to continue its operational existence for the foreseeable future, covering at least twelve months from the date of signing these financial statements. The Group requires funds for both short term operational needs as well as for long term investment programmes, mainly in construction projects for its power plants.

As at 30 September 2016, the Group and Company have net current liabilities of US $ 493,688 and US $ 117,206 and is depending on a continuation of both short term and long term debt financing facilities. Such financing is subject to covenant and amortisation conditions. The Group also has significant capital commitments at the period-end of which a portion is due to be met during the year to 30 September 2017 (refer note 16(a)), primarily in respect of on-going plant construction projects at KSK Mahanadi. The Group is also involved in a number of on-going legal and claim matters.

The Group continues to generate cash flows from current operations which are further expected to increase with improved PLF in the existing 1200 MW KSK Mahanadi operations and also on account of expected commissioning of another two units of 600 MW each over the foreseeable future. Also in Sai Wardha, with recent MERC order clarifying non applicability of additional surcharge as well on captive power supplies, Captive PPA attractiveness has been enhanced PPA arrangements for the balance two units are expected to be in place shortly. These factors are key assumptions with regard to management's forecasts and expectations. However, the Group has experienced delays and legal challenge to the settlement of receivables in respect of change in law (refer note 16(c)) and generation, reducing cash conversion of revenue and therefore liquidity.

In addition, a number of the facilities that are due to expire at 30 September 2017 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 borrowings and will also consider alternative sources of financing, where applicable. The Directors are confident that facilities will remain available to the Group based on current trading, covenant compliance and ongoing discussions with the Group's primary lending consortium regarding future facilities and arrangements in respect of current borrowings.

The Group currently had significant undrawn borrowing facilities, subject to certain conditions, amounting to approximately US $ 692,431 to meet its long term investment programmes. The Group has already entered in to Common Loan Agreement with the Lenders at KSK Mahanadi with respect to cost overrun debt sanctioned. This will facilitate drawing the balance debt depending upon the investment required for construction of project and resultant surpluses of operational cash flows available to meet company obligations. In addition the Group is seeking additional equity financing in respect of the KSK Mahanadi plant in order to stabilise the project development and the Groups financing and operating obligations. The Group is currently pursuing a number of avenues in this regard and expects positive outcomes during late 2016 / early 2017. Nonetheless Group monitors the situation on an on-going basis and plans alternative arrangements where possible. The outcome of these discussions may impact on the timing of the strategic development of this plant and the going concern of the group.

As a consequence, the Directors have a reasonable expectation that the Company and Group are well placed to manage their business risks and continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting when preparing these financial statements.

2. Changes in accounting policy and disclosure

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards as of 1 April 2016, noted below.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2016.

- **IFRS 14 - Regulatory Deferral Accounts :** IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is not subject to any rate regulation and is an existing IFRS preparer, this standard would not apply.

- **IFRS 11 - Accounting for acquisition of interest in Joint Operations (Amendments) :** The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

  The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

- **IAS 16 & IAS 38 - Clarification of Acceptable Methods of Depreciations and Amortisation (Amendments) :** The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

- **IAS 16 & IAS 41 - Agriculture : Bearer Plant (Amendments) :** The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group as the Group does not have any bearer plants.

- **IAS 27 - Equity Method in Separate Financial Statements (Amendments) :** The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

- **IFRS 10 & IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments) :** The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

- **IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception (Amendments) :** The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

  Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

  These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

- **IAS 1 - Disclosure Initiative (Amendments)**

  The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:
  - The materiality requirements in IAS 1
  - That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
  - That entities have flexibility as to the order in which they present the notes to financial statements
  - That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

- **Annual Improvements 2012-2014 Cycle**
  These improvements are effective for annual periods beginning on or after 1 January 2016. They include:
  - **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations :** Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.
  - **IFRS 7 Financial Instruments: Disclosures**

    Servicing contracts : The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

    Applicability of the amendments to IFRS 7 to condensed interim financial statements : The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.
  - **IAS 19 Employee Benefits :** The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.
  - **IAS 34 Interim Financial Reporting :** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

These amendments are not expected to have any impact on the Group

3. Significant accounting Judgements, estimates and assumptions

There have been no significant changes in the significant accounting judgments, estimates and assumptions applied for the purposes of the preparation of these interim condensed Consolidated and Company financial statements.

4. Acquisition and Dilution - change in non-controlling interest without change in control

Dilution in KSK Energy Ventures Limited

During the period ended 30 September 2016, the Group has sold 192,518 equity shares in KSK Energy Ventures Limited ("KEVL") to non - controlling interest. Pursuant to this the economic interest of the Group in KEVL has decreased from 68.17 percent to 68.12 percent resulting in a 0.05 percent decrease in Group's controlling interest in subsidiary without loss of control. The aforesaid transaction is accounted as an equity transaction, and accordingly no gain or loss is recognised in the interim condensed consolidated income statement. The difference of US $ 147, between the fair value of the net consideration received US $ 84 and the amount by which the non-controlling interest are adjusted US $ 231, is debited to 'Other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company.

Forfeiture of share warrant

During the year ended 31 March 2015, the Group has issued 80,808,080 warrants of face value of Rs. 10 (US $ 0.16) each in KSK Energy Ventures Limited ('KEVL'), an Indian Listed subsidiary to KSK Power Holdings Limited ("KPHL") with an option to apply for and be allotted equivalent number of equity shares of the face value of Rs 10 (US $ 0.16) each at a premium of Rs. 89 (US $ 1.45) each on a preferential basis.

During the period ended 30 September 2016, KPHL has not exercised the right of conversion of balance 69,856,800 warrants resulting in forfeiture of the same. The aforesaid transaction is accounted as an equity transaction, and accordingly no gain or loss is recognised in the consolidated income statement. An amount of US $ 8,223 by which the non-controlling interest is adjusted and debited to 'other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company.

Acquisition in KSK Mahanadi Power Company Limited

During the period ended 30 September 2016, the Group has issued additional 62,000,000 equity shares 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 ("KECPL") at a face value of Rs 10 (US $ 0.16) at par

Pursuant to above, the economic interest of the Group in KMPCL increased by 0.65 percent in a subsidiary without loss of control. The aforesaid transaction is accounted as an equity transaction, and no gain or loss is recognised in the interim condensed consolidated income statement. Pursuant to this an amount of US $ 327 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.

Dilution of KSK Water Infrastructure Private Limited

During the period ended 30 September 2016, the Group has transferred 30,000,000 equity shares of Rs 10 (US $ 0.16) at par in *KSK Water Infrastructure Private Limited* ("KWIPL") held by KSK Energy Company Private Limited ("KECPL") to KSK Mahanadi Power Company Limited ("KMPCL")

Pursuant to above, the economic interest of the Group in KWIPL decreased by 7.07 percent in a subsidiary without loss of control. The aforesaid transaction is accounted as an equity transaction, and no gain or loss is recognised in the interim condensed consolidated income statement. Pursuant to this an amount of US $ 174 by which the non-controlling interest is adjusted credited to 'other reserve' within consolidated statement of changes in equity and attributed to the owners of the company.

5. Property, plant and equipment, net

The property, plant and equipment of the Group comprise:

	Land and buildings	Power stations	Mining property	Other plant and equipment	Assets under construction	Total
Cost						
As at 1 April 2015	431,675	2,207,813	12,839	9,111	961,023	3,622,461
Additions	12,912	1,888	-	694	177,816	193,310
Impaired	-	-	-	-	(3,874)	(3,874)

Transfer	14,957	39,346	-	-	(54,303)	-
Disposals/adjustments	(135)	(256)	-	(212)	-	(603)
Exchange difference	(23,305)	(119,196)	(693)	(491)	(50,416)	(194,101)
As at 31 March 2016	**436,104**	**2,129,595**	**12,146**	**9,102**	**1,030,246**	**3,617,193**
As at 1 April 2016	436,104	2,129,595	12,146	9,102	1,030,246	3,617,193
Additions	3,894	351	-	97	276,169	280,511
Transfer	-	16,753	-	-	(16,753)	-
Disposals/adjustments	(2,204)	-	-	(24)	-	(2,228)
Exchange difference	(3,421)	(16,705)	(95)	(70)	(12,183)	(32,474)
As at 30 September 2016	**434,373**	**2,129,994**	**12,051**	**9,105**	**1,277,479**	**3,863,002**
Depreciation						
As at 1 April 2015	22,337	134,173	2,254	6,783	-	165,547
Additions	12,054	77,308	607	972	-	90,941
Disposals / adjustments	(17)	(61)	-	(179)	-	(257)
Exchange difference	(1,343)	(8,121)	(129)	(377)	-	(9,970)
As at 31 March 2016	**33,031**	**203,299**	**2,732**	**7,199**	**-**	**246,261**
As at 1 April 2016	33,031	203,299	2,732	7,199	-	246,261
Additions	7,085	42,935	323	380	-	50,723
Disposals / adjustments	(12)	-	-	(23)	-	(35)
Exchange difference	(232)	(1,433)	(20)	(54)	-	(1,739)
As at 30 September 2016	**39,872**	**244,801**	**3,035**	**7,502**	**-**	**295,210**
Net book value						
As at 30 September 2016	**394,501**	**1,885,193**	**9,016**	**1,603**	**1,277,479**	**3,567,792**
As at 31 March 2016	**403,073**	**1,926,296**	**9,414**	**1,903**	**1,030,246**	**3,370,932**

6. Investments and other financial assets

	Consolidated		Company	
	30 September 2016	**31 March 2016**	**30 September 2016**	**31 March 2016**
Current				
Financial assets at fair value through profit or loss				
- held-for-trading	5,741	5,177	-	-
Loans and receivables	56,220	44,446	87	-
	61,961	**49,623**	**87**	**-**
Non-current				
Financial assets at fair value through profit or loss				
- Derivative assets	44,980	45,872	-	-
Available-for-sale investments	17,799	17,938	-	-
Deposit with banks	7,274	4,994	-	-
Loans and receivables	33,920	30,523	-	-
Loans to and receivables from Joint Venture partner	1,489	1,501	-	-
Loans to and receivable from subsidiaries	-	-	149,130	155,978
Investment in subsidiaries	-	-	226,825	226,842
	105,462	**100,828**	**375,955**	**382,820**
Total	**167,423**	**150,451**	**376,042**	**382,820**

Impairment of financial assets

During the period ended 30 September 2016, the Group's available-for-sale financial asset of US $ Nil (31 March 2016: US $ 170) and loans and receivable of US $ 17 (31 March 2016: US $ 16,481) were collectively impaired and written off.

During the period ended 30 September 2016, the Company's loans and receivable of US $ Nil (31 March 2016: US $ 912) were collectively impaired and written off.

7. Cash and short-term deposits

Cash and short-term deposits comprise of the following:

	Consolidated		Company	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
Cash at banks and on hand	69,772	16,022	1,939	1,194
Short-term deposits	91,124	106,778	-	-
Total	**160,896**	**122,800**	**1,939**	**1,194**

For the purpose of cash flow statement, cash and cash equivalent comprise:

	Consolidated		Company	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Cash at banks and on hand	69,772	42,750	1,939	2,099
Short-term deposits	91,124	158,320	-	-
Total	**160,896**	**201,070**	**1,939**	**2,099**
Less: Restricted cash[1]	(91,105)	(158,318)	-	-
Cash and cash equivalent	**69,791**	**42,752**	**1,939**	**2,099**

[1]Include deposits pledged for availing credit facilities from banks and deposits with maturity term of three months to twelve months.

8. Issued share capital

Share capital

The Company presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of the Company on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Company.

The Company has an authorised share capital of 500,000,000 equity shares (31 March 2016: 500,000,000) at par value of US $ 0.002 (£ 0.001) per share amounting to US $ 998. The issued and fully paid up number of shares of the Company is 175,308,600 (31 March 2016 175,308,600). During the period Company has not issued/ bought back any ordinary share.

Share application money represents amount received from investors / parents pending allotment of ordinary shares.

Reserves

Share premium represents the amount received by the Group over and above the par value of shares issued. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax consequences.

Revaluation reserve comprises gains and losses due to the revaluation of previously held interest of the assets acquired in a business combination.

Foreign currency translation reserve is used to record the exchange difference arising from the translation of the financial statements of the Group entities and the same is not distributable.

Capital redemption reserve represents statutory reserve required to be maintained under local law of India on account of redemption of capital. The reserve is credited equivalent to amount of capital redeemed by debiting retained earnings and the same is not distributable.

Other reserve represents the difference between the consideration paid and the adjustment to net assets on change of controlling interest, without change in control and the excess of the fair value of share issued in business combination over the par value of such shares. Any transaction costs associated with the issuing of shares by the subsidiaries are deducted from other reserves, net of any related income tax consequences. Further, it also includes the loss / gain on fair valuation of available-for-sale financial instruments and re-measurement of defined benefit liability net of taxes and the same is not distributable.

Retained earnings mainly represent all current and prior year results as disclosed in the consolidated income statement and consolidated other comprehensive income less dividend distribution.

9. Loans and borrowings

The loans and borrowings comprise of the following:

			Consolidated		Company
	30 September 2016	Final Maturity	31 March 2016	30 September 2016	31 March 2016
Long-term "project finance" loans	April-38	3,040,444	2,793,569	-	-
Short-term loans	September-17	130,678	158,762	83,360	80,798
Buyers' credit facility	September-17	101,837	138,614	35,000	35,000
Cash credit and other working capital facilities	September-17	248,001	194,255	-	-
Redeemable preference shares	January-29	5,771	5,817	-	-
Debentures	March-25	48,253	32,785	-	-
Total		**3,574,984**	**3,323,802**	**118,360**	**115,798**

The interest-bearing loans and borrowings mature as follows:

	Consolidated		Company	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
Current liabilities				
Amounts falling due within one year	623,697	623,600	118,360	115,798
Non-current liabilities				
Amounts falling due after more than one year but not more than five years	1,075,652	925,489	-	-
Amounts falling due in more than five years	1,875,635	1,774,713	-	-
Total	**3,574,984**	**3,323,802**	**118,360**	**115,798**

- Long-term "project finance" loans of the Group amounting US $ 3,040,444 (31 March 2016: US $ 2,793,569) is fully secured on the property, plant and equipment and other assets of subsidiaries and joint operations that operate power stations, allied services and by a pledge over the promoter's shareholding in equity and preference capital of some of the subsidiaries and joint operations and corporate guarantee provided by the Company.
- The short term loans taken by the Group are secured by the corporate guarantee provided by the Company, fixed deposits of the Group and by pledge of shares held in the respective entities.
- Buyer's credit facility is secured against property, plant and equipment and other assets on pari-passu basis, pledge of fixed deposits and corporate guarantee of KEVL. These loans bear interest at LIBOR plus 25 to 300 basis points.
- A number of the facilities that are due to expire at 30 September 2017 are in the process of being extended and have a rollover clause in a number of cases.
- Cash credit and other working capital facilities are fully secured against property, plant and equipment and other assets on pari-passu basis with other lenders of the respective entities availing the loan facilities.
- Redeemable preference shares are due for repayment within 13 years.
- Debentures are secured on the property, plant and equipment and other assets of subsidiaries that operate power stations, allied services and by a pledge over the promoter's shareholding in equity capital of some of the subsidiaries.

10. Other financial liabilities

	30 September 2016	31 March 2016
Current		
Option premium payable	6,365	5,469
Foreign exchange forward contracts	2,413	629
	8,778	**6,098**
Non-Current		
Option premium payable	14,533	17,065
Interest rate swaps	5,406	6,174
	19,939	**23,239**
Total	**28,717**	**29,337**

11. Segment information

The Group has adopted the "management approach" in identifying the operating segments as outlined in IFRS 8. Management has analysed the information that the chief operating decision maker reviews and concluded on the segment disclosure.

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- Power generating activities and
- Project development activities

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the Consolidated financial statements. Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. There is only one geographical segment as all the operations and business is carried out in India.

Period ended 30 September 2016	Project development activities	Power generating activities	Reconciling / Elimination activities	Consolidated

Revenue				
External customers	16	315,384	-	315,400
Inter-segment	1,326	-	(1,326)	-
Total revenue	**1,342**	**315,384**	**(1,326)**	**315,400**
Segment operating results	934	50,475	294	51,703
Unallocated operating expenses, net		.		(794)
Finance costs				(178,151)
Finance income				10,354
Loss before tax				**(116,888)**
Tax income				13,315
Loss after tax				**(103,573)**
Segment assets	9,457	4,333,236	(6,213)	4,336,480
Unallocated assets				300,174
Total assets				**4,636,654**
Segment liabilities	591	491,784	(6,213)	486,162
Unallocated liabilities				3,838,179
Total liabilities				**4,324,341**
Other segment information				
Depreciation and amortisation	24	50,731	30	**50,785**
Capital expenditure	1	280,509	1	**280,511**

Period ended 30 September 2015	**Project development activities**	**Power generating activities**	**Reconciling / Elimination activities**	**Consolidated**
Revenue				
External customers	17	245,448	-	245,465
Inter-segment	1,738	-	(1,738)	-
Total revenue	**1,755**	**245,448**	**(1,738)**	**245,465**
Segment operating results	1,016	27,916	371	29,303
Unallocated operating expenses, net				(626)
Finance costs				(184,721)
Finance income				9,551
Loss before tax				**(146,493)**
Tax income				48,832
Loss after tax				**(97,661)**
Segment assets	10,396	3,893,883	(4,474)	3,899,805
Unallocated assets				329,050
Total assets				**4,228,855**
Segment liabilities	8,438	345,490	(4,474)	349,454
Unallocated liabilities				3,454,161
Total liabilities				**3,803,615**
Other segment information				
Depreciation and amortisation	43	51,276	40	**51,359**
Capital expenditure	3	89,891	29	**89,923**

Notes to segment reporting:

(a) Inter-segment revenues are eliminated on consolidation.

(b) Profit / (loss) for each operating segment does not include finance income and finance costs of US $ 10,354 and US $ 178,151 respectively (30 September 2015: US $ 9,551 and US $ 184,721respectively).

(c) Segment assets do not include deferred tax asset of US $ 154,124 (30 September 2015: US $ 169,620), financial assets and other investments US $ 109,452 (30 September 2015: US $ 108,289), short-term deposits with bank and cash US $ 9,770 (30 September 2015: US $ 24,244), and corporate assets US $ 26,828 (30 September 2015: US $ 26,897).

(d) Segment liabilities do not include deferred tax US $ 37,455 (30 September 2015: US $ 32,111), current tax payable US $ 1,313 (30 September 2015: US $ 2,621), interest-bearing current and non-current borrowings US $ 3,574,984 (30 September 2015: US $ 3,258,129), derivative liabilities US $ 28,717 (30 September 2015: US $ 30,743) and corporate liabilities US $ 195,710 (30 September 2015: US $ 130,557).

(e) The Company operates in one business and geographic segment. Consequently no segment disclosures of the Company are presented.

(f) Three customers in the power generating segment contributing revenues of US $ 243,613 accounted for 77.19% (30 September 2015: Two customers in the power generating segment contributing revenues of US $ 144,648 accounted for 58.93%) of the total segment revenue.

12. Finance costs

Finance costs comprise:

	Consolidated		Company	
	30 September 2016	**30 September 2015**	**30 September 2016**	**30 September 2015**
Interest expenses on loans and borrowings [1]	152,512	147,261	621	600
Other finance costs	11,047	8,579	860	786
Impairment of financial assets [2]	-	26	-	-
Net loss on financial instrument at fair value through profit or loss [3]	2,538	1,048	-	-
Foreign exchange loss, net	10,821	26,792	2,375	311
Unwinding of discounts	1,233	1,015	-	-
Total	**178,151**	**184,721**	**3,856**	**1,697**

[1]Borrowing cost capitalised during the period amounting to US $ 78,105 (30 September 2015: US $ 65,935).

[2] Impairment of financial assets relates to available-for-sale financial asset of US $ Nil (30 September 2015: US $ 26).

[3]Net loss on financial instrument at fair value through profit or loss above relates to foreign exchange forward contracts, currency options and interest rate swap that did not qualify for hedge accounting.

13. Finance income

The finance income comprises:

	30 September 2016	**30 September 2015**
Interest income		
bank deposits	3,584	6,779
loans and receivables	5,684	1,482
Dividend income	126	289
Net gain on held-for-trading financial assets		
on disposal	17	4
on re-measurement	13	70
Unwinding of discount on security deposits	923	927
Reclassification adjustment in respect of available for sale instrument disposed	7	-
Total	**10,354**	**9,551**

14. Tax income / (expense)

The major components of income tax for the period ended 30 September 2016 and 30 September 2015 are:

	30 September 2016	**30 September 2015**
Current tax	(373)	(2,178)
Deferred tax	13,688	51,010
Tax income reported in the income statement	**13,315**	**48,832**

15. Related party transactions

The table below set out transactions with related parties that occurred in the normal course of trading.

Particulars	Consolidated						Company					
	30 September 2016			30 September 2015			30 September 2016			30 September 2015		
	Joint operations	Parent / GUP	KMP	Joint operations	Parent / GUP	KMP	Subsidiaries	Parent / GUP	KMP	Subsidiaries	Parent / GUP	KMP
Transactions												
Corporate support services fees	16	-	-	17	-	-	-	-	-	-	-	-
Interest income	262	-	-	263	-	-	-	-	-	-	-	-
Inter-corporate deposits and loans given	-	-	-	48	30	-	53	-	-	5,339	-	-
Inter-corporate deposits and loans refunded	-	-	-	-	(132)	-	(514)	-	-	(3,977)	-	-
Loan taken	349	5	-	-	425	-	1,802	5	-	14	-	-
Repayment of loan taken	-	-	-	-	-	-	29	-	-	-	-	-
Refund of share application money	-	-	-	-	2,759	-	-	-	-	-	2,759	-
Equity-settled share based payment	-	-	8	-	-	24	-	-	8	-	-	24
Managerial remuneration	-	-	335	-	-	328	-	-	175	-	-	161
Balances												
Interest receivable	4,384	-	-	3,896	-	-	-	-	-	-	-	-
Loans and inter corporate deposits receivable	1,489	776	-	15,002	799	-	149,130	-	-	173,387	23	-
Loans payable	616	412	-	-	413	-	82,476	17	-	61,970	-	-
Other receivable	17		-	10	-	-	-	-	-	-	-	-
Other payable	2,354	167	-	1,373	-	-	-	167	-	-	-	-
Guarantees given	-	-	-	135	-	-	461,553	-	-	465,087	-	-
Managerial remuneration payable	-	-	99	-	-	117	-	-	79	-	-	79

16. Commitments and contingencies

a. Capital commitments

As at 30 September 2016, the Group is committed to purchase property, plant and equipment for US $ 1,292,052 (31 March 2016: US $ 1,467,098). In respect of its interest in joint operations the Group is committed to incur capital expenditure of US $ 48 (31 March 2016: US $ 49).

b. Guarantees

- The Company has guaranteed to unrelated parties for the loans and non-fund based facilities availed by subsidiaries for US $ 292,219 (31 March 2016: US $ 319,535) and
- The Group guaranteed the performance of the joint ventures under the power delivery agreements to unrelated parties. No liability is expected to arise.

c. Legal and other claim

As a part of the environment and activities of the Group, the Group is exposed to a number of litigation and claim matters which may significantly impact receivables or payables. No significant developments have occurred in respect of these matters during the period except disclosed below. Litigation and other matters are disclosed in detail in note number 29 in 31 March 2016 financials.

i. SWPL 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 US $ 10,922 (2016: US $ 11,008). The facility required for generation of an agreed quantum of power was not ready as per an agreed schedule on account of unexpected factors beyond the control of the Group, the Group proposed to MSEDCL an arrangement to secure the energy from alternate supplies for the short quantity required to meet the obligation under the power purchase agreement. MSEDCL accepted the proposal and also confirmed that the energy supplied from alternate sources will also be subject to the tariff agreed under the power purchase agreement. However, after initial payments for the period April to June 2010, starting July 2010 to October 2010, MSEDCL did not settle the entire dues billed and the certain amounts were withheld without any explanation. The Group contended before Maharashtra Electricity Regulatory Commission (MERC) that since the energy supplied and billed was as per the terms agreed and the similar bills of earlier months were paid by MSEDCL, there is no cause to withhold the payments. However, MERC has dismissed the petition. The Group has filed an appeal before Appellate Tribunal for Electricity (APTEL) against the order of MERC and APTEL also rejected the appeal. The Group has filed an appeal before Honourable Supreme Court of India. During the period ended 30 September 2016 the group 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 group has impaired and written off the entire claim amount.

ii. KSK Mahanadi, the Group's largest thermal power generation plant with two units fully operational and balance units in various stages of construction and commissioning is engaged in the generation and supply of power to four state utilities of Andhra Pradesh, Telangana, Tamil Nadu and Uttar Pradesh under Case 1 competitive bid Power Purchase Agreement (PPA). The respective PPAs in addition to the agreed tariff payable for the power supplied contains specific provisions providing for tariff adjustment payment to the generator on account of Change in law. The Change in law provision essentially provides reimbursement mechanism for all additional recurring or non-recurring expenditure incurred by the Generator towards new costs levied / incurred post the bidding point. These claims under the PPA cover both (a) Claim on account of various statutory duties, levies and cess levied by Central or State Governments or its instrumentalities; and (b) linkage coal shortfall compensation with respective to Presidential Directive and Ministry of Power Notification to all Electricity Regulators in India. KSK Mahanadi has made claims pursuant to the above PPA provisions in excess of US $ 237,941, wherein claim pertaining to taxes amounts to US $ 58,841 and claim on account of short supply of coal pursuant to the Presidential Directive amounts to US $ 179,100. However, notwithstanding its eligibility for the full claim as per the PPA, keeping in view the regulatory commitments by the Government instrumentalities, the necessary legal and administrative process that KSK Mahanadi has to pursue, on its internal evaluation of the facts and circumstances of the case on a prudent basis, KSK Mahanadi has recognised a portion of the claim aggregating to US $ 179,021 in the books of accounts until date, wherein US $ 39,613 pertains to the current period. KSK Mahanadi has in its notices to the utilities submitted that it qualifies for the composite scheme guidelines and hence Central Electrical Regulatory Commission (CERC) will be the relevant appropriate authority to adjudicate the matter. While in the earlier period, the claims were to be determined by the State Regulators, pursuant to a recent ruling by the Appellate Tribunal of Electricity (APTEL) with respect to multiple power producers, the jurisdiction of CERC has been reaffirmed. Based on the bid guidelines, the PPA provisions and the legal advice that KSK Mahanadi has obtained, Group has made necessary amendments in its claim petitions and filled before CERC. Based on the legal advice and recent ruling of CERC in similarly placed power project, KSK Mahanadi is confident that the entire claim amount is fully receivable.

17. 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
	30 September 2016	**30 September 2016**	**31 March 2016**	**31 March 2016**
Non- current financial assets				
Trade and other receivables	2,730	2,730	2,593	2,593
Equity securities - available-for-sale	17,799	17,799	17,938	17,938
Loans and receivables	35,409	35,409	32,024	32,024
Derivative assets	44,980	44,980	45,872	45,872
Non-current bank deposits	7,274	7,274	4,994	4,994
Total non-current	**108,192**	**108,192**	**103,421**	**103,421**
Current financial assets				
Trade and other receivables	415,034	415,034	367,139	367,139
Equity securities - held for trading	127	127	115	115
Debt securities-held for trading	5,614	5,614	5,062	5,062
Loans and receivables	56,220	56,220	44,446	44,446
Cash and short-term deposits	160,896	160,896	122,800	122,800
Total current	**637,891**	**637,891**	**539,562**	**539,562**
Total	**746,083**	**746,083**	**642,983**	**642,983**
Non- current financial liabilities				
Trade and other payables	62,258	62,258	30,496	30,496
Loans and borrowings	2,951,287	2,951,287	2,700,202	2,700,202

	Carrying amount	Fair value	Carrying amount	Fair value
	30 September 2016	30 September 2016	31 March 2016	31 March 2016
Interest rate swaps	5,406	5,406	6,174	6,174
Option premium payable	14,533	14,533	17,065	17,065
Total non-current	**3,033,484**	**3,033,484**	**2,753,937**	**2,753,937**
Current financial liabilities				
Trade and other payables	606,980	606,980	493,099	493,099
Loans and borrowings	623,697	623,697	623,600	623,600
Foreign exchange forward contract	2,413	2,413	629	629
Option premium payable	6,365	6,365	5,469	5,469
Total current	**1,239,455**	**1,239,455**	**1,122,797**	**1,122,797**
Total	**4,272,939**	**4,272,939**	**3,876,734**	**3,876,734**

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

	Carrying amount	Fair value	Carrying amount	Fair value
	30 September 2016	30 September 2016	31 March 2016	31 March 2016
Non-current financial assets				
Loans and receivables to subsidiaries	149,130	149,130	155,978	155,978
Total non-current	**149,130**	**149,130**	**155,978**	**155,978**
Current financial assets				
Loans and receivables	87	87	-	-
Cash and short-term deposits	1,939	1,939	1,194	1,194
Total current	**2,026**	**2,026**	**1,194**	**1,194**
Total	**151,156**	**151,156**	**157,172**	**157,172**
Current financial liabilities				
Trade and other payables	1,261	1,261	1,503	1,503
Loans and borrowings	118,360	118,360	115,798	115,798
Total current	**119,621**	**119,621**	**117,301**	**117,301**

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).

30 September 2016	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - available-for-sale	506	-	17,293	17,799
Equity securities - held for trading	127	-	-	127
Debt securities-held for trading	5,614	-	-	5,614
Derivative assets	-	44,980	-	44,980
Total	**6,247**	**44,980**	**17,293**	**68,520**
Financial liabilities measured at fair value				
Interest rate swaps	-	5,406	-	5,406
Option premium payable	-	20,898	-	20,898
Foreign exchange forward contract	-	2,413	-	2,413

Total	**-**	**28,717**	**-**	**28,717**

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 period ended 30 September 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

30 September 2016	**Available-for-sale Unquoted Equities**	**Total**
Opening balance	17,429	17,429
Total gains or losses:		
- in income statement	-	-
- in other comprehensive income		
change in fair value of available for sale financial asset	-	-
foreign currency translation difference	(136)	(136)
Settlements	-	-
Transfers into level 3	-	-
Closing balance	17,293	17,293