KSK Power Ventur PLC - KSK Interim Results to 30 September 2017
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KSK Power Ventur plc
("KSK" or the "Group" or the "Company")
Interim Results for the half year ended 30 September 2017

KSK Power Ventur plc (KSK.L), the power project company listed on the London Stock Exchange, with interests in multiple power plants across India, announces its interim results for the half year ended 30 September 2017.

Financial Highlights

- Gross Revenue decreased by 7% to $ 292 m (H1 2016: $ 315 m)
- Gross Profit decreased by 1% to $ 87 m (H1 2016: $ 88 m)
- Operating Profit increased by 57% to $ 80 m (H1 2016: $ 51 m)
- Loss before tax decreased by 30% to $ 82 m (H1 2016: loss of $ 117 m)

These movements reflect continuation of the wider structural and economic challenges being experienced by the Indian Power sector as a whole together with specific factors restricting the Company's operational performance improvements such as suitable fuel availability at reasonable costs, failure of counter party state agencies to meet their commitments and delay in refinancing of project debt, considering the lowered debt interest rates across the wider Indian market currently.

The increase in operating profit and decrease in loss before taxes are primarily on account of de-consolidation of Sai Wardha and VS Lignite as a result of a loss of control in favour of the respective project lenders to mitigate the short term challenges as well as achieving an appropriate long term comprehensive debt resolution plan at these projects. KSK Mahanadi will continue to be the mainstay of the Company's financial performance, wherein it is anticipated that:

- Operational performance and profitability improvements are expected to be essentially supported by stabilised long term coal supplies under "**SHAKTI**" (Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India) policy
- Reduction in finance costs through debt refinancing at lower interest rates on the strength of project achievements and collaborations
- Cash flow robustness and working capital efficiencies achieved through faster sales realisation from utilities procuring power from KSK Mahanadi including realisation revenues arising from change in law that are requiring determination by the Electricity Regulatory Commission before receipt of payment.
- Resultantly, an increase in the plant load factor (PLF) at KSK Mahanadi growing from the 63% level to 85% level

The path to recovery and achievement timing at KSK Mahanadi continues to be uncertain until the above are finally and fully implemented. In conjunction with the above, the potential equity collaboration and continuing support of project lenders at KSK Mahanadi is vital to this outlook and management continues to work hard to finalise these arrangements in close consultation with the project lenders and with continued challenges to success. Further, such arrangements could lead to such collaborating investor, as and when finalised, obtaining a majority shareholding in the KSK Mahanadi project along with significant influence or control over its future operations

Operating Highlights

During the period, operating assets generated 4,278 GWh (H1 2016: 4,990 GWh), primarily on account of decreased generation at Sai Wardha and VS Lignite.

	30-Sep-17		**30-Sep-16**	
	GWH	**(%)**	**GWH**	**(%)**
Subsidiaries				
KSK Mahanadi (1200 MW)	3311	63%	3539	67%
Sai Regency (58 MW)	207	82%	207	82%
Sai Lilagar (86 MW)	96	26%	-	-
Sitapuram Power (43 MW)	105	56%	161	85%
Solar Project (10 MW)	9	22%	9	21%
Associates*				
Sai Wardha (540 MW)	535	23%	702	30%
VS Lignite (135 MW)	15	3%	372	63%
TOTAL	**4,278**		**4,990**	

*accounting as associates effective 28th April, 2017 and 29th August 2017 respectively.

The increased PLF at KSK Mahanadi during the second half would be based on appropriate quantity and quality of coal being made available to the power plant based on the implementation of SHAKTI linkage mechanism.

Equity and Financing arrangements

The Company continues its effort to explore solutions for retirement of debt at the various holding companies including potential swap into appropriate instruments / equity at the project companies. As regards equity interest in KSK Energy Ventures, the Indian listed subsidiary, once the financial performance improves, the Company would be in a position to consolidate its equity interest and further increase equity stakes both at KSKEV and underlying power plants in the future. Consequently, the Company continues to hold discussions and evaluate proposals for further strategic funding and equity collaboration at the individual asset levels with various potential participants and anticipates movement during the ensuing year. The Group is dependent on the outcome of these however there can be no certainty as to the outcome of negotiations or the impact on the finances of the Group.

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

"The period under review witnessed the continuation of the prolonged period of challenges and uncertainty across the Indian power sector as a whole and the various operating power plants of the Group in particular. Further, the developments at Sai Wardha and VS Lignite highlight the requirement of the Group to reconsider its business approach and explore alternative solutions and equity collaborations at each of the Group's assets to preserve long term value.

With KSK Mahanadi intended to be the main stay of the Company's operating and financial performance moving forward, enhanced performance achievement is contingent upon a number of government initiatives committed being implemented, as well as debt refinancing being concluded and the potential equity collaboration at KSK Mahanadi also being finalised in consultation with project lenders. Notwithstanding the challenges across the sector the Company's underlying assets, the risk mitigation strategies and certain recent positive developments within the power sector should, in the long term, assist in moving the Company back towards meeting market expectations.

This continued progress and sustained operating performance during the period, in spite of the wider power sector challenges across India, would not have been possible without the continued support of our shareholders, who have enabled us to pursue business opportunities against a background of 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 year:

- The initial 1200 MW is under operation and the third 600 MW is currently being commissioned. It is anticipated that this will be followed by the fourth unit during 2018.
- Mitigating arrangements have been put in place to ensure power requirement of the various State Distribution Companies (Discoms) under Power Purchase Agreements (PPA) continue to be fulfilled by alternate sources pending the third and fourth 600 MW unit being fully commissioned and made operational.
- Progress on the final 1200 MW (fifth and sixth units of 600 MW each) is contingent upon project equity funding, as well as addressing fuel supply and PPA issues.
- An integrated power plant complex with associated rail and water infrastructure, to support the larger power project operations has been put in place.

540 MW SAI WARDHA POWER GENERATION LIMITED (SWPGL):

During the period the project lenders to Sai Wardha have exercised their security rights to progress new management and also control of a 51% stake in the power plant. As a result of this KSK group now only have a 28% stake in the plant at the Indian group level.

The total gross power generated during the review period was 535 GWh as against the 702 GWh during the same period during the previous year reflecting the continued challenges of the local operating environment, the fuel and the offtake constraints experienced by Sai Wardha, and resultant pressure on working capital and continued operations.

A recent significant achievement, in the legal appeal of Western Coal Fields Limited (WCL) and Coal India Limited (CIL) against the ruling by the Competition Appellate Tribunal ("COMPAT") in December 2016, has been an interim ruling obtained by Sai Wardha from the Hon. Supreme Court of India directing WCL to commence 3000 tons of daily coal supplies from two designated coal mines at specific prices fixed by the Honourable Court, thereby providing partial relief with respect to cost of coal supplies. However, a favourable final ruling by the Supreme Court would not only enable a price reduction but also allow substantial claims of damages from WCL for the prior period to be determined by the COMPAT, wherein total claim of US$ 240m is pending for execution proceedings and the recovery of the claim under the law.

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 Supreme Court shortly.

Sai Wardha continues to make every effort to pursue the coal price reduction and implementation of the APTEL direction on PPA, which will ultimately lead to the enhanced utilisation and profitability of the plant. The project lenders continue to explore all potential resolution plans at Sai Wardha to address the project requirements before long term solutions on fuel and PPA are achieved ultimately.

135 MW VS LIGNITE POWER PRIVATE LIMITED (VSLP):

During the period the project lenders to VS Lignite have exercised their security rights to progress new management and also control of a 51% stake in the power plant. As a result of this KSK group now only have a 32.75% stake in the plant at the Indian group level.

Total gross power generated during the period was 15 GWh as against the 372 GWh during the same period during the previous year, 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, VS Lignite continues to work on interim solutions including close working with project lenders before long term solutions on PPA is achieved ultimately.

86 MW SAI LILAGAR POWER GENERATION LIMITED (SLPGL):

Total gross power generated during the period as 96 GWh as against Nil GWh during the previous period reflecting the revival of the project as Independent Power Producer.

The Company anticipates increased generation, revenue and profitability from the Sai Lilagar plant upon resolution of the various challenges it faces especially fuel supplies and availability

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

Total gross power generated in the combined cycle gas fired power plant during the year was 207 GWh as against 207 GWh during the previous year, primarily on account of stabilisation of movement of gas supply arrangement from direct to auction basis.

43 MW SITAPURAM POWER LIMITED (SPL):

Total gross power generated during the year was 105 GWh as against 161 GWh during the previous year reflecting the changes in coal prices from the Singareni Collieries Company Limited and variation in energy purchases by Zuari Cement Limited (ZCL), the captive Customer. The Company is in discussion with ZCL on the solution to the same within the framework of Power Purchase Agreement and Shareholders Agreement.

10 MW SAI MAITHILI SOLAR POWER PROJECT (SMSPP):

Total gross power generated during the year was 9 GWh as against 9 GWh during the previous year. The 10 MW PV solar power generation plant of SMSPP is located in the state of Rajasthan, operating under the Jawaharlal Nehru National Solar Mission with a long term PPA.

FINANCIAL PERFORMANCE

With a total current operating capacity of 1,397 MW (excluding 675 MW of Sai Wardha and VS Lignite pursuant to change in control effective from 28 April and 29 August of 2017 respectively), albeit at a lower portfolio PLF compared to the previous period, the consolidated operating revenue achieved was $ 292 m, with a gross profit of $ 87 m, operating profits of $ 80 m, a loss before tax of $ 82 m, and a loss after tax of $ 63 m. The net decrease in revenue is largely as a result of deconsolidation of Sai Wardha and VS Lignite and decreased output levels at KSK Mahanadi on account of complete dependence on market coal supplies.

Gross profit decreased marginally to $ 87 m but operating profit increased to $ 80 m. The deconsolidation of Sai Wardha and VS lignite resulted in decrease in finance cost from $ 178 m to $ 167 m despite increased borrowing levels with respect to KSK Mahanadi.

Business Strategy

The Company's business strategy continues to be a dedicated focus on consolidation of the operations of the power generation capacity while evaluating and concluding proposals for further strategic funding and equity collaboration at the asset level, especially KSK Mahanadi. The same coupled with potential cash accruals (post debt servicing) could provide the path for movement forward and work continues on a number of major initiatives in this regard.

Obtaining the right fuel at the right price and supplying power to customers at attractive PPAs within the Indian power sector continues to be the main building block of continued growth in the Indian Power sector and the majority of the underlying factors are essentially external issues and not directly within the Company's control to resolve. However, against the current difficult Indian policy environment the Company continues to work tirelessly with the Government and the authorities at all levels seeking their support to address these Industry wide issues which, once they are resolved, will significantly improve the Company's financial performance over time.

OUTLOOK

The Company estimates that demand for power generation in India is expected to grow over the next decade, albeit with sporadic surprises and uncertainties with Government counterparties. The high quality of the Group's asset base means that KSK is well positioned to address the challenges as well as take advantage of these opportunities.

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

An extract of the Interim Consolidated and Company Financial Statements for the period ended 30 September 2017 is shown below. A full set of accounts will be available from the Company website:

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 announcement 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:

- Liquidity risk, project financing and sustainable debt levels against invested equity in the projects. As noted earlier, the Group is dependent on the outcome of negotiations for further strategic funding and equity collaboration. However, there can be no certainty as to the outcome of negotiations or the impact on the finances of the Group.
- 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 may take more time than anticipated to fructify
- 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 timely availability of credit;
- Delays in enforcement of contractual rights or legal remedies with government counterparties undertaking fuel supplies, power off take, transmission and open access amongst others;
- PPA Counterparties 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; and
- Political and economic instability, global financial turmoil and the resultant fiscal and monetary policies as well as currency depreciation resulting in increasing cost structures,

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 September 2017
(All amounts in thousands of US $, unless otherwise stated)

		Consolidated		Company	
	Notes	30 September 2017	31 March 2017	30 September 2017	31 March 2017
ASSETS					
Non-current					
Property, plant and equipment, net	6	3,321,665	3,736,864	-	-
Intangible assets and goodwill		6,175	11,495	-	-
Investments and other financial assets	7	116,315	103,261	377,945	373,890
Other assets		39,000	60,390	-	-
Trade and other receivables	8	2,995	2,717	-	-
Deferred tax asset		129,866	167,951	-	-
		3,616,016	**4,082,678**	**377,945**	**373,890**
Current					
Investments and other financial assets	7	153,664	158,256	87	87
Other assets		140,915	103,008	25	111
Trade and other receivables	8	587,252	457,018	-	-
Inventories		12,316	29,258	-	-
Cash and short-term deposits	9	103,336	105,079	468	969
		997,483	**852,619**	**580**	**1,167**
Total assets		**4,613,499**	**4,935,297**	**378,525**	**375,057**
EQUITY AND LIABILITIES					
Issued capital	10	289	289	289	289
Share premium	10	287,191	287,191	287,191	287,191
Foreign currency translation reserve	10	(138,368)	(143,123)	1,716	(477)
Revaluation reserve	10	1,335	1,352	-	-
Capital redemption reserve	10	16,045	16,045	-	-
Other reserves	10	79,830	102,578	185	185
Retained earnings	10	(210,913)	(175,303)	(32,101)	(32,255)
Equity attributable to owners of the Company		**35,409**	**89,029**	**257,280**	**254,933**
Non-controlling interests		194,077	185,227	-	-
Total equity		**229,486**	**274,256**	**257,280**	**254,933**
Non-current liabilities					
Loans and borrowings	11	3,103,413	3,267,005	-	-
Other financial liabilities		-	13,815	-	-
Trade and other payables	12	57,243	64,961	-	-

	Notes	Consolidated		Company	
		30 September 2017	31 March 2017	30 September 2017	31 March 2017
Provisions		954	9,376	-	-
Deferred revenue		-	2,205	-	-
Employee benefit liability		883	1,177	-	-
Deferred tax liabilities		28,960	45,429	-	-
		3,191,453	**3,403,968**	-	-
Current liabilities					
Loans and borrowings	11	586,040	598,827	119,237	118,921
Other financial liabilities		-	7,636	-	-
Trade and other payables	12	606,008	648,733	2,008	1,203
Deferred revenue		61	219	-	-
Taxes payable		451	1,658	-	-
		1,192,560	**1,257,073**	**121,245**	**120,124**
Total liabilities		**4,384,013**	**4,661,041**	**121,245**	**120,124**
Total equity and liabilities		**4,613,499**	**4,935,297**	**378,525**	**375,057**

(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 2017
(All amounts in thousands of US $, unless otherwise stated)

	Notes	Consolidated		Company	
		30 September 2017	30 September 2016	30 September 2017	30 September 2016
Revenue	13	291,945	315,400	-	-
Cost of revenue		(205,374)	(227,893)	-	-
Gross profit		**86,571**	**87,507**	-	-
Other operating income		15,537	449	-	7
Distribution costs		(471)	(4,402)	-	-
General and administrative expenses		(21,679)	(32,645)	(322)	(352)
Operating profit / (loss)		**79,958**	**50,909**	**(322)**	**(345)**
Finance costs	14	(167,362)	(178,151)	(1,364)	(3,856)
Finance income	15	5,487	10,354	1,840	-
(Loss) / profit before tax		**(81,917)**	**(116,888)**	**154**	**(4,201)**
Tax income	16	18,426	13,315	-	-
Loss for the period		**(63,491)**	**(103,573)**	**154**	**(4,201)**
Attributable to:					
Owners of the Company		(37,763)	(78,058)	154	(4,201)
Non-controlling interests		(25,728)	(25,515)	-	-
		(63,491)	**(103,573)**	**154**	**(4,201)**
Loss 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 per share (US $)		(0.22)	(0.45)		

(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 2017
(All amounts in thousands of US $, unless otherwise stated)

	Consolidated		Company	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Loss for the period	**(63,491)**	**(103,573)**	**154**	**(4,201)**
Items that will never be reclassified to income statement				
Re-measurement of defined benefit liability	(539)	(53)	-	-
Income tax relating to re-measurement of defined benefit liability	51	15	-	-
	(488)	**(38)**	-	-
Items that are or may be reclassified subsequently to income statement				
Foreign currency translation differences	(3,426)	(666)	2,193	(3,879)
Available-for-sale financial assets				
- current year gain	54	65	-	-
- reclassification to income statement	(7)	(7)	-	-
Reclassification of reserves on disposal of subsidiaries	8,104	-	-	-
	4,725	**(608)**	**2,193**	**(3,879)**
Other comprehensive income/ (expense), net of tax	**4,237**	**(646)**	**2,193**	**(3,879)**
Total comprehensive (expense)/ income for the period	**(59,254)**	**(104,219)**	**2,347**	**(8,080)**
Attributable to:				
Owners of the Company	(32,146)	(77,269)	2,347	(8,080)
Non-controlling interests	(27,108)	(26,950)	-	-
	(59,254)	**(104,219)**	**2,347**	**(8,080)**

(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 2016
(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 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	-	-	-	-	-	-	(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 year 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 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 Consolidated income statement. However, the non controlling interest disclosed in the interim Consolidated 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 2017
(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 2017	**289**	**287,191**	**(143,123)**	**1,352**	**16,045**	**102,578**	**(175,303)**	**89,029**	**185,227**	**274,256**
Change in non-controlling interests without change in control (refer note 5)	-	-	-	-	-	(23,610)	-	**(23,610)**	29,681	**6,071**
Disposal of subsidiaries (refer note 5)	-	-	-	-	-	-	-	-	8,413	**8,413**
Transfer of economic interest to non-controlling interests[1]	-	-	-	-	-	-	2,136	**2,136**	(2,136)	-
Net depreciation transfer for property, plant and equipment	-	-	-	(17)	-	-	17	-	-	-
Transaction with owners	-	-	-	**(17)**	-	**(23,610)**	**2,153**	**(21,474)**	**35,958**	**14,484**
Loss for the period	-	-	-	-	-	-	(37,763)	**(37,763)**	(25,728)	**(63,491)**
Other comprehensive income										
Items that will never be reclassified to income statement										
Re-measurement of defined benefit liability	-	-	-	-	-	(449)	-	**(449)**	(90)	**(539)**
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	51	-	**51**	-	**51**
Items that are or may be reclassified subsequently to income statement										
Foreign currency translation differences	-	-	(2,102)	-	-	-	-	**(2,102)**	(1,324)	**(3,426)**
Available-for-sale financial assets										
- current year gain	-	-	-	-	-	20	-	**20**	34	**54**
- reclassification to profit or loss	-	-	-	-	-	(7)	-	**(7)**	-	**(7)**
Reclassification of reserves on disposal of subsidiaries (refer note 5)	-	-	6,857	-	-	1,247	-	**8,104**	-	**8,104**
Total comprehensive income / (expenses) for the period	-	-	**4,755**	-	-	**862**	**(37,763)**	**(32,146)**	**(27,108)**	**(59,254)**
Balance as at 30 September 2017	**289**	**287,191**	**(138,368)**	**1,335**	**16,045**	**79,830**	**(210,913)**	**35,409**	**194,077**	**229,486**

(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 Consolidated income statement. However, the non controlling interest disclosed in the interim Consolidated 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 2017
(All amount in thousands of US $, unless otherwise stated)

	Issued capital	Share premium	Share application money	Foreign currency translation reserve	Other reserve	Retained earnings	Total Equity
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 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**
As at 1 April 2017	**289**	**287,191**	**-**	**(477)**	**185**	**(32,255)**	**254,933**
Equity-settled share based payment	-	-	-	-	-	-	-
Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loss for the period	-	-	-	-	-	154	**154**
Other comprehensive income							
Foreign currency translation differences	-	-	-	2,193	-	**-**	**2,193**
Total comprehensive expense for the period	**-**	**-**	**-**	**2,193**	**-**	**154**	**2,347**
Balance as at 30 September 2017	**289**	**287,191**	**-**	**1,716**	**185**	**(32,101)**	**257,280**

(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 2017
(All amount in thousands of US $, unless otherwise stated)

	Consolidated		Company	
	30 September 2017	**30 September 2016**	**30 September 2017**	**30 September 2016**
Cash inflow / (outflow) from operating activities				

Loss before tax	(81,917)	(116,888)	154	(4,201)
Adjustment				
Depreciation and amortization	43,420	50,785	-	-
Finance costs	167,362	180,863	(475)	3,970
Finance income	(10,083)	(10,354)	-	-
Provision and impairment of trade receivable, PPE and other receivable	5,657	10,213	-	(7)
(Profit) / loss on sale of fixed assets, net	(79)	(210)	-	-
Others	(458)	(93)	-	8
Change in				
Trade receivables and unbilled revenue	(169,812)	(58,313)	-	-
Inventories	2,690	12,168	-	-
Other assets	(44,039)	(4,078)	696	(308)
Trade payables and other liabilities	113,393	18,881	91	60
Provisions and employee benefit liability	(286)	90	-	-
Cash generated from / (used in) operating activities	**25,848**	**83,064**	**466**	**(478)**
Taxes refund, net	1,150	1,266	-	-
Net cash provided by / (used in) operating activities	**26,998**	**84,330**	**466**	**(478)**
Cash inflow / (outflow) from investing activities				
Movement in restricted cash, net	9,496	15,671	-	-
Purchase of property, plant and equipment and other non-current assets	(93,068)	(106,496)	-	-
Proceeds from sale of property, plant and equipment	331	5,012	-	-
Purchase of financial assets	(32,337)	(14,782)	-	(132)
Proceeds from sale of financial assets	177	127	31	504
Dividend received	-	52	-	-
Interest income received	3,035	9,353	-	-
Net cash (used in) / provided by investing activities	**(112,366)**	**(91,063)**	**31**	**372**
Cash inflow / (outflow) from financing activities				
Proceeds from borrowings	407,536	413,034	315	2,397
Repayment of borrowings	(22,345)	(130,534)	-	-
Finance costs paid	(285,092)	(243,533)	(1,206)	(1,453)
Payment of derivative liabilities	(413)	(2,405)	-	-
Advance received for sale of investment	(2,832)	26,139	-	-
Net proceeds from issue of shares and share application money in subsidiary to non-controlling interest	-	699	-	-
Net cash flow provided by / (used in) financing activities	**96,854**	**63,400**	**(891)**	**944**
Effect of exchange rate changes	2,873	(2,898)	(107)	(96)
Net increase / (decrease) in cash and cash equivalent	**14,359**	**53,769**	**(501)**	**745**
Cash and cash equivalents at the beginning of the period	21,584	16,022	969	1,194
Cash and cash equivalents at the end of the period (refer note 9)	**35,943**	**69,791**	**468**	**1,939**

(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 2017

(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 interim condensed financial statements were authorised for issue by the Board of Directors on 21 December 2017.

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 2017, which have been prepared in accordance with IFRSs as adopted by European union.

e. The financial information set out in these interim condensed financial statements does not constitute statutory accounts. The interim condensed 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 2017. The comparative information required by IAS 1 were determined using IAS 34 and include comparative information as follows:

Statement of financial position :	31 March 2017 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 period ended 30 September 2016 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
- Liabilities for cash-settled shared-based payment arrangements
- Net employee defined benefit (asset) / liability that is measured based on actuarial valuation.

The interim condensed 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 interim condensed financial statement represents separate financial statement of KPVP.

Going Concern:

These 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. This is based on the Group's assessment of the business, sectoral developments, underlying economic environment as well as approach towards addressing the business challenges faced by operating assets to achieve optimistic solutions thereto. The Group is making cautious efforts to preserve and maximize the economic value of the underlying power generation assets and in the process the Group has diluted its equity interest in Sai Wardha Power Generation Limited and VS Lignite Power Private Limited. The Group is in discussion with various other parties for potential dilution in some other plants as well. The Group believes that with support from the project stakeholders at each of such assets it would be able to address the requirements of Going Concern at each of the same. However, the Group is exposed to a number of operational, legal, financial, economic and political risks, including:

Capital structure

The Group is seeking additional equity financing and/or debt restructuring in respect of the KSK Mahanadi and other key power plant projects in order to stabilise the projects development and the Groups financing and operating obligations. The Group is currently pursuing a number of avenues in this regard and expects positive outcomes by the end of the financial year. However there can be no certainty as to the outcome of these negotiations or the impact on the finances of the Group.

Financial

The Group requires funds for both short term operational needs as well as for long term investment programs, mainly in construction projects for its power plants. As at 30 September 2017, the Group has net current liabilities of US $ 195,077 and is dependent on a continuation of both short term and long term debt financing facilities. A number of the facilities that are due to expire at or before 30 September 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. The Directors consider that facilities will remain available to the Group based on current trading, current covenant compliance and ongoing discussions with the Group's primary lending consortium regarding future facilities and arrangements in respect of current borrowings. During the period, the Group breached certain debt service covenant requirements in respect of loan facilities - the Group remains in active discussions with its lenders with regard to the provision of facilities.

Operational

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, and incremental cash flows upon expected commissioning of another two units of 600 MW each and also on account of reduction in coal procurement costs with the new coal policy called 'SHAKTI'. These factors are key assumptions with regard to management's forecasts and expectations.

Legal and claims

The Group is also involved in a number of on-going legal and claim matters. These may impact on the timing of receipt and value of receivables recognised in the financial statements. For example, the Group has experienced delays and legal challenge to the settlement of significant receivables, including c$276m recognized in respect of change in law claim under PPA due to fuel input considerations, which the Group has recognized in accordance with the PPA, has obtained legal advice in respect of and considered the recent ruling of Central Electrical Regulatory Commission and Honorable Supreme Court of India in similarly placed power projects, as such management consider the entire claim as fully recoverable. In addition the Group is subject to a number of claims, whilst the Group considers that it has a strong position of defense in respect, these proceedings may result in outflows that are not currently recognized. For further details refer to note 8.

Political environment

Given the country and sector of operations the Group is exposed to political uncertainties that may result in changes in government policy which may materially affect the business plans, of the Group and amounts recognised in the financial statements.

Commitments

The Group also has significant capital commitments at the period-end of which a portion is due to be met during the next 12 months, primarily in respect of on-going plant construction projects at KSK Mahanadi. However, the Group currently has also significant committed undrawn borrowing facilities, subject to certain conditions, amounting to approximately US $ 197,187 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 of US $ 884,516 and the remaining draw down of these funds of US $ 137,473 is not impacted by the current restructure negotiations or breaches on financing facilities. This will facilitate drawing the balance of the debt depending upon the investment required for construction of project and resultant surpluses of operational cash flows available to meet Group obligations.

Conclusion

Nonetheless Group monitors the situation on an on-going basis and plans alternative arrangements where possible. The outcome of the above factors is subject to material uncertainty and may impact on the timing of the strategic development of power plants, the Groups proportional equity holdings in significant projects and the going concern of the Group.

However, the Directors continue to 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.

3. Standards and interpretations not yet applied

At the date of authorisation of these Consolidated financial statements, the following Standards and relevant Interpretations, which have not been applied in these Consolidated financial statements, were in issue but not yet effective (and some of which were pending endorsement by the EU)

Standard	Description	Effective for in reporting years starting on or after
IAS 7	Disclosure Initiative (Amendments)	1 January 2017
IAS 12	Recognition of deferred tax asset for unrealised losses	1 January 2017
IFRS 12	Annual improvement to IFRSs 2014-2016	1 January 2017
IFRS 15*	Revenue from Contracts with Customers	1 January 2018
IFRS 9*	Financial instruments	1 January 2018/2019
IFRS 2	Share - based payment transaction	1 January 2018
IAS 40	Investment property	1 January 2018
IFRIC 22	Foreign currency transaction and advanced consideration	1 January 2018
IFRIC 23	Uncertainty over income tax treatments	1 January 2019
IAS 28	Long-term interest in associates and joint ventures	1 January 2019
IFRS 4	Insurance Contracts	1 January 2018
IFRS 16	Leases	1 January 2019

**Endorsed by European Union.*

The Group has yet to assess the impact of above standards on the Consolidated financial statements. However the management does not intend to apply any of these pronouncements early.

4. 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.

5. Acquisition and Dilution

a. change in non-controlling interest without change in control

Dilution in KSK Mahanadi Power Company Limited

During the period ended 30 September 2017, 6,221,868 equity shares in KSK Mahanadi Power Company Limited ("KMPCL") were sold to non - controlling interest. Pursuant to this the economic interest of the Group in KMPCL has decreased from 64.40 percent to 64.30 percent resulting in a 0.10 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 consolidated income statement. The difference of US $ 17, between the fair value of the net consideration received US $ 965 and the amount by which the non-controlling interest are adjusted US $ 947, is credited to 'Other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company.

Dilution in KSK Energy Ventures Limited

During the period ended 30 September 2017, 39,710,880 equity shares in KSK Energy Ventures Limited ("KEVL") were sold to non - controlling interest. Pursuant to this the economic interest of the Group in KEVL has decreased from 57.83 percent to 48.46 percent resulting in a 9.37 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 consolidated income statement. The difference of US $ 23,627, between the fair value of the net consideration received US $ 5,106 and the amount by which the non-controlling interest are adjusted US $ 28,733, is debited to 'Other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company.

b. change in control

Deconsolidation of Sai Wardha Power Generation Limited and VS Lignite Power Private Limited

During the period ended September 30, 2017, under a Framework for Revitalizing Distressed Assets in the Economy by RBI and as per the Prudential Norms on Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme), the lenders of Sai Wardha Power Generation Limited ('SWPGL') and VS Lignite Power Private Limited ('VSLPPL') have decided to the change in ownership on April 28, 2017 and August 29, 2017 respectively, considered as reference date. This resulted in transfer of 51% equity to lenders and loss of control by the Group over SWPGL and VSLPPL, effective reference date. The Group holds 27.98% and 32.75% equity in SWPGL and VSLPPL respectively at reporting date.

Pursuant to such change in control, the Group has derecognised the related carrying values of assets and liabilities of above subsidiaries and recognised investments retained in these subsidiaries at fair value. The resulting gain has not been recognised on prudent basis in these interim condensed Consolidated financial statements as the management is evaluating, if any, impairment to net investments. The Group will recognise gain on above disposal post its aforesaid evaluation in the year end financial statements.

6. 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 2016	436,104	2,129,595	12,146	9,102	1,030,246	3,617,193
Additions	164	459	-	171	406,782	407,576
Transfer	2,243	35,569	-	-	(37,812)	-
Disposals/adjustments	(2,282)	(1,283)	-	(33)	-	(3,598)
Exchange difference	9,245	45,142	257	192	14,874	69,710
As at 31 March 2017	**445,474**	**2,209,482**	**12,403**	**9,432**	**1,414,090**	**4,090,881**
As at 1 April 2017	445,474	2,209,482	12,403	9,432	1,414,090	4,090,881
Additions	-	30	-	75	161,096	161,201
Transfer	-	-	-	-	-	-
Disposals/adjustments	(198)	-	-	(133)	-	(331)
Disposal of subsidiaries (refer note 5)	(127,583)	(522,090)	(12,323)	(2,098)	(10,320)	(674,414)
Exchange difference	(2,871)	(14,301)	(80)	(61)	(5,979)	(23,292)
As at 30 September 2017	**314,822**	**1,673,121**	**-**	**7,215**	**1,558,887**	**3,554,045**
Depreciation						
As at 1 April 2016	33,031	203,299	2,732	7,199	-	246,261
Additions	13,533	85,815	322	684	-	100,354
Disposals / adjustments	(13)	(1,283)	-	(33)	-	(1,329)
Exchange difference	1,174	7,311	69	177	-	8,731
As at 31 March 2017	**47,725**	**295,142**	**3,123**	**8,027**	**-**	**354,017**
As at 1 April 2017	47,725	295,142	3,123	8,027	-	354,017
Additions	5,096	38,003	9	258	-	43,366
Disposals / adjustments	(23)	-	-	(90)	-	(113)
Disposal of subsidiaries (refer note 5)	(24,356)	(132,728)	(3,112)	(1,856)	-	(162,052)
Exchange difference	(373)	(2,390)	(20)	(55)	-	(2,838)
As at 30 September 2017	**28,069**	**198,027**	**-**	**6,284**	**-**	**232,380**
Net book value						
As at 30 September 2017	**286,753**	**1,475,094**	**-**	**931**	**1,558,887**	**3,321,665**
As at 31 March 2017	**397,749**	**1,914,340**	**9,280**	**1,405**	**1,414,090**	**3,736,864**

7. Investments and other financial assets

	Consolidated		Company	
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
Current				
Financial assets at fair value through profit or loss				
- held for trading	5,358	5,410	-	-
Loans and receivables	102,789	152,846	87	87
Loans and receivables to associate companies (refer note 5)	45,517	-	-	-
	153,664	**158,256**	**87**	**87**
Non-current				
Financial assets at fair value through profit or loss				
- Derivative assets (refer note 5)	-	40,297	-	-
Available-for-sale investments	17,894	17,970	-	-
Deposit with banks	12,636	9,079	-	-
Loans and receivables	31,872	34,382	-	-
Loans and receivables to Joint Venture partner and Associate	53,913	1,533	-	-
Loans and receivable to subsidiaries	-	-	151,075	147,002
Investment in subsidiaries	-	-	226,870	226,888
	116,315	**103,261**	**377,945**	**373,890**
Total	**269,979**	**261,517**	**378,032**	**373,977**

Impairment of financial assets

During the period ended 30 September 2017, the Group's available-for-sale financial asset of US $ Nil (31 March 2017: US $ Nil) and loans and receivable of US $ Nil (31 March 2017: US $ 308) were collectively impaired.

The Group has impaired its receivables from Associate companies to the extent of its shares of losses of Associate Companies and additionally impaired to the extent of gain on loss of control as detailed in Note 5(b). The Management based on its assessment considering various factors believe that carrying loan and receivables from Associate Companies are fully recoverable and no further impairment provision is required.

8. Trade and other receivables

	30 September 2017	31 March 2017
Current		
Trade receivables (refer note below)	584,952	449,887
Interest accrued	2,300	7,131
	587,252	**457,018**
Non-current		
Trade receivables	2,311	2,236
Interest accrued	684	481
	2,995	**2,717**
Total	**590,247**	**459,735**

Trade receivables are non-interest bearing and are generally due within 7-30 days terms. Trade receivables of US $ 587,263 (31 March 2017: US $ 452,123) have been pledged as security for borrowings (refer note 11). During the period ended 30 September 2017, trade and other receivables of an initial value of US $ 5,657 (31 March 2017: US $ 14,754) were impaired.

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 $ 348,886, wherein claim pertaining to taxes amounts to US $ 99,573 and claim on account of short supply of coal pursuant to the Presidential Directive amounts to US $ 249,312. 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 $ 275,519 in the books of accounts until date, wherein US $ 56,009 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 year, 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, the Group has made necessary amendments in its claim petitions and filed before CERC. Based on the legal advice and recent ruling of CERC and Honourable Supreme Court of India in respect of a similarly placed power project, KSK Mahanadi is confident that the entire claim amount is fully receivable.

9. Cash and short-term deposits

Cash and short-term deposits comprise of the following:

	Consolidated		Company	
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
Cash at banks and on hand	35,924	21,565	468	969
Short-term deposits	67,412	83,514	-	-
Total	**103,336**	**105,079**	**468**	**969**

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

	Consolidated		Company	
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
Cash at banks and on hand	35,924	21,565	468	969
Short-term deposits	67,412	83,514	-	-
Total	**103,336**	**105,079**	**468**	**969**
Less: Restricted cash[1]	(67,393)	(83,495)	-	-
Cash and cash equivalent	**35,943**	**21,584**	**468**	**969**

[1]Include deposits pledged for prevailing credit facilities from banks and deposits with maturity term of three months to twelve months (refer note 11).

10. 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 2017: 500,000,000) at par value of £ 0.001 (US $ 0.0013) per equity share amounting to US $ 650. The issued and fully paid up number of shares of the Company is 175,308,600 (31 March 2017: 175,308,600). During the period, Company has not issued/ bought back any ordinary share.

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 interim consolidated income statement and interim consolidated other comprehensive income less dividend distribution.

11. Loans and borrowings

The loans and borrowings comprise of the following:

	Final maturity	Consolidated		Company	
		30 September 2017	31 March 2017	30 September 2017	31 March 2017
Long-term "project finance" loans	April-38	3,205,353	3,342,527	-	-
Short-term loans	March-20	109,990	142,953	84,237	83,921
Buyers' credit facility	September-18	68,342	81,238	35,000	35,000
Cash credit and other working capital facilities	September-18	229,809	241,918	-	-
Redeemable preference shares	August-26	2,063	5,940	-	-
Debentures	March-25	73,896	51,256	-	-
Total		**3,689,453**	**3,865,832**	**119,237**	**118,921**

The interest-bearing loans and borrowings mature as follows:

	Consolidated		Company	
		31 March		

	30 September 2017	2017	30 September 2017	31 March 2017
Current liabilities				
Amounts falling due within one year	586,040	598,827	119,237	118,921
Non-current liabilities				
Amounts falling due after more than one year but not more than five years	990,394	1,208,631	-	-
Amounts falling due in more than five years	2,113,019	2,058,374	-	-
Total	**3,689,453**	**3,865,832**	**119,237**	**118,921**

Total debt of US $ 3,689,453 (31 March 2017: US $ 3,865,832) comprised:

- Long-term "project finance" loans of the Group amounting US $3,205,353 (31 March 2017: US $ 3,342,527) 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 represents loans against deposit secured against fixed deposit of the group companies and other unsecured inter corporate deposits.
- Buyer's credit facility is secured against first charge on all assets of the Company and further secured by 'stand by letter of credit' (SBLC) of group companies and by pledge of equity shares of some of the subsidiaries.
- A number of the facilities that are due to expire at 30 September 2018 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 next 9 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.

12. Trade and other payables

	Consolidated		Company	
	30 September 2017	31 March 2017	30 September 2017	31 March 2017
Current				
Trade payable	269,354	234,040	2,008	1,203
Other payable	227,748	278,498	-	-
Interest payable	108,906	136,195	-	-
	606,008	**648,733**	**2,008**	**1,203**
Non-current				
Trade payable	2,311	1,140 20,390 43,431	-	-
Interest payable	17,463	20,390	-	-
Other payable	37,469	43,431	-	-
	57,243	**64,961**	**-**	**-**
Total	**663,251**	**713,694**	**2,008**	**1,203**

13. 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 interim condensed 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 2017	Project development activities	Power generating activities	Reconciling / Elimination activities	Consolidated
Revenue				
External customers	17	291,928	-	291,945
Inter-segment	218	-	(218)	-
Total revenue	**235**	**291,928**	**(218)**	**291,945**
Segment operating results	(427)	108,544	-	108,117
Unallocated operating expenses, net		.		(28,159)
Finance costs				(167,362)
Finance income				5,487
Loss before tax				**(81,917)**
Tax income				18,426
Loss after tax				**(63,491)**
Segment assets	9,196	4,246,252	(108)	4,255,340
Unallocated assets				358,159
Total assets				**4,613,499**
Segment liabilities	1,201	477,777	(108)	478,870
Unallocated liabilities				3,905,143
Total liabilities				**4,384,013**
Other segment information				
Depreciation and amortisation	10	43,404	6	**43,420**
Capital expenditure	1	161,200	-	**161,201**

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**

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 $ 5,487 and US $ 167,362 respectively (30 September 2016: US $ 10,354 and US $ 178,151 respectively).

(c) Segment assets do not include deferred tax asset of US $ 129,866 (30 September 2016: US $ 154,124), financial assets and other investments of US $ 191,171 (30 September 2016: US $ 109,452), short-term deposits with bank and cash US $ 9,146 (30 September 2016: US $ 9,770), and corporate assets US $ 27,976 (30 September 2016: US $ 26,828).

(d) Segment liabilities do not include deferred tax of US $ 28,959 (30 September 2016: US $ 37,455), current tax payable US $ 454 (30 September 2016: US $ 1,313), interest-bearing current and non-current borrowings US $ 3,689,453 (30 September 2016: US $ 3,574,984), derivative liabilities US $ Nil (30 September 2016: US $ 28,717) and corporate liabilities US $ 186,277 (30 September 2016: US $ 195,710).

(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 $ 265,706 accounted for 91.01% (30 September 2016: Three customers in the power generating segment contributing revenues of US $ 243,613 accounted for 77.24%) of the total segment revenue.

14. Finance costs

Finance costs comprise:

	Consolidated		Company	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Interest expenses on loans and borrowings [1]	158,043	152,512	625	621
Other finance costs	6,409	11,047	739	860
Net loss on financial instrument at fair value through profit or loss [2]	770	2,538	-	-
Net loss on held -for-trading financial assets				
on re-measurement	3	-	-	-
Foreign exchange loss, net	-	10,821	-	2,375
Unwinding of discounts	2,137	1,233	-	-
Total	**167,362**	**178,151**	**1,364**	**3,856**

[1]Borrowing cost capitalised during the period amounting to US $ 105,364 (30 September 2016: US $ 78,105).

[2]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.

15. Finance income

The finance income comprises:

	Consolidated		Company	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Interest income				
bank deposits	1,424	3,584	-	-
loans and receivables and trade receivable	952	5,684	-	-
Dividend income	105	126	-	-
Net gain on held for trading financial assets			-	-
on disposal	122	17	-	-
on re-measurement	-	13	-	-
Unwinding of discount on security deposits	1,882	923	-	-
Foreign exchange gain, net	995	-	1,840	-
Reclassification adjustment in respect of available-for-sale instrument disposed	7	7	-	-
Total	**5,487**	**10,354**	**1,840**	-

16. Tax income / (expense)

The major components of income tax for the period ended 30 September 2017 and 30 September 2016 are:

	30 September 2017	30 September 2016
Current tax	905	(373)
Deferred tax	17,521	13,688
Tax income reported in the income statement	**18,426**	**13,315**

17. Related party transactions

Name of the related party	Nature of relationship
K&S Consulting Group Private Limited	Group ultimate parent (GUP)
Sayi Power Energy Limited	Step-up holding
Sayi Energy Ventur Limited	Parent
Sitapuram Power Limited	Joint operations
JR Power Gen Private Limited	Joint operations
VS Lignite Power Private Limited (refer note 5)	Associate (w.e.f. 29 August 2017)
Sai Wardha Power Generation Limited (refer note 5)	Associate (w.e.f. 28 April 2017)

Key management personnel and their relatives (KMP):

Name of the KMP	Nature of relationship
T L Sankar	Chairman
S Kishore	Executive Director
K A Sastry	Executive Director
S R Iyer	Director
S R Iyer	
Vladimir Dlouhy	Director
Abhay M Nalawade	Director
Keith N Henry	Director
K V Krishnamurthy	Director of parent

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

Particulars	Consolidated								Company					
	30 September 2017				30 September 2016				30 September 2017			30 September 2016		
	Joint operations	Parent / GUP	Associates	KMP	Joint operations	Parent / GUP	Associate	KMP	Subsidiaries	Parent / GUP	KMP	Subsidiaries	Parent / GUP	KMP
Transactions														
Corporate support services fees	17	-	-	-	16	-	-	-	-	-	-	-	-	-
Interest income	286	-	-	-	262	-	-	-	-	-	-	-	-	-
Interest receivable written off	5,030	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits and loans given	5	-	-	-	-	-	-	-	74	-	-	53	-	-
Inter-corporate deposits and loans refunded	-	-	-	-	-	-	-	-	106	-	-	514	-	-
Loans taken	-	-	-	-	349	5	-	-	374	-	-	1,802	5	-
Repayment of loan taken	-	1	-	-	-	-	-	-	57	1	-	29	-	-
Equity-settled share based payment	-	-	-	-	-	-	-	8	-	-	-	-	-	8
Managerial remuneration	-	-	-	325	-	-	-	335	-	-	158	-	-	175
Balances														
Interest receivable	-	-	-	-	4,384	-	-	-	-	-	-	-	-	-
Loans and inter corporate deposits receivable	1,523	801	97,904	-	1,489	776	-	-	151,075	-	-	149,130	-	-
Loans payable	375	579	-	-	616	579	-	-	82,937	174	-	82,476	184	-
Trade/Other receivable	-	-	7,328	-	17	-	-	-				-	-	-
Other payable	1,634	-	-	-	2,354	-	-	-	-	-	-	-	-	-
Guarantees given	-	-	-	-	-	-	-	-	413,351	-	-	461,553	-	-
Managerial remuneration payable	-	-	-	87	-	-	-	99	-	-	67	-	-	79

18. Commitments and contingencies

a. Capital commitments

As at 30 September 2017, the Group is committed to purchase property, plant and equipment for US $ 1,189,265 (31 March 2017: US $ 1,247,291).

b. Guarantees

- The Company has guaranteed to unrelated parties for the loans and non-fund based facilities availed by subsidiaries for US $ 213,933 (31 March 2017: US $ 217,952) and
- The Group guaranteed the performance of the joint operations 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 as disclosed in note 8.

19. 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 2017	30 September 2017	31 March 2017	31 March 2017
Non-current financial assets				
Trade and other receivables	2,995	2,995	2,717	2,717
Equity securities - available-for-sale	17,894	17,894	17,970	17,970
Loans and receivables	85,785	85,785	35,915	35,915
Derivative assets	-	-	40,297	40,297
Non-current bank deposits	12,636	12,636	9,079	9,079
Total non-current	**119,310**	**119,310**	**105,978**	**105,978**
Current financial assets				
Trade and other receivables	587,252	587,252	457,018	457,018
Equity securities - held for trading	122	122	141	141
Debt securities - held for trading	5,236	5,236	5,269	5,269
Loans and receivables	148,306	148,306	152,846	152,846
Cash and short-term deposits	103,336	103,336	105,079	105,079
Total current	**844,252**	**844,252**	**720,353**	**720,353**
Total	**963,562**	**963,562**	**826,331**	**826,331**
Non-current financial liabilities				
Trade and other payables	57,243	57,243	64,961	64,961
Loans and borrowings	3,103,413	3,103,413	3,267,005	3,267,005
Interest rate swaps	-	-	1,775	1,775
Option premium payable	-	-	12,040	12,040
Total non-current	**3,160,656**	**3,160,656**	**3,345,781**	**3,345,781**
Current financial liabilities				
Trade and other payables	606,008	606,008	648,733	648,733
Loans and borrowings	586,040	586,040	598,827	598,827
Foreign exchange forward contract	-	-	388	388
Option premium payable	-	-	7,248	7,248
Total current	**1,192,048**	**1,192,048**	**1,255,196**	**1,255,196**
Total	**4,352,704**	**4,352,704**	**4,600,977**	**4,600,977**

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 2017	30 September 2017	31 March 2017	31 March 2017
Non-current financial assets				
Loans and receivables to subsidiaries	151,075	151,075	147,002	147,002
Total non-current	**151,075**	**151,075**	**147,002**	**147,002**
Current financial assets				
Loans and receivables	87	87	87	87
Cash and short-term deposits	468	468	969	969
Total current	**555**	**555**	**1,056**	**1,056**
Total	**151,630**	**151,630**	**148,058**	**148,058**
Current financial liabilities				
Trade and other payables	2,008	2,008	1,203	1,203
Loans and borrowings	119,237	119,237	118,921	118,921
Total current	**121,245**	**121,245**	**120,124**	**120,124**

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 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Equity securities - available-for-sale	421	-	17,473	17,894
Equity securities - held for trading	122	-	-	122
Debt securities-held for trading	5,236	-	-	5,236
Total	**5,779**	**-**	**17,473**	**23,252**

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. During the period ended 30 September 2017, 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 2017	**Available-for-sale Unquoted equities**	**Total**
Opening balance	17,474	17,474
Total gains or losses:		
- in income statement	-	-
- in other comprehensive income		
change in fair value of available for sale financial asset	113	113
foreign currency translation difference	(114)	(114)
Settlements	-	-
Transfers into level 3	-	-
Closing balance	**17,473**	**17,473**

Total gains or losses for the period shown above, relates to available for sale securities held at the end of the reporting period.